



Rent Calculation Section 8

By carefully reading and following the steps outlined in this notice, you can verify the amount of rent your family should be paying. Furthermore, whenever you encounter an income change, you can calculate the amount of the change and when it will take effect. This will enable you to control your budget and avoid retroactive charges from accumulating and adding undue stress to your budget. If you have any questions, please contact the Section 8 Administrator.

The amount of rent you pay is directly related to the amount of income received within your household. This includes all income sources for any and all family members. Social Security or child support benefits received on behalf of minor children are included as a portion of family income. Weekly/monthly income is annualized. (Multiply your weekly or monthly gross income by 52 weeks or 12 months). From this annual amount, all allowable allowances are subtracted.

1. An allowance of \$480 is allowed for each child 18 years of age and under. If a child is over 18 and a full-time student, this allowance is also allowable. Should a full-time student, over the age of 18, have a part-time job, their earned income for purposes of rent calculation is only included up to a total of \$480. An allowance for verifiable child-care expense paid by working families or families enrolled in educational or training programs, is also allowable, when said child care is necessary in order that adults in the household can engage in work/education activities.
2. Each family unit in which the head-of-household or spouse is either elderly or disabled also receives one \$400 allowance.
3. If the head-of-household or their spouse is elderly or disabled, a full allowance is granted for any qualified, paid, out-of-pocket medical expenses incurred by the family that exceeds 3% of the family's gross annual income. For example, if your gross annual income is \$10,000; all verified, out-of-pocket medical expenses in excess of \$300 will be deducted from your gross annual income prior to calculating your rent.
4. Income generated from assets owned by any family member is also included in the gross annual income amount. When assets held by a family exceed \$5,000 in total, the greater of the actual income generated, or the current passbook rate percentage (.06%) of that total, will be included in the gross income figure.

Your gross annual income less any and all allowances and exclusions will represent your adjusted annual income.

The adjusted annual income is divided by 12 months and your Total Tenant Portion (TTP) is 30% of this figure (Keep in mind there is a \$50 minimum rent). This leaves 70% of your gross annual income for other necessities and luxuries. Please remember that luxuries and other necessities do not mean too much if you have no home to keep them in. Your rent payment, which will give you a home must always be your number one priority.

Section 8 participants are also allotted a Utility allowance, which is usually deducted from the calculated TTP to determine the Family share of the rent payable to the owner. The utility allowance for Section 8 participants is based on the number of bedrooms in your unit; the type of service provided and of course is contingent upon the utility being noted in the lease as the responsibility of the tenant.

The total utility allowance allotted to the family, is added to the rent requested by the owner to determine "gross rent". If the gross rent exceeds the payment standard we currently use, the family will be responsible to pay the amount that the gross rent exceeds the payment standard by, in addition to the TTP (30%). However, if this total family payment exceeds 40% of the family's gross income, the unit is not affordable to the family and it will not be approved by the WHA.

A Payment Standard is established for each bedroom size. The payment standard is based on the Fair Market Rent (FMR) schedule released by the Department of Community Affairs (DCA) each October 1st. The payment standard utilized by each housing authority may be set between 90 and 110% of the FMR, by resolution adopted by the Board of Commissioners.

The utility allowance allotted to the family is subtracted from the total family share of rent that has been determined after calculating the subsidy standard by comparing the payment standard versus the gross rent.

When you incur a reduction in your income (with the exception of Welfare sanctioning), it will of course result in a decrease in your rent payment. Before an adjustment can be made, we must be able to verify that the lesser income will be effective for a period of **more than four (4) weeks**. Once this information is verified, we will make the appropriate adjustment for the following month. If you have a total loss of income that can be verified (i.e. termination of employment or layoff) the rent reduction will become effective on the first day of the month following the date of your income loss. This only applies if the income change is reported within 10 calendar days. Should you neglect your responsibility to report the change in the allotted time, we **will not retroactively credit your account**.

When your income increases, your rent will reflect the appropriate increase on the first day of the second month following the date you received the increase. Please note that if you receive an increase in income on January 1st, the first day of the second month following that date is March 1st. Should your increase become effective on January 25th, the first day of the second month following that date is still March 1st. Should you neglect your responsibility to report the increase in income in the allotted time, the increase in rent will be charged retroactively to your account. Should you not report the increase within 10 calendar days, the increase in rent will take effect on the 1st day of the following month rather than the 1st day of the second month following the date of the increase.

Phone calls will not be taken regarding family composition or income changes. You must submit notice in writing to the appropriate party, stating what the change in your income or family status is. The written notice must contain the reason for the increase or decrease in your income and the date the change became effective. Please include a phone number where you can be reached. You may mail or hand-deliver your written notice to the front desk at the office. It will be stamped on the date it is received and this will serve as the official date that you notified the HPHA about each particular change in your status.

Should you choose to mail your notification, we cannot and will not take responsibility for when or if the mail is delivered. We strongly suggest that notification be hand-delivered to our office. The written notification will be date stamped at the front desk. A copy will be made and given to you. This will serve as proof that you did in fact deliver notification on a specified date. We are not infallible. Should your notification be misplaced in this office, you have the stamped copy to verify that you did submit written notification regarding your change.

However, please be aware that the actual rent change cannot be effected until we are able to verify the change in income or circumstance, which requires you to physically sign the appropriate release forms, or other paperwork required to do so. Therefore, please ask when you come in to drop off your notice of change, if the appropriate party can meet with you then. We will make every effort to accommodate you.

We will do our utmost to process each rent change in an expedient manner and get the notification of the new rent amount to you in a timely manner. However, should the process be delayed for good reason, you are still responsible to pay the adjusted rent amount beginning with the month as set forth in the explanation above.

It is your responsibility to estimate and set aside the amount of additional money required to satisfy the increase, whether or not you have received the letter regarding your new rent payment prior to the date the increase takes effect.

If we work together and you report all changes as soon as they occur, you can avoid being charged with retroactive rent that may be a burden to your budget.

Please remember when you are establishing your monthly budget that housing expenses must always be your number one priority. We do not wish to see anyone become homeless because they did not properly set their priorities.

Should you find a discrepancy in the calculation of your rent, please notify this office immediately for an appointment to review your file.

If you or anyone in your family is a person with disabilities and you require a specific accommodation in order to fully utilize our programs and services, please contact the housing authority. The ADA Coordinator for the HPHA is Kathleen DiTomasso. She can be reached at (732) 634-2750 x 104.