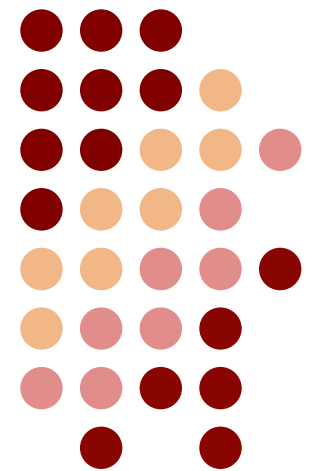
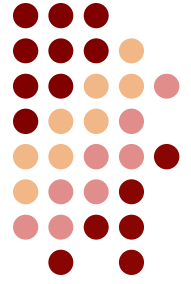


Earned Income Disallowance

Introduction



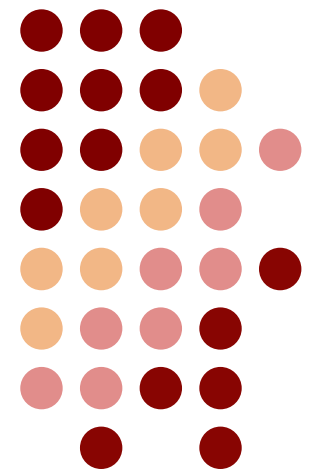


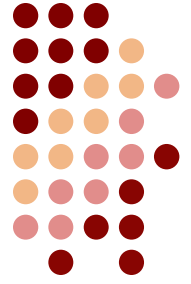
EID Training Course

- Provides detailed information about:
 - Purpose, history and importance of EID
 - Responsibilities of tenants and property managers
 - Eligibility requirements and restrictions of EID
- Intended for property and housing managers, tenants, case managers, and employment specialists.

Module 1

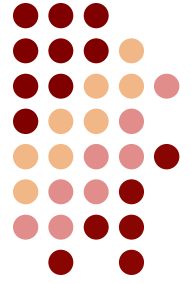
Why EID Matters





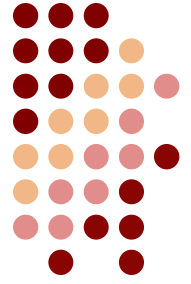
Learning Objectives

- After completing this module, you will understand:
 - What EID is
 - Why it was created
 - How it was implemented
 - Why it matters



What is EID?

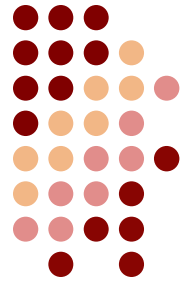
- **E**arned **I**ncome **D**isallowance *or* **D**isregard
- Allows tenants who have been out of work to go back to work without having their rent increase right away
- Targets tenants with disabilities in certain subsidized, permanent housing units **and any Public Housing tenant, with or without disabilities**



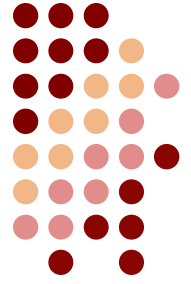
What is EID?

- Excludes 100% of increase income attributable to new earnings for a 12 months in calculating rent
- Excludes 50% of increase income attributable to new earnings for an additional 12 months

Susan: A Simple Example



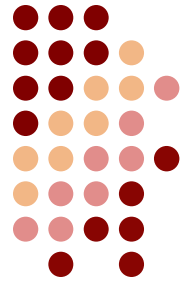
- Susan's baseline income is \$6,500 from SSDI.
- She starts a job and makes \$400 per month earning \$4,800 a year.
- Susan's new total income is \$11,300 a year.
- For the first 12 eligible months, all of Susan's earnings are disregarded and she pays rent based on her \$6,500 SSDI income.
- For the next 12 eligible months, Susan pays rent based on an income of \$8,900.



Goals of EID

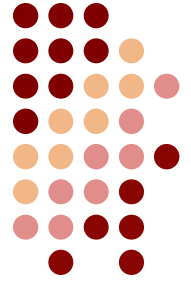
- *Motivate* tenants to return to work or to start work
- *Support* tenants' efforts to achieve financial self-sufficiency
- *Remove* disincentives for tenants to seek employment while maintaining stable housing

Importance of Employment

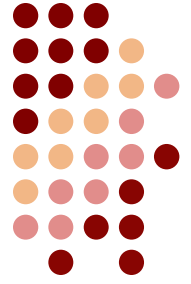


- Employment contributes positively to individuals and families by
 - Adding income and reducing dependency on public assistance
 - Providing a sense of purpose & well-being
- Employment improves communities by
 - Promoting stronger families
 - Reducing poverty and homelessness

Why is EID Important?

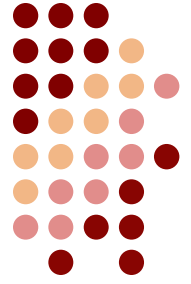


- Provides incentives to pursue employment while living in affordable housing
- Allows tenants to pay for new work-related expenses and responsibilities
- Helps tenants move toward self-sufficiency



Why is EID Important?

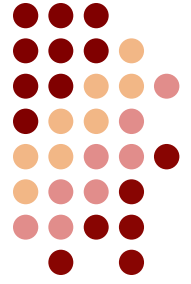
- Promotes stronger housing communities
- Helps ensure housing stability for formerly homeless families and individuals
- Prevents unwanted relocations
- Provides services staff an incentive to use with tenants when encouraging pursuit of employment



History of EID

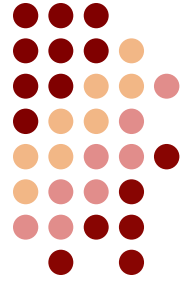
- Enacted in 1990 for Public Housing Tenants only.
- Modified by the *Quality Housing and Work Responsibility Act of 1998* (QHWRA).
- Changed rule in 2001 made people with disabilities in other specified programs (SHP, HOME, HOPWA, and Section 8 Voucher Program) eligible for EID.

