



Special Attention of:

Administrators, Offices of Native American Programs, Tribes, Tribally Designated Housing Entities (TDHEs)

Notice PIH 2024-07pihn

Issued: April 8, 2024

Expires: This Notice remains in effect until amended, superseded, or rescinded.

Supersedes: ONAP [Program Guidance 2013-05](#)

Cross References: [NAHASDA](#), [HOTMA](#), 24 CFR 5.609; 24 CFR 1000.10, [Notice PIH 2023-34](#), [FR-6410-N-01](#)

Subject: Calculating Annual Income for Purposes of Eligibility under NAHASDA

1. PURPOSE

This notice provides updated instructions to Indian Housing Block Grant (IHBG) grantees on how to calculate annual income under the IHBG program for the purpose of program eligibility. It covers the three definitions of annual income that grantees may utilize to determine income eligibility and adopt in their Admissions and Occupancy policies. Specifically, it includes a revised Section 8 method of income determination pursuant to the final rule of [Housing Opportunity Through Modernization Act of 2016 \(HOTMA\)](#), that called for regulatory revisions to 24 CFR Part 5, effective January 1, 2024.

As referenced in [PIH Notice 2023-34](#): Transition and Implementation of the Housing Opportunity Through Modernization Act of 2016 (HOTMA), HUD is providing a one-year transition period for Indian tribes and Tribally Designated Housing Entities (TDHEs) administering IHBG grants to adopt and implement the new definition of “annual income” as modified by HOTMA. Accordingly, Indian tribes and TDHEs that choose to adopt the Section 8/24 CFR part 5 definition of annual income will have until January 1, 2025, to implement and come into compliance with the new Section 8/24 CFR part 5 definition of annual income. This additional flexibility will allow time to update processes, procedures, and policies for Indian tribes and TDHEs that need it.

This notice replaces [Program Guidance 2013-05](#). The list of Federally Mandated Exclusions from Income (Appendix D) has also been updated.

2. BACKGROUND

Housing assistance under the IHBG program is generally limited to low-income Indian families. A low-income family is defined in the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA) as a family whose income does not exceed 80 percent of area median income or the national median income, whichever is higher. To determine whether a family is eligible to receive assistance under the IHBG program, grantees must first determine a family's annual income.

3. CALCULATING ANNUAL INCOME

To calculate a family's annual income for purposes of IHBG eligibility, a recipient should follow these steps:

Step 1: Adopt an Income Definition for Tribal Housing Policies – A recipient must indicate in its written policies that govern the eligibility, admission, and occupancy of families for IHBG assistance, and the definition(s) of annual income it will use. The IHBG regulations at 24 CFR §1000.10 provide grantees with the option to choose any one of the following three definitions of “annual income”.

Section 8 Definition- Annual Income as defined for HUD's Section 8 programs in 24 CFR part 5, subpart F (except when determining the income of a homebuyer for an owner-occupied rehabilitation project, the value of the homeowner's principal residence may be excluded from the calculation of net family assets).

Appendix A – Section 8 Income Definition contains the updated Section 8 definition of annual income, effective January 1, 2024. IHBG grantees that utilize the Section 8 method of income calculation should make required amendments to Tribal Housing Admissions and Occupancy policies prior to the compliance date of January 1, 2025.

Census Definition- Annual income as reported under the U.S. Census long form for the most recent available decennial Census. This means the definition of income used by the Census, not the dollar amount reported.

Appendix B - Census Income Definition contains the U.S. Census income definition, inclusions, and exclusions.

IRS Definition- Adjusted gross income as defined for purposes of reporting under Internal Revenue Service (IRS) Form 1040 series for individual Federal annual income tax purposes. Grantees should review the program participant's appropriate past IRS Form 1040s to obtain this information. On the 2022 Form 1040 Form, this is line 10.

Appendix C - IRS Income Definition contains additional information on what is included and excluded in adjusted gross income on IRS Form 1040.

The recipient may use more than one income definition. For example, the policy may state that it will use the definition most advantageous to the family or to the housing entity.

