

The **Nelrod** Company®

HOTMA

Deductions & Allowances Affecting Adjusted Income

Presented by Derek Antoine

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HOTMA ADJUSTED INCOME 24 CFR 5.611



DEDUCTIONS & ALLOWANCES

8. Deductions and Allowances			
8a. Total annual income: copy from 7i			\$ 8a.
Permissive Deductions			
8b. Family Member Name	No.	8c. Type of permissive deduction	8d. Amount
			\$
			\$
			\$
			\$
			\$
			\$
8e. Total permissive deductions (sum of column 8d)			\$ 8e.
If head/spouse/co-head is under 62 and no family member is disabled, skip to 8l			
8f. Medical/disability threshold: 8a X 0.10			\$ 8f.
8g. Total annual unreimbursed disability assistance expense (if no disability expenses, skip to 8k)			\$ 8g.
8h. Maximum disability allowance: If 8g minus 8f is positive or zero, put amount			\$ 8h.
	If negative and head/spouse/co-head is under 62 and not disabled, put 0		\$ 8h.
	If negative and head/spouse/co-head is elderly or disabled, copy from 8g		\$ 8h.
8i. Earnings in 7d made possible by disability assistance expense			\$ 8i.
8j. Allowable disability assistance expense: lower of 8h or 8i (if 8g is less than 8f and head/spouse/co-head elderly or disabled, copy from 8h)			\$ 8j.
8k. Total annual unreimbursed health/medical expenses (if head/spouse/co-head under 62 and not disabled, put 0)			\$ 8k.
8l. Family is eligible for medical or child care expense hardship or both?			8l.
8m. Total annual disability assistance and medical expense: 8j + 8k (if no disability expenses, copy from 8k)			\$ 8m.
8n. Medical/disability assistance deduction:	If no disability assistance expenses or if 8g is less than 8f, put 8m minus 8f (if 8m minus 8f is negative, put zero)		\$ 8n.
	If disability assistance expenses and 8g is greater than or equal to 8f, copy from 8m		\$ 8n.
8p. Elderly/disability allowance			\$ 8p.
8q. Number of dependents (people under 18, or with disability, or full-time student. Do not count head of household, spouse, co-head, foster child/adult, or live-in aide.)			8q.
8r. Allowance per dependent			\$ 8r.
8s. Dependent allowance: 8q X 8r			\$ 8s.
8t. Total annual unreimbursed child care costs			\$ 8t.
8x. Total allowances: 8e + 8n + 8p + 8s + 8t			\$ 8x.
8y. Adjusted annual income: 8a minus 8x (if 8x is larger, put 0)			\$ 8y.

FAMILY

- Includes all household members except live-in aides and foster children/adults
- Use the number of family members to calculate subsidies and payments

HOUSEHOLD

- Includes everyone who lives in the unit, as well as foster children/adults and live-in aides
- Household members are used to determine unit size

5

ELIGIBILITY FOR DEDUCTIONS & ALLOWANCES

- Persons whose incomes are not counted in the **Part 5 Definition** of annual income are not considered family members – even if they live in the same household – and cannot qualify a family for deductions or allowances when calculating adjusted income
- These include live-in aides, children of live-in aides, and foster children/foster adults

6

ADJUSTED ANNUAL INCOME

- From Annual Income, subtract total allowances and deductions to determine Annual Adjusted Income

7

PLEASE NOTE.....

- Per 2023-27.....
- PHAs must continue to follow their existing ACOPs and Admin Plans until the PHA's software is compliant with the Housing Information Portal (HIP)

8

MANDATORY DEDUCTIONS/ALLOWANCES

DEPENDENT DEDUCTION

ELDERLY/DISABLED FAMILY DEDUCTION

UNREIMBURSED REASONABLE ATTENDANT CARE AND AUXILIARY
APPARATUS EXPENSES DEDUCTION

UNREIMBURSED HEALTH AND MEDICAL CARE EXPENSES DEDUCTION

REASONABLE CHILDCARE EXPENSES DEDUCTION

9

DEPENDENT ALLOWANCE

→ **\$480** for each dependent

- ✓ \$480 Dependent Deductions will be adjusted by HUD annually for inflation (CPI-W) and rounded to the next lowest multiple of \$25

