



Recertification Resource Guide State Public Housing



Prepared by
Edgemere Consulting Corporation
May 2007

Recertification Resource Guide State Public Housing Introduction

Understanding what is considered annual income and how to apply CHA policies as well as regulatory and statutory requirements is an important part of your job. The purpose of this resource guide is to provide a handy reference for commonly applied policies and procedures. Additionally, use of the resource guide will assist you in ensuring that public housing program policies are consistently applied by all staff and that the rent paid by eligible participants is correct. The guide includes helpful resource information on a range of issues related to recertification, income and rent calculations and verification.

<u>Subject</u>	<u>Page</u>
General Information.....	2
Rent.....	5
Required Documents and Forms.....	7
Verification.....	8
Verification of Income.....	12
Verification Guidelines for Non-Financial Factors.....	14
Calculation Guidelines: Included in Income.....	19
Calculation Guidelines: Income Exclusions.....	20
Calculation Guidelines: Income Deductions.....	22
Guide to Age of Verification Documents.....	24
Verification Table: Step By Step Guide.....	25
Notes	26

General Information

Be alert to the following issues:

Inconsistent Verification Documents

- When tax documents, third-party documents and pay stubs differ by up to \$2,400 per year, use the highest income to calculate gross household income. If the difference is greater than \$2,400 per year, obtain third-party verification to clarify.
-

Employment

- If Third-Party Verification does not include an annual total and employment is not year round, CHA will follow-up with the employer to verify the annual income or use the W-2 form from the prior year



Range of Hours and/or Rates



- When verification documents use a range of hours and/or rates, CHA will conduct oral verification to verify the correct number of hours and/or rates to use for income calculation. Information obtained will be documented on the Oral Verification Form and used to calculate income.
- If oral verification is unsuccessful, CHA will calculate the average number of hours and/or rates using the range provided on the verification document

2

Rounding of Income and Expenses

- CHA will round to the nearest whole dollar at the final calculation for each income/deduction source
- For Social Security Income: When the SS benefit letter states that the monthly benefit is rounded down to the whole dollar, CHA will calculate income by rounding down the full monthly benefit before any deductions and then annualizing that monthly benefit. This methodology applies whether or not there are any deductions applied.
- For other income/deductions with rounding directions: CHA will follow the direction on the verification document to calculate annual income and/or deductions
- For other income/deductions with NO rounding directions: CHA will calculate income/benefit/deductions by annualizing the entire weekly, bi-weekly, or monthly income/benefit/deduction. Once the annual amount is calculated, CHA will round to the nearest whole dollar.



Re-certification Requirements

- Conducted at least **once** each year



3

Interim Re-certifications

- Interim re-certifications are conducted when the monthly gross household income decreases or when there is a significant increase in allowable deductions
- Interim recertifications are required when there is a change in household composition
- Increases of 10% or more in household monthly gross income must be reported by the 7th day of the month following the month in which the increase occurred

4

Rent

Minimum Rent

- There is no minimum rent in state housing

Rent Determination: Elderly/Disabled Housing

- Where the tenant does not pay for utilities, rent shall be **30%** of monthly net household income
- Where the tenant pays for some or all utilities, rent shall be **25%** of monthly net household income



Rent Determination: Family Housing

- Where the tenant does not pay for utilities, rent shall be **32%** of monthly net household income
- Where the tenant pays for some utilities, rent shall be **30%** of monthly net household income
- Where the tenant pays for all utilities, rent shall be **27%** of monthly net household income

Timing of Rent Changes

- Rent increases go into effect on the first of the month following the 30 days notice to the tenant. For example, if a tenant's rent increases on May 7, the new rent will go into effect on July 1.



- Rent decreases go into effect on the first of the month following the decrease. For example, if a tenant's reports a decrease in income on May 7, the resulting decrease in rent will go into effect on June 1.

