Tracking Earned Income Disallowance (EID)

Background of EID

HUD's **Earned Income Disallowance (EID)** (24 CFR 960.255) provides that a Public Housing tenant, or (24 CFR 5.617) for a disabled tenant in a Housing Choice Voucher program, will have the increase in family rent resulting from a qualifying new income source deferred for a period of time as an incentive for previously unemployed tenants to seek employment.

Under the original EID rule, each household member had an opportunity to use the income disregard during a one-time 48 month window for a qualifying income change. Those increase(s) in income would be disregarded 100% for the first 12 months that the new income is occurring and then at the rate of 50% for an additional period of 12 months. Each of those 12 month periods could start and stop depending on changes of employment and income but the disregard for any given family member would end at the expiration of the one-time 48 month window.

As part of HUD's recently released Final Streamlining Rule changes, the EID rule was revised in two respects. First the one-time 48 month window has been reduced to a one-time 24 month window so that the individual 12 month disregard periods must be used continuously. Second, the second 12 month disregard period can be set at a rate ranging from 50% to 100%, based on PHA policy.

The new EID rule applies to any family member starting EID for the first time with qualifying new income that occurs on or after May 8, 2016; however, any family member who has EID qualifying new income with an effective date _prior_ to May 8, 2016 will participate in EID under the terms of the old rule.

Maintaining EID Records in WinTen 2+

For the next 48 months, you may have some tenants operating under the old rule and some tenants operating under the new rule, even in the same household; as a result, WinTen 2+ will include _both_ the old and the new EID processes. You will be able to apply the old EID process to a tenant who has new income with an effective date prior to May 8, 2016. Any income change with an effective date of May 8, 2016 or later will have to use the new EID process.

If a tenant qualifies for EID, WinTen 2+ automatically calculates and applies the exclusion during the certification process. Once the certification is finalized, the system will add a record for the individual that will track the number of months the 100% and 50% exclusion has been applied.

Note: The one instance where the system can not automatically track the exclusion is when the tenant qualifies for EID through their participation in a training program. In such circumstances, the exclusion must be added manually.

In this example, the tenant has obtained employment. The first step needed is to begin the Interim or Annual Certification to enter the new income information. In this example, we will conduct an Interim reexamination.

1. From a tenant's Household screen, Click on the **Actions** button in the toolbar and choose **Start Interim Reexamination** to launch the **Begin Certification Wizard.**
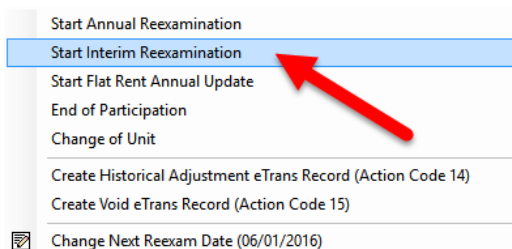
2. Confirm the **Effective Date** and **Program Type** and click **Next**.

3. Confirm the **Head of Household** and click **Next**.

4. Review the information and click **Finish** to open the *In Process* **Interim Reexamination**.

5. In this example we are going to *add* a wage/salary for the tenant. Expand panel 7. **Income** and click on the **+ Select/Add Incomes** button.

6. On the **Certification Select Screen**, click the **+ Add Household Income** button.

7. The **Person Income Wizard** opens. Confirm the **Household Member** and click **Next**.

8. Enter the **Income Type** and **Begin Date** and click **Next**.

9. Enter the **Period** and **Amount** details click **Next**.

10. On the final page of the **Person Income Wizard**, confirm the information listed and click **Finish**.

11. The system returns you to the **Certification Income Select** screen. Check the box next to the **Household Income** record you just added and click **OK**.

12. Notice that after the wage is added, the **EID Exclusion** is automatically calculated and appears in the **Income Exclusions** portion of panel 7.

13. To remove an EID exclusion manually while viewing the open certification, click the small **Actions** button at the end of the row and choose **Remove**.

14. Complete the needed certification steps, **Validate,** and **Finalize** the certification. Once the certification is finalized, the EID information is tracked on the tenant's **Person** record.

Viewing EID Records

15. Open the **Person** record for the tenant and click on the **EID** tab.

16. The system displays the **Begin Date**, a calculated **End Date**, **Prequalified Total Income,** and **Prequalified Earned Income**. To the right you can see the number of months at the full exclusion and the number of months at the phase in exclusion. As the months go by, the exclusion is tracked and will end once all the allowable months of the disallowance are used.

    Note: Since this information is maintained on the person record, if the person transfers to a different program, for example, if they move from Public Housing subsidy to Section 8 subsidy, this information moves with them.

Manually Editing, Removing, and Adding EID Records

17. To remove an EID record while viewing the **Person** record, click on the **EID** tab and click the **Delete EID** button.

18. To add a detail line for the EID, click the **+ Add Detail** button.

19. Confirm the **Begin Date, End Date, Months @ Full Exclusion**, and **Months @ Phase-In Exclusion**.

Manually Adding an EID Record

20. If you have a tenant who qualifies for EID through their participation in a training program, you must add the EID exclusion manually. Search for the **Person** record and click on the EID tab. Click the [Add EID] button.

21. Confirm the **Begin Date**, **End Date**, **Prequalified Total Income**, and **Prequalified Earned Income**. Click **Save** to save the EID record.

Adjusting Phase-In Percentage

22. To adjust the Phase-In Percentage, click inside the cell and enter the percentage amount as determined by your PHA policy.

Note: You may only enter value between 50% - 100% per HUD rules. You will receive a warning if you enter a percentage that is below 50% or above 100%.