10

DEPENDENT ALLOWANCE

- Dependents are family members who are:
 - ✓ Under 18 years of age
 - ✓ A person with a disability **regardless of age**
 - ✓ A full-time student **regardless of age**
- The head of household, spouse/co-head, foster children/adults, live-in aides and families of live-in aides are **never** dependents

11

ELDERLY/DISABLED ALLOWANCE

- \$525 for any elderly/disabled household
 - ✓ The HoH, Spouse, or Co-Head is:
 - 62 years of age or older
 - A person with disabilities
 - ✓ The elderly/disabled allowance will be adjusted by HUD annually for inflation (CPI-W) and rounded to the next lowest multiple of \$25

12

UNREIMBURSED EXPENSES

HEALTH & MEDICAL CARE

- Unreimbursed Medical Expenses will now be known as "Unreimbursed Health and Medical Care Expenses," **and**
- Disability Assistance Expenses will now be known as "Unreimbursed Reasonable Attendant Care and Auxiliary Apparatus Expenses"
- ✓ Collectively unreimbursed health and medical care expenses

13

UNREIMBURSED EXPENSES

HEALTH & MEDICAL CARE

- **NEW** Definition for Health and Medical Care Expenses
 - ✓ Costs incurred for the diagnosis, cure, mitigation, treatment, or prevention of disease or payments for treatments affecting any structure or function of the body

14

UNREIMBURSED EXPENSES

HEALTH & MEDICAL CARE

- Deduction increased from **3%** to **10%**
 - ✓ Cannot exceed total household income
- Regulations provide financial hardship exemptions for eligible families due to the increase in threshold

15

TWO CATEGORIES OF HARDSHIP EXEMPTIONS

PHASED-IN RELIEF

Families already receiving a health and medical deduction based on their most recent income review **PRIOR TO** January 1, 2024

GENERAL

Families that can demonstrate that medical or disability assistance expenses increased, or hardship is result of a change in circumstances that would not otherwise trigger an interim reexam

16

CATEGORY 1 | PHASE-IN

MONTHS 1-12

PHA deducts eligible expenses exceeding 5% of the family's annual income

MONTHS 13-24

PHA deducts eligible expenses exceeding 7.5% of the family's annual income

17

CATEGORY 1 | PHASE-IN

→ 24 months after initial relief

- ✓ Hardship exemption expires
- ✓ PHA will deduct only the expenses that exceed 10% of the family's annual income, unless the family qualifies for a new exemption under category 2
 - The other deduction must be requested before the end of the 24-month transition period

18

EXAMPLE | CATEGORY 1

PRIOR TO JANUARY 1, 2024 - 3% THRESHOLD

Elderly/Disabled Household	
Annual Income	\$18,000
Medical Expense	\$4,800
Annual Adjusted Income	
Medical Expense Threshold	$\$18,000 \times 3\% = \540
Medical Expense Deduction	$\$4,800 - \$540 = \$4,260$
Elderly/Disabled Allowance	\$525
Total Adjusted Income	$\$4,260 + \$525 = \$4,785$
Annual Adjusted Income	$\$18,000 - \$4,785 = \$13,215$
Adjusted Monthly Income	$\$13,215 \div 12 = \$1,101$
TTP	$\$1,101 \times 30\% = \330

19

EXAMPLE | CATEGORY 1

YEAR 1 - 5% PHASE-IN

Elderly/Disabled Household	
Annual Income	\$18,000
Medical Expense	\$4,800
Annual Adjusted Income	
Medical Expense Threshold	$\$18,000 \times 5\% = \900
Medical Expense Deduction	$\$4,800 - \$900 = \$3,900$
Elderly/Disabled Allowance	\$525
Total Adjusted Income	$\$3,900 + \$525 = \$4,425$
Annual Adjusted Income	$\$18,000 - \$4,425 = \$13,575$
Adjusted Monthly Income	$\$13,575 \div 12 = \$1,131$
TTP	$\$1,131 \times 30\% = \339

