

## **EID (Earned Income Disregard)**

In February 2001 HUD approved regulations that require housing providers in certain HUD programs to disregard some or all of the earned income for tenants with disabilities. The Earned Income Disregard program allows qualified individuals and families receiving housing assistance to keep more of their income for a period of up to two years following an increase in employment income. The purpose is to assist persons with disabilities in obtaining and retaining employment, as an important step toward economic self-sufficiency.

### **1. Who qualifies for the earned income disregard?**

A disabled family receiving assistance through one of the following programs:

- HOPWA (Housing Opportunities for Persons with AIDS) TBRA
- HOME (Housing Opportunities Made Equal)
- SHP (Supportive Housing Program)
- Housing Choice Voucher (Section 8)

**The Earned Income Disregard does not apply for purposes of admission to these programs. A qualified family is not limited to a family in which the head of household. However, income that is disregarded must be from the family member with a disability.**

### **AND**

- Whose annual income increases as a result of employment of a family member who is a person with disabilities and who was previously unemployed for one or more years prior to employment; **OR**
- Whose annual income increases as a result of increased earnings by a family member who is a person with disabilities during participation in any economic self-sufficiency or other job training program; **OR**
- Whose annual income increases as a result of new employment or increased earnings of a family member who is a person with disabilities, during or within six months after receiving assistance, benefits or services under any state program for temporary assistance for needy families funded under Part A of Title IV of the Social Security Act, as

determined by the responsible entity in consultation with local agencies administering temporary assistance for needy families (TANF) and Welfare-to-Work (WTW) programs. The TANF program is not limited to monthly income maintenance, but also includes such benefits and services as one-time payments, wage subsidies and transportation assistance-provided that the total amount over a six-month period is at least \$500.

## **2. Terms of EID**

Participants in the program must be aware of the following:

- Participation in EID is based on a tenant's pre-employment income for up to 24 months. For the first 12 months, incremental earned income (as defined by law) is disregarded, and the participant's rent may remain at the pre-employment level. For the second 12 month period, 50% of earned income is disregarded for rent calculation purposes.
- Once the tenant's income is no longer eligible for EID, their income is recalculated, and the tenant's rent may increase if their income is higher than it was prior to employment.
- EID has a specific start and end point. Eligibility for EID begins when the participating tenant begins employment or paid training.
- The participant must notify their property manager of their change in earned income. If the tenant fails to notify the property manager of their income, the property manager is still required to count the months of the EID benefit, as well as the months of the 24 month EID clock from the first day of the month following the start of employment or paid training. The EID benefit period will be reduced by the amount of time elapsed between when employment begins and when the participant notifies the property manager of the change in earned income.

## **3. When does the EID benefit end?**

- At the end of two years even if the full eligibility was not completely used during that period.
- The benefit may be terminated if fraudulent activity occurs.