Step 2: NAHASDA Exclusions – In addition to the income exclusions for each of the three income calculation methods, IHBG Admissions and Occupancy policies and procedures should also incorporate the following NAHASDA exclusions.

Section 4 (9) of NAHASDA defines the term “Income” as income from all sources of each member of the household as determined in accordance with criteria prescribed by HUD, excluding the following:

1. Any amounts not actually received by the family.
2. Any amounts that would be eligible for exclusion under Section 1613(a)(7) of the Social Security Act. This relates to certain amounts received from the United States that are attributable to underpayments of benefits due for one or more prior months under the Social Security Act.
3. Any amounts received by any member of the family as disability compensation under Chapter 11 of Title 38, United States Code, or dependency and indemnity compensation under chapter 13 of such title. This relates to amounts received from the Department of Veterans Affairs by a family for service-related disabilities of a member of the family, and survivor benefits. (See PIH Notice 2011-15).

Step 3: Federally Mandated Exclusions – Federally mandated exclusions are amounts specifically excluded under other Federal statutes from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under NAHASDA. HUD periodically publishes a notice in the Federal Register identifying the benefits that qualify for this exclusion.

The most recent Federally Mandated Exclusions, published January 31, 2024, are listed in Appendix D- Federally Mandated Exclusions.

- **Per Capita Payments:** Generally, per capita payments that are not derived from interests held in trust or restricted lands are included in a family’s annual income. For instance, if a Tribal member receives the Form 1099-Misc, Miscellaneous Income, from a tribe for reporting Indian gaming profits, this payment must be included as annual income as defined by HUD’s Section 8 Program, the Census, and the IRS Form 1040.

Step 4: Income Verification: The IHBG regulations at 24 CFR § 1000.128 require the recipient to verify that a family is income eligible based on anticipated annual income. The family’s annual income may not exceed the applicable income limit. The family is required to provide income documentation to verify this determination.

The recipient must have income verification policies in place and is required to maintain the documentation on which the determination of eligibility is based.

The recipient may also require a family to periodically verify its income in order to determine housing payments or continued occupancy consistent with locally adopted policies.

The recipient may choose to use third party income verification methods or request documentation such as income tax returns, W-2s, pay stubs, and other appropriate information as stipulated by their policies to adequately estimate annual income.

Step 5: Adjusted Income for Purposes of Determining Rent: Section 4 (1) of the [NAHASDA](#) statute defines Adjusted Income as the annual income that remains after excluding the following amounts:

(A) YOUTHS, STUDENTS, AND PERSONS WITH DISABILITIES- \$480 for each member of the family residing in the household (other than the head of the household or the spouse of the head of the household)—

i. who is under 18 years of age; or

ii. who is—

(I) 18 years of age or older; and

(II) a person with disabilities or a full-time student.

(B) ELDERLY AND DISABLED FAMILIES- \$400 for an elderly or disabled family.

(C) MEDICAL AND ATTENDANT EXPENSES- The amount by which 3 percent of the annual income of the family is exceeded by the aggregate of—

i. medical expenses, in the case of an elderly or disabled family; and

ii. reasonable attendant care and auxiliary apparatus expenses for each family member who is a person with disabilities, to the extent necessary to enable any member of the family (including a member who is a person with disabilities) to be employed.

(D) CHILD CARE EXPENSES- Child care expenses, to the extent necessary to enable another member of the family to be employed or to further his or her education.

(E) EARNED INCOME OF MINORS- The amount of any earned income of any member of the family who is less than 18 years of age.

(F) TRAVEL EXPENSES- Excessive travel expenses, not to exceed \$25 per family per week, for employment- or education-related travel.

(G) OTHER AMOUNTS- Such other amounts as may be provided in the Indian housing plan for an Indian tribe.

