



Massachusetts
Rental Voucher
Program
(MRVP)

ADMINISTRATIVE
PLAN TRAINING

Module #3:

Calculation of Income & Voucher Payments



April 2023

Welcome

- Welcome to the MRVP Administrative Plan training.
- Over the course of the next several months, we will conduct training sessions on commonly applied MRVP policies.
- Each session will cover a section/chapter or grouping of sections/chapters from the MRVP Administrative Plan.
- Each session and training module focuses on the application of MRVP program policies for specific program elements.

Training Curriculum & Schedule

#	Topics	Admin Plan Chapter(s)	Month
✓ 1.	<ul style="list-style-type: none"> • Training Introduction, MRVP Regulations & Governance • Eligibility, Issuance Briefing & Voucher 	Chapters 1, 4, 6	March 2023
✓ 2.	<ul style="list-style-type: none"> • Verification 	Chapters 7-8	March 2023
→ 3.	<ul style="list-style-type: none"> • Calculation of Income & Voucher Payments 	Chapter 7	April 2023
4.	<ul style="list-style-type: none"> • General Leasing Procedures & MRVP Lease Addendum 	Chapters 9-10	April 2023
5.	<ul style="list-style-type: none"> • Voucher Payment Contract • Rent Reasonableness & Rent Increases 	Chapters 11 & 12	May 2023
6.	<ul style="list-style-type: none"> • Relocation & Project Based Voucher Transfers 	Chapters 13 & 14	May 2023
7.	<ul style="list-style-type: none"> • Redetermination of Tenant Rent Share 	Chapter 16	June 2023
8.	<ul style="list-style-type: none"> • Terminations & Grievances 	Chapter 17	June 2023
9.	<ul style="list-style-type: none"> • Program Administration & Program Integrity 	Chapters 18-19	July 2023

Today's Session

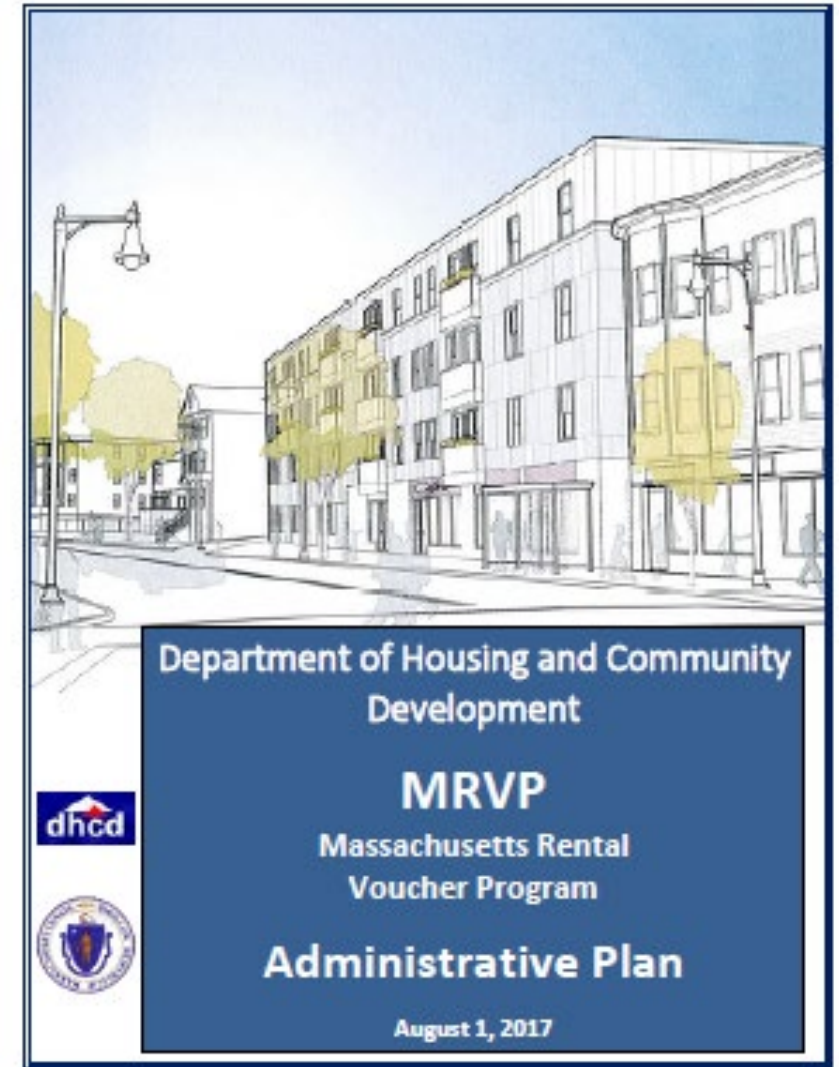
- Today's session will cover the following areas:
 - Gross Income
 - Net Income
 - Utility Allowance and Gross Rent
 - Required Household Contribution
 - Project-Based Voucher Payments
 - Mobile Voucher Payments

Today's Session

- Participants will gain an understanding of:
 - Income inclusions and exclusions for calculating gross income
 - Income deductions for calculating net income calculation
 - Applying utility allowances and determining gross rent
 - Determining required household contributions
 - Determining voucher payment amounts for project-based and mobile voucher units
- It is recommended that you have your calculator handy for today's session!

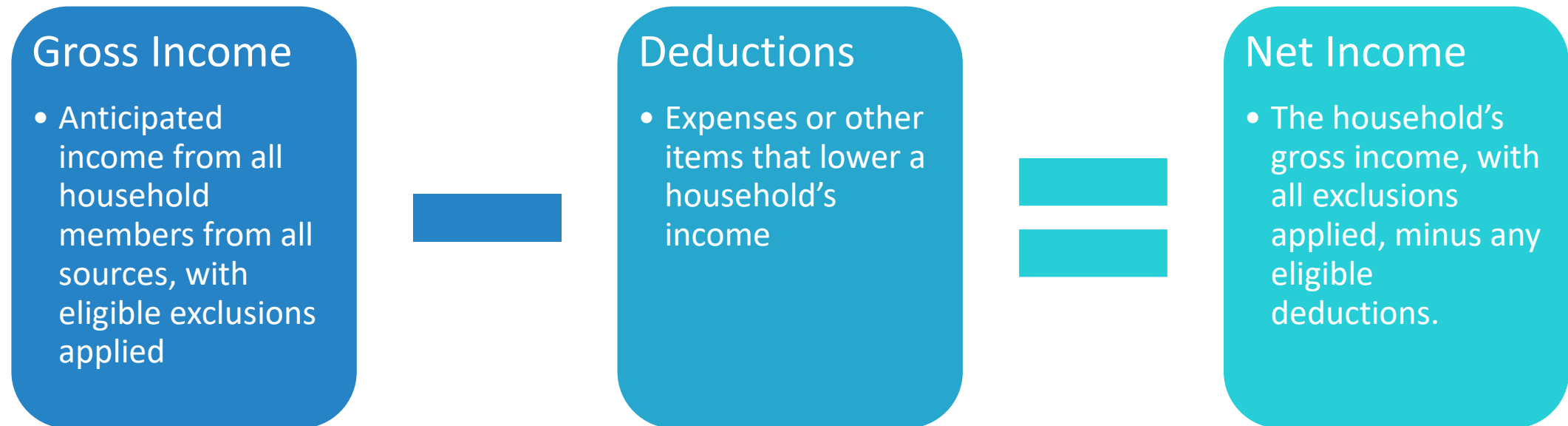
Resource Materials

- Use DHCD's MRVP Administrative Plan to ensure consistent application of policies and procedures.
- The policies we are reviewing today are generally found in Chapter 7 of the Administrative Plan.
- The goal is to know where to find the information you need and to correctly apply policies.



Overview

- In order to determine tenant rent and voucher payment amounts AAs must first collect and verify information on the household's **gross income** and **deductions** in order to determine **net income**.



Overview

- In Training Module #2 we covered how to verify and calculate income from common sources of income such as:
 - Employment, business income, SSA benefits, unemployment, other public assistance such as TANF and EAEDC, child support, alimony, contributions and gifts, and others.
- Please refer to the training materials from Module #2 and/or Chapter 8 of the MRVP Admin Plan for more information on how to verify common sources of income.
- Today's session will review common sources income and related **exclusions** from income, as well as eligible **deductions**, in order to calculate a household's **gross income** and **net income**.

But first – let's briefly review the common sources of income...

Income Source	Acceptable Documentation
Earned Income	Pay stubs
Self Employment	Tax return, Business ledger
Social Security	Annual Benefit letter
SSI or SSDI	If no other income change, annual benefit letter If income changes, benefit letter < 90 days old
SSP	Benefit letter, bank statement
Child Support & Alimony	DOR Printout (child support), notarized letter from parent paying support, personal checks, bank statements; Self-attestation only if no other verification available
TANF	Benefit letter
EAEDC	Benefit letter
Unemployment	5 check stubs w/ deductions, DUA Printout
Worker's Compensation or Other Disability Income	Benefit letter, Payment receipts
Gifts	Notarized letter from gift giver
Foster Care Payments	Payment receipts, Bank statements
Assets	Self-attestation of < \$5,000 in assets; otherwise, use account statements



Review

Brain Teaser #1



- How many pay-stubs are required for the following pay frequencies?
 - Weekly:
 - Bi-weekly:
 - Semi-monthly:
 - Monthly:

Brain Teaser #1



- How many pay-stubs are required for the following pay frequencies?
 - Weekly: **5 pay-stubs/pay periods**
 - Bi-weekly: **3 pay-stubs/pay periods**
 - Semi-monthly: **3 pay-stubs/pay periods**
 - Monthly: **2 pay-stubs/pay periods**

Brain Teaser #2



- True or False? For verification of Social Security income (that is **not** SSI, SSP, or SSDI) the AA may accept the Participant's annual benefit letter, even if it is not dated within 90 days of receipt by the AA.

Brain Teaser #2



Review

- True or False? For verification of Social Security income (that is **not** SSI, SSP, or SSDI) the AA may accept the Participant's annual benefit letter, even if it is not dated within 90 days of receipt by the AA.
 - **True**

Gross Income

ANTICIPATING INCOME

INCLUDED INCOME

EXCLUDED INCOME

Gross Income

- **Gross income** is the anticipated income from all household members from all sources, unless specifically excluded under the MRVP regulations.
- The calculation of gross income is the same for mobile vouchers as it is for project-based vouchers.
- Today's training will review ***common sources of income and exclusions***. A full and detailed list of included income is provided in Chapter 7 of the MRVP Administrative Plan.

Anticipating Income

- Gross income is the **anticipated income over 12 months** from all household members, unless specifically excluded.
- Use **recent past income** to anticipate annual income, **unless**:
 - The income changes frequently;
 - An income change is predicted and verified; or,
 - The income is seasonal.

Fluctuating vs. Predicted Income

- When income **fluctuates**, use the average income over a period longer than one year.
 - For example, use the past two years of tax returns to determine the average income.
- If income is **predicted** to change and the predicted change is verified, calculate gross income including the predicted change.
- *Include notes and document the file as needed to explain your rationale!*

Seasonal Income

- **Seasonal income** is income that is regularly received for only part of the year.
- Seasonal income shall be **annualized** to calculate anticipated annual income.
- In these cases, the tenant rent share will **not** be lowered when the participant is not working.

Seasonal Income: Example

- Alvina works for the local school district in the lunchroom. Her gross weekly pay is \$300. She does not work during the summer or school vacations and does not receive unemployment during those times. In total she works 38 weeks per year.
- Her anticipated annual income is **\$11,400 (\$300 x 38 weeks)**.
- **\$11,400** should be used when determining her eligibility and calculating her rent share and **should not be adjusted** based on whether or not she is currently working.

Gross Income Includes...

Wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services.

Income from the operation of a business or profession by each self-employed hh member

Income of any kind from real or personal property including rent, dividends, and interest.

Periodic payments received from: SSA, annuities, retirement funds, pensions, IRAs, and other similar types of retirement benefits.

Payments in lieu of earnings, such as:
Unemployment compensation, SSI, SSP, SSDI, workers' compensation, etc.

Regularly recurring contributions or gifts received from non-hh members.

Gross Income Includes...

Regular payments of cash assistance (TANF).

Payments received for the support of a minor or by a minor, such as child support, foster care, Social Security, Public assistance, etc.

Lottery winnings, gambling winnings and similar receipts

Receipts of principal and income from the trustee of a trust, and/or from the executor or administrator of an estate or from some other fiduciary.

Alimony or payment for separate support.



Earned Income

- Except where specifically excluded under MRVP regulations, include the full amount, before any payroll deductions, of the following:
 - Wages and salaries
 - Overtime pay
 - Commissions
 - Fees
 - Tips and bonuses
 - Other compensation for personal services

Income From a Business

- **Include:** Income from the operation of a business or profession by each self-employed household member
- **Exclude:** the ordinary and necessary expenses of the business or profession.
 - The deductible expenses of the business or profession shall not exceed 85% of the gross receipts of the business or profession.
 - Deductible expenses of the business or profession shall not include the rent or utilities paid for the participant's unit if the business or profession is located in the participant's unit.

Regularly Occurring Contributions

- **Include:** Regularly recurring contributions or gifts received from non-household members.
- To be regularly recurring a contribution or gift must:
 - Occur at least twice a year for two or more years; or
 - Occur once a year from year to year for two or more years if the gift is > \$2,000.

Lump Sum Payments

- **Include:** lump sum payments that would have been counted in gross income, such as wages or SSI payments, for a period when the recipient was or would be an MRVP participant.
- Only count the portion of the lump sum payment that replaces income during the time of MRVP participation.
 - For example, a household (participant since 2018) receives \$10,000 in SSI lump-sum payment to cover the period 2023 – 2024. This amount would be included in income.

Lump Sum Payments

- **Exclude:** lump sum payments that would **NOT** have been counted in gross income for a period when the recipient was or would be an MRVP participant.
 - For example, amounts received for the cost of medical care, or to compensate for personal injury or damage under health, accident or liability insurance, or worker's comp for a period before the household participated in MRVP, are excluded.

Lump Sum Payments: Example

- David Dunn applied for SSI and MRVP on March 1, 2017 and signed his first lease as an MRVP participant on **March 1, 2018**.
- David began receiving monthly SSI benefits on March 1, 2019 and also received a lump sum payment for SSI of \$14,000 on April 10, 2019.
- What period of time does the lump sum payment cover?

Lump Sum Payments

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- David began receiving monthly SSI benefits on March 1, 2019 and also received a lump sum payment for SSI of \$14,000 on April 10, 2019.
- What period of time does the lump sum payment cover?
 - **24 months: March 1, 2017- February 28, 2019**
 - **The SSI lump sum payment represents benefits he was entitled to, but had not received, from the date of his SSI application to the date he began receiving SSI benefits**

Lump Sum Payments: Example

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- What portion of the \$14,000 lump sum payment is counted at David's recertification that is effective after he receives the lump sum payment?



Lump Sum Payments: Example

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- What portion of the \$14,000 lump sum payment is counted at David's recertification that is effective after he receives the lump sum payment?
- **\$7,000**

Other Included Income

- **Include** all income of:
 - Foster children and/or adults (includes support payments for care of foster child/adult)
 - Temporarily Absent Family Members

Assets

Assets

- When determining household income:
 - **Include:** *actual income* from assets if fair market value of family assets exceeds \$5,000
 - **Exclude:** asset income, if total asset value is \$5,000 and under
- Training Module #2 covered how to verify common asset types and calculate the value of assets.

Self-Attestation of Assets



Review

- When determining household income, consider income from assets only when the total value of household assets is **over \$5,000**.
- Households may self-attest that they do not have more than \$5,000 in assets using the **Asset Self-Attestation Form**.

Calculating Income From Assets

- Determining the amount of income derived from a specific asset varies according to asset type, but is most typically any interest earned on the account.
- For example, if an applicant or participant has \$10,000 in a savings account with 0.25% interest rate then the income from the asset would be \$25.
 - \$25 is entered as income on to the calculation worksheet.
- Do not count retirement accounts when determining asset value and/or income from assets, **unless** they are receiving periodic distributions from such accounts.

Excluded Income

Gross Income does not include...

Gifts which are not regularly recurring.

Amounts which are specifically received for the cost of medical care, or which are made to compensate for personal injury or damage to or loss of property under certain insurance claims.

Amounts of educational scholarships, stipends, or financial aid for a student attending an educational institution.

Amounts paid by the United States Government to a veteran for use in paying tuition, fees, or the cost of books, to the extent that such payments are so used.

The special pay to a member of the armed forces on account of service in a war zone.

Relocation payments made pursuant to state or federal law.

Payments received from the Social Security Administration program known as the Plan to Attain Self Sufficiency (PASS).

Gross Income does not include...

The value of food stamps, fuel assistance, and other non-cash assistance.

Funds and payments received by participants or volunteers in programs such as AmeriCorps, City Year, the Segal AmeriCorps Education Award, the Domestic Volunteer Service Act of 1973, etc.

Payments for a Household member in association with participation in a bona fide program providing training for employment, approved by DHCD or sponsored or administered by a government agency.

Wages and/or salary earned by a Full-time Student, as defined by MRVP, or by an unemancipated minor or hh member under the age of 18.

Income of a live-in Personal Care Attendant (PCA), as defined by MRVP.

Inheritances and life insurance proceeds.

A return of capital on sale or transfer of an investment or of other real or personal property.



Income Exclusions

PCA Income

Full-Time
Student Earned
Income

Earned Income
of a Minor

Young Adult
Employment
Income Exclusion

Elderly
Employment
Income

Total Disability
Veterans
Compensation

Earned Income
Exclusion

Income Exclusions: Calculation Worksheet

MRVP PROJECT BASED VOUCHER PAYMENT WORKSHEET 30% of NET INCOME AND UTILITY ALLOWANCES

Date:		Staff:	
Tenant:		Owner:	
Effective Date:		Contract Rent:	
Lease Beginning Date:		Lease End Date:	
Voucher Size:		Bedroom Size:	
City/Town:		Annual/Relo/Interim:	

Family Composition	Male	Female	Earned Income Exclusion (Attach Worksheet)
Adult			Member: _____
FTS			Dates: _____ to _____
Minor			
Income Exclusions	Y	N	Elderly Earned Income Exclusion
Full-time Student ≤25			Any member age 62+, exclude any earned income up to \$15,600 (minimum wage \$15 x 20 hours x 52 weeks)
Scholarships			Young Adult Earned Income (18-20 Yrs. Old)
Stipends/Training			Only enter 50% of gross earned income.
Income of PCA			Total Disability Veterans Compensation
PASS			Exclude all federal VA benefits over \$1,800 per month.

