

Employment Pays Off

HUD's Earned Income Disallowance allows tenants to go to work and keep more of their paycheck.

Overview

The Earned Income Disallowance, sometimes called Earned Income Disregard or EID, is a program that allows eligible tenants to increase their incomes 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. Also, EID participants are better able to pay for the costs of keeping employment, such as transportation and work clothing.

EID also benefits organizations that operate subsidized housing. Tenants who work strengthen housing programs by adding greater stability and bringing new resources to the community. EID helps reduce tenant turnover, potentially lowering administrative costs, and helps stabilize the program's subsidy stream, even as tenants work towards greater self-sufficiency.

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

1. Lives in Public Housing; or
2. Has a disability and either participates in the Housing Choice Voucher 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, *one* of the following must be true of the household's *increased income*:

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 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; or
2. Income of a family member increased as a result of employment during that family member's participation in any economic self-sufficiency or job training program; or
3. 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.

In the case of families participating in Section 8 Housing Choice Voucher Program or living in housing subsidized with HOME Investment Partnership Program (HOME),