Section 203 (a) of NAHASDA requires that IHBG grantees develop written policies governing rents and homebuyer payments charged for IHBG assisted dwelling units including the processes and procedures for determining income eligibility based on annual and adjusted income, determining rents based on adjusted income, and recertification of income eligibility, and adjusting rents accordingly. Additionally, this section requires that monthly rent or homebuyer payments may not exceed 30% of monthly income of any low-income family residing in an IHBG assisted unit.

If you have any questions regarding this notice, please contact your Grants Management Specialist at your [Area Office of Native American Programs](#).



Richard J. Monocchio
Principal Deputy Assistant Secretary
Public and Indian Housing

Appendix A – Section 8 Definition of Annual Income

24 CFR Section 5.609 As Revised

The Section 8 definition of Annual Income was significantly revised by the final rule of [Housing Opportunity Through Modernization Act of 2016 \(HOTMA\)](#). The revised [§ 5.603](#) Definitions of terms used in [§ 5.609](#) Annual Income are noted as bold italicized text and listed below.

Note that Notice PIH 2023-34: Transition and Implementation of the Housing Opportunity Through Modernization Act of 2016 (HOTMA) allows Indian tribes and TDHEs that choose to adopt the Section 8/24 CFR part 5 definition of annual income until **January 1, 2025**, to implement the new Section 8/24 CFR part 5 definition of annual income and update policies and procedures to be compliant.

I. Effective January 1, 2024, 24 CFR [§ 5.609](#) reads as follows:

[§ 5.609](#) Annual income.

(a) Annual income includes, with respect to the family:

(1). All amounts, not specifically excluded in paragraph (b) of this section, received from all sources by each member of the family who is 18 years of age or older or is the head of household or spouse of the head of household, plus unearned income by or on behalf of each *dependent* who is under 18 years of age, and

(2). When the value of *net family assets* exceeds \$50,000 (which amount HUD will adjust annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers) and the actual returns from a given asset cannot be calculated, imputed returns on the asset based on the current passbook savings rate, as determined by HUD.

(b) Annual income does not include the following:

(1) Any imputed return on an asset when net family assets total \$50,000 or less (which amount HUD will adjust annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers) and no actual income from the net family assets can be determined.

(2) The following types of trust distributions:

(i) For an irrevocable trust or a revocable trust outside the control of the family or household excluded from the definition of net family assets under [§ 5.603\(b\)](#):

(A) Distributions of the principal or corpus of the trust; and

(B) Distributions of income from the trust when the distributions are used to pay the costs of *health and medical care expenses* for a *minor*.

(ii) For a revocable trust under the control of the family or household, any distributions from the trust; except that any actual income earned by the trust, regardless of whether it is distributed, shall be considered income to the family at the time it is received by the trust.

(3) Earned income of children under 18 years of age.

(4) Payments received for the care of foster children or foster adults, or State or Tribal kinship or guardianship care payments.

(5) Insurance payments and settlements for personal or property losses, including but not limited to payments through health insurance, motor vehicle insurance, and workers' compensation.

(6) Amounts received by the family that are specifically for, or in reimbursement of, the cost of *health and medical care expenses* for any family member.

(7) Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a member of the family becoming disabled.

(8) Income of a live-in aide, *foster child*, or *foster adult* as defined in §§ 5.403 and 5.603, respectively.

(9)

(i) Any assistance that section 479B of the Higher Education Act of 1965, as amended ([20 U.S.C. 1087uu](#)), requires be excluded from a family's income; and

(ii) Student financial assistance for tuition, books, and supplies (including supplies and equipment to support students with learning disabilities or other disabilities), room and board, and other fees required and charged to a student by an institution of higher education (as defined under Section 102 of the Higher Education Act of 1965 ([20 U.S.C. 1002](#))) and, for a student who is not the head of household or spouse, the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit.

(A) Student financial assistance, for purposes of this [paragraph \(9\)\(ii\)](#), means a grant or scholarship received from—

(1) The Federal government;

(2) A State, Tribe, or local government;

(3) A private foundation registered as a nonprofit under [26 U.S.C. 501\(c\)\(3\)](#);

(4) A business entity (such as corporation, general partnership, limited liability company, limited partnership, joint venture, business trust, public benefit corporation, or nonprofit entity); or

(5) An institution of higher education.