Implementation Barriers of EID



- Tenants, PHAs, and property managers unaware of the benefits or confused
- Supportive services staff and advocates unaware of the benefit and its value as an incentive to tenants
- As a result, improper, slow, or no implementation

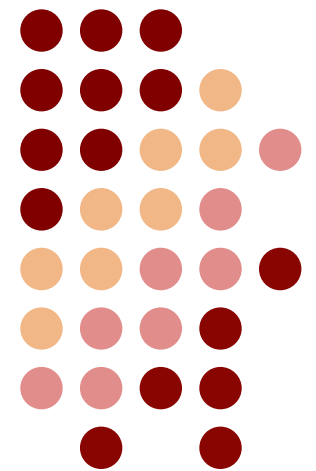
Failure to Implement



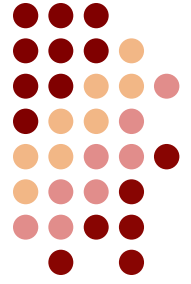
- Overall EID implementation has been poor.
- Failure to enforce EID can significantly harm tenants:
 - Loss of income for those who can least afford it
 - Barriers or disincentives to pursue employment
 - Ability to afford housing can be threatened due to increased rent, potentially leading to eviction

Module 2

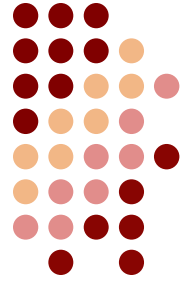
How EID Works



Learning Objectives

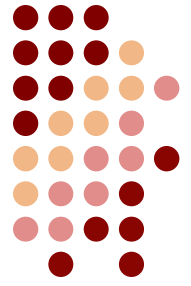


- After completing this module, you will be able to describe:
 - Terms of EID
 - Length of the benefit
 - Portability of the benefit



Terms of EID

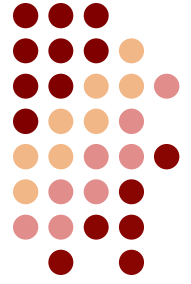
- 24 months of EID benefit
 - 12 months of rent at pre-employment levels
 - 12 more months of rent at a reduced level
- EID benefit may be used within a period of 48 months, the EID “clock”
 - One lifetime use of EID
- Rent is recalculated after 12 months and upon termination of EID



How Long is the EID Benefit?

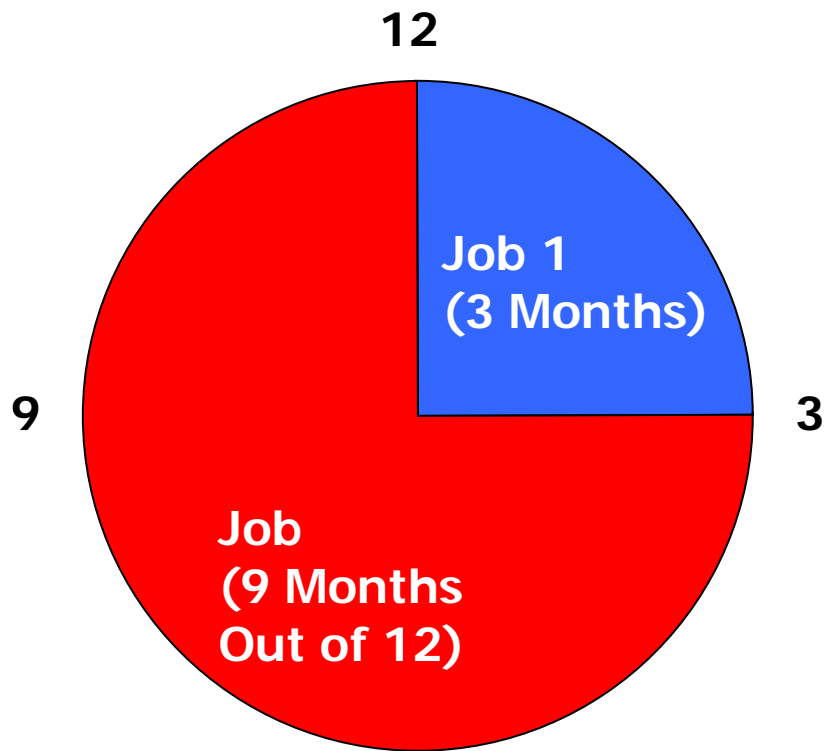
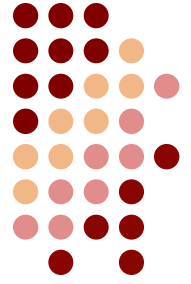
- Months of EID benefit and EID “clock” start with employment
 - If the tenant delays reporting to property manager:
 - Interim months still counted
 - No backdated refund of rent
 - If the property manager fails to properly implement EID:
 - Interim months still counted
 - Backdated refund of rent is due to tenant
 - If the tenant was not made aware of benefit:
 - Interim months still counted
 - Backdated refund of rent is due to tenant
- EID benefit months stop and start
- The benefit is portable

Case Example: Length of EID Benefit



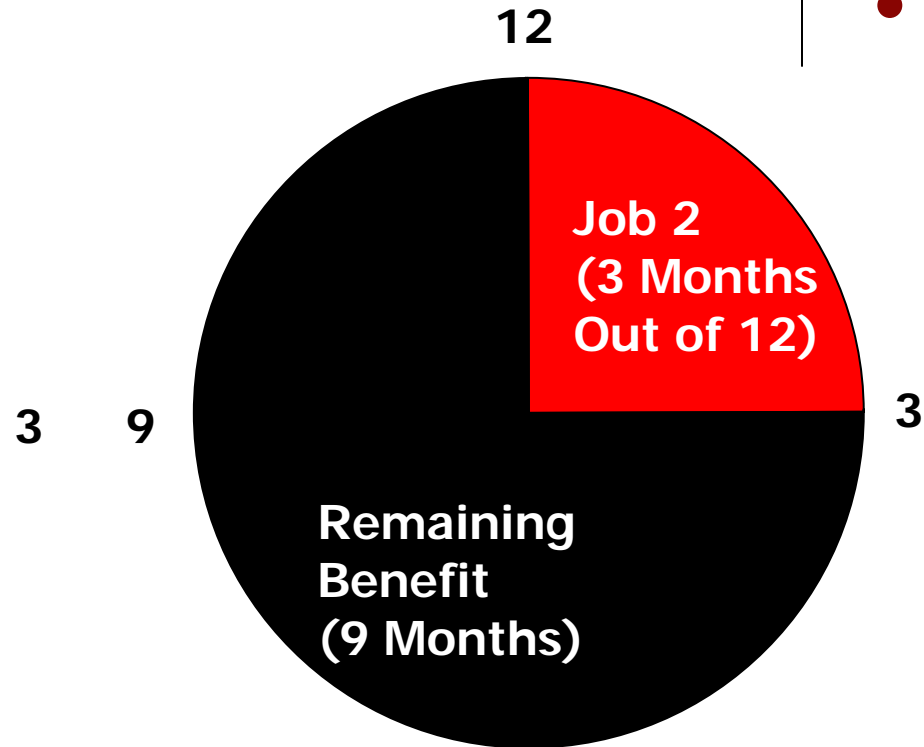
- John starts working on May 1
- Works past his first anniversary, stops in July
- Lands another job which will start in October
- Wants to know...
 - How many EID months used?
 - How many EID months remaining?
 - What percentage of income will be disallowed during the remaining months?

