


Commonwealth of Massachusetts  
DEPARTMENT OF HOUSING &  
COMMUNITY DEVELOPMENT

Deval L. Patrick, Governor ♦ Timothy P. Murray, Lt. Governor ♦ Tina Brooks, Undersecretary

Public Housing Notice 2010-07

TO: All Local Housing Authority Executive Directors

FROM: Laura A. Taylor, Director, Bureau of Housing Management 

SUBJECT: Clarification of the Exclusion from Income of Wages and/or Salary Earned by a Tenant Age 62 or Older – The “Elderly Income Exclusion”

DATE: July 29, 2010

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We have been asked to provide clarification and an explanation regarding how to apply the calculation of the amount of income to be excluded when a tenant is 62 years of age or older and is receiving wages and/or salary. This exclusion, “elderly income exclusion”, provides for the exclusion of up to the maximum dollar amount equal to 20 hours at the current minimum wage. This does not mean that the person has to be working 20 hours to get the exclusion or that the amount excluded is prorated based on the number of hours the person is working. Please note that this exclusion only pertains to “earned” income, meaning wages and/or salary or unemployment benefits in lieu of wages or salary.

As you will recall, the “elderly income exclusion” became effective January 1, 1999 as a result of Chapter 194 of the Acts of 1998, Sections 179 and 440. As a result M.G.L. c. 121B, §32 was amended and reads: “In calculating a household’s income for purposes of computing the rent due under the previous paragraph and for purposes of determining continued eligibility, a housing authority shall provide an income exclusion of not more than the amount earned for employment of 20 hours per week at the minimum wage, as determined by section 1 of chapter 151, for a person 62 years of age or older.” The relevant section of the Occupancy Standards and Tenant Participation for State-Aided Housing regulation that pertains to the “elderly income exclusion” is, 760 CMR 6.05(3)(p). It provides for an income exclusion of wages or salary earned for persons at least 62 years of age not to exceed the current minimum wage for a 20 hour work week.

The “elderly income exclusion” applies to age eligible applicants, tenants or household members living in elderly/handicapped or family state-aided public housing. The LHA shall give each person in the household meeting the requirements the “elderly income exclusion” for the person’s actual wages and/or salary up to the maximum allowed amount, when determining the rent.

To determine the amount to be excluded from a tenant or household member’s annual gross income the LHA first needs to multiply the current minimum wage (\$8.00/hr.) by 20 hours, then multiply the sum by 52 weeks (\$8.00 x

20 hours/week = \$160 x 52 weeks = \$8,320). Currently, \$8,320 is the maximum amount that can be excluded. Remember to use the current minimum wage when calculating the rent exclusion.

If you have any questions, please contact your Housing Management Specialist. Attached are four scenarios to illustrate the application of the elderly income exclusion.

This exclusion applies to age eligible tenants applying for or living in elderly/handicapped or family state-aided public housing.

1. A 66 year old tenant works 10 hours per week, at \$13.00 an hour. No other household member is working. How is the “elderly income exclusion” applied?

To determine the allowable exclusion of this earned income, perform the following calculation:

First determine the tenant’s annual income.

$$\begin{array}{r}
 \$ \quad 13.00 \text{ hourly rate} \\
 \times \quad 10 \text{ hours per week} \\
 \hline
 \$ \quad 130.00 \text{ salary per week} \\
 \times \quad 52 \text{ weeks per year} \\
 \hline
 \$6,760.00 \text{ total wages}
 \end{array}$$

$$\$6,760.00 \text{ total wages} < \$ 8,320.00 \text{ allowable exemption}$$

Total wages of \$6,760 are less than the maximum allowable exemption of \$8,320, therefore the total amount \$6,760 is excluded from gross household income.

2. A tenant household, consisting of three household members, living in the Authority’s family development have requested the elderly income exclusion. One member is age 64, and is attending the local community college where the member has a work-study job. This member works 12 hours per week at \$9.00 per hour. A second member is 61 years of age and works in the local convenience store. That member works 20 hours per week and is paid \$12 per hour. The third member, is 27 years of age, receives unemployment benefits in the amount of \$225 per week. Does this income exclusion apply to this household?

Yes, the elderly income exclusion applies. The exclusion is available to households living in either family or elderly state-aided public housing. The household has one member who is at least 62 years of age (the member who is age 64) is working and earning wages. That member earns \$5,616 per year (((\$9.00/hr. x 12 hrs.) x 52 = \$5,616). This member’s earnings are less than the maximum excludable amount of \$8,320; the full amount of earnings for this member, \$5,616, is excluded from gross household income. All other income for the household is included (no one else is 62 or older).

	Household Member 1 (64 y/o)	Household Member 2 (61 y/o)	Household Member 3 (27 y/o)	
Wage/ Unemployment Benefits	\$ 5,616	\$ 12,480	\$ 11,700	Total Household Income
Applied Exclusion	\$ 8,320	n/a	n/a	

Income Counted	\$ 0	\$ 12,480	\$ 11,700	<b>\$ 24,180</b>
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3. An applicant, age 63, for elderly/handicapped state-aided housing is still working full time. The applicant plans to retire in two years on her 65<sup>th</sup> birthday. Currently the applicant earns \$23,920 per year (\$11.50/hr. x 40 hrs. = \$460 x 52 weeks = \$23,920). Does this income exclusion apply to this household?

Yes, the elderly income exclusion is applicable to both applicant and tenant households. The Eligibility and Selection Criteria regulation at 760 CMR 5.06(1) states that household income for eligibility is determined in the same manner as it is for rent determination. In this example, the Authority would exclude \$8,320 of wages (the current maximum excludable amount) from the applicant's gross household income. The annual income without any other deductions or exclusions applied is \$15,600 (\$23,920 - \$8,320 = \$15,600).

$$\begin{array}{r}
 \$ \quad 11.50 \text{ hourly rate} \\
 \times \quad 40 \text{ hours per week} \\
 \$ \quad 460.00 \text{ salary per week} \\
 \times \quad 52 \text{ weeks per year} \\
 \$ 23,920.00 \text{ total wages} \\
 - \quad 8,320.00 \text{ allowable exemption} \\
 \$ 15,600.00 \text{ total income}
 \end{array}$$

4. A tenant who just turned 62 years of age has been laid off from their job and is now collecting unemployment benefits. The tenant receives \$1,200 per month. Does the "elderly income exclusion" apply?

Yes, up to the allowable maximum excludable amount. Unemployment benefits are earnings in lieu of wages or salary. The Authority would exclude \$8,320 of unemployment benefits from the tenant's income. The calculation is as follows:

$$\begin{array}{r}
 \$ 1,200.00 \text{ monthly unemployment income} \\
 \times \quad 12 \text{ months} \\
 \$14,400.00 \text{ annual income} \\
 - \quad 8,320.00 \text{ allowable exemption} \\
 \$ 6,080.00 \text{ total income}
 \end{array}$$