



APPENDIX A - EID

Mandated Disallowance of Incremental Increases in Annual Earned Income for Newly Employed Persons with Disabilities who are Program Participants in the Section 8 Housing Choice Voucher Program (24 CFR 5.617)

The earned income disallowance (EID) encourages people with disabilities to enter the work force by not including the full value of increases in earned income for a period of time.

Eligibility

This disallowance applies only to individuals in families already participating in the HCV program (not at initial examination). To qualify, the family must experience an increase in annual income that is the result of one of the following events:

- Employment of a family member who is a person with disabilities and who was previously unemployed for one or more years prior to employment. *Previously unemployed* includes a person who annually has earned not more than the minimum wage applicable to the community multiplied by 500 hours. The applicable minimum wage is the federal minimum wage unless there is a higher state or local minimum wage.
- Increased earnings by a family member who is a person with disabilities and whose earnings increase during participation in an economic self-sufficiency or job-training program. A self-sufficiency program includes a program designed to encourage, assist, train, or facilitate the economic independence of HUD-assisted families or to provide work to such families [24 CFR 5.603(b)].
- New employment or increased earnings by a family member who is a person with disabilities and who has received benefits or services under Temporary Assistance for Needy Families (TANF) or any other state program funded under Part A of Title IV of the Social Security Act within the past six months. If the benefits are received in the form of monthly maintenance, there is no minimum amount. If the benefits or services are received in a form other than monthly maintenance, such as one-time payments, wage subsidies, or transportation assistance, the total amount received over the six-month period must be at least \$500.

Calculation of the Disallowance

Calculation of the earned income disallowance for an eligible member of a qualified family begins with a comparison of the member's current income with his or her "prior income."

BCHA Policy

Burleigh County Housing Authority defines *prior income*, or *prequalifying income*, as the family member's last certified income prior to qualifying for the EID.

The family member's prior, or prequalifying, income remains constant (as a baseline) throughout the period that he or she is participating in the EID.

Initial 12-Month Exclusion

During the initial 12-month exclusion period, the full amount (100 percent) of any increase in income attributable to new employment or increased earnings is excluded. The 12 months are cumulative and need not be consecutive.

BCHA Policy

The initial EID exclusion period will begin on the first of the month following the date an eligible member of a qualified family is first employed or first experiences an increase in earnings.

Second 12-Month Exclusion and Phase-In

During the second 12-month exclusion period, the exclusion is reduced to half (50 percent) of any increase in income attributable to employment or increased earnings. The 12 months are cumulative and need not be consecutive.

Failure to report a job while under the 50% disregard will result in retroactive rent owed by program participant back to the date when the 50% disregard of incremental increase in earned income should have been implemented.

Lifetime Limitation

The EID has a four-year (48-month) lifetime maximum. The four-year eligibility period begins at the same time that the initial exclusion period begins and ends 48 months later. The one-time eligibility for the EID applies even if the eligible individual begins to receive assistance from another housing agency, if the individual moves between public housing and Section 8 assistance, or if there are breaks in assistance.

BCHA Policy

During the 48-month eligibility period, the PHA will schedule and conduct an interim reexamination each time there is a change in the family member's annual income that affects or is affected by the EID (e.g., when the family member's income falls to a level at or below his/her prequalifying income, when one of the exclusion periods ends, and at the end of the lifetime maximum eligibility period).

Treatment of childcare expenses during the disallowance period. When the incremental increase in income is being disallowed at 100%, the childcare expenses as a result of this employment will not be counted when calculating rent. When the incremental income increase is being disallowed at 50%, 50% of the childcare expenses as a result of this employment will be counted and 50% disallowed. When there are two disabled family members who are working and are both eligible for the disallowance of incremental income increases; when the **first** disabled family member completes the 12-month 100% disallowance and begins the 12-month 50% disallowance, the family will begin receiving deduction of 50% of the child care expenses related to the qualified employment.

A Log is kept by each technician to keep track of when the family qualified for the 100% disallowance and when they begin the 50% disallowance as these disallowances periods will not necessarily coincide with annual rent reviews.

EFFECTIVE May 9, 2016 – EID is limited to a 24-month period. Residents will be able to start and stop employment and still retain the EID, but the EID will only be available for up to 24 consecutive months from the date of the initial increase in annual income. For example, if someone becomes eligible for an EID, the 24-month period will not stop if employment ends or income declines. However, if employment is subsequently regained or income increases, the EID would again be available during the remainder of the 24-month period. After the 24-month period ends, an individual will no longer be eligible for an EID in the future.

**FAMILIES PARTICIPATING IN EID PRIOR TO MAY 9, 2016 ARE
GRANDFATHERED IN TO THE PRIOR 48 MONTH ELIGIBILITY PERIOD.**

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