Case Example: Length of EID Benefit, Continued



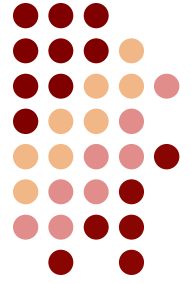
6
First 12 Months

100% of Increase in Earned
Income



6
Second 12 Months

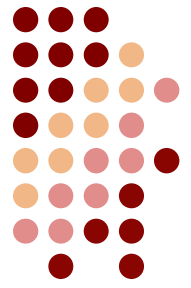
50% of Increase in Earned
Income



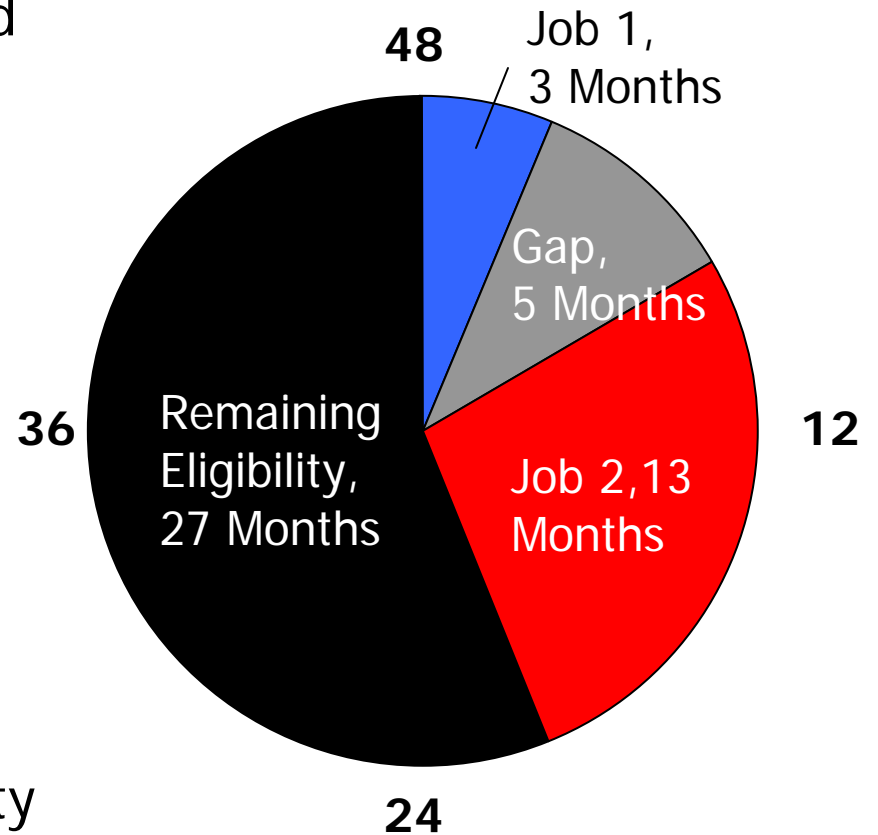
When does EID End?

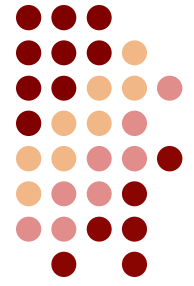
- At the end of 24 months, if both periods of eligibility are completely used
- At the end of 48 months, even if the full eligibility was not used
- The benefit may be terminated earlier if fraudulent activity by the tenant occurs.

Case Example: The 48-Month Eligibility Period



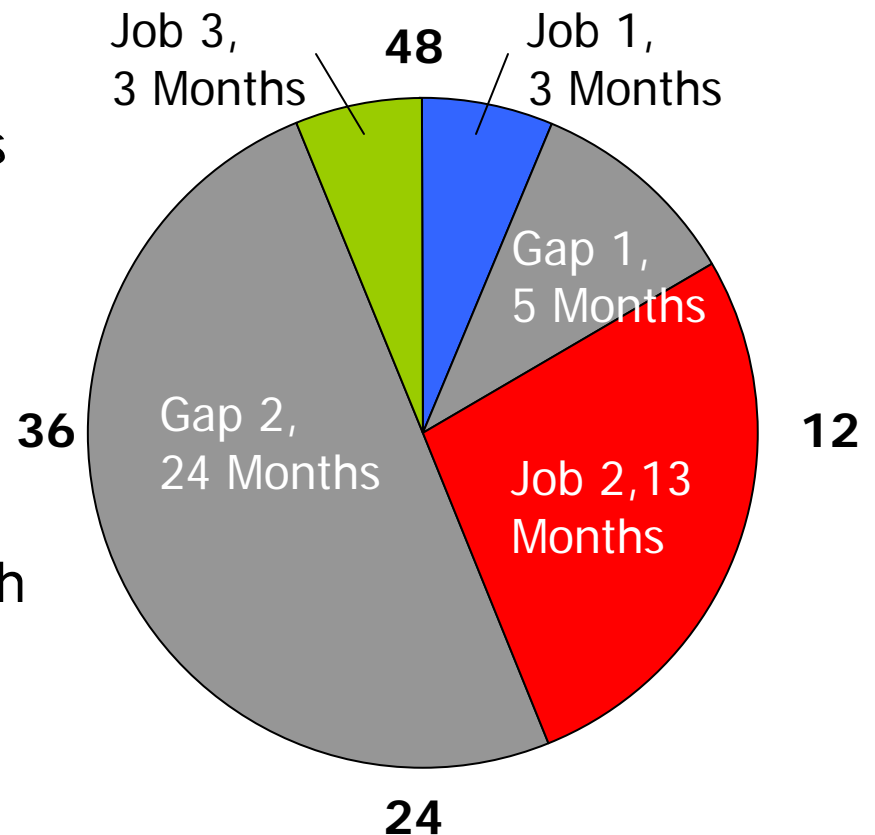
- Joan is previously unemployed and qualifies for EID.
- **October 1, 2007:** She gets a job in a local warehouse and works through December. She has now used 3 months of eligibility.
- **June 1, 2008:** Joan becomes employed again. This time, she works for 13 months. She starts her second job at the start of the ninth month of her 48-month eligibility period. At the end of the 13 months, she has used 16 months of eligibility and is 21 months into her 48-month eligibility period.



