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## Financial Considerations and Management

Your financial situation will have significant bearing on housing options available to you. The type and location of the housing you are eligible for will be contingent to some degree on your current finances including your savings and your monthly income. If you are on a fixed income, or are working, it is important to understand how your benefits are determined and how your income impacts those determinations. Below is some information for your consideration. This information is just a starting point for you. Eligibility for benefits, programs, or work incentives is very complex and encompasses many factors. If you have additional questions, consult with a benefits expert for more information.

### What is Income?

Any money received on a monthly basis is considered income. Income can be *earned* or *unearned*. Supports received that decrease expenses or lump sum amounts received on a regular basis can also be considered income.

- *Earned* income is any wages, salary or tips you receive from working a job.
- *Unearned* income is income you receive from benefits such as Social Security, a pension, unemployment, or disability payments. Monthly payments you receive from a family member to pay for expenses may also be considered unearned income.
- *In-Kind* income is the value of any food, shelter, maintenance or support that is provided without cost or below the actual value of the service or item.

When applying for housing or benefits, all types of income must be disclosed. Some income sources are countable and some are not. Generally one time lump sum payments are not considered income, but may be considered resources. Whether or not income you receive is countable depends on what you are applying for. The property manager or benefits manager will help you determine what is considered countable income.

### What are Assets or Resources?

*Assets* or *Resources* are items of value that you possess. Some of those items can be turned into cash (or liquidated) easily. Some may be more difficult to liquidate. Some common examples are savings or checking accounts, certificates of deposit (CDs), cash, stocks, trusts, bonds, mutual funds, property or automobiles. Not all *assets* and *resources* are countable in determining your specific benefits or your monthly rent, but you must disclose any items you have that are of value.

### What is Substantial Gainful Activity?

*Substantial Gainful Activity* or *SGA* is the performance of physical and/or mental activities in work for pay or profit. Individuals are determined to be engaged in *SGA* if they earn over \$1,220 per month, or \$2,040 for a blind individual (2019 maximums. This number changes periodically, so it is best to check the amount). This is important because obtaining employment may not decrease your benefits if you are not earning over these amounts per month. This allows individuals to begin earning money while retaining their benefits until they are able to work full time, or to retain some amount of their benefits if they are not able to work full time.

### What Are Some Ways I Can Save Money?

Saving money is very important. Everyone should have a savings account of some type even if they are only able to save a few dollars a week. Additionally, there are several programs that support decreased reliance on benefits by allowing individuals to save money beyond established resource limits while keeping their benefits at the current level. Other programs will match the savings of individuals whose income falls below established income limits. Most programs require the individual to have an agreed upon plan and are time limited.

- Family Self Sufficiency (FSS) – The HUD Self-Sufficiency Program is designed to enable HUD-assisted families to increase their earned income and reduce dependency on welfare and rental subsidies. Once selected for the program the Family signs a five year contract of participation with the Housing Provider. The contract outlines goals developed by the family and specific actions the family will agree to take to achieve those goals. Increases in the family's rent that result in

an increase in earned income are deposited into an interest bearing escrow account established by the Public Housing Authority (PHA). Once the participant graduates from the program, the account is made available to them and can be used for any purpose.

- Individual Development Accounts (IDA) – An IDA account is a savings account that is matched by the lender. Some accounts will match deposits at a rate of 4 to 1. The IDA account is designed to help low-income individuals and families save toward a specific goal, like purchasing a home, pursuing an education or specific job training, or starting a small business. Typically people who hold IDA accounts are required to attend financial education classes, thus increasing the individual's financial stability and creditworthiness. IDA accounts are generally offered through a partnership between a bank and a not for profit organization.
- First Home Club – The Federal Home Loan Bank has a program called First Home Club that will match savings toward closing costs granting \$4 in matching funds for each \$1 saved in a dedicated account. The FHC will provide up to \$7,500 in matching funds. The applicants income must be below 80% of the Area Median Income (AMI). The Federal Home Loan Bank website provides a list of banks in this community that participate in the FHC program.
- Pooled Trusts – Pooled Trusts allow individuals to preserve their resources in trust for supplemental needs while remaining eligible for benefits. Pooled trusts are managed by not for profit organizations, and there are several available in New York. Entering into a pooled trust should be considered carefully. It is recommended that you consult an attorney who is skilled in the area of trusts for individuals with disabilities.
- ABLE Act – The Achieving a Better Life Experience Act (ABLE Act) makes tax free savings accounts available to individuals with disabilities to cover qualified expenses such as education, housing and transportation. The Act was passed into law in 2014; however the mechanism for opening and utilizing such accounts has not yet been determined. This is a program that may be of interest to individuals who would like to save funds for qualified expenses. It is expected that there will be some ABLE account programs that are up and running before the end of 2016.