20

EXAMPLE | CATEGORY 1

YEAR 2 - 7.5% PHASE-IN

Elderly/Disabled Household	
Annual Income	\$18,000
Medical Expense	\$4,800
Annual Adjusted Income	
Medical Expense Threshold	$\$18,000 \times 7.5\% = \$1,350$
Medical Expense Deduction	$\$4,800 - \$1,350 = \$3,450$
Elderly/Disabled Allowance	\$525
Total Adjusted Income	$\$3,450 + \$525 = \$3,975$
Annual Adjusted Income	$\$18,000 - \$3,975 = \$14,025$
Adjusted Monthly Income	$\$14,025 \div 12 = \$1,169$
TTP	$\$1,169 \times 30\% = \351

21

EXAMPLE | CATEGORY 1

YEAR 3 – 10% THRESHOLD

Elderly/Disabled Household	
Annual Income	\$18,000
Medical Expense	\$4,800
Annual Adjusted Income	
Medical Expense Threshold	$\$18,000 \times 10\% = \$1,800$
Medical Expense Deduction	$\$4,800 - \$1,800 = \$3,000$
Elderly/Disabled Allowance	\$525
Total Adjusted Income	$\$3,000 + \$525 = \$3,525$
Annual Adjusted Income	$\$18,000 - \$3,525 = \$14,475$
Adjusted Monthly Income	$\$14,475 \div 12 = \$1,206$
TTP	$\$1,206 \times 30\% = \362

22

CATEGORY 1 | PHASE-IN

- PHA must track the 24-month phase-period for each eligible family
- Phase-In must continue for families who move with continued assistance within the same housing program
- Phase-In assistance for families who treated as a new admission under a different program will depend on PHA Policy

23

CATEGORY 2 | GENERAL

- A family may request a financial hardship exemption due to increase in the unreimbursed medical expenses or a change in circumstances that would not otherwise trigger an interim reexamination
- Available regardless of whether family previously received health and medical expense deduction, are currently receiving phase-in relief, or were previously eligible for general or phase-in relief

24

CATEGORY 2 | GENERAL

- Deduction for total expenses exceeding 5% of annual income
- Relief ends (the soonest of):
 - ✓ When the circumstances that made the family eligible for the relief are no longer applicable, or
 - ✓ After 90 days
 - PHAs may extend the relief for one or more additional 90 days while the hardship condition continues

25

CATEGORY 2 | GENERAL

- Families may request hardship exemption under category 2
 - ✓ Prior to the end of the 24 months transition period
 - ✓ If determined eligible for hardship relief under category 2, the hardship relief under category 1 ends
 - The family would receive a deduction for their qualifying expenses over 5% of their annual income instead of 7.5% of annual income

26

EXAMPLE | CATEGORY 2

10% THRESHOLD

Elderly/Disabled Household	
Annual Income	\$18,000
Medical Expense	\$4,800
Annual Adjusted Income	
Medical Expense Threshold	$\$18,000 \times 10\% = \$1,800$
Medical Expense Deduction	$\$4,800 - \$1,800 = \$3,000$
Elderly/Disabled Allowance	\$525
Total Adjusted Income	$\$3,000 + \$525 = \$3,525$
Annual Adjusted Income	$\$18,000 - \$3,525 = \$14,475$
Adjusted Monthly Income	$\$14,475 \div 12 = \$1,206$
TTP	$\$1,206 \times 30\% = \362