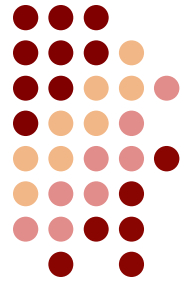


Case Example, Continued

- **July 1, 2009:** Joan stops work and does not work again for 2 years (24 months). She now has only 3 months of eligibility for EID remaining during her 48-month “window” of eligibility.
- **July 1, 2011:** Joan starts work and her income is reduced for 3 more months. She has now reached the end of her 48-month eligibility period and cannot use EID again.



What Happens if the Tenant Moves?

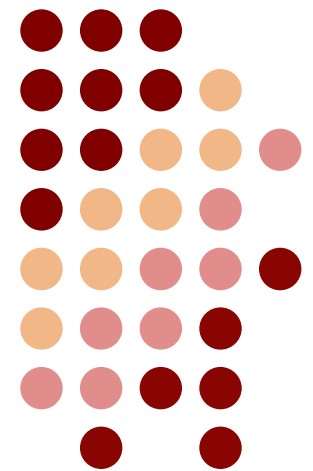


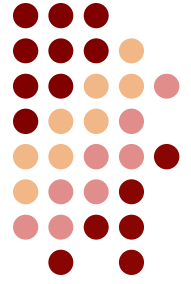
The tenant remains eligible for benefits, if:

- He or she is still within the 48-month period of eligibility, and
- The tenant has moved to other housing allowing the EID benefit.

Module 3

Roles and Responsibilities

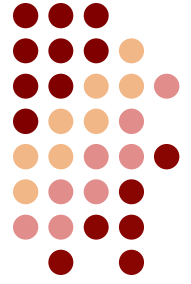




Learning Objectives

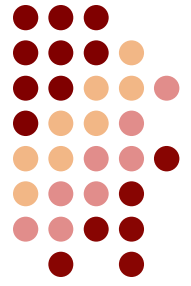
- After completing this module, you will understand:
 - Roles and responsibilities of property managers, services staff, and tenants
 - How to access or manage EID benefits

Responsibilities of the Property Manager

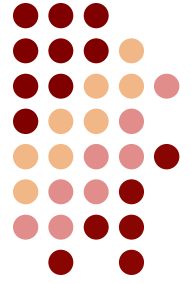


- EID is mandatory for owners/operators of the eligible housing programs.
- Property Managers must:
 - Inform tenants about EID,
 - Help eligible tenants access this benefit,
 - Manage the benefit, and
 - Monitor the benefit.

Tools for Marketing EID to Tenants



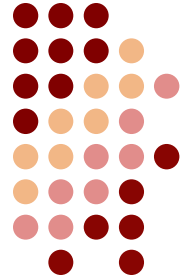
- Discuss at initial lease-up, recertification of income, and annual recertification
- Tools include:
 - Poster
 - Brochure/Tenant Insert
 - This training curriculum and related Trainer's Guide
- More information about EID at www.hudhre.info



Outreach to Tenants

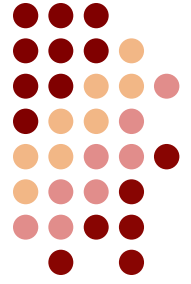
- Make information accessible to tenants within the housing community:
 - Provide regular marketing
 - Train staff about the benefit
 - Ensure services staff have accurate information
- Conduct outreach to other organizations and service professionals related to the target population.
- Outreach and training to staff at other sites

Managing EID



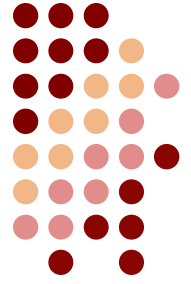
- Keep information about EID in the tenant's file:
 - Start and end dates for benefit
 - Employment dates and wages
 - Total number of months worked
 - Total used out of the total allowed
 - Income and rent calculation

Managing EID



To ensure accuracy:

- Communicate with the tenant
- Communicate with case managers, and employment specialists
- Ensure software includes EID benefit support.



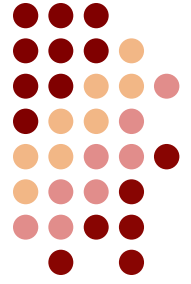
Monitoring EID

- Errors can be costly
- Consider using a standard questionnaire for maintaining accurate information on EID participants
- Work closely with any housing/human service agency



To access the **Eligibility Questionnaire**, minimize this window and select the *Eligibility Questionnaire link* from the Earned Income Disallowance page of the HRE.

Tenant Responsibilities

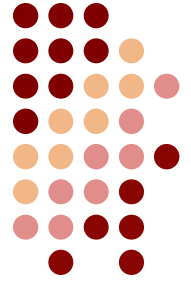


- Make an informed choice about when to access the benefit
- Inform the property manager of any changes in employment status
- Give notification of a potential change in rent status
- Correctly report wages, income, and status



To access the **EID Tenant Letters or EID Brochure**, minimize this window and select the *EID Tenant Letter* or *EID Brochure link* from the Earned Income Disallowance page of the HRE.