Gross Annual Income			
Member	Type of Income	Amount	Annual
		x	=
		x	=

Deductions

Anyone Elderly/Disabled? 5% Deduction of Gross Income	Enter Y or N		=
Medical Expenses Over 3% Gross Income; Enter Total		x	=
Work-Related Day-Care Costs		x	=
Tuition & Fees non-FTS; may be HOH; vocationally related		x	=
Child Support/Alimony Payments		x	=
Personal Care Expenses for Disabled Household Member		x	=
Travel Expenses for Disabled Household Member		x	=
Total			

A. Net Annual Income	
B. Monthly Net Income	A / 12
C. Required Household Contribution	30% x B
D. Contract Rent	From Above
E. Is heat included in the rent?	Enter Y or N
F. Is electricity, not for heat, included in the rent?	Enter Y or N
G. Gross Rent	D + E + F
H. TENANT RENT SHARE	D - I
I. VOUCHER PAYMENT	G - C
J. UTILITY REIMBURSEMENT	G - C - D

PRORATION

Move In Date:		Number of Days in Unit:	
Tenant Rent Share:		Voucher Payment:	
MUST be Completed		Optional	

Excluded Income

Household Member Type	Excluded Income	Included Income
Personal Care Attendant*	<ul style="list-style-type: none">• All income, assets, and expenses.	<ul style="list-style-type: none">• N/A
Full-Time Student*	<ul style="list-style-type: none">• All earned income from employment	<ul style="list-style-type: none">• All other income**
Minor Under Age 18	<ul style="list-style-type: none">• All earned income from employment	<ul style="list-style-type: none">• All other income**

**Must meet MRVP definitions of a Personal Care Attendant (PCA) or Full-Time Student (FTS), as applicable*

***All other income may include but is not limited to income from SSA (i.e., SSI, SSDI), child support, or any other income that is received by or on behalf of a minor child or full-time student.*

Definition: Personal Care Attendant (PCA)

- A person who resides with a household member with a disability and who(se):
 - Is paid for the fair value of their services to a household member with a disability
 - Income is not available for the needs of any household member;
 - Provides necessary assistance in activities of daily living to such a household member insofar as they require such assistance on due to their disability;
 - Is not obligated for support of the household member; and
 - Would not be residing in the unit except to provide such necessary assistance to the Household member.

Personal Care Attendant (PCA)

Revised 2017

To be placed on AA letterhead

Personal Care Attendant (PCA) Certification

Applicant/Participant Name: _____

Name of PCA: _____

Address: _____

City / Town: _____ State: _____ Zip: _____

Cell Phone: _____ Home Phone: _____

Email: _____

To be considered a Personal Care Attendant (PCA), you must be able to check each box below:

- ☐ I am paid a fair value for my services.
- ☐ My income is not available to support any Household member.
- ☐ I provide necessary assistance in activities of daily living for the above captioned Applicant/Participant.
- ☐ I would not be living with the disabled person except to provide supportive services.
- ☐ I am not obligated for financial support of the disabled person needing my care.
- ☐ I have no rights to the unit, I am not a party to the lease, and I cannot become a remaining family member for continued occupancy.
- ☐ Only upon prior written approval from _____ may any family members move into the unit with me.
- ☐ I must vacate the apartment immediately upon termination of my role as a PCA.

I hereby certify that I understand and accept MRVP's policies related to Personal Care Attendants. I certify that the above information is true and correct. I understand that a criminal record screening will be conducted. If I do not pass the criminal record screening, I will not be approved as a Personal Care Attendant.

Signature of Personal Care Attendant

Date

- Note: a PCA may be a relative of a household member, as long as all the other requirements (as noted on the previous slide) are true.
 - If the requirements to be a PCA are met, then their income would be excluded as long as they continue to serve as the PCA.
- AAs may use the PCA certification form to certify the information, eligibility, and requirements of the PCA.

Definition: Full-Time Student (FTS)

- A household member age 18-25, who is:
 - The dependent of another household member (not the head of household);
 - Enrolled in and attending an accredited educational or vocational institutional; and
 - Is carrying a course load that is considered full-time for students under the standards and practices of the institution.
- Note: a household member may be defined as a full-time student according to their educational institution; **however, may not meet the definition of full-time student as defined by MRVP.**



Partial Exclusions

Household Member Type	Excluded Income	Included Income
Household Member age 18-20 that is <u>not</u> a FTS or the Head of Household (Young Adult)	<ul style="list-style-type: none">• Half of all earned income from employment	<ul style="list-style-type: none">• Half of earned income from employment
Elderly Household Member	<ul style="list-style-type: none">• Earned income from employment, but shall not exceed the total amount which would have been earned by a person working 20 hours per week at minimum wage	<ul style="list-style-type: none">• Any amount of earned income that exceeds the excluded amount.
Disabled, Unemployable Veteran (must have a service-related disability)	<ul style="list-style-type: none">• Benefits paid by the VA over \$1,800 per month	<ul style="list-style-type: none">• First \$1,800 of VA monthly benefits paid

Earned Income Exclusion

- The Earned Income Exclusion is a benefit that is available to MRVP households **one time** during the term of their MRVP participation.
- The purpose of the Earned Income Exclusion is to enable households who have been receiving certain types of public assistance (such as TANF, EAEDC, SSI, or SSDI) to obtain earned income without an immediate increase in their tenant rent share.

Earned Income Exclusion

- To be eligible for the EIE, the household:
 - Must have been an MRVP participant for at least 12 months;
 - Must have received income from TANF, EAEDC, SSI or SSDI for the past 12 months;
 - Must have had an increase in earned income, that has caused a decrease in income from TANF, EAEDC, SSI or SSDI;
 - Is not otherwise facing termination of any of these public benefits for another reason; and
 - Would have an increase in Tenant Rent Share if the increase in earned income AND the decrease in benefits were included in the household's gross income.

Earned Income Exclusion

- The EIE begins on the effective date of the recertification or reexamination at which the increased income would have been counted.
- A household participating in the EIE is eligible to have the EIE applied for one continuous 12-month period, regardless of any changes or gaps in employment during that period.
 - If a household loses income during the EIE period and no longer benefits from the EIE, they will not be able to receive the exclusion again, even if the 12-month period has not fully elapsed.
 - The exclusion may not be increased throughout the 12-month period if the household's income subsequently increases after the effective date of the recertification where the exclusion began.

Earned Income Exclusion

- AAs must use the **Earned Income Exclusion Worksheet** to determine if a household qualifies for the EID and if so, the amount of the exclusion.
- This can be found as Exhibit 7.1 of the MRVP Admin Plan.

Earned Income Exclusion Worksheet

(to be permanently placed in Participant's file)

The Earned Income Exclusion allows a Household to exclude an increase in earned income under certain circumstances. The Household can exclude any increase in earned income over the Household's previous gross income, if all of the statements below are true. [760 CMR 49.05(5)(c)(10)(a-c)]

Check the boxes below if the following statements are true:

- ☐ Any Household member has received income from any eligible program(s) during the past 12 months.
- ☐ Any Household member received income from any eligible program(s) during all 12 of the past 12 months.
- ☐ The Household has had an increase in earned income.
- ☐ The increase in earned income has caused a decrease in income from an eligible program(s).
- ☐ The Tenant Rent Share would go up if the increase in earned income AND the decrease in benefits were included in the Household's gross income.
- ☐ No member of the Household has ever used the Earned Income Exclusion before.

Eligible Programs

TANF: Temporary Assistance to Needy Families

EAEDC: Emergency Assistance to the Elderly, Disabled and Children

SSI: Supplemental Security Income

SSDI: Social Security Disability Income

If ALL of the boxes above are checked, the Household qualifies for the Earned Income Exclusion. The Household must approve the use of the Earned Income Exclusion. Use the following chart to calculate the amount excluded from the Household's gross income.

		Annual \$
A	Gross income at last recertification or interim recertification	<i>Rent Worksheet</i> \$
B	Previous Earned Income (if any)	<i>Rent Worksheet</i> \$
C	New Gross Income (without Earned Income Exclusion)	\$
D	New Earned Income	\$
E	Increase in Total Gross Income	<i>C minus A</i> \$
F	Increase in Earned Income	<i>D minus B</i> \$
G	Earned Income Exclusion	<i>Lesser of E and F</i> \$

The amount in Box G is the Household's Earned Income Exclusion.

- This amount may be deducted from the Household's gross annual income for up to 12 consecutive months, starting on the Effective Date of the recertification or interim reexamination.
Beginning Date: Enter Beginning Date End Date: Enter End Date
- The Earned Income Exclusion cannot be increased, even if:
 - The Household has a further increase in earned income or a decrease in benefits;
 - The Household has new employment and is paid at a higher rate; or
 - The Household has a break in employment and has since found new employment.
- The Earned Income Exclusion may be decreased if the Household's circumstances change, but may not be subsequently increased for any reason.

Deductions & Net Income

Net Income

- Net income is the gross annual income (with all exclusions applied) minus those **deductions** applicable to the family.
- There are 7 deductions that may apply to a MRVP household.

Income Deductions

Elderly/Disabled
Deduction

Medical
Expenses
Deduction

Care Deduction

Support
Payments
Deduction

Tuition
Deduction

Personal Care
Deduction

Travel Deduction

Note that there is no longer a heat deduction under MRVP. Instead, the tenant rent share for both mobile and project-based vouchers now factors in a utility allowance (which we will discuss in later slides)

Deductions: Calculation Worksheet

44	Deductions				
45	Anyone Elderly/Disabled? 5% Deduction of Gross Income	Enter Y or N	<input type="text"/>	=	\$0
46	Medical Expenses Over 3% Gross Income; Enter Total	<input type="text"/>	x 12	=	\$0
47	Work-Related Day-Care Costs	<input type="text"/>	x 52	=	\$0
48	Tuition & Fees non-FTS; may be HOH; vocationally related	<input type="text"/>	x 1	=	\$0
49	Child Support/Alimony Payments	<input type="text"/>	x 12	=	\$0
50	Personal Care Expenses for Disabled Household Member	<input type="text"/>	x 1	=	\$0
51	Travel Expenses for Disabled Housedhold Member	<input type="text"/>	x 1	=	\$0
52			Total		\$0

Elderly/Disabled Deduction

- A deduction of 5% of the household's gross income applies if:
 - The HOH is at least 62 years old; or,
 - Any household member, including the HOH, is disabled.

Brain Teaser #3

- Ayo is the Head of Household and is 62 years old. His gross income is \$15,000. What is his deduction?
 - a) \$0 (not eligible for the deduction)
 - b) \$750
 - c) \$7,500
 - d) \$10,000

Brain Teaser #3

- Ayo is the Head of Household and is 62 years old. His gross income is \$15,000. What is his deduction?
 - a) \$0 (not eligible for the deduction)
 - b) \$750**
 - c) \$7,500
 - d) \$10,000

Brain Teaser #4

- Shelagh works as a full-time receptionist and her gross income is \$35,000 per year. Her 10-year-old son is disabled and receives \$8,652 per year in SSI payments. Her Household's gross income is \$43,652. What is her deduction?
 - a) \$0 (not eligible for the deduction)
 - b) \$433
 - c) \$1,750
 - d) \$2,183

Brain Teaser #4

- Shelagh works as a full-time receptionist and her gross income is \$35,000 per year. Her 10-year-old son is disabled and receives \$8,652 per year in SSI payments. Her Household's gross income is \$43,652. What is her deduction?
 - a) \$0 (not eligible for the deduction)
 - b) \$433
 - c) \$1,750
 - d) **\$2,183**

Medical Expense Deduction

- Deduct all medical expenses **over 3% of the household's gross annual income.**
- Use the household's actual expenditures in the past, such as over the past year, to determine future expenditures to use in the calculation of net income.
- Medical expenses include all expenses that are not covered by insurance or are otherwise unreimbursed from any source.
- The household does not need to have either elderly or disabled members to receive the deduction.

IRS Publication 502

- Generally, AAs shall follow IRS Publication 502, Medical and Dental Expenses, to determine what medical expenses can be deducted.
- The publication is updated annually. A new version should be obtained and used each year. The current version can be found at <https://www.irs.gov/pub/irs-pdf/p502.pdf>



Department of the Treasury
Internal Revenue Service

Publication 502 Cat. No. 15002Q

Medical and Dental Expenses

For use in preparing
2022 Returns



Get forms and other information faster and easier at:

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Feb 6, 2023

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Future Developments

For the latest information about developments related to Pub. 502, such as legislation enacted after it was published, go to [IRS.gov/Pub502](https://www.irs.gov/pub502).

What's New

Standard mileage rate. The standard mileage rate allowed for operating expenses for a car when you use it for medical reasons is 18 cents a mile from January 1, 2022, through June 30, 2022, and 22 cents a mile from July 1, 2022, through December 31, 2022. See [Transportation](#) under *What Medical Expenses Are Includible*, later.

Health coverage tax credit (HCTC). The HCTC was not extended. The credit is not available after 2021. If you are an eligible trade adjustment assistance (TAA) recipient, an alternative TAA recipient, a reemployment TAA recipient or a Pension Benefit Guaranty Corporation payee, then you will no longer use Form 8885 before completing Schedule A, line 1.

Medical Expense Deduction

- MRVP generally follows IRS Publication 502 to determine what medical expenses are allowable, with the exception that households may deduct expenses for:
 - Service, assistance and support animals (not just guide dogs and service animals); and
 - Medical marijuana that has been prescribed in accordance with state law.

Medical Expense Deduction

- Only verified expenses paid for by the tenant are included in the deduction.
 - If the tenant provides a bill that includes a portion paid for by insurance, only use the portion paid for by the tenant.
- For recurring expenses, each expense must have documentation that shows payment.
- Monthly insurance premiums paid by the tenant should be annualized.

Eligible Expenses

- Eligible Expenses include:
 - Costs of diagnosis, cure, mitigation, treatment, or prevention of disease and the costs for treatments affecting any part or function of the body;
 - Expenses must be primarily to alleviate or prevent a physical or mental defect or illness;
 - Expenses must have been paid for in the previous year (within 12 months of when the verifications are received), but they can be incurred earlier;
 - Amounts paid for prescribed medicines and drugs.
 - A bill or invoice for the expenses alone is not sufficient; it must show payment of the expense.

Ineligible Expenses

- Ineligible expenses include:
 - Any portion of expenses that have been paid for by insurance or other reimbursement;
 - Expenses that are a benefit to general health such as vitamins (unless accompanied by a prescription or doctor's note) or a vacation; and
 - Except for insulin, do not include in medical expenses amounts paid for a drug that is not prescribed.

Calculating Medical Expense Deduction

- Include all qualified, unreimbursed expenses that have been paid in the previous year.
- Medicare and medical insurance premiums – calculate monthly premiums and annualize.

Medical Expense Deduction: Calculation Worksheet

- When entering amounts on the calculation worksheet, enter the total medical expense amount. The worksheet will deduct the 3% of gross income for you.

44	Deductions				
45	Anyone Elderly/Disabled? 5% Deduction of Gross Income	Enter Y or N		=	\$0
46	Medical Expenses Over 3% Gross Income; Enter Total		x 12	=	\$0
47	Work-Related Day-Care Costs		x 52	=	\$0
48	Tuition & Fees non-FTS; may be HOH; vocationally related		x 1	=	\$0
49	Child Support/Alimony Payments		x 12	=	\$0
50	Personal Care Expenses for Disabled Household Member		x 1	=	\$0
51	Travel Expenses for Disabled Housedhold Member		x 1	=	\$0
52			Total		\$0

35		Unemployment		x	52	=	\$0
36		Pension, etc.	\$1,500.00	x	12	=	\$18,000
37		Veteran's Benefits		x	12	=	\$0
38		Worker's Comp		x	12	=	\$0
39		Interest, Dividends		x	1	=	\$0
40		Other		x	1	=	\$0
41		Other		x	1	=	\$0
42				x	12	=	\$0
43				Total			\$18,000
44	Deductions						
45	Anyone Elderly/Disabled? 5% Deduction of Gross Income	Enter Y or N		=			\$0
46	Medical Expenses Over 3% Gross Income; Enter Total	\$2,500.00	x	1	=		\$1,960
47	Work-Related Day-Care Costs		x	52	=		\$0
48	Tuition & Fees non-FTS; may be HOH; vocationally related		x	1	=		\$0
49	Child Support/Alimony Payments		x	12	=		\$0
50	Personal Care Expenses for Disabled Household Member		x	1	=		\$0
51	Travel Expenses for Disabled Household Member		x	1	=		\$0
52			Total				\$1,960
55	A. Net Annual Income						
56	B. Monthly Net Income						
		A / 12					\$1,337

Gross annual income

Total Annual Medical Expenses

$$\text{\$18,000} \times 3\% = \text{\$540}$$

$$\text{\$2,500} - 540 = \text{\$1,960}$$

Net annual income

$$\text{\$18,000} - \text{\$1,960} = \text{\$16,040}$$

Care Deduction

- Deduct payments for the care of children ages 12 or under or of a sick or incapacitated household member if the care is necessary so that another household member who would otherwise have provided the care, can be employed.

Support Payments

- Deduct payments for the support of a minor child, spouse, or ex-spoused, who does not live in the household.
- Payments must be made under court order or court-approved agreement.

Tuition Deduction

- Deduct non-reimbursable payments for tuition and fees for vocationally related, post-secondary education for a household member. Post-secondary is generally after high school.
- Tuition deduction is **NOT** applicable to FT students as defined by MRVP; however, it **IS** applicable for:
 - Part-time students, and
 - Full-time students over the age of 25.

Excluded earned income = No tuition deduction

Included earned income = Tuition deduction

- **Vocationally related** means education that is directly related to a specific career and may include universities, colleges, trade schools and vocational schools.