(B) Student financial assistance, for purposes of this [paragraph \(9\)\(ii\)](#), does not include—

(1) Any assistance that is excluded pursuant to [paragraph \(b\)\(9\)\(i\)](#) of this section;

(2) Financial support provided to the student in the form of a fee for services performed (*e.g.*, a work study or teaching fellowship that is not excluded pursuant to [paragraph \(b\)\(9\)\(i\)](#) of this section);

(3) Gifts, including gifts from family or friends; or

(4) Any amount of the scholarship or grant that, either by itself or in combination with assistance excluded under this paragraph or paragraph (b)(9)(i), exceeds the actual covered costs of the student. The actual covered costs of the student are the actual costs of tuition, books and supplies (including supplies and equipment to support students with learning disabilities or other disabilities), room and board, or other fees required and charged to a student by the education institution, and, for a student who is not the head of household or spouse, the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit. This calculation is described further in [paragraph \(b\)\(9\)\(ii\)\(E\)](#) of this section.

(C) Student financial assistance, for purposes of this [paragraph \(b\)\(9\)\(ii\)](#) must be:

(1) Expressly for tuition, books, room and board, or other fees required and charged to a student by the education institution;

(2) Expressly to assist a student with the costs of higher education; or

(3) Expressly to assist a student who is not the head of household or spouse with the reasonable and actual costs of housing while attending the education institution and not residing in an assisted unit.

(D) Student financial assistance, for purposes of this [paragraph \(b\)\(9\)\(ii\)](#), may be paid directly to the student or to the educational institution on the student's behalf. Student financial assistance paid to the student must be verified by the

responsible entity as student financial assistance consistent with this [paragraph \(b\)\(9\)\(ii\)](#).

(E) When the student is also receiving assistance excluded under [paragraph \(b\)\(9\)\(i\)](#) of this section, the amount of student financial assistance under this [paragraph \(b\)\(9\)\(ii\)](#) is determined as follows:

(1) If the amount of assistance excluded under [paragraph \(b\)\(9\)\(i\)](#) of this section is equal to or exceeds the actual covered costs under [paragraph \(b\)\(9\)\(ii\)\(B\)\(4\)](#) of this section, none of the assistance described in this [paragraph \(b\)\(9\)\(ii\)](#) of this section is considered student financial assistance excluded from income under this [paragraph \(b\)\(9\)\(ii\)\(E\)](#).

(2) If the amount of assistance excluded under [paragraph \(b\)\(9\)\(i\)](#) of this section is less than the actual covered costs under [paragraph \(b\)\(9\)\(ii\)\(B\)\(4\)](#) of this section, the amount of assistance described in [paragraph \(b\)\(9\)\(ii\)](#) of this section that is considered student financial assistance excluded under this paragraph is the lower of:

(i) the total amount of student financial assistance received under this [paragraph \(b\)\(9\)\(ii\)](#) of this section, or

(ii) the amount by which the actual covered costs under [paragraph \(b\)\(9\)\(ii\)\(B\)\(4\)](#) of this section exceeds the assistance excluded under [paragraph \(b\)\(9\)\(i\)](#) of this section.

(10) Income and distributions from any Coverdell education savings account under section 530 of the Internal Revenue Code of 1986 or any qualified tuition program under section 529 of such Code; and income earned by government contributions to, and distributions from, “baby bond” accounts created, authorized, or funded by Federal, State, or local government.

(11) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire.

(12)

(i) Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);

(ii) Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (e.g., special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;

(iii) Amounts received under a resident service stipend not to exceed \$200 per month. A resident service stipend is a modest amount received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development.

(iv) Incremental earnings and benefits resulting to any family member from participation in training programs funded by HUD or in qualifying Federal, State, Tribal, or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the period during which the family member participates in the employment training program unless those amounts are excluded under paragraph (b)(9)(i) of this section.

(13) Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era.

(14) Earned income of **dependent** full-time students in excess of the amount of the deduction for a **dependent** in § 5.611.