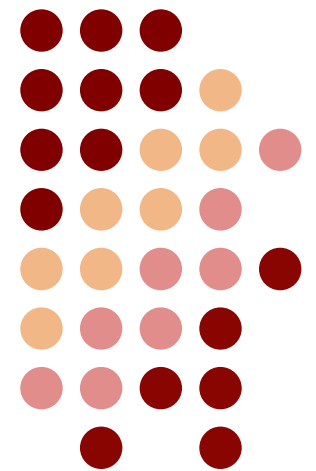
Responsibilities of Case Managers and Employment Staff

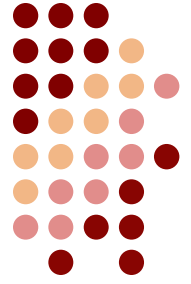


- Outreach to tenants and information dissemination
- Help tenants to:
 - Access and manage the benefit and to understand consequences of receiving the benefit
 - Plan for long-term housing and employment goals
 - Maintain financial stability

Module 4

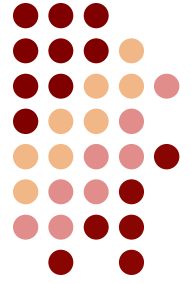
Eligibility for EID





Learning Objectives

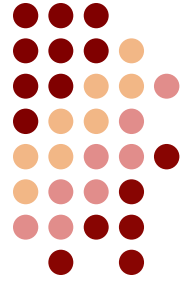
- After completing this module, you will understand the eligibility criteria for EID, including:
 - Housing
 - Income
 - Employment
 - Disability
 - Family status



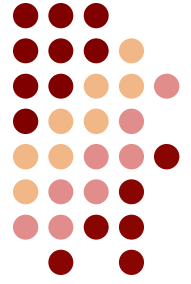
Eligibility Criteria

- Factors involved in determining eligibility for EID include:
 - Housing status
 - Disability status
 - Income and benefits
 - Employment status and related wages

What is a Qualified Family?

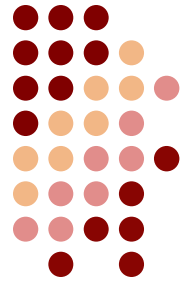


- Public Housing
 - Any family with any member whose income increased through a “qualifying event”
- Other Assisted Housing
 - Housing assisted with HOME, HOPWA, SHP, or the Housing Choice Voucher Program
 - Family income increased through a “qualifying event” attributable to a family member with a disability



Housing Requirements

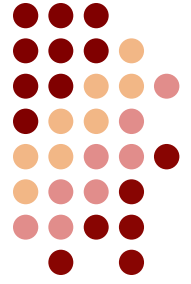
- EID recipients must meet one of the following housing requirements:
 - Live in public housing
 - Live in housing assisted with HOME, HOPWA or SHP funds (tenants with disabilities only)
 - Funds can be through rental housing or tenant-based rental assistance (TBRA)
 - Participate in the Housing Choice Voucher Program (tenants with disabilities only)



EID Does NOT Apply to:

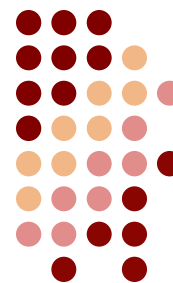
- Project Based Section 8
 - But Tenant-Based Section 8 is EID-eligible
- Low Income Housing Tax Credit Program
- Section 811 People with Disabilities Program
- Section 202
- Single Room Occupancy Mod Rehab
- Shelter Plus Care Program

Where can I learn more about these Housing Programs?



- Public Housing <http://www.hud.gov/renting/phprog.cfm>
- Home Investment Partnership Program (HOME)
<http://www.hud.gov/offices/cpd/affordablehousing/programs/home/>
- Housing for Persons with AIDS (HOPWA)
<http://www.hud.gov/offices/cpd/aidshousing/programs>
- Supportive Housing Program (SHP)
<http://www.hud.gov/offices/cpd/homeless/programs/shp/>
- Housing Choice Voucher Program
<http://www.hud.gov/offices/pih/programs/hcv/>

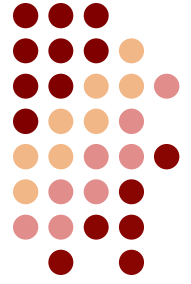
HUD Definition of Disability



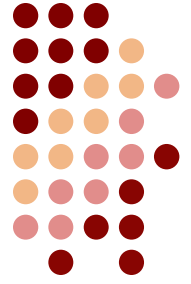
Individual must meet one of the following three criteria:

1. Has physical, mental, or emotional impairment that is characterized by all of the following:
 - Long-continued or indefinite duration
 - Impedes ability to live independently
 - Improved ability with more suitable housing conditions
2. Has a developmental disability
3. Includes persons with AIDS

SSA Definition of Disability

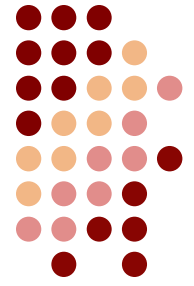


- HUD also accepts the SSA definition of disability:
 - Inability to participate in gainful activity
 - Medically-determined physical or mental impairment
 - Expected to result in death or last continuously for at least 12 months



“Qualifying Events” for EID

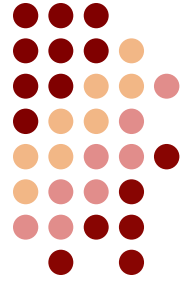
- For Public Housing Tenants - Annual Income increases:
 - Due to employment of a previously unemployed member, OR
 - When a family member participates in an economic self-sufficiency program or job training program, OR
 - Within six months of receipt of TANF payments, benefits and services worth at least \$500.



“Qualifying Events” for EID

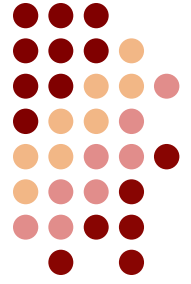
- For tenants assisted by Housing Choice Voucher, SHP, HOPWA or HOME programs, Annual Income increases:
 - Due to employment of a member **with a disability**, who was previously unemployed OR
 - When a family member **with a disability** participated in an economic self-sufficiency program or job training program, OR
 - Due to increased earnings by a person **who has a disability** who received during the past 6 months, TANF payments, benefits, and services worth at least \$500.

Economic Self-Sufficiency Program

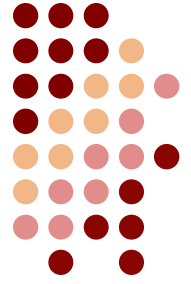


- Encourages, assists, trains or facilitates the economic independence of HUD-assisted families or provides work
- Types of programs:
 - Job training
 - English proficiency
 - Employment counseling
 - Workfare
 - Work placement
 - Finance or household management
 - Basic skills training
 - Occupational skills
 - Apprenticeship
 - Education
 - Sheltered workshop participation
 - Substance abuse
 - Mental health treatment
 - On-the-job training
 - Other job training or job readiness programs

Previously Unemployed



- Has not worked in the past 12 months,
OR
- Has earned income in the past 12 months equal to or less than 10 hours of work per week for 50 weeks at the established minimum wage



Minimum wage

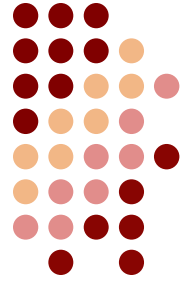
- Local, state or federal minimum wage

EXAMPLE:

Minimum wage is \$6.55

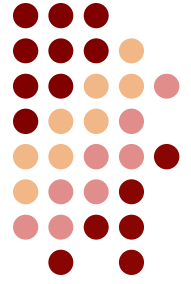
X 10 hours = \$65.50

X 50 weeks = \$3,275.00



Income Requirements

- Income increased
 - Due to employment of someone who was “previously unemployed”
 - Due to participation in an economic self-sufficiency or job training program (stipend)
 - Within six months of receiving TANF or other benefits from welfare worth at least \$500
- Note:
 - Except for residents of Public Housing, the family member whose income increased *must* be one with a disability.