Personal Care Deduction

- Deduct non-reimbursable payments for reasonable and necessary housekeeping or personal care services for a disabled household member.
- The disabled household member must be unable to perform the housekeeping or personal care tasks due to a disability.
- No other household member may be reasonably available to perform the services.

Travel Deduction

- Deduct travel expenses, in excess of the cost of the least expensive available transportation, for a household member with a disability.
- The disabled household member must be unable to use the least expensive available transportation due to their disability.
- The transportation must be used for necessary activities, which cannot be performed by another household member.
- Note that full transportation costs to **medical** appointments can be a **medical deduction**. (This includes doctor, therapy, gym, if part of medical diagnosis.)

Net Income

- No deduction may be more than the household's gross income.
- A household's net income cannot be less than zero.

Brain Teaser #5

- True or False? Stephen O'Neil pays court-ordered child support of \$450/month for his son Andre. Andre does not live with Stephen. The child support payments are deductible.
- True or False? Alan Greene pays alimony of \$225/month to his ex-wife Monica, who lives with him.

Brain Teaser #5

- True or False? Stephen O'Neil pays court-ordered child support of \$450/month for his son Andre. Andre does not live with Stephen. The child support payments are deductible.
- **True**
- True or False? Alan Greene pays alimony of \$225/month to his ex-wife Monica, who lives with him.

Brain Teaser #5

- True or False? Stephen O'Neil pays court-ordered child support of \$450/month for his son Andre. Andre does not live with Stephen. The child support payments are deductible.
- **True**
- True or False? Alan Greene pays alimony of \$225/month to his ex-wife Monica, who lives with him.
- **False. Since Monica lives with Alan, the alimony payments are not deductible for Alan. The alimony payments would also not be considered income for Monica.**

Brain Teaser #6

- Elizabeth Juarez is 67 years old and is not disabled. She pays \$100/week for a housekeeper. Is this expense deductible?
- William Goodman is disabled and lives alone. He pays \$250/week for a home health aide to assist him with showering. Is this expense deductible?

Brain Teaser #6

- Elizabeth Juarez is 67 years old and is not disabled. She pays \$100/week for a housekeeper. Is this expense deductible?
- **No. The personal care deduction applies for care for a disabled household member only.**
- William Goodman is disabled and lives alone. He pays \$250/week for a home health aide to assist him with showering. Is this expense deductible?

Brain Teaser #6

- Elizabeth Juarez is 67 years old and is not disabled. She pays \$100/week for a housekeeper. Is this expense deductible?
- **No. The personal care deduction applies for care for a disabled household member only.**
- William Goodman is disabled and lives alone. He pays \$250/week for a home health aide to assist him with showering. Is this expense deductible?
- **Yes.**

Brain Teaser #7

- Jeri is a sole-household member with a mobility disability. The only grocery store in the area is 5 miles away and does not provide or participate in a delivery service. Jeri goes grocery shopping once per week so she can have fresh produce. She cannot take the bus because the nearest stop to her house is too far for her with her walker. Instead, she takes an Uber to/from the store, at a cost of \$10 roundtrip per week.
- Does Jeri qualify for a travel deduction, and if so, what is the annual amount?

Brain Teaser #7

- Jeri is a sole-household member with a mobility disability. The only grocery store in the area is 5 miles away and does not provide or participate in a delivery service. Jeri goes grocery shopping once per week so she can have fresh produce. She cannot take the bus, which is \$2.00 each way, because the nearest stop to her house is too far for her with her walker. Instead, she takes an Uber to/from the store, at a cost of \$10 roundtrip per week.
- Does Jeri qualify for a travel deduction, and if so, what is the annual amount? **Yes.**
- **\$10/week for Uber minus \$4/week for the RT bus cost = \$6/week.
\$6/week x 52 weeks = \$312/year**

5 Minute Break

Calculation of Net Income

- Congratulations! You now know how to calculate net household income for MRVP using gross income (accounting for any income exclusions) and eligible deductions.
- The calculation of net income is the same for both mobile and project-based MRVP participants.



Calculation of Tenant Rent and Voucher Payments

- Now that we have calculated net income, in order to calculate tenant rent and voucher payments, we must first determine:
 - **Required Household Contribution**
 - Then, we will need information about the unit being leased to determine the **Utility Allowance** and **Gross Rent**.
 - For mobile vouchers, we will need to determine the **Payment Standard** amount (which will depend on the voucher and unit size) and the **Maximum Rent Burden** for the household.

Required Household Contribution

Required Household Contribution

- **Required Household Contribution** is the minimum portion of the Gross Rent that must be paid by the household.
- The Required Household Contribution is generally equal to 30% of monthly net income.*

**except when waived for specific Project Based units*

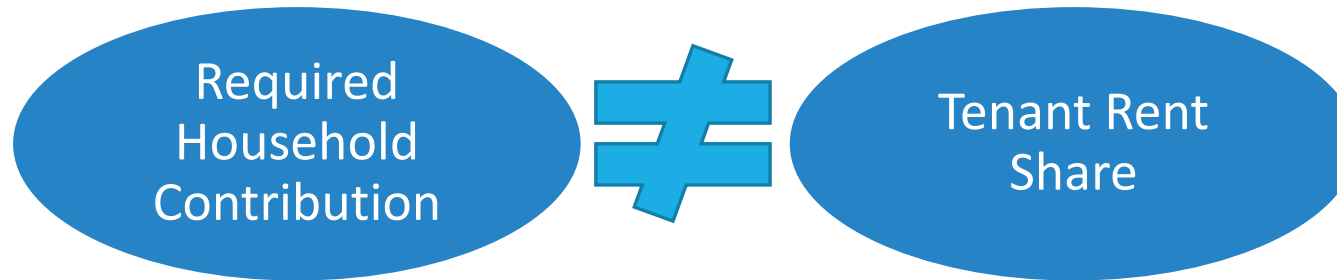
Required Household Contribution: Calculation Worksheet

- The calculation worksheet will calculate the Required Household Contribution by multiplying Monthly Net Income by 30%

55	A. Net Annual Income		\$16,040
56	B. Monthly Net Income	$A / 12$	\$1,337
57	C. Required Household Contribution	$30\% \times B$	\$402
58	D. Required Household Contribution		\$402

Required Household Contribution

- The Required Household Contribution is not the same thing as **Tenant Rent Share**, although these two amounts *may* be equal depending on the household's voucher type and/or circumstance.
- Therefore, a household may pay more than their Required Household Contribution toward rent + utilities. Most typically, this will occur if/when the Gross Rent exceeds the Payment Standard for a Mobile Voucher household, and the tenant is responsible for the difference (as discussed in later slides).



Utility Allowance

Utility Allowance (UA)

- A UA is an amount published by DHCD to help participants cover the monthly cost for heat and/or other electricity if they are responsible for payment of either utility in their MRVP-leased unit.
- Tenant-paid heat and other electricity are the only utility types for which a UA is provided under MRVP.
- UAs apply to both Mobile and Project Based Vouchers.

Utility Allowance (UA)

- The UA applied to a household is based on the **number of bedrooms in the unit, regardless of voucher size.**
- For example:
 - If a household leases a 2-bedroom unit using a 3-bedroom voucher, the 2-bedroom UA amount will be used.
 - If a household leases a 3-bedroom unit using a 2-bedroom voucher, the 3-bedroom UA amount will be used.
- ***Hint: Utility Allowance = UA = Use Actual (actual unit size)***

Utility Allowance (UA)

- DHCD has established and will maintain a UA schedule/chart to outline the UA amounts for each bedroom size and utility type.
- DHCD may update the UA schedule periodically and/or as needed.

Utility Allowance (UA)

- A heat UA will be applied to all households whose heat is not included in the Contract Rent (that is, the tenant pays for it).
- An “other electric” UA will be applied to households whose electricity (for anything other than heat) is not included in the Contract Rent (that is, the tenant pays for it).
- If a household is responsible for payment of both heat and other electricity in their contract unit then the two amounts will be added together to equal the total utility allowance (UA).

Utility Type (Tenant Paid)	SRO	ESRO	0/ Studio	1	2	3	4	5	6	7+
Heat	\$23	\$25	\$30	\$45	\$65	\$85	\$100	\$125	\$150	\$175
Other Electric	\$12	\$14	\$16	\$17	\$18	\$19	\$20	\$21	\$22	\$23

UA = \$62

Example: tenant responsible for heat and other electric in 1-bedroom unit. UA = \$45 + \$17 = \$62

Utility Reimbursement

- Depending on the household's net income, Contract Rent, and UA, the household may qualify for a **Utility Reimbursement**.
- The Utility Reimbursement is a monthly payment made from an AA to the Head of Household to help offset the cost of utilities when, in some cases, the UA exceeds 30% of net income.
- Utility Reimbursement does not count as income when calculating household income.
- Generally, if the Tenant Rent Share is \$0, a Utility Reimbursement might be required.

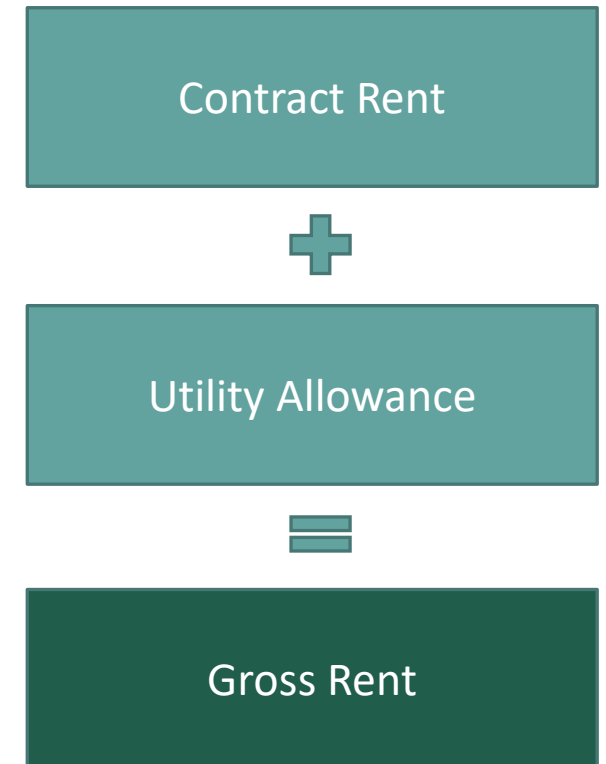
Utility Reimbursement

- Utility Reimbursement payments are made directly to the Head of Household each month (not to the utility company), on or before the first of the month.
- If possible DHCD urges AAs to make utility reimbursement payments via direct deposit rather than by check.
- AAs shall include Utility Reimbursements payments in the amount requisitioned from DHCD for Voucher Payment funds.
- We will discuss the calculation of utility reimbursement in more detail in later slides.

Gross Rent

Gross Rent

- In order to understand how to calculate Tenant Rent Share and Voucher Payment it is important to understand the calculation of Gross Rent.
- Gross Rent is the entire housing cost and is calculated by adding together the Contract Rent (rent being charged by the landlord) and UA for tenant-paid heat and/or other electricity.
- If heat and other electric are **included** in the Contract Rent then the Contract Rent and Gross Rent are equal.



Brain Teaser #8

- Nilda lives in a 3-bedroom apartment with her family. She has a 2-bedroom MRVP Mobile Voucher.
- She has gas heat, and it is the only utility not included in the Contract Rent. **What is the UA for Nilda's household?**
- Nilda's Contract Rent is \$2,000. **What is the Gross Rent?**

Utility Type (Tenant Paid)	SRO	ESRO	0/ Studio	1	2	3	4	5	6	7+
Heat	\$23	\$25	\$30	\$45	\$65	\$85	\$100	\$125	\$150	\$175
Other Electric	\$12	\$14	\$16	\$17	\$18	\$19	\$20	\$21	\$22	\$23

Brain Teaser #8

- Nilda lives in a 3-bedroom apartment with her family. She has a 2-bedroom MRVP Mobile Voucher.
- She has gas heat, and it is the only utility not included in the Contract Rent. **What is the UA for Nilda's household? \$85**
- Nilda's Contract Rent is \$2,000. **What is the Gross Rent?**

Utility Type (Tenant Paid)	SRO	ESRO	0/ Studio	1	2	3	4	5	6	7+
Heat	\$23	\$25	\$30	\$45	\$65	\$85	\$100	\$125	\$150	\$175
Other Electric	\$12	\$14	\$16	\$17	\$18	\$19	\$20	\$21	\$22	\$23

Brain Teaser #8

- Nilda lives in a 3-bedroom apartment with her family. She has a 2-bedroom MRVP Mobile Voucher.
- She has gas heat, and it is the only utility not included in the Contract Rent. **What is the UA for Nilda's household? \$85**
- Nilda's Contract Rent is \$2,000. **What is the Gross Rent? \$2,085**

Utility Type (Tenant Paid)	SRO	ESRO	0/ Studio	1	2	3	4	5	6	7+
Heat	\$23	\$25	\$30	\$45	\$65	\$85	\$100	\$125	\$150	\$175
Other Electric	\$12	\$14	\$16	\$17	\$18	\$19	\$20	\$21	\$22	\$23

Brain Teaser #9

- Lauren lives in a 2-bedroom apartment with her 2-bedroom Project Based Voucher.
- She is responsible for paying for the following utilities: gas heat, gas stove, gas for hot water, and electricity for general use. **What is the UA for Lauren's household?**
- Lauren's Contract Rent is \$1,475. **What is the Gross Rent?**

Utility Type (Tenant Paid)	SRO	ESRO	0/ Studio	1	2	3	4	5	6	7+
Heat	\$23	\$25	\$30	\$45	\$65	\$85	\$100	\$125	\$150	\$175
Other Electric	\$12	\$14	\$16	\$17	\$18	\$19	\$20	\$21	\$22	\$23

Brain Teaser #9

- Lauren lives in a 2-bedroom apartment with her 2-bedroom Project Based Voucher.
- She is responsible for paying for the following utilities: gas heat, gas stove, gas for hot water, and electricity for general use. **What is the UA for Lauren's household? \$83**
- Lauren's Contract Rent is \$1,475. **What is the Gross Rent?**

Utility Type (Tenant Paid)	SRO	ESRO	0/ Studio	1	2	3	4	5	6	7+
Heat	\$23	\$25	\$30	\$45	\$65	\$85	\$100	\$125	\$150	\$175
Other Electric	\$12	\$14	\$16	\$17	\$18	\$19	\$20	\$21	\$22	\$23

Brain Teaser #9

- Lauren lives in a 2-bedroom apartment with her 2-bedroom Project Based Voucher.
- She is responsible for paying for the following utilities: gas heat, gas stove, gas for hot water, and electricity for general use. **What is the UA for Lauren's household? \$83**
- Lauren's Contract Rent is \$1,475. **What is the Gross Rent? \$1,558**

Utility Type (Tenant Paid)	SRO	ESRO	0/ Studio	1	2	3	4	5	6	7+
Heat	\$23	\$25	\$30	\$45	\$65	\$85	\$100	\$125	\$150	\$175
Other Electric	\$12	\$14	\$16	\$17	\$18	\$19	\$20	\$21	\$22	\$23

Determining Voucher Payment

PROJECT BASED VOUCHERS

Project Based Households

- For Project Based households, the voucher payment and Tenant Rent Share can be calculated once the **Required Household Contribution** and the **Gross Rent** have been established.

Determining Voucher Payment - Project Based

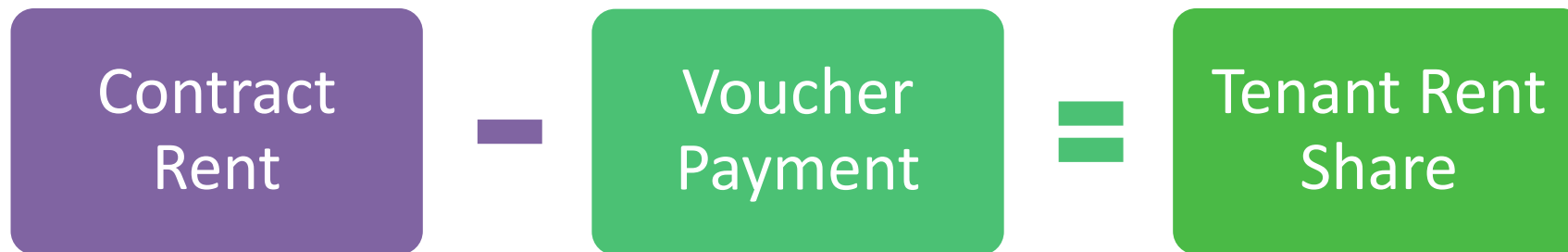
- To calculate the Voucher Payment for a Project Based Voucher, subtract the **Required Household Contribution** from the **Gross Rent**.
- The voucher payment cannot be less than \$0 or more than the contract rent.

A diagram illustrating the calculation of Voucher Payment. It consists of three rounded rectangular boxes connected by mathematical symbols. The first box is light blue and contains the text "Gross Rent". To its right is a minus sign. The second box is a darker teal color and contains the text "Required Household Contribution". To its right is an equals sign. The third box is green and contains the text "Voucher Payment*".

$$\text{Gross Rent} - \text{Required Household Contribution} = \text{Voucher Payment*}$$

Determining Tenant Rent Share - Project Based

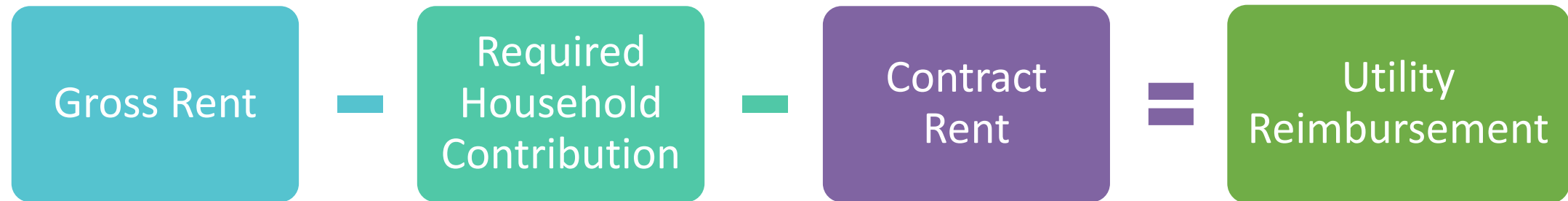
- To calculate the Tenant Rent Share for a Project Based Voucher, subtract the **Voucher Payment** from the **Contract Rent**.
- Regardless of Required Household Contribution, Tenant Rent Share may never exceed the Contract Rent.