27

EXAMPLE | CATEGORY 2

QUALIFY FOR 90-DAY RELIEF – 5%

Elderly/Disabled Household	
Annual Income	\$18,000
Medical Expense	\$4,800
Annual Adjusted Income	
Medical Expense Threshold	$\$18,000 \times 5\% = \900
Medical Expense Deduction	$\$4,800 - \$900 = \$3,900$
Elderly/Disabled Allowance	\$525
Total Adjusted Income	$\$3,900 + \$525 = \$4,425$
Annual Adjusted Income	$\$18,000 - \$4,425 = \$13,575$
Adjusted Monthly Income	$\$13,575 \div 12 = \$1,131$
TTP	$\$1,131 \times 30\% = \339

28

CATEGORY 2 | GENERAL

- PHA must establish written policies regarding the types of circumstances that qualifies a family for financial hardship under Category 2
 - ✓ Must specify when such deductions may be eligible for additional 90-day extensions

29

CHILDCARE EXPENSE DEDUCTION

- Unreimbursed reasonable childcare costs for children **under age 13**, *including foster children*, necessary to :
 - ✓ Be employed,
 - ✓ Seek employment; or
 - ✓ Further their education

30

CHILDCARE EXPENSE DEDUCTION

- If the cost is to allow a family member to work, the deduction cannot exceed the earnings included in income
- The person enabled to work **may be defined by the PHA** in ACOP/Admin Plan as the one who earns the least unless it is obvious that another household member is enabled to work

31

CHILDCARE EXPENSE DEDUCTION

- If the expense is required to further education, the PHA will consider the reasonable expense incurred while attending school and traveling to and from school
 - ✓ No income threshold for seeking employment or furthering education

32

CHILDCARE EXPENSE DEDUCTION

- Care expenses for disabled family members over the age of 12 cannot be deducted as childcare
 - ✓ May qualify as an **unreimbursed reasonable attendant care and auxiliary apparatus expense**

33

HARDSHIP EXEMPTION

CHILDCARE EXPENSE DEDUCTION

- A family may request a financial hardship exemption to continue the childcare expense deduction
- The family must demonstrate to the PHA's satisfaction:
 - ✓ Their inability to pay their rent as a result of the loss of the childcare deduction, and
 - ✓ The childcare deduction is still necessary even though the family member is no longer employed or furthering their education

34

HARDSHIP EXEMPTION

CHILDCARE EXPENSE DEDUCTION

→ Form and duration of relief

- ✓ Up to 90 days
- ✓ The exemption may be extended, at the PHA's discretion, for an additional 90-day periods based on the family's circumstances
- ✓ The PHA may terminate the hardship exemption if the PHA determines that the family no longer needs the hardship exemption

35

EXAMPLE | HARDSHIP EXEMPTION

CHILDCARE EXPENSE DEDUCTION

→ Tracy has been paying \$250 per week for her child to attend day care while she was employed. She loses her job and plans to enroll in college in 2 months. The day care has a long waiting list, and if Tracy removes her child, even temporarily, she will lose her spot in the day care and not have reliable childcare when she starts college. Continuing to pay the childcare expense while not receiving her earned income has left the family unable to pay their rent.

→ Will Tracy qualify for the Hardship Exemption? **YES**

→ If yes, for how long? **Up to 90 Days**

36

HARDSHIP EXEMPTION

CHILDCARE EXPENSE DEDUCTION

- PHA must develop policies requiring families to report change in circumstances that made family eligible for hardship exemption

37

HARDSHIP POLICY REQUIREMENTS

- PHA must establish policies on how it defines what constitutes a hardship for determining eligibility for general hardship relief for health and medical expense deductions and childcare expense hardship exemption
- Examples include:
 - ✓ Unanticipated large medical bills
 - ✓ Rent, utilities, and applicable expense exceed a certain percentage of the family's adjusted income

38

FAMILY NOTIFICATION OF HARDSHIP EXEMPTION

- The PHA must promptly notify the family in writing of the change in determination of adjusted income and the family's rent resulting from the hardship exemption
- The notice must also inform the family:
 - ✓ When the hardship exemption will begin and expire
 - ✓ Requirement for family to report if circumstances no longer exist

39

FAMILY NOTIFICATION OF HARDSHIP EXEMPTION

- PHA must promptly notify family in writing if hardship exemption is:
 - ✓ Denied; or
 - ✓ Terminated