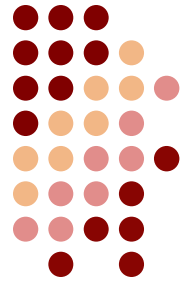
Adjusted Income

- Income exclusions defined by HUD
- Mandatory deductions must also be subtracted
- Adjusted Annual Income used for rent calculation, with or without EID
- The result is the tenant's adjusted income.



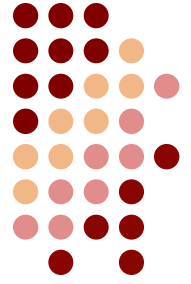
To access the **Income Exclusions**, minimize this window and select the *Income Exclusions link* from the Earned Income Disallowance page of the HRE.

Case Example: Is Richard Eligible for EID?

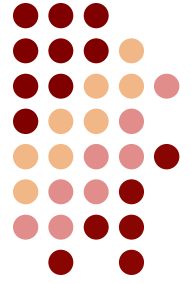


- Richard lives in permanent housing subsidized by Shelter Plus Care.
- He receives SSI and reports that he is employed earning \$9.00 per hour.
- For the past 8 months, he worked on and off earning about \$1,800, half of which was from a training program.

TANF and Qualified Families



- Annual income increases as a result of employment or earnings from a self-sufficiency or job training program
- Annual income increases during or within six months of receiving \$500 in TANF
- Except for the public housing program, the family member who has increased income must be a person with a disability

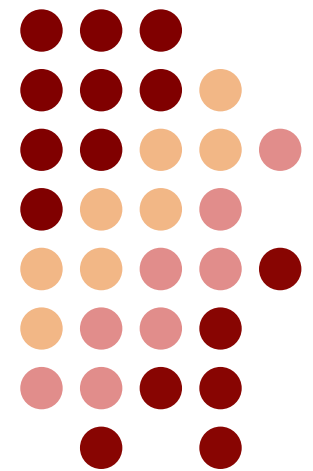


Is Marge Eligible for EID?

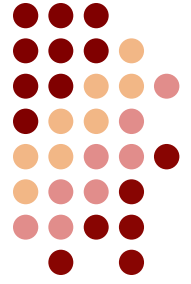
- Marge has a disability and receives HOME rental assistance
- Received \$575 per month in TANF benefits for the past ten months
- Marge begins new employment making \$700 per month

Module 5

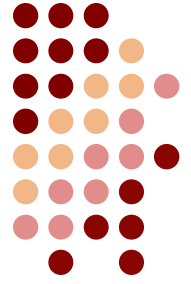
Calculating EID



Learning Objectives

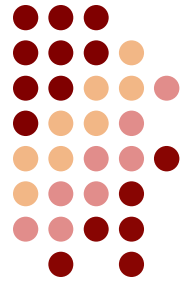


- After completing this module, you will be able to calculate EID



Calculating EID

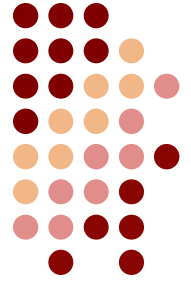
- Baseline Income (previous income)
 - Unearned and earned income prior to the start of the benefit.
 - Will not change throughout the 48 month benefit period
- Qualifying Event Income (new income)
- 100% of qualifying event income is excluded in the first 12 months
- 50% of qualifying event income is excluded in the second 12 months



Joe: A Simple Example

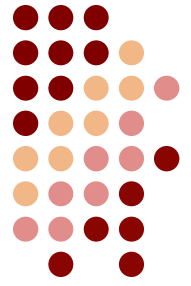
- Joe's baseline income is \$7,000
- Joe's new job pays \$3,600 per year
- Joe's new total income is \$10,600
- For the first 12 eligible months, Joe pays rent as if he had an income of \$7,000
 - $\$10,600 - (100\% \times \$3,600) = \$7,000$
- For the second 12 eligible months, Joe pays rent as if he had an income of \$8,800
 - $\$10,600 - (50\% \times \$3,600) = \$8,800$

How Much is the EID Benefit?



- The tenant's adjusted income is unique to the individual
- Qualifying event income also varies among individuals
- Not all tenants are in the same benefit period

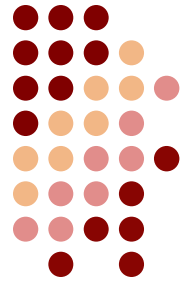
Case Example: EID for Tenants with a Disability



- John has a disability
- Lives alone in HOPWA funded supportive housing apartment.
- Receives a monthly SSI income of \$603. Pays a \$60 per month co-payment for his medication
- John has started working 15 hours a week at a job paying \$10.42 per hour



John's Rent With Only SSI Income



Annual Income

Monthly SSI x 12 months = Annual Income

$$\$603 \times 12 \text{ months} = \$7,236$$

Adjusted Income

Disability Allowance and Medication Co-Pay = Annual Deductions

$$\$400 + \$503 = \$903$$

Annual Income – Annual Deductions = Adjusted Income

$$\$7,236 - \$903 = \underline{\$6,333}$$

Rent

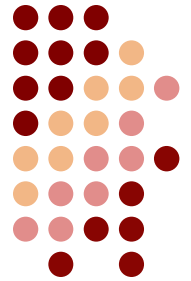
Adjusted Income ÷ 12 months = Monthly Adjusted Income

$$\$6,333 \div 12 \text{ months} = \$528$$

Monthly Adjusted Income x 30% = Monthly Rent

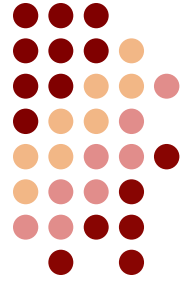
$$\$528 \times 0.30 = \underline{\$158}$$