## What Work Incentives Are Available?

There are programs and work incentives available to individuals with disabilities who are working or wish to work in order to increase their self-sufficiency. They eliminate the disincentive to work, removing the concern of immediate increased rent or decreased benefits. This information is merely a brief explanation of some programs and work incentives. It is not meant to be an exhaustive listing. The programs and work incentives listed here have complex eligibility requirements. If you believe you are or may be eligible for any of these programs or work incentives, you should consider consulting a benefits expert. The benefits expert will be able to better assess your potential eligibility, and may be aware of other programs and subsidies you can apply for.

**Earned Income Disregard (EID)** – The Earned Income Disregard or EID is designed to assist people with disabilities living in specific types of affordable housing to increase their financial stability. The program allows the Housing Provider to not count (or disregard) 100% income earned by the tenant for the first 12 months of employment, and 50% for the next 12 months. The initial increased income the individual realizes is not taken up by additional rent and will allow the individual to stabilize their income and expenses before their rent increases, or their benefits decrease.

- **Earned Income Exclusion** – For individuals who receive Social Security Income (SSI) the first \$65 and half the remaining gross monthly income is excluded from the calculation for determining income. This benefit can allow individuals to work and potentially continue to receive their SSI until their earned income is enough to balance the loss of the SSI unearned income.
- **Ticket to Work** – The program allows Social Security beneficiaries between the ages of 18 and 64 to get a good job that might lead to a career, and become financial independent without losing their Medicaid or Medicare benefits. The program is administered through approved Employment Networks or State Vocational Rehabilitation agencies.
- **Trial Work Period** - Individuals receiving Social Security Disability Income (SSDI) may test their ability to work while still being considered disabled. During the Trial Work Period SSDI will continue for a period of 9 months within a 60 month period. The 9 months do not need to be consecutive. During the Trial Work

Period, there is an amount of monthly income (currently \$810) that is excluded from the calculations to determine eligibility.

- Impairment Related Work Experiences (IBWE)/Blind Work Expenses (BWE) – Certain costs paid for by the individual that allow them to work can be deducted from monthly earned income when calculating SGA. The cost for items such as transportation, supported employment, medical devices, prosthesis, work related equipment needs/routine drugs, medical services and non-medical appliances and devices can be considered IBWE/BWE exclusions if they are necessary for the individual to work and are paid for by the individual.
- Subsidies and Special Conditions – When calculating SGA the Social Security Administration considers the value of the work provided with any subsidies or under any special conditions. The individual's income is adjusted by the cost of the supports they need to complete the job. Subsidies are supports provided by the employer and represent a direct cost to the employer. Examples of subsidies are close or continuous supervision, more frequent breaks, lower productivity compared to non-disabled workers performing the same or similar work, or removing some job tasks that are impossible for the employee to complete given their disability. Special conditions are items or supports provided by someone other than the employer, such as a vocational rehabilitation agency or support provider agency. An example of a special condition is on-the-job assistance. . While these are not actual "subsidies" that increase the individual's wages, they impact the individual's countable income when determining if they are engaged in SGA.
- Plan for Achieving Self-Support (PASS) – This program allows the individual with a disability to set aside income and/or resources for a specific period of time for a work goal. Income and resources are set aside in determining eligibility for SSI. The program allows individuals to save money for training, education, transportation, or other items that will assist the individual in obtaining gainful employment.

Having a complete picture of your financial situation, what programs you are eligible for and how your rent is calculated is important as you search for affordable housing.