40

REPORTING HARDSHIP EXEMPTIONS

- If the addition, removal, or updating of the Phase-In Relief, General Hardship Relief, or Childcare Hardship Exemption does not trigger an Interim Reexamination, the PHA will report it on the 50058 as:
 - ✓ Other Change, Non-Income Threshold

41



CASE STUDY

ANNUAL ADJUSTED INCOME

Family	Age	Annual Income	Unreimbursed Medical Expenses	Unreimbursed Disability Assistance Expenses	Childcare
HoH	61	\$25,000 wages	\$2,000		\$2,000 (for grandson)
Spouse (disabled)	52	\$6,000 SSI	-	\$3,500 To provide spouse attendant care to allow HoH to work	
Son	28	-	\$1,000	-	-
Grandson	4	-	-	-	-

Note: Family was NOT previously eligible for the 3% deduction.

43

8. Deductions and Allowances

8a. Total annual income: copy from 7i		\$	31,000	8a.
Permissive Deductions				
8b. Family Member Name	No.	8c. Type of permissive deduction	8d. Amount	
			\$	
			\$	
			\$	
			\$	
			\$	
			\$	
			\$	
8e. Total permissive deductions (sum of column 8d)			\$	8e.
If head/spouse/co-head is under 62 and no family member is disabled, skip to 8l				
8f. Medical/disability threshold: 8a X 0.10			\$	3,100 8f.
8g. Total annual unreimbursed disability assistance expense (if no disability expenses, skip to 8k)			\$	3,500 8g.
8h. Maximum disability allowance: If 8g minus 8f is positive or zero, put amount			\$	400 8h.
If negative and head/spouse/co-head is under 62 and not disabled, put 0			\$	8h.
If negative and head/spouse/co-head is elderly or disabled, copy from 8g			\$	8h.
8i. Earnings in 7d made possible by disability assistance expense			\$	25,000 8i.
8j. Allowable disability assistance expense: lower of 8h or 8i (if 8g is less than 8f and head/spouse/co-head elderly or disabled, copy from 8h)			\$	400 8j.
8k. Total annual unreimbursed health/medical expenses (if head/spouse/co-head under 62 and not disabled, put 0)			\$	3,000 8k.
8l. Family is eligible for medical or child care expense hardship or both?			\$	8l.
8m. Total annual disability assistance and medical expense: 8j + 8k (if no disability expenses, copy from 8k)			\$	3,400 8m.
8n. Medical/disability assistance deduction:			\$	8n.
If no disability assistance expenses or if 8g is less than 8f, put 8m minus 8f (if 8m minus 8f is negative, put zero)			\$	8n.
If disability assistance expenses and 8g is greater than or equal to 8f, copy from 8m			\$	3,400 8n.
8p. Elderly/disability allowance			\$	525 8p.
8q. Number of dependents (people under 18, or with disability, or full-time student. Do not count head of household, spouse, co-head, foster child/adult, or live-in aide.)				1 8q.
8r. Allowance per dependent			\$	480 8r.
8s. Dependent allowance: 8q X 8r			\$	480 8s.
8t. Total annual unreimbursed child care costs			\$	2,000 8t.
8x. Total allowances: 8e + 8n + 8p + 8s + 8t			\$	6,405 8x.
8y. Adjusted annual income: 8a minus 8x (if 8x is larger, put 0)			\$	24,595 8y.

CASE STUDY

ANNUAL ADJUSTED INCOME

Family	Age	Annual Income	Unreimbursed Medical Expenses	Unreimbursed Disability Assistance Expenses	Childcare
HoH	61	\$25,000 wages	\$2,000		\$2,000 (for grandson)
Spouse (disabled)	52	\$6,000 SSI	-	\$3,500 To provide spouse attendant care to allow HoH to work	
Son	28	-	\$1,000	-	-
Grandson	4	-	-	-	-

Note: Family WAS previously eligible for the 3% deduction. This is the first annual after implementation.