Utility Reimbursement - Project Based

- If the Tenant Rent Share is \$0, a Utility Reimbursement may be required.
- To calculate a Utility Reimbursement for a Project Based Voucher subtract both the **Required Household Contribution** and **Contract Rent** from the **Gross Rent**.

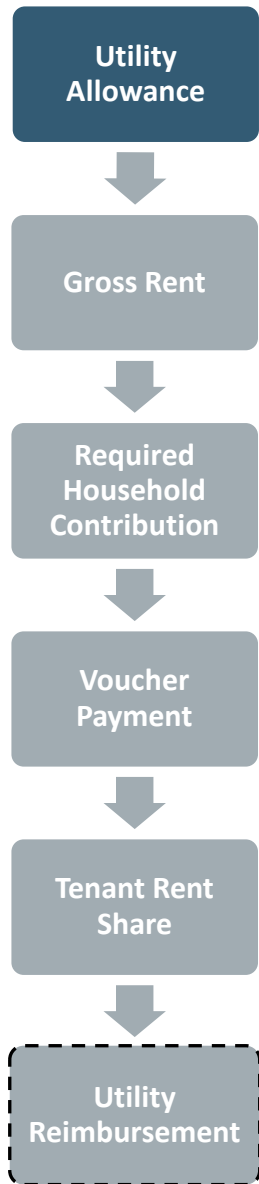


Project Based Voucher Payment Calculation Steps

Steps to Determine Project Based Voucher Payments:

1. **Determine the UA**

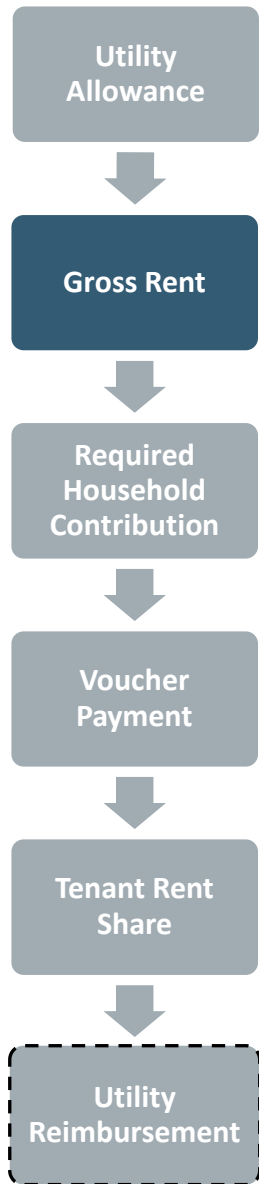
Based on bedroom size of unit and whether tenant pays for heat and/or electricity



Project Based Voucher Payment Calculation Steps

Steps to Determine Project Based Voucher Payments:

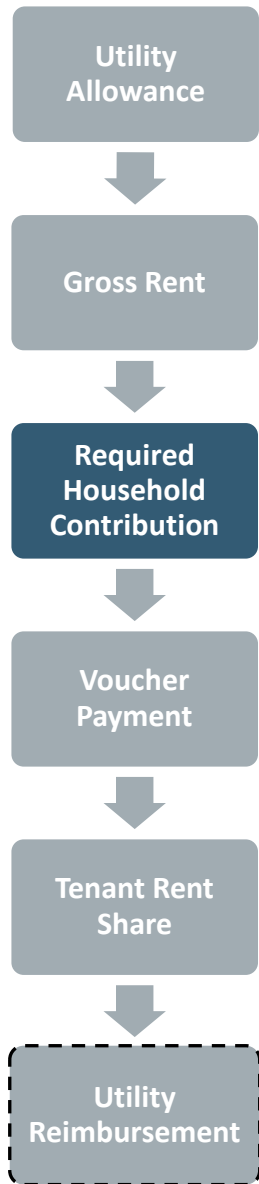
1. Determine the UA
Based on bedroom size of unit and whether tenant pays for heat and/or electricity
2. **Determine the Gross Rent**
Gross Rent = Contract Rent + UA



Project Based Voucher Payment Calculation Steps

Steps to Determine Project Based Voucher Payments:

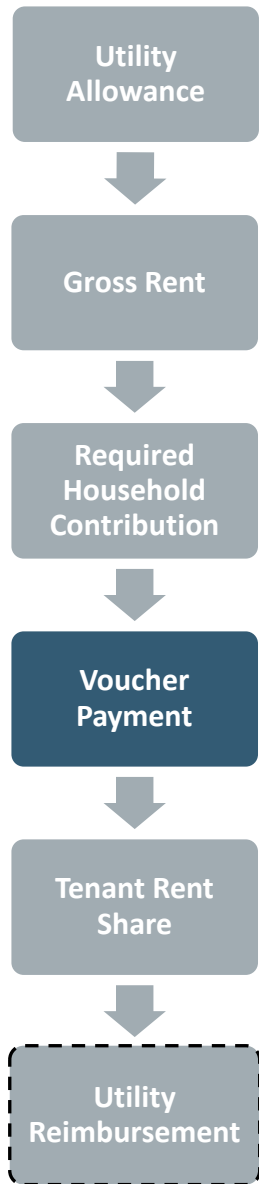
1. Determine the UA
Based on bedroom size of unit and whether tenant pays for heat and/or electricity
2. Determine the Gross Rent
 $\text{Gross Rent} = \text{Contract Rent} + \text{UA}$
3. **Determine the Required Household Contribution**
30% of net monthly income



Project Based Voucher Payment Calculation Steps

Steps to Determine Project Based Voucher Payments:

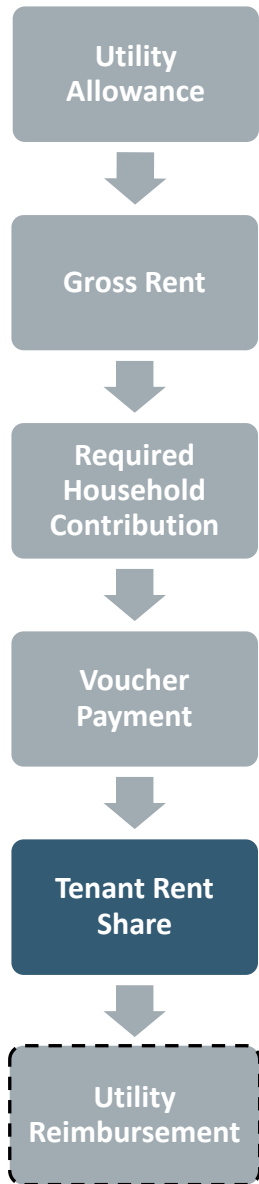
1. Determine the UA
Based on bedroom size of unit and whether tenant pays for heat and/or electricity
2. Determine the Gross Rent
 $\text{Gross Rent} = \text{Contract Rent} + \text{UA}$
3. Determine the Required Household Contribution
30% of net monthly income
4. **Determine the Voucher Payment**
 $\text{Voucher Payment} = \text{Gross Rent} - \text{Required Household Contribution}$



Project Based Voucher Payment Calculation Steps

Steps to Determine Project Based Voucher Payments:

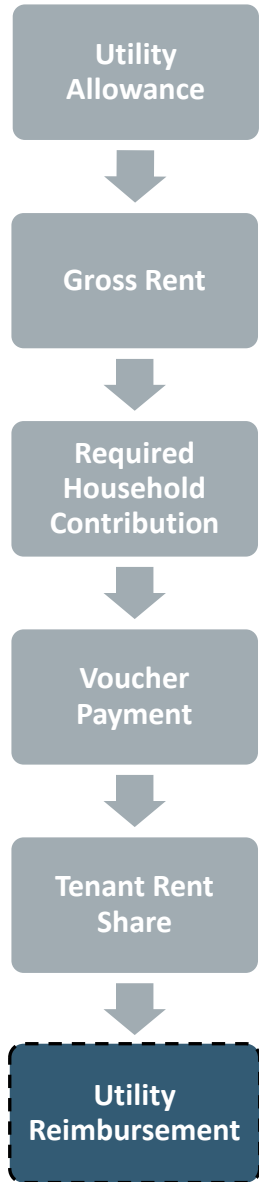
1. Determine the UA
Based on bedroom size of unit and whether tenant pays for heat and/or electricity
2. Determine the Gross Rent
 $\text{Gross Rent} = \text{Contract Rent} + \text{UA}$
3. Determine the Required Household Contribution
30% of net monthly income
4. Determine the Voucher Payment
 $\text{Voucher Payment} = \text{Gross Rent} - \text{Required Household Contribution}$
5. **Determine the Tenant Rent Share**
 $\text{Tenant Rent Share} = \text{Contract Rent} - \text{Voucher Payment}$



Project Based Voucher Payment Calculation Steps

Steps to Determine Project Based Voucher Payments:

1. Determine the UA
Based on bedroom size of unit and whether tenant pays for heat and/or electricity
2. Determine the Gross Rent
 $\text{Gross Rent} = \text{Contract Rent} + \text{UA}$
3. Determine the Required Household Contribution
30% of net monthly income
4. Determine the Voucher Payment
 $\text{Voucher Payment} = \text{Gross Rent} - \text{Required Household Contribution}$
5. Determine the Tenant Rent Share
 $\text{Tenant Rent Share} = \text{Contract Rent} - \text{Voucher Payment}$
6. **Determine the Utility Reimbursement (if applicable)**
 $\text{Utility Reimbursement} = \text{Gross Rent} - \text{Required Household Contribution} - \text{Contract Rent}$



- Complete the MRVP Project-Based Voucher Payment Worksheet to determine the tenant rent share and voucher payment.
- The most recent version of the worksheet can be found at <https://www.mass.gov/doc/update-d-mrvp-documents/download>.

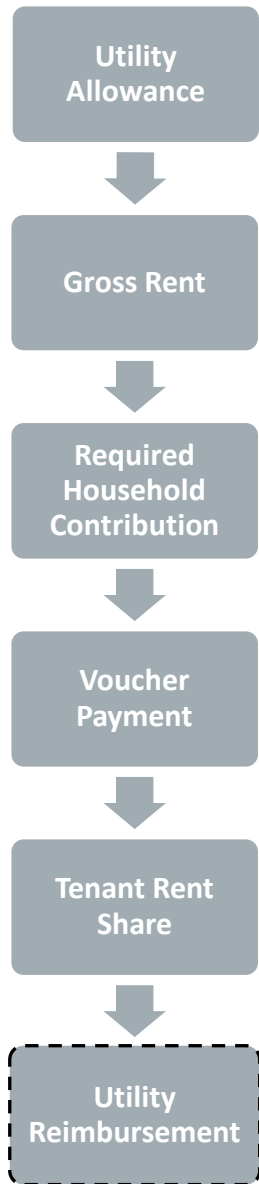
Revised 2023

Example #1 (Project Based)

Using the information below, calculate the Tenant Rent Share:

- Bedroom Size = **3**
- Tenant-paid utilities = **Heat**
- Contract Rent = **\$2,966**
- Monthly net income = **\$1,750**

Utility Type	0	1	2	3	4
Heat	\$30	\$45	\$65	\$85	\$100
Electric	\$16	\$17	\$18	\$19	\$20



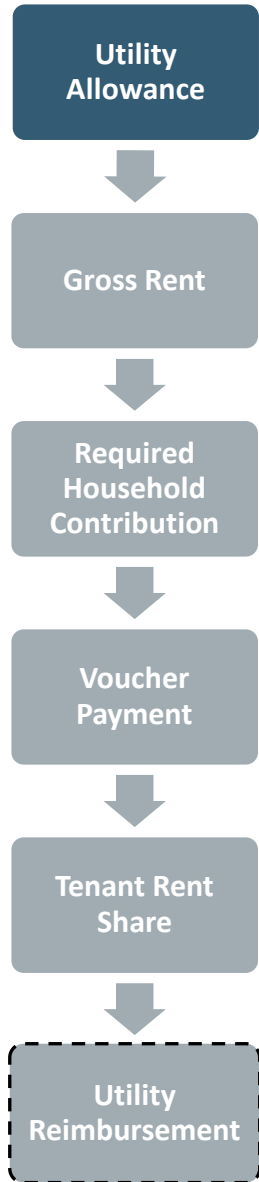
Example #1 (Project Based)

Using the information below, calculate the Tenant Rent Share:

- Bedroom Size = **3**
- Tenant-paid utilities = **Heat**
- Contract Rent = **\$2,966**
- Monthly net income = **\$1,750**

Utility Type	0	1	2	3	4
Heat	\$30	\$45	\$65	\$85	\$100
Electric	\$16	\$17	\$18	\$19	\$20

✓ Utility Allowance = **\$85**



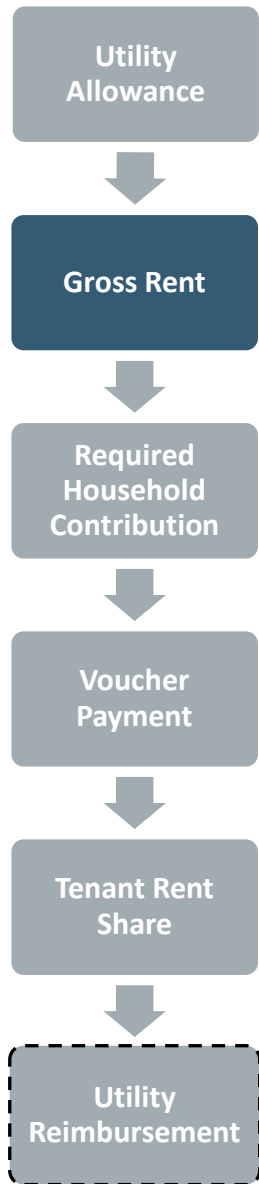
Example #1 (Project Based)

Using the information below, calculate the Tenant Rent Share:

- Bedroom Size = **3**
- Tenant-paid utilities = **Heat**
- Contract Rent = **\$2,966**
- Monthly net income = **\$1,750**

Utility Type	0	1	2	3	4
Heat	\$30	\$45	\$65	\$85	\$100
Electric	\$16	\$17	\$18	\$19	\$20

-
- ✓ Utility Allowance = **\$85**
 - ✓ Gross Rent = $\$2,966 + \$85 = \mathbf{\$3,051}$



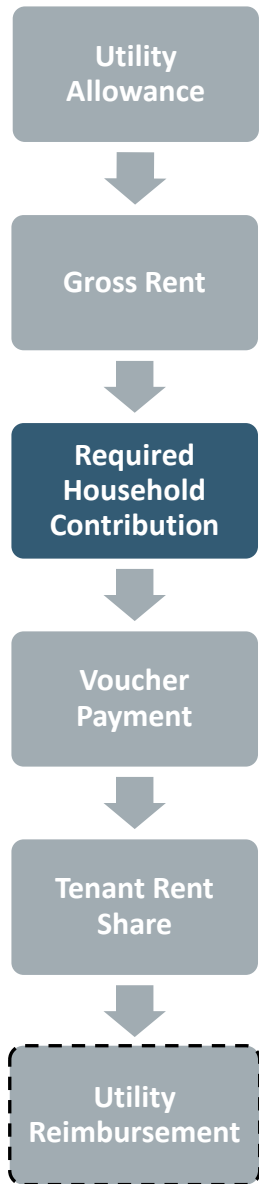
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- Monthly net income = **\$1,750**

Utility Type	0	1	2	3	4
Heat	\$30	\$45	\$65	\$85	\$100
Electric	\$16	\$17	\$18	\$19	\$20

- ✓ Utility Allowance = **\$85**
- ✓ Gross Rent = \$2,966 + \$85 = **\$3,051**
- ✓ Required Household Contribution = $\$1,750 \times 30\%$ = **\$525**



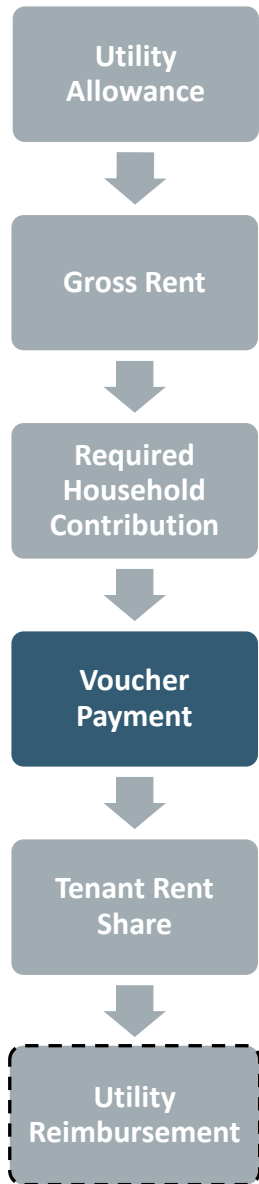
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Utility Type	0	1	2	3	4
Heat	\$30	\$45	\$65	\$85	\$100
Electric	\$16	\$17	\$18	\$19	\$20

-
- ✓ Utility Allowance = **\$85**
 - ✓ Gross Rent = $\$2,966 + \$85 = \mathbf{\$3,051}$
 - ✓ Required Household Contribution = $\$1,750 \times 30\% = \mathbf{\$525}$
 - ✓ Voucher Payment = $\$3,051 - \$525 = \mathbf{\$2,526}$



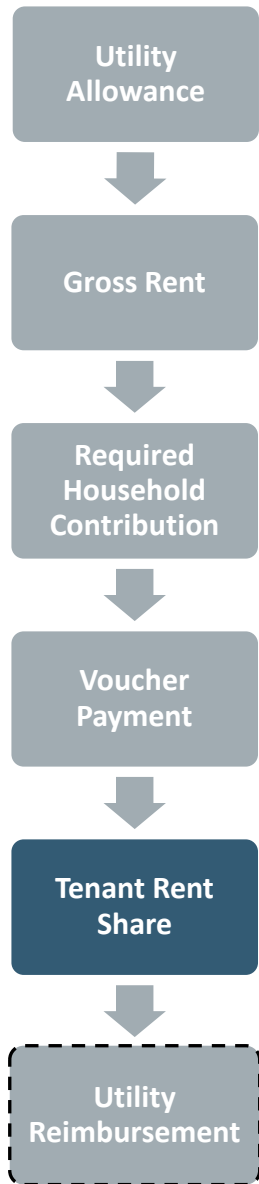
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Using the information below, calculate the Tenant Rent Share:

- Bedroom Size = **3**
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- Monthly net income = **\$1,750**

Utility Type	0	1	2	3	4
Heat	\$30	\$45	\$65	\$85	\$100
Electric	\$16	\$17	\$18	\$19	\$20

- ✓ Utility Allowance = **\$85**
- ✓ Gross Rent = $\$2,966 + \$85 = \mathbf{\$3,051}$
- ✓ Required Household Contribution = $\$1,750 \times 30\% = \mathbf{\$525}$
- ✓ Voucher Payment = $\$3,051 - \$525 = \mathbf{\$2,526}$
- ✓ Tenant Rent Share = $\$2,966 - \$2,526 = \mathbf{\$440}$



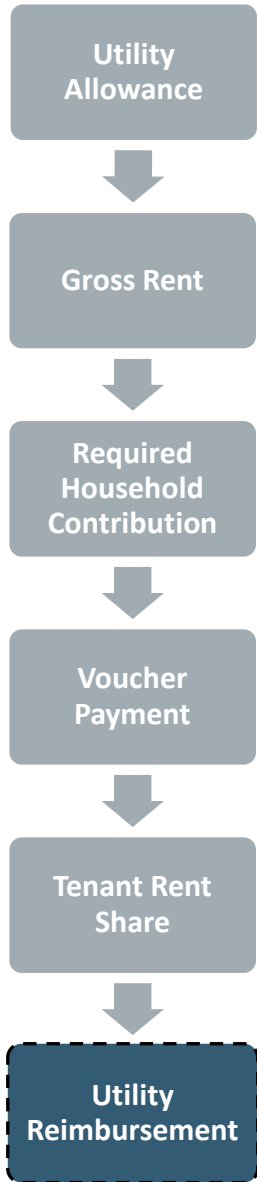
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- Bedroom Size = **3**
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Utility Type	0	1	2	3	4
Heat	\$30	\$45	\$65	\$85	\$100
Electric	\$16	\$17	\$18	\$19	\$20

- ✓ Utility Allowance = **\$85**
- ✓ Gross Rent = $\$2,966 + \$85 = \mathbf{\$3,051}$
- ✓ Required Household Contribution = $\$1,750 \times 30\% = \mathbf{\$525}$
- ✓ Voucher Payment = $\$3,051 - \$525 = \mathbf{\$2,526}$
- ✓ Tenant Rent Share = $\$2,966 - \$2,526 = \mathbf{\$440}$
- ✓ Utility Reimbursement = **\$0**

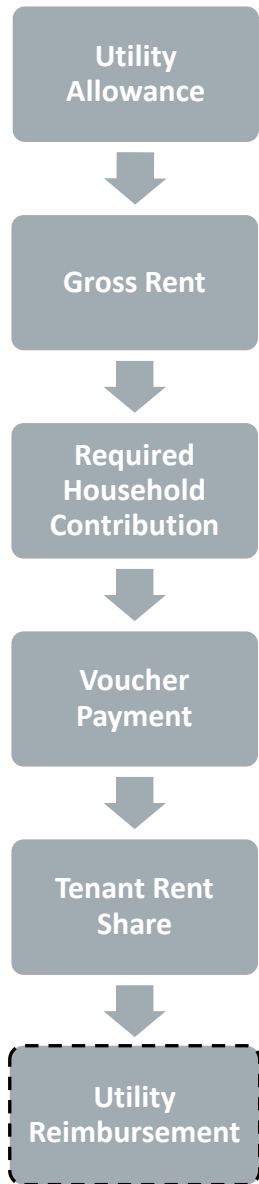


Example #2 (Project Based)

Using the information below, calculate the Tenant Rent Share:

- Bedroom Size = **Studio**
- Tenant-paid utilities = **Heat** and **Other Electric**
- Contract Rent = **\$1,750**
- Monthly net income = **\$100**

Utility Type	0/Studio	1	2	3	4
Heat	\$30	\$45	\$65	\$85	\$100
Electric	\$16	\$17	\$18	\$19	\$20



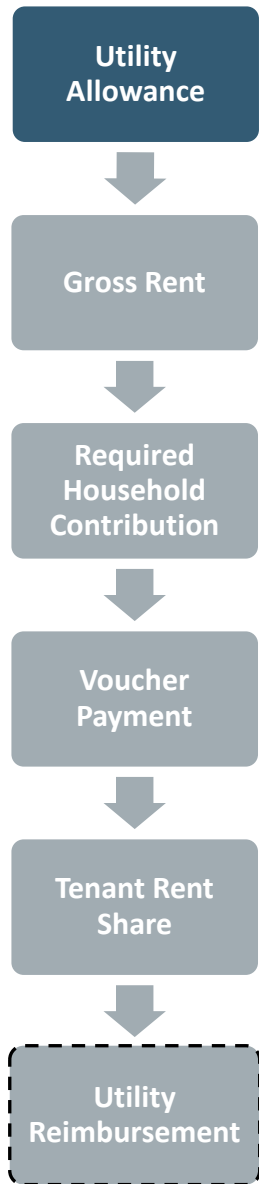
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Using the information below, calculate the Tenant Rent Share:

- Bedroom Size = **Studio**
- Tenant-paid utilities = **Heat** and **Other Electric**
- Contract Rent = **\$1,750**
- Monthly net income = **\$100**

Utility Type	0/Studio	1	2	3	4
Heat	\$30	\$45	\$65	\$85	\$100
Electric	\$16	\$17	\$18	\$19	\$20

✓ Utility Allowance = **\$46** (\$30 + \$16)



Example #2 (Project Based)

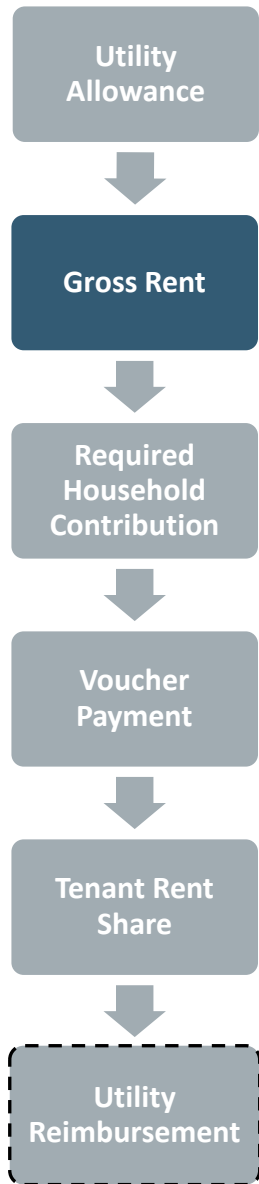
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- Bedroom Size = **Studio**
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- Contract Rent = **\$1,750**
- Monthly net income = **\$100**

Utility Type	0/Studio	1	2	3	4
Heat	\$30	\$45	\$65	\$85	\$100
Electric	\$16	\$17	\$18	\$19	\$20

✓ Utility Allowance = **\$46** (\$30 + \$16)

✓ Gross Rent = \$1,750 + \$46 = **\$1,796**



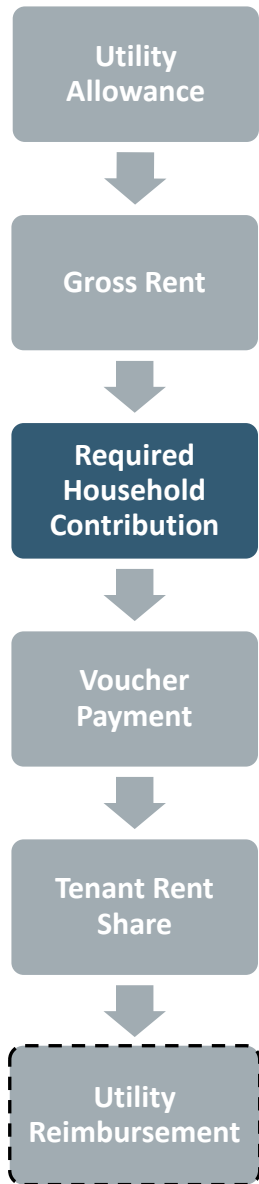
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Using the information below, calculate the Tenant Rent Share:

- Bedroom Size = **Studio**
- Tenant-paid utilities = **Heat** and **Other Electric**
- Contract Rent = **\$1,750**
- Monthly net income = **\$100**

Utility Type	0/Studio	1	2	3	4
Heat	\$30	\$45	\$65	\$85	\$100
Electric	\$16	\$17	\$18	\$19	\$20

- ✓ Utility Allowance = **\$46** (\$30 + \$16)
- ✓ Gross Rent = \$1,750 + \$46 = **\$1,796**
- ✓ Required Household Contribution = \$100 × 30% = **\$30**



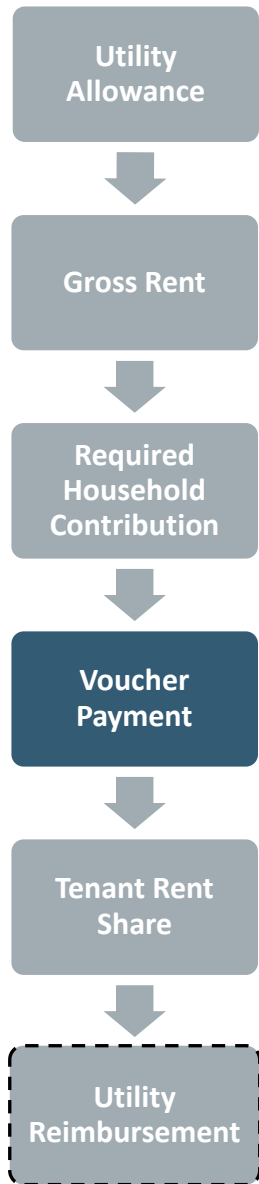
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Using the information below, calculate the Tenant Rent Share:

- Bedroom Size = **Studio**
- Tenant-paid utilities = **Heat** and **Other Electric**
- Contract Rent = **\$1,750**
- Monthly net income = **\$100**

Utility Type	0/Studio	1	2	3	4
Heat	\$30	\$45	\$65	\$85	\$100
Electric	\$16	\$17	\$18	\$19	\$20

- ✓ Utility Allowance = **\$46** (\$30 + \$16)
 - ✓ Gross Rent = \$1,750 + \$46 = **\$1,796**
 - ✓ Required Household Contribution = \$100 × 30% = **\$30**
 - ✓ Voucher Payment = \$1,796 – \$30 = \$1,766*
- *voucher payment cannot be more than the contract rent, so voucher payment = **\$1,750***



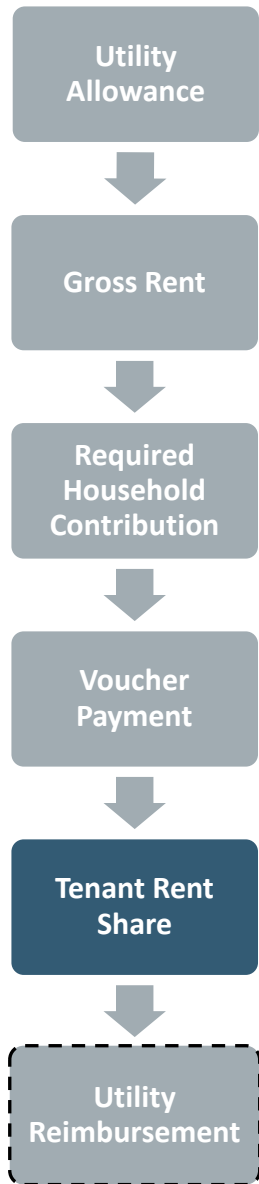
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Using the information below, calculate the Tenant Rent Share:

- Bedroom Size = **Studio**
- Tenant-paid utilities = **Heat** and **Other Electric**
- Contract Rent = **\$1,750**
- Monthly net income = **\$100**

Utility Type	0/Studio	1	2	3	4
Heat	\$30	\$45	\$65	\$85	\$100
Electric	\$16	\$17	\$18	\$19	\$20

- ✓ Utility Allowance = **\$46** (\$30 + \$16)
- ✓ Gross Rent = \$1,750 + \$46 = **\$1,796**
- ✓ Required Household Contribution = \$100 × 30% = **\$30**
- ✓ Voucher Payment = \$1,796 – \$30 = \$1,766*
*voucher payment cannot be more than the contract rent, so voucher payment = **\$1,750**
- ✓ Tenant Rent Share = \$1,750 – \$1,750 = **\$0**



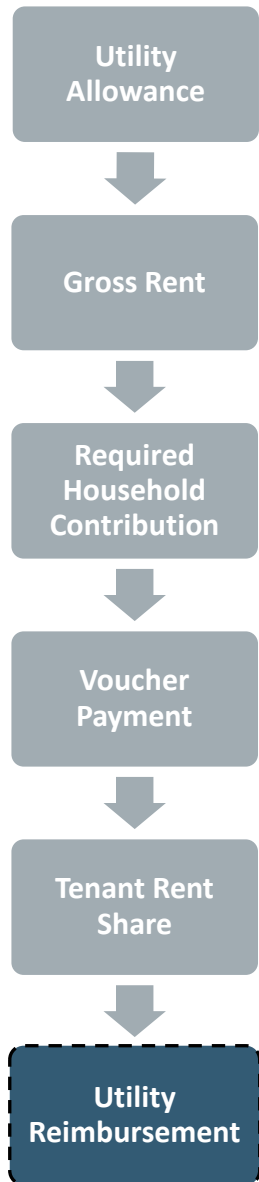
Example #2 (Project Based)

Using the information below, calculate the Tenant Rent Share:

- Bedroom Size = **Studio**
- Tenant-paid utilities = **Heat** and **Other Electric**
- Contract Rent = **\$1,750**
- Monthly net income = **\$100**

Utility Type	0/Studio	1	2	3	4
Heat	\$30	\$45	\$65	\$85	\$100
Electric	\$16	\$17	\$18	\$19	\$20

- ✓ Utility Allowance = **\$46** (\$30 + \$16)
- ✓ Gross Rent = \$1,750 + \$46 = **\$1,796**
- ✓ Required Household Contribution = \$100 × 30% = **\$30**
- ✓ Voucher Payment = \$1,796 – \$30 = \$1,766*
voucher payment cannot be more than the contract rent, so voucher payment = **\$1,750*
- ✓ Tenant Rent Share = \$1,750 – \$1,750 = **\$0**
- ✓ Utility Reimbursement = \$1,796 – \$30 – \$1,750 = **\$16**

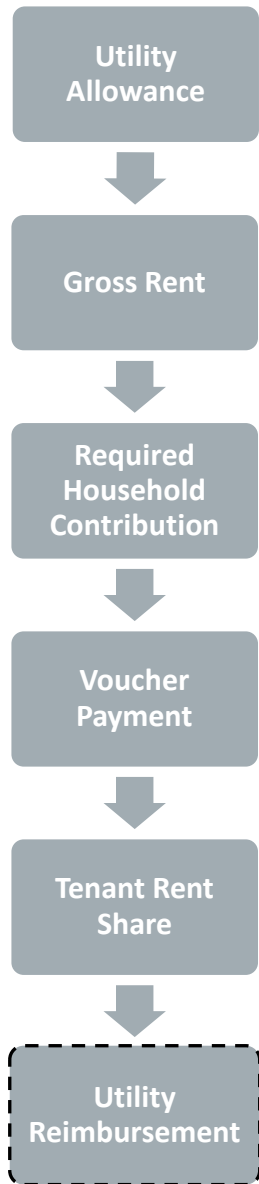


Example #3 (Project Based)

Using the information below, calculate the Tenant Rent Share:

- Bedroom Size = **4**
- Tenant-paid utilities = **Other Electric**
- Contract Rent = **\$3,000**
- Monthly net income = **\$2,000**

Utility Type	0	1	2	3	4
Heat	\$30	\$45	\$65	\$85	\$100
Electric	\$16	\$17	\$18	\$19	\$20



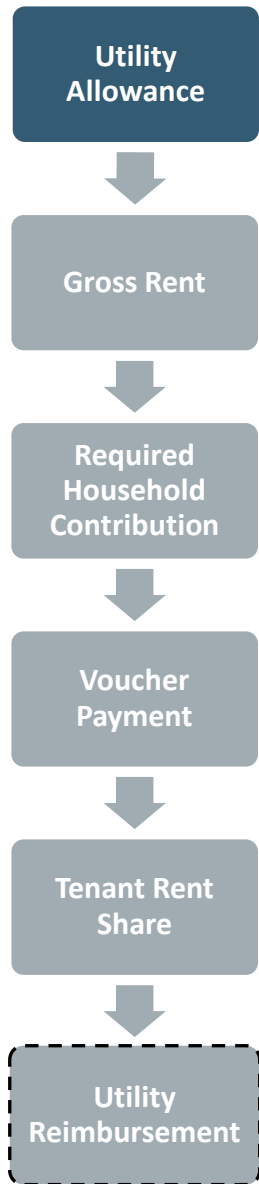
Example #3 (Project Based)

Using the information below, calculate the Tenant Rent Share:

- Bedroom Size = **4**
- Tenant-paid utilities = **Other Electric**
- Contract Rent = **\$3,000**
- Monthly net income = **\$2,000**

Utility Type	0	1	2	3	4
Heat	\$30	\$45	\$65	\$85	\$100
Electric	\$16	\$17	\$18	\$19	\$20

