

to pay a large amount of back rent all at one time.

If you believe that your rent has not been changed, talk to your manager about your concern. If you are not happy with your manager's answers, write to the manager's office to ask for a grievance hearing as soon as possible, but no later than five calendar days after your manager's decision. If you would like to talk to a lawyer about your concerns, call the **Northwestern Legal Services at 800-665-6957 or apply for services online at www.nwls.org**.

To learn what your rent would be if you lived in public housing, you can use the following steps (tenants paying their own gas and electric bills, have even lower rent):

1. **MONTHLY INCOME:** Add up the total income that you expect to receive in an average month for everyone in your home. Use the gross income (before taxes) for money from work, or net income (after expenses) from a business. If the money you earn from your job changes from one month to the next, use the average monthly wages. Don't use the income from jobs held by children under age 18 or income of a live-in aid for a disabled or elderly family member.

Add in regular payments from Social Security, SSI, welfare, child support, pensions, unemployment compensation, workers' compensation, and interest from savings accounts. But do not include regular income from food stamps, foster care payments, or LIHEAP assistance. Also, do not include lump-sum payments from Social Security,

workers' compensation, or Earned Income Tax refunds. An increase in income from employment may also be excluded from income if you were previously unemployed. This last exclusion is called the Earned Income Disregard. Ask your manager if you are eligible for Earned Income Disregard program.

The total amount of all of these items is your monthly income.

2. **ANNUAL INCOME:** Multiply your monthly income by 12.

3. **DEDUCTIONS:** Some money is taken off of your annual income to help your family pay for some basic expenses. Add all of the deductions that your family gets:

- **\$480 for each person on the lease who is either under age 18; or over 18** and a full time student; or over 18 and disabled. Do not count this for the head(s) of the house, even if she is under age 18. Do not use this deduction for foster children, either.

- **\$400 for the family** if the head of the house (or her husband) is **disabled, or over age 61**, even if (s)he is the only person in the home.

- **child care costs** for children under age 13 if the child care is needed to keep a job. If the cost of this service is more than

the income from the job, only use the amount equal to the income from the job.

- if there is a disabled or elderly family member in your home, you can add the amount of the **medical expenses** for that person (including medical insurance) **that are more than 3% of your family's annual income**. (Multiply 0.03 times your annual income (#2), subtract that amount from the medical expenses, and use the amount that is left).

Add all of the deductions for your family together.

4. **ADJUSTED ANNUAL INCOME:** Your annual income (#2) minus your deductions (#3).

5. **ADJUSTED MONTHLY INCOME:** Divide the adjusted annual income (#4) by 12.

6. **MONTHLY RENT:** Multiply the adjusted monthly income (#5) times 30% (0.30).

These steps are a guide only and do not include all of the income and deductions that will be figured in determining your rent. If you have questions about what is counted as income, or whether you will be allowed certain deductions, please talk with your manager or a lawyer. An example of how to figure rent in public housing is on the next page.

PUBLIC HOUSING RENT, Example:

Mrs. Smith and her two children, ages 7 and 10, live in public housing. Mrs. Smith works and earns \$650 a month. She receives \$100 each month in child support. She pays a baby sitter \$250 a month to care for her children after school and in the summer so that she can work. Here is how her rent is calculated:

1. Monthly Income: work..... \$650
child support... +100
MONTHLY INCOME: \$750

2. Annual Income:
monthly income (\$750 x 12) = \$9,000
ANNUAL INCOME: \$9,000

3. Deductions:
child care = \$250 per month
\$250 x 12 =\$3,000
(children under age 18)
7-year-old.....\$480
10-year-old.....+480
TOTAL DEDUCTIONS: \$3,960

4. Adjusted Annual Income:
annual income minus deductions
\$9,000 - \$3,960 = \$5,040
ADJUSTED ANNUAL INCOME: \$5,040

5. Adjusted Monthly Income:
adjusted annual income divided by 12
\$5,040 ÷ 12 = \$420
ADJUSTED MONTHLY INCOME: \$420

6. Public Housing Rent: 30% of adjusted monthly income
 $0.30 \times \$420 = \126
MONTHLY RENT: \$126

PUBLIC HOUSING RENT YOU CAN AFFORD



In public housing, tenants may pay a monthly rent that is one-twelfth of 30% of their adjusted annual income. This brochure will explain what this means and how a tenant's rent is calculated.

Tenants in public housing usually report their income to their housing managers once each year, and the manager changes the rent as needed. But, **if the amount or source of your income changes at other times** (for example, you lose your job, or you start receiving child support, etc.), **you must report the change at once to the manager**, so that your rent can also be changed. Your lease should state how much time you have to report your income changes to your manager. If your income goes up and you do not report this change to your manager, you may be asked later

Northwestern Legal Services

**Call for Service 1-800-665-6957 or
814-452-6957 In Erie Area
Or Apply Online at www.nwls.org**



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