

WHAT IS “ANNUAL INCOME”?

Annual income means all amounts monetary or not, which:

1. Go to, or on behalf of, the family head or spouse or to any other family member (even if temporarily absent); or
2. Are anticipated to be received from a source outside the family during the 12-month period following admission or annual re-examination effective date;
3. Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

TYPES OF INCOME

1. EARNED INCOME

WAGES AND RELATED COMPENSATION

The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips, and bonuses, and other compensation for personal services is included in annual income.

SOME TYPES OF MILITARY PAY

All regular pay, special pay and allowances of a member of the Armed Forces are counted except for the special pay to a family member serving in the Armed Forces who is exposed to hostile fire.

2. BUSINESS INCOME

Annual income includes “the net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciations, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family”.

3. ASSET INCOME

Annual income includes the “interest, dividends, and other net income of any kind from real or personal property”.

4. PERIODIC AND DETERMINABLE ALLOWANCES

CHILD SUPPORT

The PHA will count court-awarded amounts from alimony and child support unless the PHA verifies that (1.) the payments are not being made and (2) the family has made reasonable efforts to collect amounts due, including filing with courts or agencies responsible for enforcing payments.

REGULAR CONTRIBUTIONS OR GIFTS

The PHA must count as income regular monetary and nonmonetary contributions or gifts from persons not residing with a tenant family. Examples of regular contributions include, but are not limited to:

- REGULAR PAYMENT OF A FAMILY’S BILLS (e.g. utilities, telephone, rent, credit cards, car payments, insurance, etc.
- CASH OR OTHER LIQUID ASSETS PROVIDED TO ANY FAMILY MEMBER ON A REGULAR BASIS,
- “IN-KIND” contributions such as groceries, clothing, diapers, wipes, formula, etc. – provided to a family on a regular basis

Nonmonetary contributions will be valued at the cost of purchasing items, as determined by the PHA. For contributions that may vary from month to month (e.g. utility payments,), the PHA will include an average amount based upon past history.

5. PAYMENTS IN LIEU OF EARNINGS

Payments in lieu of earnings, such as UNEMPLOYMENT, DISABILITY COMPENSATION, WORKER’S COMPENSATIONS, and SERVERANCE PAY, are counted as income if they are received either in the form of periodic payments or in the form of a lump-sum amount or prospective monthly amounts for the delayed start of a periodic payment. If they are received in a one-time lump sum (settlement, for instance), they are treated as lump-sum receipts.