(15) Adoption assistance payments for a child in excess of the amount of the deduction for a **dependent** in § 5.611.

(16) Deferred periodic amounts from Supplemental Security Income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts, or any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts.

(17) Payments related to aid and attendance under [38 U.S.C. 1521](#) to veterans in need of regular aid and attendance.

(18) Amounts received by the family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit.

(19) Payments made by or authorized by a State Medicaid agency (including through a managed care entity) or other State or Federal agency to a family to enable a family member who has a disability to reside in the family's assisted unit. Authorized payments may include payments to a member of the assisted family through the State Medicaid agency (including through a managed care entity) or other State or Federal agency for caregiving services the family member provides to enable a family member who has a disability to reside in the family's assisted unit.

(20) Loan proceeds (the net amount disbursed by a lender to or on behalf of a borrower, under the terms of a loan agreement) received by the family or a third party (e.g.,

proceeds received by the family from a private loan to enable attendance at an educational institution or to finance the purchase of a car).

(21) Payments received by Tribal members as a result of claims relating to the mismanagement of assets held in trust by the United States, to the extent such payments are also excluded from gross income under the Internal Revenue Code or other Federal law.

(22) Amounts that HUD is required by Federal statute to exclude from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in paragraph (b) of this section apply. HUD will publish a notice in the Federal Register to identify the benefits that qualify for this exclusion. Updates will be published when necessary.

(23) Replacement housing “gap” payments made in accordance with [49 CFR part 24](#) that offset increased out of pocket costs of displaced persons that move from one federally subsidized housing unit to another Federally subsidized housing unit. Such replacement housing “gap” payments are not excluded from annual income if the increased cost of rent and utilities is subsequently reduced or eliminated, and the displaced person retains or continues to receive the replacement housing “gap” payments.

(24) Nonrecurring income, which is income that will not be repeated in the coming year based on information provided by the family. Income received as an ***independent contractor, day laborer, or seasonal worker*** is not excluded from income under this paragraph, even if the source, date, or amount of the income varies. Nonrecurring income includes:

(i) Payments from the U.S. Census Bureau for employment (relating to decennial census or the American Community Survey) lasting no longer than 180 days and not culminating in permanent employment.

(ii) Direct Federal or State payments intended for economic stimulus or recovery.

(iii) Amounts directly received by the family as a result of State refundable tax credits or State tax refunds at the time they are received.

(iv) Amounts directly received by the family as a result of Federal refundable tax credits and Federal tax refunds at the time they are received.

(v) Gifts for holidays, birthdays, or other significant life events or milestones (e.g., wedding gifts, baby showers, anniversaries).

(vi) Non-monetary, in-kind donations, such as food, clothing, or toiletries, received from a food bank or similar organization.

(vii) Lump-sum additions to net family assets, including but not limited to lottery or other contest winnings.

(25) Civil rights settlements or judgments, including settlements or judgments for back pay.

(26) Income received from any account under a retirement plan recognized as such by the Internal Revenue Service, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals; except that any distribution of periodic payments from such accounts shall be income at the time they are received by the family.

(27) Income earned on amounts placed in a family's Family Self Sufficiency Account.

(28) Gross income a family member receives through self-employment or operation of a business; except that the following shall be considered income to a family member:

(i) Net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations; and

(ii) Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.

II. Revised [§ 5.603](#) Definitions in for terms utilized in [§ 5.609](#) Annual income.

Day laborer. An individual hired and paid one day at a time without an agreement that the individual will be hired or work again in the future.

Dependent. A member of the family (which excludes foster children and foster adults) other than the family head or spouse who is under 18 years of age, or is a person with a disability, or is a full-time student.

Foster adult. A member of the household who is 18 years of age or older and meets the definition of a foster adult under State law. In general, a foster adult is a person who is 18 years of age or older, is unable to live independently due to a debilitating physical or mental condition and is placed with the family by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction.