45

8. Deductions and Allowances

8a. Total annual income: copy from 7i			\$	31,000	8a.
Permissive Deductions					
8b. Family Member Name	No.	8c. Type of permissive deduction	8d. Amount		
			\$		
			\$		
			\$		
			\$		
			\$		
			\$		
8e. Total permissive deductions (sum of column 8d)			\$		8e.
If head/spouse/co-head is under 62 and no family member is disabled, skip to 8l					
8f. Medical/disability threshold: 8a X 0.10			\$	1,550	8f.
8g. Total annual unreimbursed disability assistance expense (if no disability expenses, skip to 8k)			\$	3,500	8g.
8h. Maximum disability allowance: If 8g minus 8f is positive or zero, put amount			\$	1,950	8h.
			\$		8h.
			\$		8h.
8i. Earnings in 7d made possible by disability assistance expense			\$	25,000	8i.
8j. Allowable disability assistance expense: lower of 8h or 8i (if 8g is less than 8f and head/spouse/co-head elderly or disabled, copy from 8h)			\$	1,950	8j.
8k. Total annual unreimbursed health/medical expenses (if head/spouse/co-head under 62 and not disabled, put 0)			\$	3,000	8k.
8l. Family is eligible for medical or child care expense hardship or both?				Y	8l.
8m. Total annual disability assistance and medical expense: 8j + 8k (if no disability expenses, copy from 8k)			\$	4,950	8m.
8n. Medical/disability assistance deduction:			\$		8n.
			\$		8n.
			\$	4,950	8n.
8p. Elderly/disability allowance			\$	525	8p.
8q. Number of dependents (people under 18, or with disability, or full-time student. Do not count head of household, spouse, co-head, foster child/adult, or live-in aide.)				1	8q.
8r. Allowance per dependent			\$	480	8r.
8s. Dependent allowance: 8q X 8r			\$	480	8s.
8t. Total annual unreimbursed child care costs			\$	2,000	8t.
8x. Total allowances: 8e + 8n + 8p + 8s + 8t			\$	7,955	8x.
8y. Adjusted annual income: 8a minus 8x (if 8x is larger, put 0)			\$	23,045	8y.

CASE STUDY

ANNUAL ADJUSTED INCOME

Family	Age	Annual Income	Unreimbursed Medical Expenses	Unreimbursed Disability Assistance Expenses	Childcare
HoH	61	\$25,000 wages	\$2,000		\$2,000 (for grandson)
Spouse (disabled)	52	\$6,000 SSI	-	\$3,500 To provide spouse attendant care to allow HoH to work	
Son	28	-	\$1,000	-	-
Grandson	4	-	-	-	-

Note: Same family, but now at their second annual after implementation.

47

8. Deductions and Allowances

8a. Total annual income: copy from 7i		\$	31,000	8a.
Permissive Deductions				
8b. Family Member Name	No.	8c. Type of permissive deduction	8d. Amount	
			\$	
			\$	
			\$	
			\$	
			\$	
			\$	
			\$	
8e. Total permissive deductions (sum of column 8d)			\$	8e.
If head/spouse/co-head is under 62 and no family member is disabled, skip to 8l				
8f. Medical/disability threshold: 8a X 0.10			\$	2,325 8f.
8g. Total annual unreimbursed disability assistance expense (if no disability expenses, skip to 8k)			\$	3,500 8g.
8h. Maximum disability allowance: If 8g minus 8f is positive or zero, put amount			\$	1,175 8h.
		If negative and head/spouse/co-head is under 62 and not disabled, put 0	\$	8h.
		If negative and head/spouse/co-head is elderly or disabled, copy from 8g	\$	8h.
8i. Earnings in 7d made possible by disability assistance expense			\$	25,000 8i.
8j. Allowable disability assistance expense: lower of 8h or 8i (if 8g is less than 8f and head/spouse/co-head elderly or disabled, copy from 8h)			\$	1,175 8j.
8k. Total annual unreimbursed health/medical expenses (if head/spouse/co-head under 62 and not disabled, put 0)			\$	3,000 8k.
8l. Family is eligible for medical or child care expense hardship or both?			\$	Y 8l.
8m. Total annual disability assistance and medical expense: 8j + 8k (if no disability expenses, copy from 8k)			\$	4,175 8m.
8n. Medical/disability assistance deduction:		If no disability assistance expenses or if 8g is less than 8f, put 8m minus 8f (if 8m minus 8f is negative, put zero)	\$	8n.
		If disability assistance expenses and 8g is greater than or equal to 8f, copy from 8m	\$	4,175 8n.
8p. Elderly/disability allowance			\$	525 8p.
8q. Number of dependents (people under 18, or with disability, or full-time student. Do not count head of household, spouse, co-head, foster child/adult, or live-in aide.)				1 8q.
8r. Allowance per dependent			\$	480 8r.
8s. Dependent allowance: 8q X 8r			\$	480 8s.
8t. Total annual unreimbursed child care costs			\$	2,000 8t.
8x. Total allowances: 8e + 8n + 8p + 8s + 8t			\$	7,180 8x.
8y. Adjusted annual income: 8a minus 8x (if 8x is larger, put 0)			\$	23,820 8y.