5

Retroactive Rent Increases

- Retroactive rent increases can be imposed if the household did not properly report income, deductions, exclusions or household composition
- Retroactive rent increases can be imposed if the household did not provide the proper information in a timely manner in order to complete the recertification



Zero Income

- Zero income households are required to verify zero income status every **90 days**

Zero Income Verification is required as follows:

- Zero Income self certification
- Family Budget Form worksheet
- Families that report zero income may be required to provide information regarding their means of basic sustenance, such as food, utilities, transportation, etc.
- If the family's expenses exceed their known income, CHA may inquire of the HOH as to the nature of the family's accessible resources
- If the family is at zero income due to the loss of income/benefits, third party verification must be obtained to verify the loss of income/benefits (i.e. termination of employment)
- If CHA subsequently identifies unreported income, CHA will initiate termination proceedings



6

Required Documents and Forms

Include the following forms in the file for each household:

Re-certification Checklist

1. New Rent Letter
2. Lease Addendum
3. Rent Calculation Worksheet
4. Tenant Certification Form
5. Privacy Act Form
6. Verification Documents
7. W-2 Forms for Wage Income
8. Re-certification Appointment Letter
9. Missing Documents Letter (if applicable)
10. Add On or Remove Resident Form (if applicable)
11. Name Changes (if applicable)
12. Wage Match Release Form



Interim Certification Checklist

1. Interim Rent Letter
2. Lease Addendum
3. New Rent Calculation Worksheet
4. Verification Documents
5. W-2 Forms for Wage Income (if applicable)

7

Verification

Release Forms

- Privacy Act Form: one is required for each household; must be signed and dated by the Head of Household; is valid for 12 months from the date of signature



- Wage Match Release Form: one is required for each household; must be signed by **all** adult household members

Hierarchy of Verification Methods

The order of priority of the forms of verification is:

1. State Wage Match System (if available)
2. Third-Party Written Verification
3. Third-Party Oral Verification
4. Review of Documents
5. Self-Certification



Third-Party Verification

- When third-party verification has been requested and the time frames for submission have been exceeded, use the information from documents on a temporary basis
- If third-party verification is later received that differs by \$200 or more per month from the amounts used in income and rent determinations and it is past the deadline for processing the reexamination, conduct an interim reexamination to adjust the figures used for the reexamination
- If third-party verification is later received that differs by less than \$200 per month from the amounts used in income and rent determinations an interim reexamination is not required.



Instances When Third-Party Verification is Not Required

- Third party verification is not required when legal documents are the primary source, such as birth certificate or other legal documentation of birth
- If a source does not have the ability to provide third-party written or oral verification document review will be used for verification. For example, when the tenant provides cleaning services and the homeowner refuses to provide verification of income, CHA will accept copies of checks or tenant certification..
- Third-party verification will be deemed unavailable when there is a service charge for verifying an asset or an expense and the family has original documents that provide the necessary information. If the family cannot provide original documents, self-certification will be acceptable as the means of verification.

Review of Documents

- If third-party verification is not available or not required, documents provided by the family will be used as verification



Self-Certification

- When information cannot be verified by a third-party or by review of documents, family members will be required to submit self-certifications
- Self-certification must be signed by the family member whose information or status is being verified
- Self-certification must be signed in the presence of a HA representative or notarized



Requirements for Acceptable Documents

- Original documents (not photocopies). Print-outs from web pages are considered original documents.
- Verification documents are valid for 120 days from the date of submission to CHA
- Verification documents must be dated within 60 calendar days of the date they are provided
- Document may not be damaged, altered or in any way illegible (if a document submitted by a family is illegible or otherwise questionable, more than one of these documents may be required)
- Documents dated up to 6 months before the effective date of the family's reexamination are acceptable if the document represents the most recent scheduled report from a source, i.e. Pension Statement
- If the original cannot be retained by CHA, photocopy the original, annotate the copy with the name of the person who provided the document and the date the original was viewed, and sign the copy
- All documents received by CHA will be date stamped with the date the item is delivered to CHA
- Third-party verification documents received via US mail should be date stamped when opened by CHA



Verification of Income

Employment Income (most commonly used verification methods)

- Verification of Employment Form completed by employer; or
- Pay stubs (6 weekly or 3 biweekly or 2 monthly) or earnings statements indicating gross pay, frequency and year-to-date pay;
- W-2 forms must be submitted for wage income for all household members
- Pay stubs must be consecutive and may not be more than 60 days old when received by CHA.