John's SSI Adjustment for Working



- **Unearned Income Deduction + Earned Income Deduction + Medical Expenses = Total Deductions**
 $\$20 + \$65 + \$60 = \145
- **Monthly Earned Income – Total Deductions = Balance of Income**
 $\$625 - \$145 = \$480$
- **Balance of Income ÷ 2 = Reduction in SSI**
 $\$480 \div 2 = \240
- **SSI Income – SSI Reduction = Adjusted SSI Income**
 $\$603 - \$240 = \underline{\$363 \text{ per month}}$
- **SSI Annual (Unearned) Income = \$4,356**

John's Rent *without* EID



Annual Income

Earned Income + Monthly SSI x 12 months = Annual Income

$$\$625 + \$363 = \$988 \text{ per month} \times 12 = \$11,856$$

Adjusted Income

Disability Allowance and Medication Co-Pay = Annual Deductions

$$\$400.00 + \$364 = \$764$$

Annual Income – Annual Deductions = Adjusted Income

$$\$11,856 - \$764 = \$11,092$$

Rent

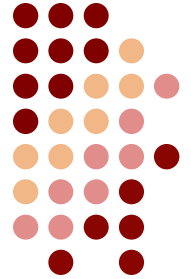
Adjusted Income ÷ 12 months = Monthly Adjusted Income

$$\$11,092 \div 12 \text{ months} = \$924$$

Monthly Adjusted Income x 30% = Monthly Rent

$$\$924 \times 0.30 = \underline{\underline{\$277}}$$

John's Rent with EID



Annual Income

Baseline Income + Increase in Income = Total Income

$$\$7,236 + \$4,620 (\$7,500 - 2,880) = \$11,856$$

Total Income – EID = Annual Income

$$\$11,856 - \$4,620 = \$7,236$$

Adjusted Income

Disability Allowance and Medication Co-Pay = Annual Deductions

$$\$400 + \$503 = \$903$$

Annual Income – Annual Deductions = Adjusted Income

$$\$7,236 - \$930 = \$6,303$$

Rent

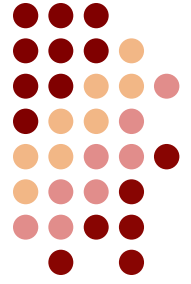
Adjusted Income ÷ 12 months = Monthly Adjusted Income

$$\$6,303 \div 12 \text{ months} = \$526.$$

Monthly Adjusted Income x 30% = Monthly Rent

$$\$526 \times 0.30 = \underline{\underline{\$158}}$$

John Benefits from Working With and Without EID



Without EID

- Rent: \$277

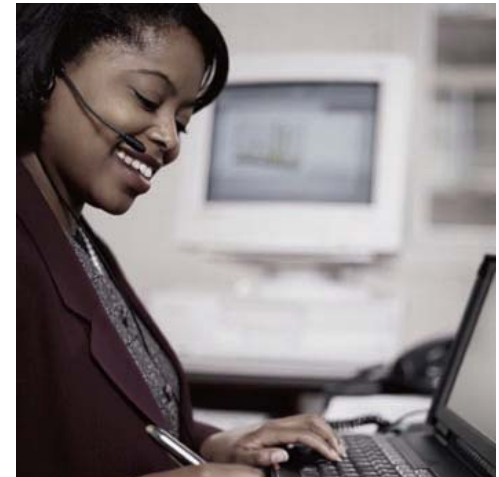
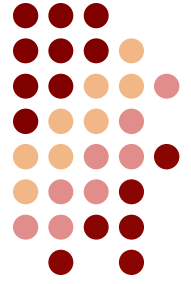
With EID

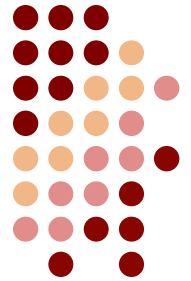
- Rent: \$158

In the first 12 EID months John saves \$1,428 in rent costs and has that much more in his pocket

Case Example: Jackie

- Jackie is a single Mom with a disability who lives with her two children in an apartment funded by HOME Tenant Based Rental Assistance
- Her children are 9 and 17 years of age
- She was on TANF for the past year and recently got a job working fulltime for \$21,000 per year
- Her son, Robert, works part-time earning \$9,000 per year





Jackie's Rent with EID

Income

Baseline Income + Increase in Income = Total Income

$$\$6,480 + \$14,520 (\$21,000 - 6,480) = \$21,000$$

Total Income – EID = Annual Income

$$\$21,000 - \$13,520 = \$6,480$$

Adjusted Income

Disability Allowance and Dependent Allowance = Annual Deductions

$$\$400 + \$960 (\$480 \times 2) = \$1,360$$

Annual Income – Annual Deductions = Adjusted Income

$$\$6,480 - \$1,360 = \$5,120$$

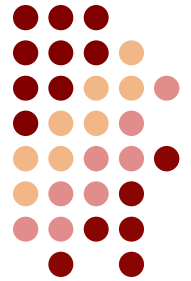
Rent

Adjusted Income ÷ 12 months = Monthly Adjusted Income

$$\$5,120 \div 12 \text{ months} = \$427$$

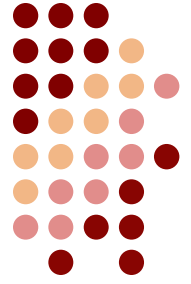
Monthly Adjusted Income x 30% = Monthly Rent

$$\$427 \times 0.30 = \underline{\underline{\$128}}$$



Case Example: Nancy

- Single parent on TANF assistance of \$4,200 for previous year
- Receives \$1,800 per year in child care assistance, enabling Nancy to work
- She enrolls in a 9-month training program, which includes a stipend of \$806 per month
- Public Housing tenant



Nancy's Income with EID

Baseline Income + Earned Income = Total Income

TANF \$4,200 + Child Support \$1,800 = \$6,000

Earned Income from Job Training

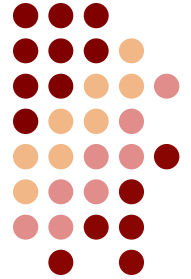
Monthly Gross Wages of \$806 x 9 months = \$7,254