CASE STUDY

ANNUAL ADJUSTED INCOME

Family	Age	Annual Income	Unreimbursed Medical Expenses	Unreimbursed Disability Assistance Expenses	Childcare
HoH	61	\$0	\$2,000		\$2,000 (for grandson)
Spouse (disabled)	52	\$6,000 SSI	-	\$3,500 <i>To provide spouse attendant care to allow HoH to work</i>	
Son	28	-	\$1,000	-	-
Grandson	4	-	-	-	-

Note: After third Annual (so at 10%); HoH loses job. Family applies for childcare hardship exemption.

49

8. Deductions and Allowances

8a. Total annual income: copy from 7i		\$	6,000	8a.
Permissible Deductions				
8b. Family Member Name	No.	8c. Type of permissible deduction	8d. Amount	
			\$	
			\$	
			\$	
			\$	
			\$	
			\$	
8e. Total permissible deductions (sum of column 8d)			\$	8e.
If head/spouse/co-head is under 62 and no family member is disabled, skip to 8l				
8f. Medical/disability threshold: 8a X 0.10			\$	600 8f.
8g. Total annual unreimbursed disability assistance expense (if no disability expenses, skip to 8k)			\$	8g.
8h. Maximum disability allowance: If 8g minus 8f is positive or zero, put amount			\$	8h.
If negative and head/spouse/co-head is under 62 and not disabled, put 0			\$	8h.
If negative and head/spouse/co-head is elderly or disabled, copy from 8g			\$	8h.
8i. Earnings in 7d made possible by disability assistance expense			\$	8i.
8j. Allowable disability assistance expense: lower of 8h or 8i (if 8g is less than 8f and head/spouse/co-head elderly or disabled, copy from 8h)			\$	8j.
8k. Total annual unreimbursed health/medical expenses (if head/spouse/co-head under 62 and not disabled, put 0)			\$	3,000 8k.
8l. Family is eligible for medical or child care expense hardship or both?			Y	8l.
8m. Total annual disability assistance and medical expense: 8j + 8k (if no disability expenses, copy from 8k)			\$	3,000 8m.
8n. Medical/disability assistance deduction:			\$	2,400 8n.
If no disability assistance expenses or if 8g is less than 8f, put 8m minus 8f (if 8m minus 8f is negative, put zero)			\$	8n.
If disability assistance expenses and 8g is greater than or equal to 8f, copy from 8m			\$	8n.
8p. Elderly/disability allowance			\$	525 8p.
8q. Number of dependents (people under 18, or with disability, or full-time student. Do not count head of household, spouse, co-head, foster child/adult, or live-in aide.)				1 8q.
8r. Allowance per dependent			\$	480 8r.
8s. Dependent allowance: 8q X 8r			\$	480 8s.
8t. Total annual unreimbursed child care costs			\$	2,000 8t.
8x. Total allowances: 8e + 8n + 8p + 8s + 8t			\$	5,405 8x.
8y. Adjusted annual income: 8a minus 8x (if 8x is larger, put 0)			\$	595 8y.