Social Security and SSI Benefits

- Award or benefit notification letter prepared and signed by providing agency dated within 60 days of submission
- Benefit letters can be requested by the applicant/tenant from the Social Security Administration by:
 - Calling 1-800-772-1213 (TTY 1-800-325-0778); or
 - Submitting a request on-line @ www.ssa.gov
- When the benefit letter does not include the benefit or premium for the upcoming re-certification period, apply the Cost of Living Adjustment (COLA) to calculate prospective income. The COLA is published each October and can be accessed at the Social Security website (www.ssa.gov)
- When the benefit letter does not include the Medicare premium for the upcoming re-certification period, use the current premium published on-line at the Department of Health & Human Services website @ www.cms.hhs.gov



12

Assets

- Third-party verification of assets is required
- Checking accounts: If third-party verification is not available for checking accounts, a current statement with the average six month balance or copies of last six statements are required



- Savings accounts: If third-party verification is not available for savings accounts, account balances from current statements are required

13

Verification Guidelines for Non-Financial Factors

Marital Status

- Marriage certificate
- Copy of divorce decree signed by Court Officer
- Copy of court-ordered maintenance or other records for separation status



Student Status



- Third-party verification of Full Time Student status
- If third-party verification is unavailable, school records indicating enrollment for sufficient number of credits to be considered a full-time student
- Full-time student is defined as a household member between the ages of 18 and 25, who is the dependent of another household member and who is enrolled in and attending an accredited educational or vocational institution and is carrying a course load that is considered full-time for day students under the standards and practices of the institution

14

Social Security Number (SSN)



For all household members (including live-in aides) ages 6 and up:
If SS number was issued:

- Original Social Security Card; or
- The following other documents if the SSN is provided on the document. With the exception of the identification cards and driver's license, the documents listed below must be provided via third-party verification:
 - Driver's License; or
 - Identification card issued by a federal, state, or local agency; or
 - Identification card issued by a medical insurance company or provider (including Medicare and Medicaid);
 - Identification card issued by an employer or trade union; or
 - Earnings statement on payroll stubs; or
 - School, hospital, employment and/or medical records: or
 - Bank statements; or
 - IRS Form 1099; or
 - Benefit award letters from government agencies; or
 - Retirement benefit letters; or
 - Life insurance policies; or
 - Court records (real estate, tax notices, marriage and divorce, judgment or bankruptcy records)

If SSN was not issued:

- Self-certification that no SSN has been issued, executed by any family member 18 or older, or by a parent or guardian for a minor
- When adding new household members who do not have Social Security Numbers, an alternative ID number must be assigned. The Executive Secretary for Leasing & Occupancy maintains a listing of alternative ID numbers. You must contact the Executive Secretary for Leasing & Occupancy and obtain an alternative ID number for entry into the tenant record.

15

Age/Date of Birth

- Birth certificate or other official record of birth is the preferred form of age verification for all family members
- For elderly family members an original document that provides evidence of the receipt of social security retirement benefits is acceptable



CHA may accept the following as verification of an applicant/participant's birth date if the document includes the date of birth. With the exception of the identification cards and driver's license, the documents listed below must be provided via third-party verification.

- A driver's license with the date of birth
- Identification card issued by a federal, state or local agency
- Identification card issued by a medical insurance company or provider (including Medicare and Medicaid)
- Identification card issued by an employer or trade union
- Earnings statement on payroll stubs
- School, hospital, employment and/or medical records
- Bank statements
- IRS Form 1099
- Benefit award letters from government agencies
- Retirement benefit letter
- Life insurance policies
- Court record (real estate, tax notices, marriage and divorce, judgment or bankruptcy records)

16

Addition of Household Members

- If a new adult is added to the household, send an Add-On Form to Leasing & Occupancy. Leasing & Occupancy should then complete the CORI check and credit check

Permanent Absence of Adult Member

Permanent absence of an adult member is defined as being absent for three or more consecutive months in one calendar year, which results in removal from the household

Self-Certification Form, plus evidence to support that the person is no longer a member of the family, is required for verification, for example:

- Self-certification from family; and
- Legal action documentation (divorce, separation, restraining order)
- Proof of another home address, such as utility bills, cancelled checks for rent, drivers license, or lease or rental agreement
- Statements from other agencies such as social services that the adult family member is no longer living at this location
- Document from Court or prison if adult family member is incarcerated, including length of incarceration
- CHA will make exceptions to this policy for extenuating circumstances on a case by case basis



17

Disability

For family members receiving Social Security Administration (SSA) disability benefits:

- A current (dated within the last 60 days) SSA benefit verification letter from each family member claiming disability status is required

For family members not receiving SSA disability benefits:

- Third-party verification from a knowledgeable professional (physician, psychiatrist, psychologist, therapist, rehabilitation specialist, or licensed social worker)



Included in Income

Annual Income Includes but is Not Limited to: (760 CMR 6.05)