Foster child. A member of the household who meets the definition of a foster child under State law. In general, a foster child is placed with the family by an authorized placement agency (e.g.,

public child welfare agency) or by judgment, decree, or other order of any court of competent jurisdiction.

Health and medical care expenses. Health and medical care expenses are any costs incurred in the diagnosis, cure, mitigation, treatment, or prevention of disease or payments for treatments affecting any structure or function of the body. Health and medical care expenses include medical insurance premiums and long-term care premiums that are paid or anticipated during the period for which annual income is computed.

Independent contractor. An individual who qualifies as an independent contractor instead of an employee in accordance with the Internal Revenue Code Federal income tax requirements and whose earnings are consequently subject to the Self-Employment Tax. In general, an individual is an independent contractor if the payer has the right to control or direct only the result of the work and not what will be done and how it will be done.

Minor. A member of the family, other than the head of family or spouse, who is under 18 years of age.

Net family assets.

(1) Net family assets is the net cash value of all assets owned by the family, after deducting reasonable costs that would be incurred in disposing real property, savings, stocks, bonds, and other forms of capital investment.

(2) In determining net family assets, PHAs or owners, as applicable, must include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefor. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered for less than fair market value if the applicant or tenant receives consideration not measurable in dollar terms. Negative equity in real property or other investments does not prohibit the owner from selling the property or other investments, so negative equity alone would not justify excluding the property or other investments from family assets.

(3) Excluded from the calculation of net family assets are:

- i. The value of necessary items of personal property;
- ii. The combined value of all non-necessary items of personal property if the combined total value does not exceed \$50,000 (which amount will be adjusted by HUD in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers);
- iii. The value of any account under a retirement plan recognized as such by the Internal Revenue Service, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals;

- iv. The value of real property that the family does not have the effective legal authority to sell in the jurisdiction in which the property is located;
- v. Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a family member being a person with a disability;
- vi. The value of any Coverdell education savings account under section 530 of the Internal Revenue Code of 1986, the value of any qualified tuition program under section 529 of such Code, the value of any Achieving a Better Life Experience (ABLE) account authorized under Section 529A of such Code, and the value of any “baby bond” account created, authorized, or funded by Federal, State, or local government.
- vii. Interests in Indian trust land;
- viii. Equity in a manufactured home where the family receives assistance under [24 CFR part 982](#);
- ix. Equity in property under the Homeownership Option for which a family receives assistance under [24 CFR part 982](#);
- x. Family Self-Sufficiency Accounts; and
- xi. Federal tax refunds or refundable tax credits for a period of 12 months after receipt by the family.

(4) In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the trust fund is not a family asset and the value of the trust is not included in the calculation of net family assets, so long as the fund continues to be held in a trust that is not revocable by, or under the control of, any member of the family or household.

Seasonal worker. An individual who is hired into a short-term position and the employment begins about the same time each year (such as summer or winter). Typically, the individual is hired to address seasonal demands that arise for the employer or industry.

Appendix B: U.S. Census Definition of Income

Annual income as stated in the U.S. Census Bureau method in 24 CFR 1000.10(b) includes:

- a. Wages, salary, commissions, bonuses, or tips from all jobs. Report the amount before deductions for taxes, bonds, dues, or other items.
- b. Self-Employment income from own nonfarm businesses or farm businesses, including proprietorships and partnerships. Report NET income after business expenses.
- c. Interest, dividends, net rental income, royalty income, or income from estates and trusts. Report even small amounts credited to and account.
- d. Social Security or Railroad Retirement.
- e. Supplemental Social Security Income (SSI).
- f. Any Public Assistance or welfare payments from the state or local welfare office. Do not include assistance like food, rental, education, childcare, transportation, heating and cooling cost assistance or any noncash benefit.
- g. Retirement income, pensions, survivor, or disability income. Do not include income that is “rolled over” or reinvested in another retirement account.
- h. Any other sources of income received regularly such as Veterans’ payments, unemployment compensation, child support or alimony.