✓ Utility Allowance = **\$20**



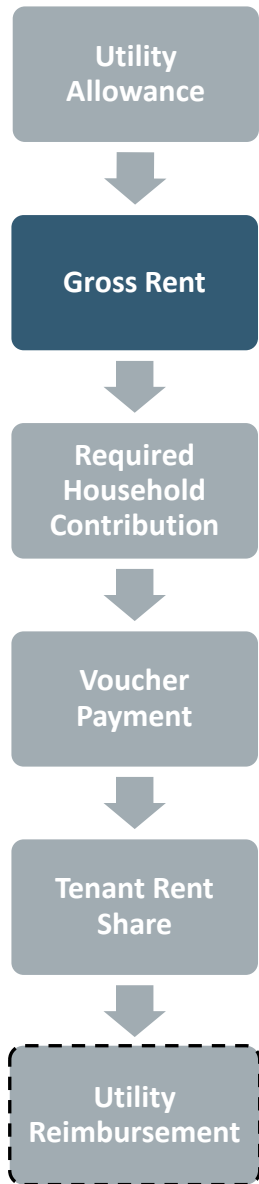
Example #3 (Project Based)

Using the information below, calculate the Tenant Rent Share:

- Bedroom Size = 4
- Tenant-paid utilities = **Other Electric**
- Contract Rent = **\$3,000**
- Monthly net income = **\$2,000**

Utility Type	0	1	2	3	4
Heat	\$30	\$45	\$65	\$85	\$100
Electric	\$16	\$17	\$18	\$19	\$20

-
- ✓ Utility Allowance = **\$20**
 - ✓ Gross Rent = \$3,000 + \$20 = **\$3,020**



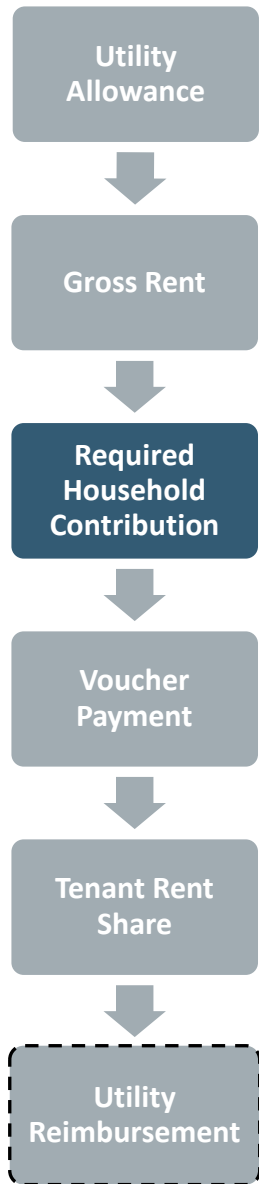
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Using the information below, calculate the Tenant Rent Share:

- Bedroom Size = 4
- Tenant-paid utilities = **Other Electric**
- Contract Rent = **\$3,000**
- Monthly net income = **\$2,000**

Utility Type	0	1	2	3	4
Heat	\$30	\$45	\$65	\$85	\$100
Electric	\$16	\$17	\$18	\$19	\$20

- ✓ Utility Allowance = **\$20**
- ✓ Gross Rent = \$3,000 + \$20 = **\$3,020**
- ✓ Required Household Contribution = \$2,000 × 30% = **\$600**



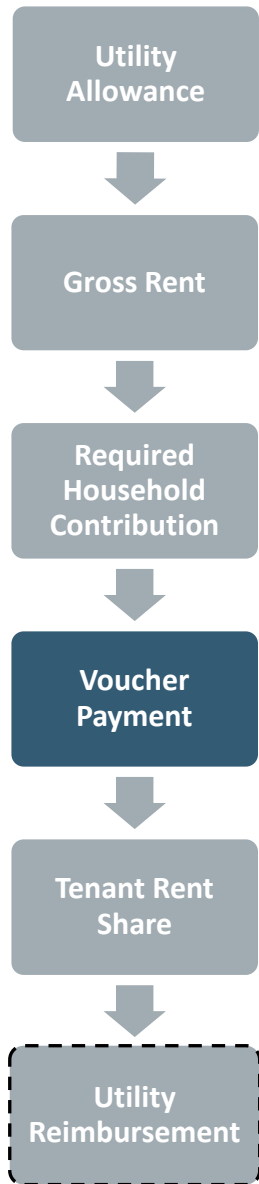
Example #3 (Project Based)

Using the information below, calculate the Tenant Rent Share:

- Bedroom Size = 4
- Tenant-paid utilities = **Other Electric**
- Contract Rent = **\$3,000**
- Monthly net income = **\$2,000**

Utility Type	0	1	2	3	4
Heat	\$30	\$45	\$65	\$85	\$100
Electric	\$16	\$17	\$18	\$19	\$20

- ✓ Utility Allowance = **\$20**
- ✓ Gross Rent = $\$3,000 + \$20 = \text{\textbf{\$3,020}}$
- ✓ Required Household Contribution = $\$2,000 \times 30\% = \text{\textbf{\$600}}$
- ✓ Voucher Payment = $\$3,020 - \$600 = \text{\textbf{\$2,420}}$



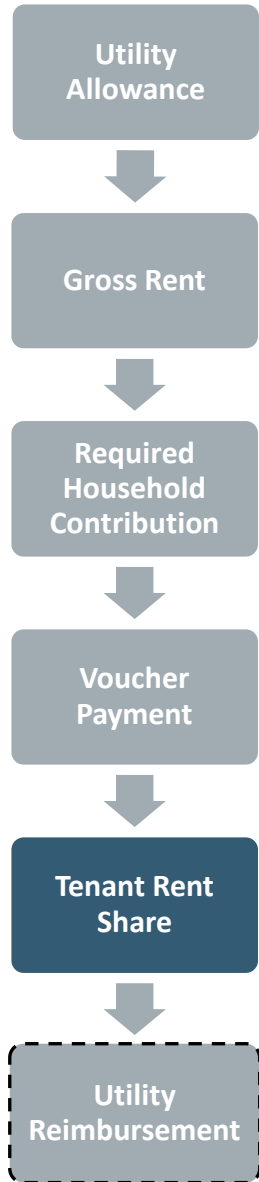
Example #3 (Project Based)

Using the information below, calculate the Tenant Rent Share:

- Bedroom Size = **4**
- Tenant-paid utilities = **Other Electric**
- Contract Rent = **\$3,000**
- Monthly net income = **\$2,000**

Utility Type	0	1	2	3	4
Heat	\$30	\$45	\$65	\$85	\$100
Electric	\$16	\$17	\$18	\$19	\$20

- ✓ Utility Allowance = **\$20**
- ✓ Gross Rent = $\$3,000 + \$20 = \text{\textbf{\$3,020}}$
- ✓ Required Household Contribution = $\$2,000 \times 30\% = \text{\textbf{\$600}}$
- ✓ Voucher Payment = $\$3,020 - \$600 = \text{\textbf{\$2,420}}$
- ✓ Tenant Rent Share = $\$3,000 - \$2,420 = \text{\textbf{\$580}}$



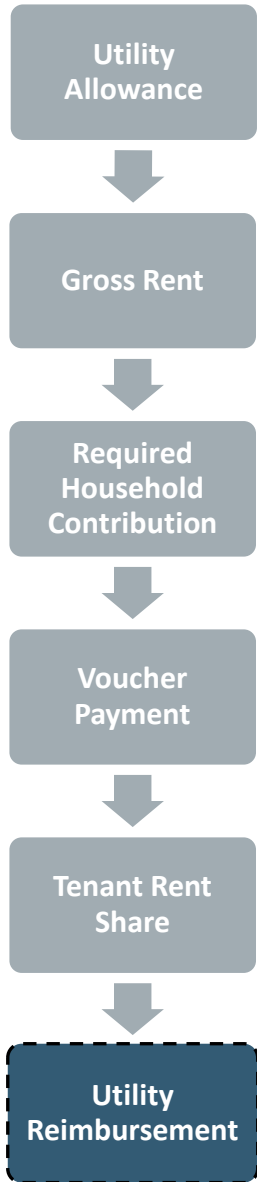
Example #3 (Project Based)

Using the information below, calculate the Tenant Rent Share:

- Bedroom Size = 4
- Tenant-paid utilities = **Other Electric**
- Contract Rent = **\$3,000**
- Monthly net income = **\$2,000**

Utility Type	0	1	2	3	4
Heat	\$30	\$45	\$65	\$85	\$100
Electric	\$16	\$17	\$18	\$19	\$20

- ✓ Utility Allowance = **\$20**
- ✓ Gross Rent = \$3,000 + \$20 = **\$3,020**
- ✓ Required Household Contribution = \$2,000 × 30% = **\$600**
- ✓ Voucher Payment = \$3,020 – \$600 = **\$2,420**
- ✓ Tenant Rent Share = \$3,000 – \$2,420 = **\$580**
- ✓ Utility Reimbursement = **\$0**



Payment Standards

Payment Standards

- Tenant Rent Shares and Voucher Payments for Mobile Vouchers will be determined using a **Payment Standard** (replacing prior MRVP policy which utilized “maximum rents”).
- A Payment Standard is used to determine the maximum Voucher Payment or subsidy a Mobile MRVP Voucher will pay.
- *Note that while MRVP’s Payment Standards are modeled on the Federal Housing Choice Voucher (“Section 8”) Program, the MRVP Payment Standards are not equivalent to Section 8 Payment Standards, and MRVP calculations are not equivalent to Section 8 rent calculations.*

Payment Standards

- The Payment Standards for MRVP are currently set at 100% of the area-wide Fair Market Rent (FMR) for the location.
- FMRs are developed by the U.S. Department of Housing and Urban Development (HUD) and reflect area rents for units that do not receive any rental subsidy.
- The approved Payment Standards will be posted on DHCD's MRVP website (<https://www.mass.gov/mrvp>) and on the LHA and RAA portals.

Payment Standards

- The Payment Standard for a household is based on the lower of the household's:
 - Voucher Size; or
 - Unit size
- For example, if a household has a 3-bedroom Voucher, but finds a 4-bedroom unit, the 3-bedroom Payment Standard will be used. If that same household finds a 2-bedroom unit, the 2-bedroom Payment Standard will be used.
- ***Hint: Payment Standard = PS = Pick Smaller (smaller of the unit size or voucher size)***

Determining Voucher Payment

MOBILE VOUCHERS

Mobile Voucher Households

- Calculation of the Voucher Payment and Tenant Rent Share for a MRVP Mobile Voucher household differs from the calculation for a Project Based household.
- The Payment Standard does not apply to Project Based households (this is because the Contract Rents for Project Based units are set differently).

Determining Voucher Payment - Mobile Voucher

- To calculate the Voucher Payment for a Mobile Voucher household, find the *lower of* the **Payment Standard** or **Gross Rent**, and then subtract the **Required Household Contribution**.

Lower of:

- Payment Standard
- Gross Rent

—

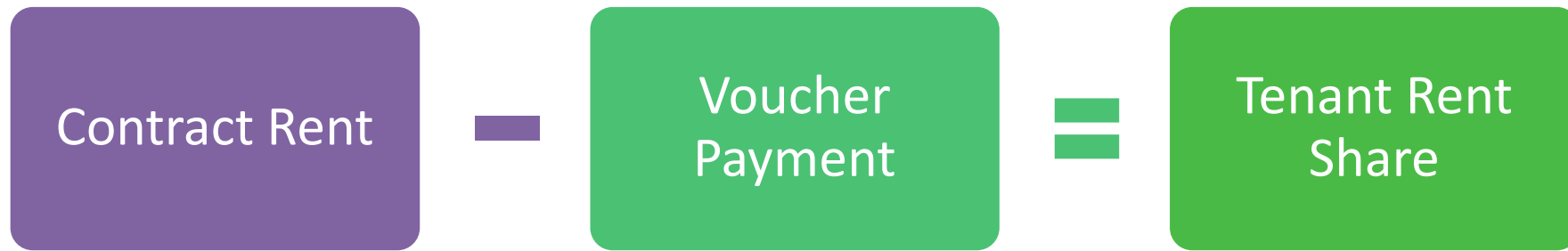
Required Household
Contribution

=

Voucher Payment

Determining Tenant Rent Share - Mobile Voucher

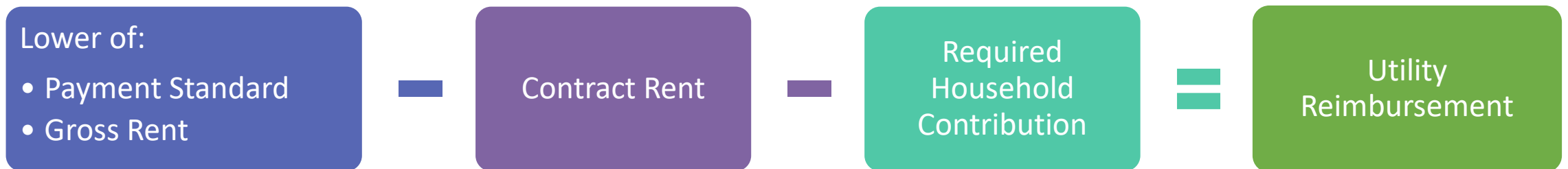
- To calculate the **Tenant Rent Share**, subtract the **Voucher Payment** from the **Contract Rent**.





Utility Reimbursement - Mobile Voucher

- If the Tenant Rent Share is \$0, a Utility Reimbursement may be required.
 - *Note: there is no minimum Utility Reimbursement amount.*
- To calculate a Utility Reimbursement for a Mobile Voucher, subtract both the **Required Household Contribution** and **Contract Rent** from the **lower** of the **Gross Rent** or **Payment Standard**.





Gross Rent \leq Payment Standard

- If the Gross Rent is equal to or lower than the Payment Standard, then the household will only pay 30% of net income to Gross Rent.

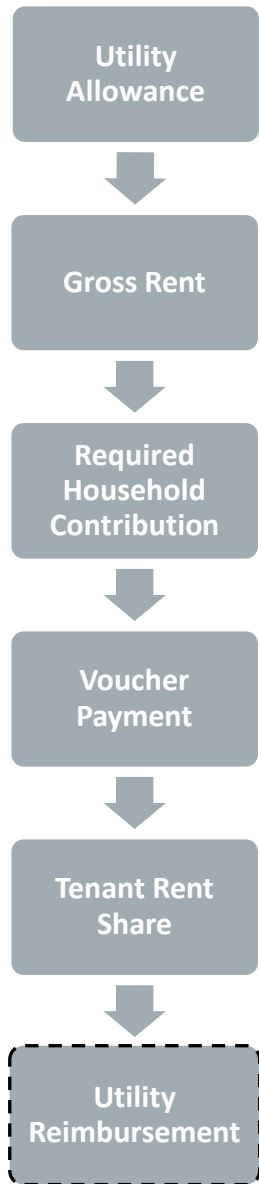
Gross Rent > Payment Standard

- If the Gross Rent exceeds the Payment Standard, then the household will pay the amount the Gross Rent exceeds the Payment Standard in addition to contributing 30% of their net monthly income to Gross Rent.
- In other words, the participant will be responsible for the difference.



Mobile Voucher Payment Calculation Steps

Steps to Determine Mobile Voucher Payments:

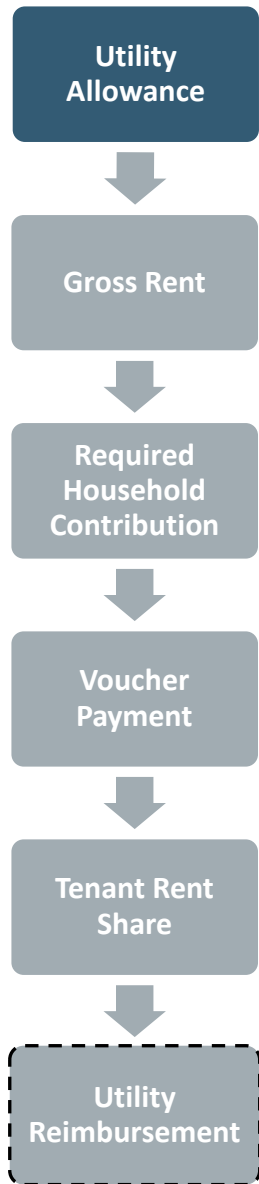


Mobile Voucher Payment Calculation Steps

Steps to Determine Mobile Voucher Payments:

1. Determine the UA

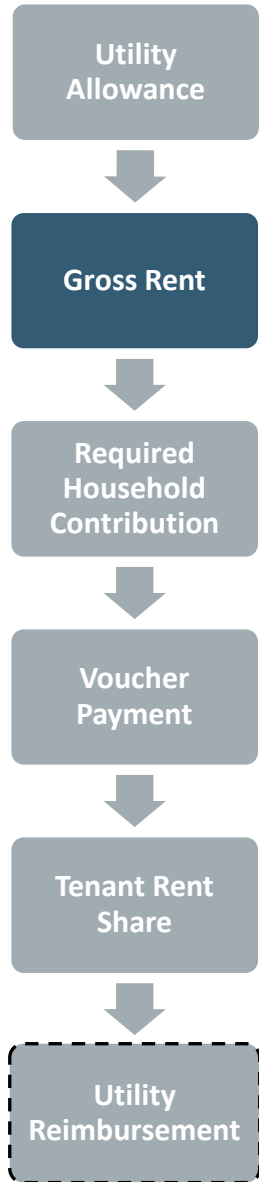
Based on bedroom size of unit and whether tenant pays for heat and/or electricity



Mobile Voucher Payment Calculation Steps

Steps to Determine Mobile Voucher Payments:

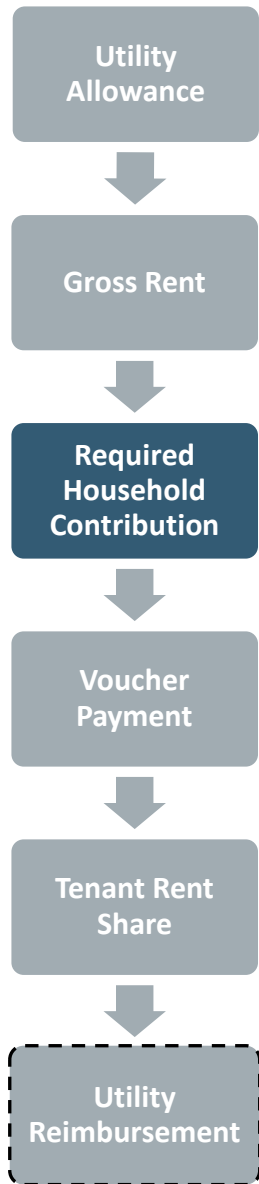
1. Determine the UA
Based on bedroom size of unit and whether tenant pays for heat and/or electricity
2. Determine the Gross Rent
Gross Rent = Contract Rent + UA