- Income (before any payroll deductions). This includes wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services.
- Net income from operations of a business or profession by each self-employed household member
- Income of any kind from real or personal property including rent, interest and dividends
- Periodic payments received from social security, annuities, retirement funds, and pensions, individual retirement accounts, and other similar types of periodic payments of retirement benefits, excluding non-taxable amounts which constitute return of capital and are specifically identified as such by payer
- Payments in lieu of earnings, such as unemployment compensation; Supplemental Security Income (SSI); Social Security Disability Income (SSDI); and benefits in lieu of earnings under disability insurance, health and accident insurance or workers' compensation. Lump sum or deferred payments from SSI or SSDI are included.
- 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 be in excess of \$2,000 and occur once a year for two or more years
- Regular payments of public assistance, excluding food stamps
- Payments received for the support of a minor, such as payments for child support, **foster care**, social security, or public assistance
- Lottery winnings, gambling winnings and similar receipts
- Receipts of principal and income from the trustee of a trust, and receipts of income from the executor or administrator of an estate or from some other fiduciary
- Alimony or payment for separate support

Assets

- For asset value \$5,000 or less: actual income earned is included
- For asset value more than \$5,000: either the actual interest earned or the HUD-established interest or Massachusetts Department of Housing and Community Development-established interest, whichever is higher, is included

Income Exclusions

The following are not included when calculating income:

- Gifts which are not regularly recurring
- Amounts (including lump-sums) for the cost of medical care, or to compensate for personal injury or damage to or loss of property under health, accident or liability insurance, worker's compensation, judgments or settlements of claims, insofar as these payments do not compensate for loss of income for a period when the recipient was or would be a tenant
- Amounts of educational scholarships or stipends for housing paid by a non-household member for a full-time or part-time student at an educational institution, and amounts paid by the U.S. Government to a veteran for use in paying tuition, fees, or the cost of books
- 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), provided that recipient fulfills all PASS program requirements
- The value of food stamps
- Payments received by participants or volunteers in programs pursuant to the Domestic Volunteer Service Act of 1973
- The increased amount of income earned from employment by one or more household members if the increase in earned income otherwise would result in a rent increase (subject to specific regulations)
- Payments for a household member in association with participation in a program providing training for employment, to cover costs related to training or employment, such as transportation, program fees, books, or child care (during training). This exclusion does not apply to wages received through programs for training for employment, such as wages from on-the-job training.

20

Income Exclusions (continued)

- Wages and/or salary earned by a full-time student or by an un-emancipated minor
- Income of a live-in personal care attendant (PCA), who is not a family member, who is paid for the fair value of his or her services to a household member with a disability and whose income is not available for the needs of any household member, provided that the PCA shall be required to substantiate that he or she receives wages for the fair value of his or her services and that such income is not available for the needs of any household member.
- Inheritances and life insurance proceeds. This exclusion does not apply to post-death interest paid on inheritances or insurance proceeds.
- All but \$1,800 of the annual amount received by an unemployable disabled veteran from the U.S. Government whose disability occurred in connection with military service, no deductions shall be applied against that \$1,800.
- A return of capital on sale or transfer of an investment or of other real or personal property.
- Wages and/or salary earned by a tenant age 62 or older, or other household member, age 62 or older, not to exceed the total amount which would have been earned by a person working 20 hours per week at the minimum wage
- The Massachusetts State Public Housing regulations are included in 760 CMR 6.05

Earned Income Exclusion

- Freezes rent for a certain period of time at the amount it was when the tenant was not working based on specific eligibility requirements

21

Income Deductions

The following deductions are taken when calculating income:

1. **Elderly & Disabled:** \$400 for a household living in family housing in which the Head of Household or spouse is an elderly person of low income or a handicapped person of low income provided that the household is not over-housed
2. **Minors:** \$300 for each un-emancipated minor household member (under age 18)
3. **Family:** \$300 for each income producing adult household member (other than the Head of Household); this deduction is limited by the amount by which the gross income of such adult household member exceeds all other deductions claimed against his or her income
4. **Medical:** Payments for necessary medical expenses (including co-payment amounts) which are not covered by insurance or otherwise reimbursed, provided that such expenses are in excess of 3% of annual gross household income and are un-reimbursed. Payments for medical health insurance are considered medical expenses. All households are eligible.
5. **Child & Family Care:** Payments for the care of child(ren) or of a sick or incapacitated household member provided that the LHA shall have determined the payments to be necessary for the employment of another household member who would otherwise have provided such care; the total amount deducted for this deduction and the deductions in (7) and (8) for this household member who makes the payment shall not exceed his or her gross income.
6. **Support:** Child support, separate support, and/or alimony paid under court order or court approved agreement by a household member for the support of a minor child, spouse, or ex-spouse, not residing with the household, provided that the total amount deducted for this deduction and the deductions in (6) and (8) for this household member shall not exceed his or her gross income.