Appendix C: IRS Form 1040 Calculation of Adjusted Gross Income

This lists the Annual Income calculation inclusions and exclusions from the [2023 IRS 1040](#).

Income Inclusions from the [2023 IRS 1040](#):

1. Wages, salaries, tips, etc. from W-2 forms.
2. Household employee wages not reported on W-2 forms.
3. Tips not reported on W-2 forms.
4. Medicaid waiver payments not reported on W-2 forms.
5. Taxable dependent care benefits from Form 2441, line 26.
6. Employer-provided adoption benefits from Form 8839, line 29,
7. Wages from Form 8919, line 6.
8. Other earned income.
9. Nontaxable combat pay election.
10. Taxable interest.
11. Ordinary dividends.
12. Taxable IRA distributions.
13. Taxable pensions and annuities.
14. Taxable Social Security benefits.
15. Capital gain or loss (Schedule D).
16. Additional Income per [IRS 1040 Schedule 1](#): Additional Income and Adjustments to Income.
17. Other income. (Includes: prizes and awards; gambling, lottery, or raffle winnings; jury duty fees; Alaska Permanent fund dividends; reimbursements for amounts deducted in previous years; income from the rental of property if not in the business of renting such property; and income from an activity not engaged in for profit).

Exclusions: [IRS 1040 Schedule 3](#): Additional Credits and Payments lists additional credits or exclusions from taxable income.

Refer to the [IRS.gov](https://www.irs.gov) website for updated forms and instructions.

Appendix D: [FR-6410-N-01](#)

Federally Mandated Exclusions from Annual Income

Following is the list of benefits that currently qualify for this income exclusion per January 31, 2024 Federal Register [6410-N-01](#). The list includes those relevant exclusions that may be applicable to the IHBG program.

1. The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017(b))
2. Payments, including for supportive services and reimbursement of out-of-pocket expenses, for Volunteers under the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5044(f)(1), 42 U.S.C. 5058)
3. Certain payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c))
4. Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 5506)
5. Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f)(1))
6. Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L. 94-540, section 6)
7. The first \$2000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U.S. Claims Court, the interests of individual Indians in trust or restricted lands, including the first \$2000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands. This exclusion does not include proceeds of gaming operations regulated by the commission. (25 U.S.C. 1407-1408)

Please note the recipient may need to examine certain per capita shares to determine whether the proceeds are covered by this provision, such as bingo and gambling proceeds. Although some gaming funds are called “per capita payments”, the National Indian Gaming Commission’s General Counsel and the Solicitor’s office of the Department of the Interior confirmed that the proceeds of gaming operations regulated by the Commission are not funds that are held in trust by the Secretary for the benefit of an Indian tribe, therefore, they do not qualify as per capita payments within the meaning of the Per Capita Distribution Act.

Also, if a tribal member receives the Form 1099-Misc, Miscellaneous Income, from the tribe for reporting Indian gaming profits, this payment does not qualify for this provision. These gaming profits are income that must be included as annual income as defined by HUD's Section 8 Program, the Census, and the IRS. Further, the Tribal member must report this miscellaneous income on the "other income" line of the Federal Income tax 1040 Form.

8. Amounts of student financial assistance funded under title IV of the Higher Education of 1965 (20 U.S.C. 1070), including awards under Federal work-study programs or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu). For section 8 programs only (42 U.S.C.1437f), any financial assistance in excess of amounts received by an individual for tuition and any other required fees and charges under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.), from private sources, or an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall not be considered income to that individual if the individual is over the age of 23 with dependent children (Pub. L. 109–115, section 327)
9. Payments received from programs funded under Title V of the Older Americans Act of 1965 (42 U.S.C. 3056g).
10. Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund (Pub. L. 101–201) or any other fund established pursuant to the settlement in In Re Agent Orange Liability Litigation, M.D.L. No. 381 (E.D.N.Y.)
11. Payments received under the Maine Indian Claims Settlement Act of 1980 (Pub. L. 96–420, 25 U.S.C. 1721)
12. The value of any childcare provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q)
13. Earned income tax credit (EITC) refund payments received on or after January 1, 1991, for programs administered under the United States Housing Act of 1937, title V of the Housing Act of 1949, section 101 of the Housing and Urban Development Act of 1965, and sections 221(d)(3), 235, and 236 of the National Housing Act (26 U.S.C. 32(l))
14. The amount of any refund (or advance payment with respect to a refundable credit) issued under the Internal Revenue Code is excluded from income and assets for a period of 12 months from receipt (26 U.S.C. 6409)
15. Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L. 95–433)