Mobile Voucher Payment Calculation Steps

Steps to Determine Mobile Voucher Payments:

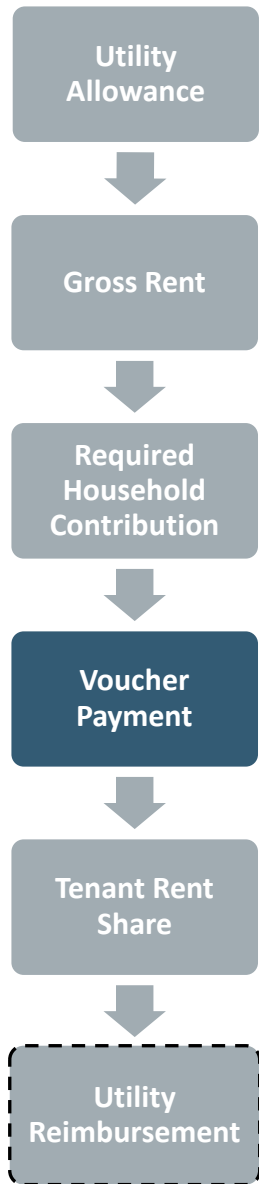
1. Determine the UA
Based on bedroom size of unit and whether tenant pays for heat and/or electricity
2. Determine the Gross Rent
 $\text{Gross Rent} = \text{Contract Rent} + \text{UA}$
3. **Determine the Required Household Contribution**
30% of net monthly income



Mobile Voucher Payment Calculation Steps

Steps to Determine Mobile Voucher Payments:

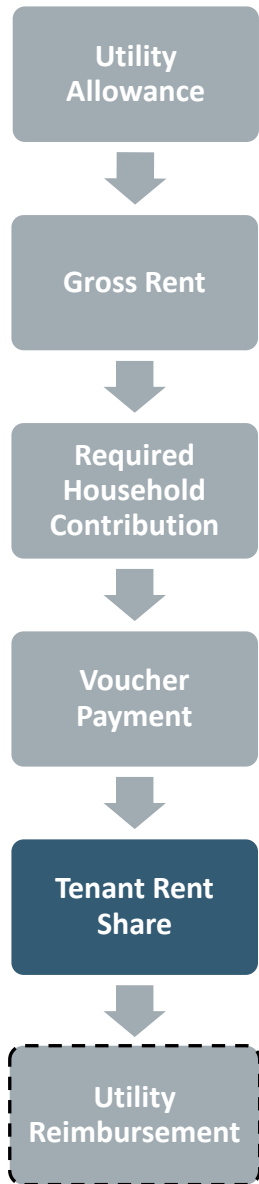
1. Determine the UA
Based on bedroom size of unit and whether tenant pays for heat and/or electricity
2. Determine the Gross Rent
 $\text{Gross Rent} = \text{Contract Rent} + \text{UA}$
3. Determine the Required Household Contribution
30% of net monthly income
4. **Determine the Voucher Payment**
 $\text{Voucher Payment} = (\text{lower of the Gross Rent or PS}) - \text{Required Household Contribution}$



Mobile Voucher Payment Calculation Steps

Steps to Determine Mobile Voucher Payments:

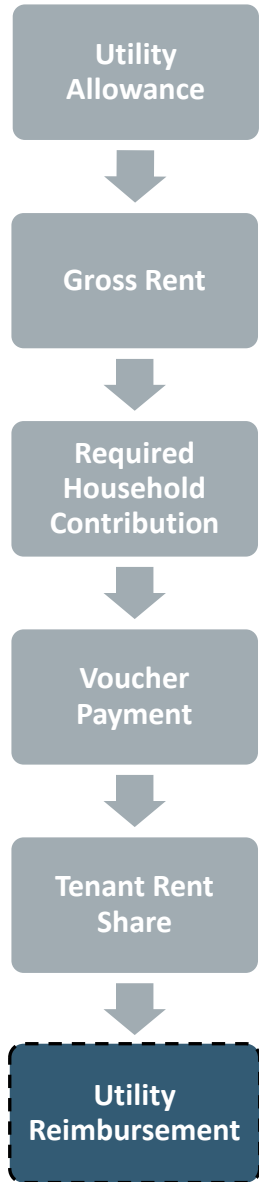
1. Determine the UA
Based on bedroom size of unit and whether tenant pays for heat and/or electricity
2. Determine the Gross Rent
 $\text{Gross Rent} = \text{Contract Rent} + \text{UA}$
3. Determine the Required Household Contribution
30% of net monthly income
4. Determine the Voucher Payment
 $\text{Voucher Payment} = (\text{lower of the Gross Rent or PS}) - \text{Required Household Contribution}$
5. **Determine the Tenant Rent Share**
 $\text{Tenant Rent Share} = \text{Contract Rent} - \text{Voucher Payment}$



Mobile Voucher Payment Calculation Steps

Steps to Determine Mobile Voucher Payments:

1. Determine the UA
Based on bedroom size of unit and whether tenant pays for heat and/or electricity
2. Determine the Gross Rent
 $\text{Gross Rent} = \text{Contract Rent} + \text{UA}$
3. Determine the Required Household Contribution
30% of net monthly income
4. Determine the Voucher Payment
 $\text{Voucher Payment} = (\text{lower of the Gross Rent or PS}) - \text{Required Household Contribution}$
5. Determine the Tenant Rent Share
 $\text{Tenant Rent Share} = \text{Contract Rent} - \text{Voucher Payment}$
6. **Determine the Utility Reimbursement (if applicable)**
 $\text{Utility Reimbursement} = (\text{lower of Gross Rent or PS}) - \text{Required Household Contribution} - \text{Contract Rent}$

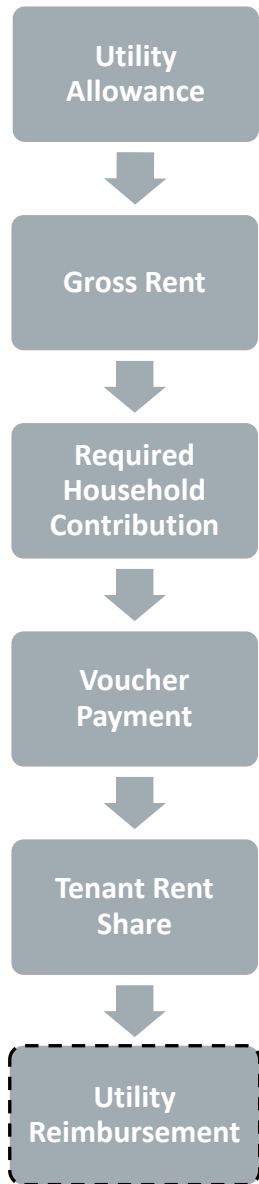


Example #3 (Mobile Voucher)

Using the information below, calculate the Tenant Rent Share:

- Voucher Size = **3**
- Bedroom Size = **3**
- Payment Standard = **\$1,353**
- Tenant-paid utilities = **all**
- Contract Rent = **\$1,400**
- Monthly net income = **\$2,100**

Utility Type	0	1	2	3	4
Heat	\$30	\$45	\$65	\$85	\$100
Electric	\$16	\$17	\$18	\$19	\$20



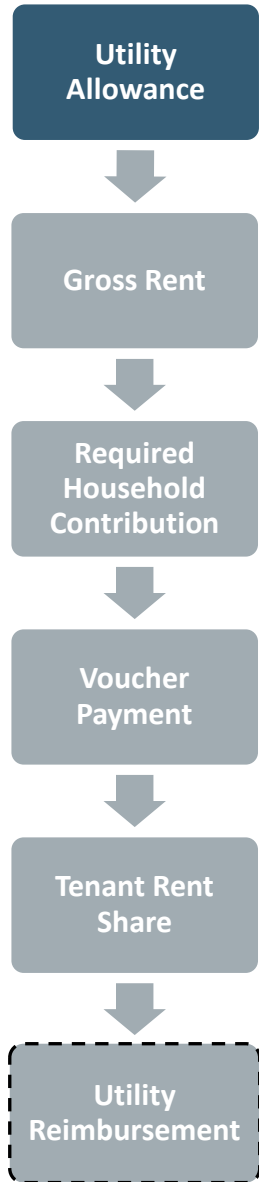
Example #3 (Mobile Voucher)

Using the information below, calculate the Tenant Rent Share:

- Voucher Size = **3**
- Bedroom Size = **3**
- Payment Standard = **\$1,353**
- Tenant-paid utilities = **all**
- Contract Rent = **\$1,400**
- Monthly net income = **\$2,100**

Utility Type	0	1	2	3	4
Heat	\$30	\$45	\$65	\$85	\$100
Electric	\$16	\$17	\$18	\$19	\$20

✓ Utility Allowance = **\$104**



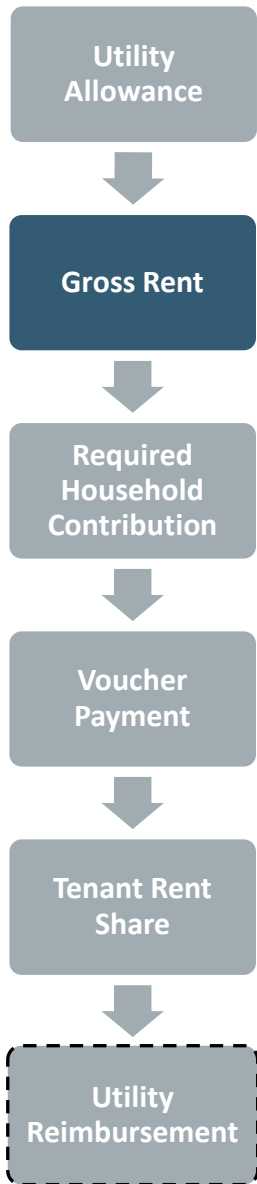
Example #3 (Mobile Voucher)

Using the information below, calculate the Tenant Rent Share:

- Voucher Size = **3**
- Bedroom Size = **3**
- Payment Standard = **\$1,353**
- Tenant-paid utilities = **all**
- Contract Rent = **\$1,400**
- Monthly net income = **\$2,100**

Utility Type	0	1	2	3	4
Heat	\$30	\$45	\$65	\$85	\$100
Electric	\$16	\$17	\$18	\$19	\$20

- ✓ Utility Allowance = **\$104**
- ✓ Gross Rent = $\$1,400 + \$104 = \textbf{\$1,504}$



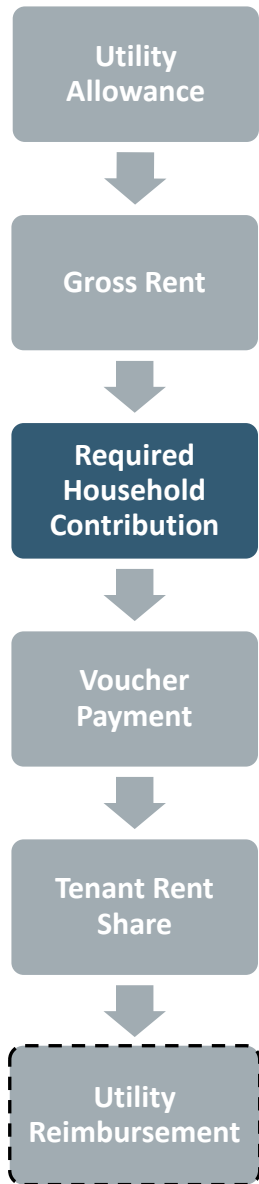
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- ✓ Utility Allowance = **\$104**
- ✓ Gross Rent = $\$1,400 + \$104 =$ **\$1,504**
- ✓ Required Household Contribution = $\$2,100 \times 30\% =$ **\$630**



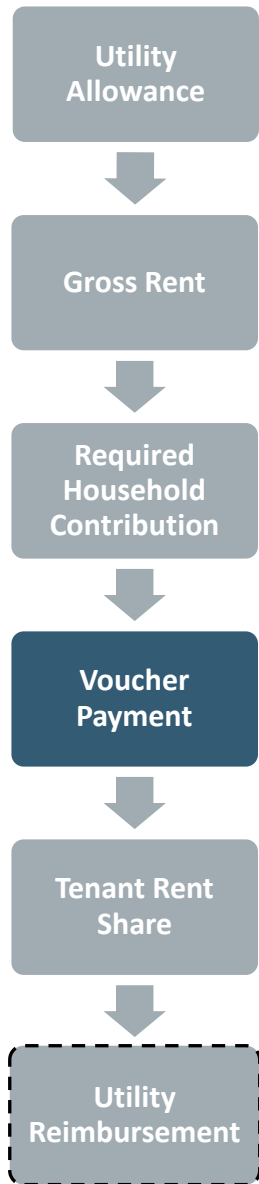
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- ✓ Required Household Contribution = $\$2,100 \times 30\% =$ **\$630**
- ✓ Voucher Payment = $\$1,353 - \$630 =$ **\$723**



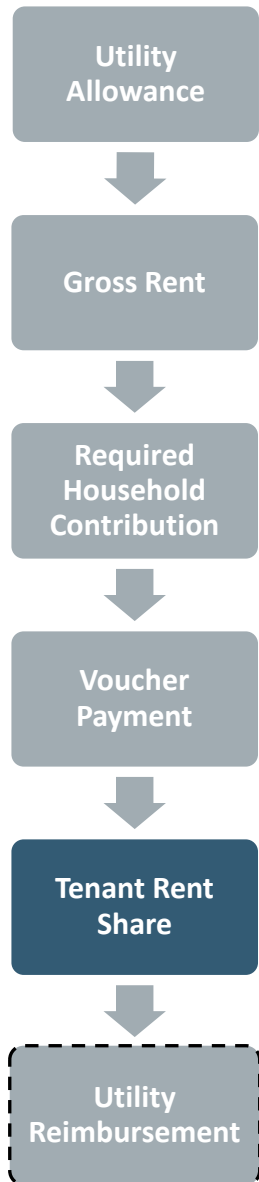
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- ✓ Required Household Contribution = $\$2,100 \times 30\% = \text{\textbf{\$630}}$
- ✓ Voucher Payment = $\$1,353 - \$630 = \text{\textbf{\$723}}$
- ✓ Tenant Rent Share = $\$1,400 - \$723 = \text{\textbf{\$677}}$

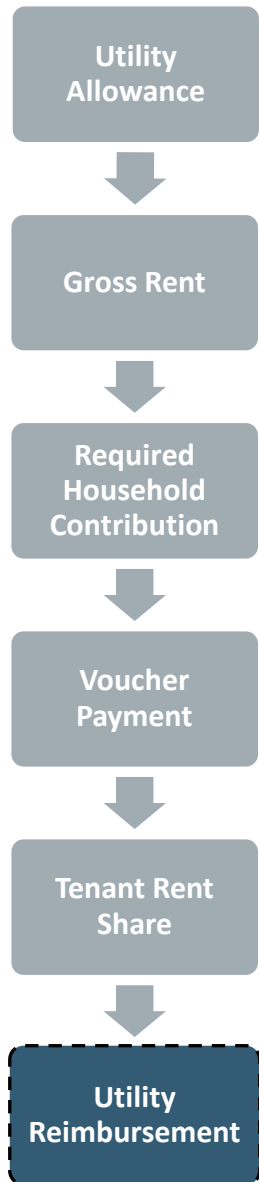


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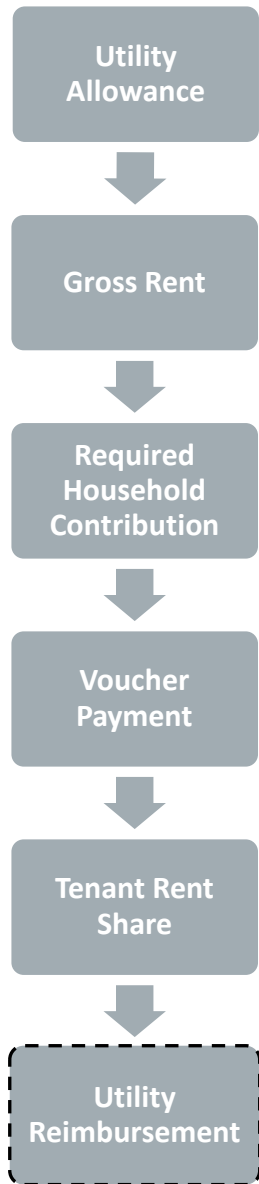
- ✓ Utility Allowance = **\$104**
- ✓ Gross Rent = $\$1,400 + \$104 = \text{\textcolor{red}{\$1,504}}$
- ✓ Required Household Contribution = $\$2,100 \times 30\% = \text{\textcolor{red}{\$630}}$
- ✓ Voucher Payment = $\$1,353 - \$630 = \text{\textcolor{red}{\$723}}$
- ✓ Tenant Rent Share = $\$1,400 - \$723 = \text{\textcolor{red}{\$677}}$
- ✓ Utility Reimbursement = **\$0**

Example #4 (Mobile Voucher)

Using the information below, calculate the Tenant Rent Share:

- Voucher Size = **3**
- Bedroom Size = **2**
- Payment Standard = **\$2,399**
- Tenant-paid utilities = **all**
- Contract Rent = **\$2,200**
- Monthly net income = **\$200**

Utility Type	0	1	2	3	4
Heat	\$30	\$45	\$65	\$85	\$100
Electric	\$16	\$17	\$18	\$19	\$20



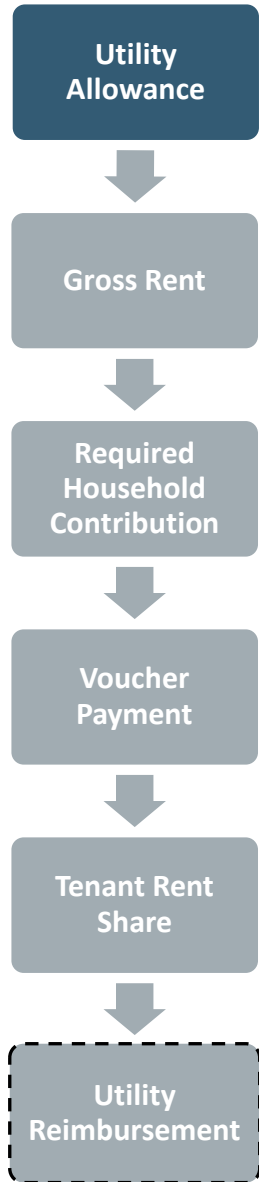
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Utility Type	0	1	2	3	4
Heat	\$30	\$45	\$65	\$85	\$100
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✓ Utility Allowance = **\$83**