Income Deductions (continued)

7. **Education:** Non-reimbursable payments of tuition and fees of vocationally related post-secondary education of a household member who is not a full-time student, provided that the amount deducted for this deduction and the deductions in (6) and (7) for this household member shall not exceed his or her gross income
8. **Care of Disabled:** Non-reimbursable payments for reasonable and necessary housekeeping or personal care services for a household member with a disability who as a result of the disability is physically unable to perform the housekeeping or personal care services provided that no household member is reasonably available to perform these services
9. **Travel of Disabled:** Travel expense, in excess of the cost of the least expensive available transportation, for a household member with a disability who as a result of the disability is physically unable to use the least expensive available transportation and who uses the least expensive transportation practical in connection with necessary activities which cannot be performed by another household member

The Massachusetts State Public Housing regulations are included in 760 CMR 6.05



Guide to Age of Verification Documents

Verification Subject	Requirement
Date on Document when submitted to CHA	<ul style="list-style-type: none"> • Dated within 60 calendar days from the date the document is provided to CHA • Example: if an applicant provides a Social Security benefit letter for verification on October 1, 2006, the letter may not be dated before August 2, 2006
Exceptions to Date on Document when submitted to CHA	<ul style="list-style-type: none"> • CHA will accept documents dated up to 6 months before the effective date of the family's admission/reexamination if the document represents the most recent scheduled report from a source • Example: if the holder of a pension annuity provides semi-annual reports, CHA would accept the most recent report
Exception to Date on Pay Stubs when submitted to CHA	<ul style="list-style-type: none"> • For verification of wages using review of applicant provided documents, CHA requires 6 pays stubs for weekly pay, 3 pay stubs for bi-weekly pay and 2 pay stubs for monthly pay. The pay stubs should be consecutive and no more than 120 days old • Example: If applicant submitted pay stubs for verification of income on July 1, 2006, the oldest pay stub may not be dated before March 3, 2006
Validity of Verification	<ul style="list-style-type: none"> • CHA will maintain the validity of verification for 120 days from the date of receipt • This policy assumes that when the verification document was received by CHA that the date on the document was not more than 60 days prior to the date it was submitted to CHA • Example: If a verification document is received by CHA on June 1, 2006, the document may not be dated earlier than April 1, 2006. Assuming the first verification date threshold is met, the verification document received on June 1, 2006 is valid through September 30, 2006. If the effective date of the file action is after September 30, 2006, the item must be re-verified.

Verification Table: Step By Step Guide

Step No.	Action	Time Frame
1.	<ul style="list-style-type: none"> ▪ A record of each verification attempt, including the date of the request) will be documented in the file on the Occupancy Notes page <ul style="list-style-type: none"> ○ Written Third Party ○ Oral Third Party (including no answer calls) ○ Tenant provided documents ○ Tenant declaration 	Throughout verification process
2.	<ul style="list-style-type: none"> ▪ Send out written requests for third party verification ▪ Make copies of the third party requests and place in file. 	Within 3 days after securing a family's authorization for release of information
3.	<ul style="list-style-type: none"> ▪ Track time allowed for return of third party requests for written verification 	Within 10 business days from the date of the first request
4.	<ul style="list-style-type: none"> ▪ Make second request for third party verification (may be written or oral) 	On the 10 th business day from date of first request (if no response)
5.	<ul style="list-style-type: none"> ▪ If oral verification is completed, use Oral Verification Form to document the request and information received. 	Between 1 and 10 days after the date of the second request for third party verification
6.	<ul style="list-style-type: none"> ▪ Track time allowed for return of second third party requests 	Within 10 business days from the date of the second request
7.	<ul style="list-style-type: none"> ▪ If not already provided by the tenant, contact the tenant to request tenant provided documents for verification, i.e. pay stubs, child care expenses. 	On the 10 th business day from date of second request (if no response)
8.	<ul style="list-style-type: none"> ▪ Track time allowed for return of tenant provided documents 	Within 5 business days from the date of the request to provide verification documents
9.	<ul style="list-style-type: none"> ▪ Contact the tenant to provide tenant declaration for verification of program information 	On the 5 th business day from date of tenant provided documents request