16. Allowances, earnings, and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d))
17. Any allowance paid to children of Vietnam veterans born with spina bifida (38 U.S.C. 1802–05), children of women Vietnam veterans born with certain birth defects (38 U.S.C. 1811–16), and children of certain Korean and Thailand service veterans born with spina bifida (38 U.S.C. 1821-22) are excluded from a family’s annual income and net family assets (38 U.S.C. 1833(c)).
18. Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act (42 U.S.C. 10602(c))
19. Allowances, earnings, and payments to individuals participating in programs under the Workforce Investment Act of 1998 reauthorized as the Workforce Innovation and Opportunity Act of 2014 (29 U.S.C. 3241(a)(2))
20. Any amount received under the Richard B. Russell School Lunch Act (42 U.S.C.1760(e)) and the Child Nutrition Act of 1966 (42 U.S.C. 1780(b)), including reduced-price lunches and food under the Special Supplemental Food Program for Women, Infants, and Children (WIC)
21. Payments, funds, or distributions authorized, established, or directed by the Seneca Nation Settlement Act of 1990 (25 U.S.C. 1774f(b))
22. Payments from any deferred U.S. Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts (42 U.S.C. 1437a(b)(4))
23. Compensation received by or on behalf of a veteran for service-connected disability, death, dependency, or indemnity compensation as provided by an amendment by the Indian Veterans Housing Opportunity Act of 2010 (Pub. L. 111–269; 25 U.S.C. 4103(9)) to the definition of income applicable to programs authorized under the Native American Housing Assistance and Self-Determination Act (NAHASDA) (25 U.S.C. 4101 et seq.) and administered by the Office of Native American Programs
24. A lump sum or a periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in the case entitled Elousie Cobell et al. v. Ken Salazar et al., 816 F.Supp.2d 10 (Oct 5, 2011, D.D.C.), for a period of one year from the time of receipt of that payment as provided in the Claims Resolution Act of 2010 (Public Law 111-291 section 101(f)(2))

25. Any amounts in an “individual development account” as provided by the Assets for Independence Act, as amended in 2002 (Pub. L. 107–110, 42 U.S.C. 604(h)(4));
26. Per capita payments made from the proceeds of Indian Tribal Trust Settlements listed in IRS Notice 2013-1 and 2013-55 must be excluded from annual income and net family assets. If 24 CFR 5.609 is being used to calculate income, then per capita payments are excluded under 24 CFR 5.609(b)(21) unless the per capita payments exceed the amount of the original Tribal Trust Settlement proceeds and are made from a Tribe’s private bank account in which the Tribe has deposited the settlement proceeds. Such amounts received in excess of the Tribal Trust Settlement are included in the gross income of the members of the Tribe receiving the per capita payments described in IRS Notice 2013-1. (25 U.S.C. 117b(a), 25 U.S.C. 1407)
27. Federal Major disaster and emergency assistance received by individuals and families under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Pub. L. 93–288, as amended) comparable disaster assistance provided by States, local governments, and disaster assistance organizations (42 U.S.C. 5155(d))
28. Distributions from and certain contributions to Achieving Better Life Experience (ABLE) accounts established under the ABLE Act of 2014 (Public Law 113-295), as described in Notice PIH 2019-09/H 2019-06 or subsequent or superseding notice
29. Assistance received by a household under the Emergency Rental Assistance Program pursuant to the Consolidated Appropriations Act, 2021 (Public Law 116-260, section 501(j)), and the American Rescue Plan Act of 2021(Public Law 117-2, section 3201).