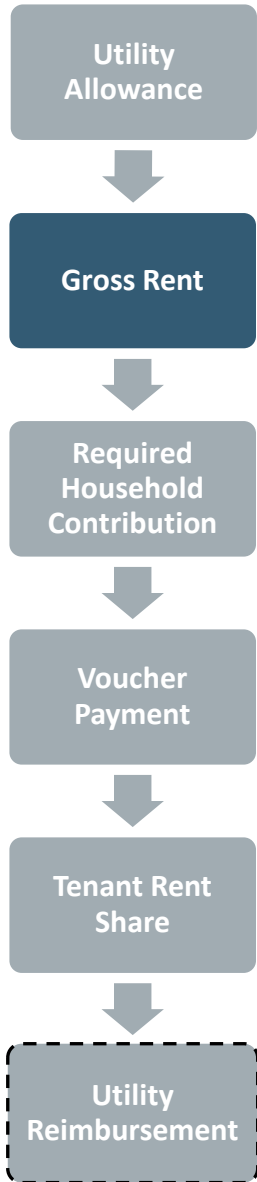
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Utility Type	0	1	2	3	4
Heat	\$30	\$45	\$65	\$85	\$100
Electric	\$16	\$17	\$18	\$19	\$20

- ✓ Utility Allowance = **\$83**
- ✓ Gross Rent = $\$2,200 + \$83 = \mathbf{\$2,283}$



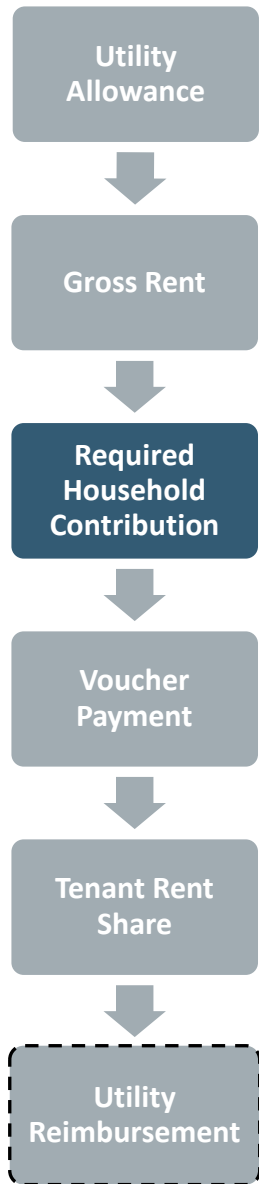
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- ✓ Utility Allowance = **\$83**
- ✓ Gross Rent = $\$2,200 + \$83 = \textbf{\$2,283}$
- ✓ Required Household Contribution = $\$200 \times 30\% = \textbf{\$60}$



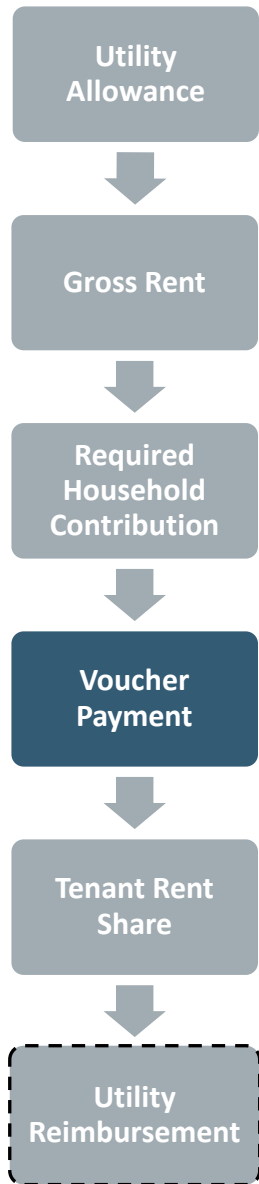
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- ✓ Utility Allowance = **\$83**
- ✓ Gross Rent = $\$2,200 + \$83 = \text{\textbf{\$2,283}}$
- ✓ Required Household Contribution = $\$200 \times 30\% = \text{\textbf{\$60}}$
- ✓ Voucher Payment = $\$2,283 - \$60 = \$2,223 \rightarrow \text{\textbf{\$2,200}}$ (cannot exceed CR)

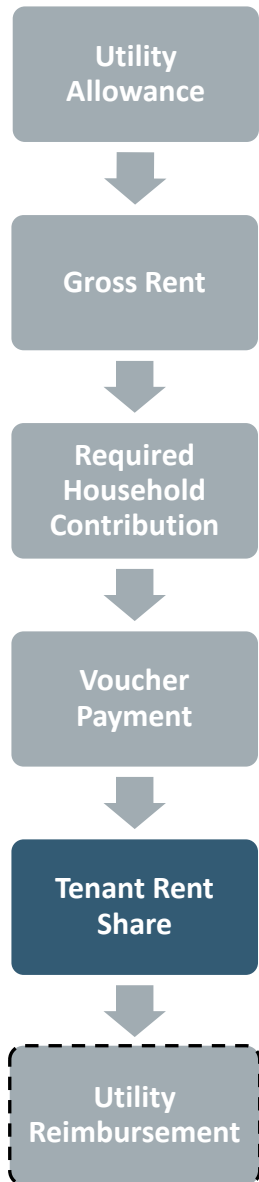


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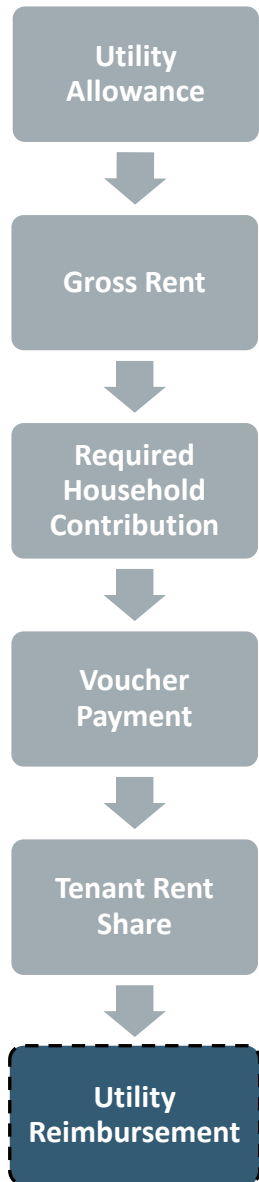
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- ✓ Gross Rent = $\$2,200 + \$83 = \text{\textcolor{red}{\$2,283}}$
- ✓ Required Household Contribution = $\$200 \times 30\% = \text{\textcolor{red}{\$60}}$
- ✓ Voucher Payment = $\$2,283 - \$60 = \$2,223 \rightarrow \text{\textcolor{red}{\$2,200}}$ (cannot exceed CR)
- ✓ Tenant Rent Share = $\$2,200 - \$2,200 = \text{\textcolor{red}{\$0}}$

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- ✓ Voucher Payment = $\$2,283 - \$60 = \$2,223 \rightarrow \mathbf{\$2,200}$ (cannot exceed CR)
- ✓ Tenant Rent Share = $\$2,200 - \$2,200 = \mathbf{\$0}$
- ✓ Utility Reimbursement = $\$2,283 - \$2,200 - \$60 = \mathbf{\$23}$

Maximum Rent at Initial Occupancy

Maximum Rent at Initial Occupancy

- At initial occupancy, a household cannot pay more than **40% of net monthly income** toward Gross Rent.
- Therefore, at initial occupancy of any unit, the maximum allowable Gross Rent is the Payment Standard plus **10%** of the household's net monthly income.
- Note: if a household does not wish to pay more than 30% of their net monthly income toward Gross Rent, they may locate a unit with a Gross Rent at or below the Payment Standard. All rents must be found rent reasonable.



Maximum Rent at Initial Occupancy

- At **initial voucher issuance and initial leasing** with a Mobile Voucher, AAs must:
 - Calculate net income at voucher issuance to give the household their **maximum gross rent at initial occupancy**; and
 - Obtain updated income information prior to leasing if submitted documentation is more than 90 days old (with exceptions for SS and some cases of SSI/SSDI income).

Maximum Rent at Relocation

- It is recommended that AAs collect updated income information every **90 days** throughout the relocation process to correctly estimate and approve a **maximum Gross Rent at initial occupancy** of a new unit.
- At relocation AA's must obtain updated income information and complete a full recertification, unless a full recertification has been completed within the last **60 days**.

Maximum Rent at Initial Occupancy

- DHCD and/or AAs cannot waive the requirement that households pay no more than 40% of net income toward Gross Rent at **initial occupancy** or **relocation**.
- The 40% cap is written into the MRVP budget language, which dictates MRVP policies. Therefore, the 40% cap cannot be waived by DHCD.

Maximum Rent - Regular Recertification

- After households move into a unit, they are **not** subject to the limit of contributing no more than 40% of net monthly income to Gross Rent.
- In the event of a rent increase, income decrease, or change in household composition, the amount a household contributes to Gross Rent *may be more than 40% of net monthly income*.
- If the household finds their housing costs burdensome, the household may relocate to a more affordable or appropriately sized unit.

Calculate the Maximum Gross Rent

- Monthly net income = \$1,200
- Payment Standard = \$1,500
- Utility Allowance = \$85
- **What is the maximum allowable gross rent at initial occupancy?**

Calculate the Maximum Gross Rent

- Monthly net income = \$1,200
- Payment Standard = \$1,500
- Utility Allowance = \$85
- **What is the maximum allowable gross rent at initial occupancy?**

	\$120	(10% of \$1,200)
+	\$1,500	(Payment Standard)
	<u>\$1,620</u>	

← maximum allowable gross rent at initial occupancy

Test Your Knowledge!

- Monthly net income = \$1,200
- Payment Standard = \$1,500
- Utility Allowance = \$85
- Requested rent = \$1,600

- Is this unit approvable? Why/why not?

Test Your Knowledge!

- Monthly net income = \$1,200
- Payment Standard = \$1,500
- Utility Allowance = \$85
- Requested rent = \$1,600
- Is this unit approvable? Why/why not?
 - **No, because the gross rent of the unit is \$1,685, which exceeds the maximum allowable gross rent at initial occupancy of \$1,620**

Test Your Knowledge!

- Monthly net income = \$1,200
 - Payment Standard = \$1,500
 - ~~• Utility Allowance = \$85~~
 - Requested rent = \$1,600
-
- The landlord agrees to include all utilities in the rent. Is this unit approvable? Why/why not?

Test Your Knowledge!

- Monthly net income = \$1,200
 - Payment Standard = \$1,500
 - ~~• Utility Allowance = \$85~~
 - Requested rent = \$1,600
-
- The landlord agrees to include all utilities in the rent. Is this unit approvable? Why/why not?
 - **Yes, because including utilities in the rent results in a decrease in the gross rent to \$1,600, which is less than the maximum allowable gross rent at initial occupancy.**

MRVP Payment Worksheet

- The MRVP Mobile Voucher Payment Worksheet will populate the maximum rent amount and applicable pro-ration amounts if tenant moves in mid-month.

A. Net Annual Income		\$14,400
B. Monthly Net Income	(A) / 12	\$1,200
C. 30% of Monthly Net Income	30% x (B)	\$360
D. Payment Standard	From MRVP Mobile Payment Standards	\$1,500
E. Contract Rent	From Above	\$1,600
F. Difference if Contract Rent > Payment Standard	If E > D, then E - D	\$100
H. TENANT RENT SHARE	(C) + (F)	\$460
I. VOUCHER PAYMENT	(E) - (H)	\$1,140

RELOCATION: MAXIMUM CONTRACT RENT AT INITIAL OCCUPANCY AND PRORATION			
10% of Net Income:	\$120	Maximum Rent at Initial Oc	\$1,620
Move In Date:		Number of Days in Unit:	
Tenant Rent Share:		Voucher Payment:	

Applying Payment Standards

Applying Payment Standards

- The Payment Standards for the MRVP program will be updated periodically by DHCD - typically each year when the new HUD FMR's are updated.
- However, the Payment Standard that applies to an **individual MRVP household** only changes at specified times.
- When referenced in the Administrative Plan, related policy guidance, and when indicated on the following slide, **“Applicable Payment Standard”** refers to the most recent Payment Standard published by DHCD.

Applying Payment Standards

- The **Applicable Payment Standard** will be used/updated in the following circumstances:
 - ✓ At **initial voucher issuance**
 - ✓ When determining Tenant Rent Share at **initial occupancy**
 - ✓ At issuance of voucher for **relocation**
 - ✓ When determining Tenant Rent Share at **relocation**
 - ✓ At a household's regular and/or interim reexamination ***in certain circumstances***, as noted on next slide.

Applying Payment Standards (continued)

- The **Applicable Payment Standard** will be used/updated in the following circumstances:
 - ✓ At the household's **Regular Recertification** if:
 - There has been a change in voucher size;
 - Payment standards have increased since the household's last regular recertification; or
 - Contract Rent has increased and Payment Standards have increased since the household's last rent share determination.
 - ✓ At the household's **Interim Reexamination** **when**:
 - Contract Rent is increased; **and**
 - Payment Standards have increased since the household's last rent share determination

Applying Payment Standards

- If MRVP Payment Standards have *decreased*, so long as the household does not relocate to another unit or experience a change in Voucher Size, AAs shall continue to use the existing, higher Payment Standard when determining the household's Tenant Rent Share.
- In other words, except at relocation or change in voucher size, **AAs shall *not* lower the amount of the Payment Standard used to calculate the Voucher Payment and household's Tenant Rent Share.**

Reasonable Accommodation

- AAs may grant a reasonable accommodation to raise the Payment Standard to the Gross Rent.
- The AA may also grant a reasonable accommodation to increase the Utility Allowance.
- Depending on individual circumstances, a reasonable accommodation to raise the Payment Standard and/or Utility Allowances may need to be renewed at the Regular Recertification.
- *Note: all Contract Rents must be found rent reasonable, and this requirement cannot be waived via reasonable accommodation.*

Reasonable Accommodation

54	A. Net Annual Income			
55	B. Monthly Net Income	$A / 12$		
56	C. Required Household Contribution	$30\% \times B$		
57	D. Payment Standard			
58	Increase payment standard via reasonable accommodation?	Enter Y or N	<input type="checkbox"/>	
59	E. Contract Rent	From Above		
60	F. Is heat included in the rent?	Enter Y or N	<input type="checkbox"/>	
61	G. Is electricity, not for heat, included in the rent?	Enter Y or N	<input type="checkbox"/>	
62	H. Gross Rent	$E + F + G$		
63	I. TENANT RENT SHARE	$E - J$		
64	J. VOUCHER PAYMENT	$(\text{Lower of } D \text{ or } H) - C$		
65	K. UTILITY REIMBURSEMENT	$(\text{Lower of } D \text{ or } H) - C - E$		
66				

Questions?

Key Takeaways

- Gross income is the anticipated income over 12 months from all household members, unless specifically excluded.
- Exclusions include:
 - PCA Income
 - Full-Time Student Earned Income
 - Earned Income of a Minor
 - Young Adult Employment Income Exclusion
 - Elderly Employment Income
 - Total Disability Veterans Compensation
 - Earned Income Exclusion

Key Takeaways

- Net income is the gross annual income (with all exclusions applied) minus those deductions applicable to the family.
- There are 7 deductions that may be applied under MRVP:
 - Elderly/Disabled Deduction
 - Medical Expenses Deduction
 - Care Deduction
 - Support Payments Deduction
 - Tuition Deduction
 - Personal Care Deduction
 - Travel Deduction

Key Takeaways

- Once net income is established, Required Household Contribution can be calculated (generally by calculating 30% of monthly net income).
- Information is needed about the unit being leased to determine the Utility Allowance and Gross Rent.
- For mobile vouchers, AAs will need to determine the Payment Standard amount (which will depend on the voucher and unit size) and the Maximum Rent Burden for the household.

Key Takeaways

- Tenant-paid heat and other electricity are the only utility types for which a UA is provided under MRVP.
- DHCD has established and will maintain a UA schedule/chart to outline the UA amounts for each bedroom size and utility type.
- DHCD may update the UA schedule periodically and/or as needed.

Key Takeaways

- The Payment Standards for the MRVP program will be updated periodically by DHCD - typically each year when the new HUD FMR's are updated.
- At initial occupancy, a household cannot pay more than 40% of net monthly income toward Gross Rent.
- AAs may grant a reasonable accommodation to raise the Payment Standard to the Gross Rent and/or to increase the Utility Allowance.
 - → However, the rent must still be reasonable!

Upcoming Sessions

#	Topics	Admin Plan Chapter(s)	Date
✓ 1.	<ul style="list-style-type: none"> • Training Introduction, MRVP Regulations & Governance • Eligibility, Issuance Briefing & Voucher 	Chapters 1, 4, 6	March 2023
✓ 2.	<ul style="list-style-type: none"> • Verification 	Chapters 7-8	March 2023
✓ 3.	<ul style="list-style-type: none"> • Calculation of Income & Voucher Payments 	Chapter 7	April 2023
→ 4.	<ul style="list-style-type: none"> • General Leasing Procedures & MRVP Lease Addendum 	Chapters 9-10	April 2023
5.	<ul style="list-style-type: none"> • Voucher Payment Contract • Rent Reasonableness & Rent Increases 	Chapters 11 & 12	May 2023
6.	<ul style="list-style-type: none"> • Relocation & Project Based Voucher Transfers 	Chapters 13 & 14	May 2023
7.	<ul style="list-style-type: none"> • Redetermination of Tenant Rent Share 	Chapter 16	June 2023
8.	<ul style="list-style-type: none"> • Terminations & Grievances 	Chapter 17	June 2023
9.	<ul style="list-style-type: none"> • Program Administration & Program Integrity 	Chapters 18-19	July 2023

Thank you!

Thank you for your participation!