

Annual Income Exclusions

Category	Exclusion	Description
Other	Federally mandated income exclusions	Amounts that must be excluded by federal statute. HUD will publish a Federal Register notice that includes the qualifying benefits.
Assets	Imputed income from assets	Any imputed return on an asset when net family assets total \$50,000 (adjusted annually) or less and no actual income from the net family assets can be determined.
Non-recurring income	Non-recurring income	Income that will not be repeated in the coming year based on information provided by the family.
Self-employment	Gross self-employment income	Gross income received through self-employment or operation of a business.
Dependents	Minors (children under the age of 18 years)	All earned income of all children under the age of 18, including foster children.
Dependents	Adoption assistance payments	Adoption assistance payments for a child in excess of the amount of the dependent deduction.
Students	Earned income of dependent students	Earned income of dependent full-time students in excess of the amount of the dependent deduction.
Students	Title IV HEA assistance	Any assistance that Section 479B of the Higher Education Act (HEA) of 1965, as amended, requires to be excluded from a family's income.
Students	Other student financial assistance	Student financial assistance, not excluded under the HEA, for actual covered costs of higher education.
Students	Education savings account	Income and distributions from any Coverdell education savings account or any qualified tuition program under IRS section 530 or any qualified tuition program under section 529.
Baby bonds	Baby bonds	Income earned by government contributions to, or distributions from, "baby bond" accounts created, authorized, or funded by federal, state, or local government.
Foster children/adults	Payments for foster children/adults	Payments received for the care of foster children or adults, including state kinship, guardianship care payments, or tribal kinship payments.
Foster children/adults	Income of foster children/adults	Income of a live-in aide, foster child, or foster adult as defined in 24 CFR 5.403 and 5.603.
Live-in Aide	Income of a live-in aide	Income of a live-in aide, foster child, or foster adult.
People with Disabilities	ABLE accounts	Will be included in federally mandated excluded amounts. Notice PIH 2019-09/H-2019-06 details when ABLE account income is excluded.
People with Disabilities	State payments to allow individuals with disabilities to live at home	Payment made by or authorized by a state Medicaid-managed care system or other state agency to a family to enable a family member to live in the family's assisted unit.
People with Disabilities	Plan to Attain Self-Sufficiency (PASS)	Amounts set aside for use under a Plan to Attain Self-Sufficiency Support (PASS).
People with Disabilities	Reimbursements for health and medical care expenses	Amounts for, or in reimbursement of, health and medical care expenses for any family member.

Trusts	Trust distributions	Any distributions of a trust's principal are excluded. Public housing agencies (PHA) and owners must count any distributions of income from an irrevocable trust or a trust not under the control of the family (e.g., distributions of earned interest) as income to the family with the expectation of distributions used to pay the health and medical care expenses of a minor.
Insurance	Insurance payments and settlements for personal or property loss	Insurance payments and settlements for personal or property loss, including, but not limited to, payments through health insurance, motor vehicle insurance, and workers' compensation.
Retirement	Retirement plan	Income received from any account under an IRS-recognized retirement plan. However, periodic payments are income at the time of receipt.
Military	Hostile fire special payment	The special pay to a family member serving in the armed forces who is exposed to hostile fire.
Veterans	Veterans' aid and attendance payments	Payments related to aid and attendance for veterans under 38 U.S.C. 1521.
Lawsuits	Lawsuit settlements	Amounts recovered in a civil action or settlement based on malpractice, negligence, or other breach of duty claim resulting in a family member becoming disabled.
Lawsuits	Reparations for persecution	Reparation payments paid by a foreign government for claims by people persecuted during the Nazi era.
Lawsuits	Tribal claims payments	Payments received by tribal members from claims related to the mismanagement of assets held in trust by the United States.
Lawsuits	Lawsuits related to civil rights	Civil rights settlements or judgments, including settlements or judgments for back pay.
Reimbursements	Reimbursements from publicly assisted programs	Amounts received by a participant in other publicly assisted programs for or in reimbursement of expenses to allow program participation (e.g., special equipment, clothing, transportation, childcare, etc.).
Resident Services Stipend	Resident services stipend	Resident service stipends of \$200 or less per month for performing a part-time service for the PHA that enhances the quality of life in the development.
Employment training programs	Employment training programs	Incremental earnings and benefits from HUD-funded training programs and qualifying employment training programs and training of a family member as resident management staff.
FSS	Family Self-Sufficiency (FSS) Account	Income earned on amounts placed in a family's FSS account.
Housing gap payments	Housing "gap" payments	Replacement housing "gap" payments to offset increased rent and utility costs to families displaced from one federally subsidized housing unit to another.
Benefits	Deferred Supplemental Security Income (SSI), Social Security income and benefits, or Veterans Affairs (VA) disability benefits	Deferred periodic amounts from SSI, Social Security income and benefits, or VA disability benefits that are received in a lump sum or prospective monthly amounts.
Property tax rebates	Property tax rebates	Refunds or rebates under state or local law for property taxes paid on the dwelling unit.
Loans	Loan proceeds	The net amount disbursed by a lender to a borrower or a third party (e.g., educational institution or car dealership).