Earned Income Disallowance

Employment Pays Off!

The Earned Income Disallowance, sometimes called Earned Income Disregard or EID, is a program that allows eligible tenants to increase their income through employment without triggering rent increases. The goal of EID is to motivate people who qualify for the program to accept employment, rather than being discouraged from work by the belief that much of what they earn will be spent on higher rent.

If eligible for EID, the LHAND will disregard earnings from employment when calculating your rent for 12-24 months (depending on your program participation) in which you are employed.

An individual may qualify for EID only once in his/her lifetime. If the individual who is experiencing the increase in income previously exercised their one-time income exclusion, the individual does not qualify for EID.

If you believe you may qualify for EID, contact your Case Representative immediately.

Who is eligible?

To qualify for EID, one of the following must be true of the tenant's living situation:

1. Is a resident of State or Federal Public Housing;
2. Lives in housing subsidized through the MRVP or AHVP Program; or
3. Has a disability and either participates in the Housing Choice Voucher Program (Section 8), the Project Based Voucher (PBA) Program, the DHCD HCV Program, or lives in housing subsidized with HOME Investment Partnership Program (HOME), Housing Opportunities for Persons with AIDS (HOPWA), or Supportive Housing Program (SHP) funds.

In addition to the tenant's living situation, *one* of the following must be true of the household's *increased income:*

Federal Public Housing, Housing Choice Voucher Program (Section 8), DHCD HCV Program, HOME Investment Partnership Program (HOME), Housing Opportunities for Persons with AIDS (HOPWA), Supportive Housing Program (SHP) tenants only:

1. Income has increased as a result of the employment of a family member who was "previously unemployed," meaning that the family member has not worked at all in the past 12 months; or
2. Income has increased as a result of the employment of a family member who has worked at no more than the minimum wage (Federal, State, or local minimum wage—whichever is highest) for 500 hours or less during the past 12 months (N/A if DHCD HCV-MTW); or
3. Income of a family member increased as a result of employment during that family member's participation in an economic self-sufficiency or job training program (N/A if DHCD HCV-MTW); or
4. Income of a family member has increased as a result of employment while that family member was receiving—or within six months after receiving— welfare (TANF) payments, benefits, or services worth at least $500 (N/A if DHCD HCV-MTW).

During the 24 months after a qualified family member starts working, 100 percent of the incremental increase of that family member's income is disallowed. The incremental increase is the amount of earned income that exceeds that family member's income prior to starting date. Total time of benefit is limited to a lifetime 24-month period. The 24-month period runs consecutively regardless of gaps/breaks in employment.

State Public Housing, MRVP, AHVP tenants only:

1. Prior to employment, the household's income was derived, at least in part, from TAFDC, EAEDC, SSI, or SSDI for each of the previous 12 months; and
2. The TAFDC, EAEDC, SSI, or SSDI decreased as a result of the income from the new employment.

During the 12 months after a qualified family member starts working, 100 percent of the incremental increase of that family member's income is disallowed. The incremental increase is the amount of earned income that exceeds that family member's income prior to starting date. Total time of benefit is limited to a lifetime 12-month period. The 12-month period runs consecutively regardless of any changes or gaps/breaks in employment.