Total income = \$6,000 + \$7,254 = \$13,254

Total Income – EID = Annual Income

\$13,254 - \$7,254 = \$6,000

Nancy's Rent - continued



Adjusted Income

Dependents (3) = Deductions

$$\$480.00 \times 3 = \$1,440$$

Annual Income – Deductions = Adjusted Income

$$\$6,000 - \$1,440 = \$4,560$$

Rent

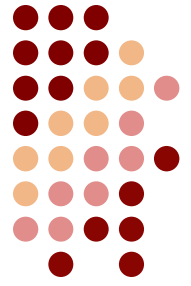
Adjusted Income ÷ 12 months = Monthly Adjusted Income

$$\$4,560 \div 12 \text{ months} = \$380$$

Monthly Adjusted Income x 30% = Monthly Rent

$$\$380 \times 0.30 = \underline{\underline{\$114}}$$

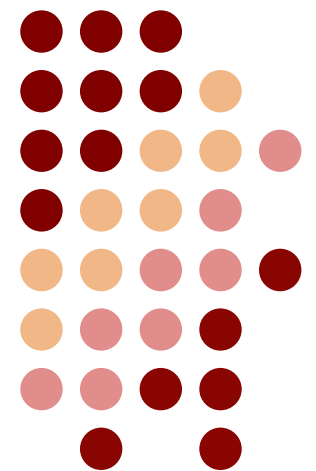
Unusual Situation: George



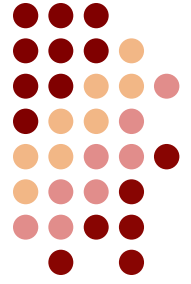
- Baseline Income \$3,600
- Earned income \$3,000
- New income is only the Earned income of \$3,000 because George lost his general assistance income of \$3,600 when he began working
- No EID

Module 6

The EID Benefit: A link between
housing and employment

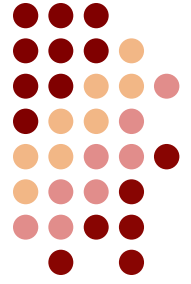


Learning Objectives

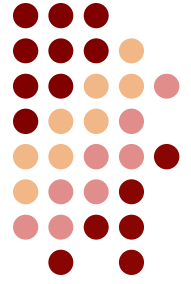


- After completing this module, you will understand:
 - The link between housing and employment
 - The importance of implementing EID
 - How to support tenant employment

Promoting Employment



- Housing as a stable platform for employment
- Improving tenant employment outcomes
- Increasing self-sufficiency



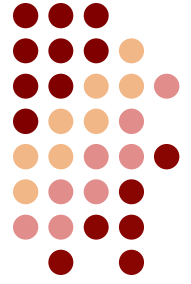
Triggering EID

- Marketing EID
- Sample tenant letter to trigger the EID benefit
- Begins when a qualified tenant begins working



To access the **Tenant Letters**, minimize this window and select the appropriate link under *Tenant Letters* from the Earned Income Disallowance page of the HRE.

Importance of Implementing EID

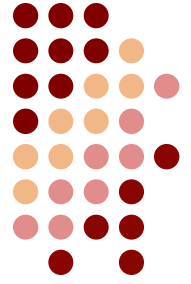


- EID is mandatory
- Keeps the owner in compliance with rules
- Offers assistance to disadvantaged populations
- Strengthens housing community



To access the **EID Documentation checklist**, minimize this window and select the *EID Documentation link* from the Earned Income Disallowance page of the HRE.

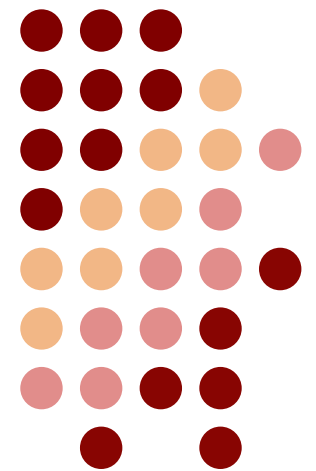
Supporting Tenant Employment



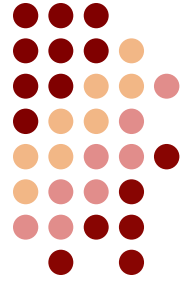
- “Vocationalizing”
- Integrated services
- Communication
- Recognition

Module 7

Resources

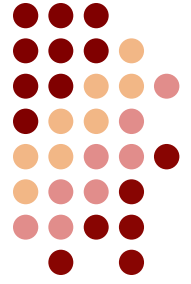


Learning Objectives



- After completing this module, you will be able to:
 - Define the terms referred to in this training
 - Know where to go for more information

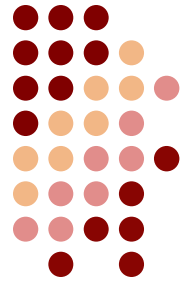
Glossary



- Annual Income...
- Adjusted Income...
- Baseline Income...

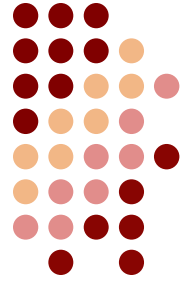


To access the **EID Glossary**, minimize this window and select the *EID Glossary link* from the Earned Income Disallowance page of the HRE.



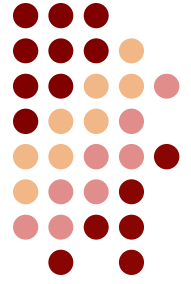
For More Information

- Federal Statutes on Rent Rules in Public Housing 42 USC § 1437a(d)
- Federal Regulations for EID in Public Housing 24 CFR §§ 960.255 and 5.617
- Federal Regulations on Treatment of Income 24 CFR 5609
- Federal Register Final Rule, January 19, 2001
- Federal Register EID Technical Amendments February 12, 2002



EID Materials

- EID Eligibility Questionnaire
- EID Income Exclusions
- EID Documentation Checklist
- EID Defining Disability Handout
- EID Brochure (Overview and Tenant Insert)
- EID Tenant Letters (For people living in public housing and for people with disabilities)
- Glossary



Website Resources

- U.S. Department of Housing and Urban Development
 - Admission and Occupancy FAQ
http://www.hud.gov/offices/pih/phr/about/ao_faq_eid.cfm
- U.S. Department of Labor
 - Minimum Wage Information
<http://www.dol.gov/esa/minwage/america.htm>