PERMISSIBLE DEDUCTIONS

- Applies to PH, HCV, MOD Rehab (including SRO) Programs
- Only PHAs, not owners **may** adopt permissible deductions
- If adopted, PH and MOD Rehab Programs must adopt written policy

51

PERMISSIVE DEDUCTIONS

- Examples include, but are not limited to:
 - ✓ Excessive travel expenses, not exceeding \$25/week per family for employment/educational related travel
 - ✓ Any amount of earned income established by PHA, such as all earned income of family earned by elderly family members
 - ✓ The amount of earned by family member during a certain time period such as all income by full-time dependent students between June and August

52

PERMISSIBLE DEDUCTIONS

- Must be given to all families that qualify for them
- Are subject to federal nondiscrimination requirements, including reasonable accommodations
- Families are still required to pay at least the minimum rent established by the PHA

53

PERMISSIBLE DEDUCTIONS

- Cannot duplicate
 - ✓ Any mandatory deduction, or
 - ✓ Mandatory income exclusion

54

PERMISSIBLE DEDUCTIONS

Public Housing

- ✓ Not eligible for an increase in capital fund and operating fund formula grants

HCV, MOD REHAB, SRO

- ✓ Must have sufficient funding to cover the increased HAP costs
- ✓ Will not be eligible for an increase in HCV renewal funding

55

8. Deductions and Allowances			
8a. Total annual income: copy from 7i			\$ 8a.
Permissible Deductions			
8b. Family Member Name	No.	8c. Type of permissible deduction	8d. Amount
			\$
			\$
			\$
			\$
			\$
8e. Total permissible deductions (sum of column 8d)			\$ 8e.
If head/spouse/co-head is under 62 and no family member is disabled, skip to 8l			
8f. Medical/disability threshold: 8a X 0.10			\$ 8f.
8g. Total annual unreimbursed disability assistance expense (if no disability expenses, skip to 8k)			\$ 8g.
8h. Maximum disability allowance: If 8g minus 8f is positive or zero, put amount			\$ 8h.
	If negative and head/spouse/co-head is under 62 and not disabled, put 0		\$ 8h.
	If negative and head/spouse/co-head is elderly or disabled, copy from 8g		\$ 8h.
8i. Earnings in 7d made possible by disability assistance expense			\$ 8i.
8j. Allowable disability assistance expense: lower of 8h or 8i (if 8g is less than 8f and head/spouse/co-head elderly or disabled, copy from 8h)			\$ 8j.
8k. Total annual unreimbursed health/medical expenses (if head/spouse/co-head under 62 and not disabled, put 0)			\$ 8k.
8l. Family is eligible for medical or child care expense hardship or both?			\$ 8l.
8m. Total annual disability assistance and medical expense: 8j + 8k (if no disability expenses, copy from 8k)			\$ 8m.
8n. Medical/disability assistance deduction:	If no disability assistance expenses or if 8g is less than 8f, put 8m minus 8f (if 8m minus 8f is negative, put zero)		\$ 8n.
	If disability assistance expenses and 8g is greater than or equal to 8f, copy from 8m		\$ 8n.
8p. Elderly/disability allowance			\$ 8p.
8q. Number of dependents (people under 18, or with disability, or full-time student. Do not count head of household, spouse, co-head, foster child/adult, or live-in aide.)			8q.
8r. Allowance per dependent			\$ 8r.
8s. Dependent allowance: 8q X 8r			\$ 8s.
8t. Total annual unreimbursed child care costs			\$ 8t.
8x. Total allowances: 8e + 8n + 8p + 8s + 8t			\$ 8x.
8y. Adjusted annual income: 8a minus 8x (if 8x is larger, put 0)			\$ 8y.



57

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58