

# RENT CALCULATION WORKSHEET

(Not for residents who pay minimum rent or flat rent.)

Use this worksheet as a general guide to see how your rent will be calculated. Your PHA may have rules that change the final rent numbers. If you have questions about your rent amount you should consult with your PHA or your legal aid office.

## Step 1: Figure Out Your Annual Income:

Add up the following sources of income for everyone in your household:

Source	Amount
Gross wages (before taxes)*	\$ _____
Salaries*	\$ _____
Tips*	\$ _____
Fees	\$ _____
Dividends	\$ _____
Net Business Profits	\$ _____
Unemployment Compensation	\$ _____
Child Support	\$ _____
Alimony/Spousal Maintenance	\$ _____
Interest	\$ _____
Other <b>Regular</b> Income	\$ _____
Total=	\$ _____

*\* If you live in Minneapolis Public Housing, the MPHA Self-Sufficiency Incentive Program allows you to exclude 15% of your gross employment income. If you live in a MPHA unit multiply your employment income by 0.85 before you enter it here.*

Do **NOT** count the following as income

- Income more than \$480/year for full-time students over 18 years old (if they are not the head of household or spouse of head)
- Income of children under 18 years old
- Gifts or inheritances
- Food Stamps
- Relocation payments
- Settlements for personal/property losses
- Insurance payments
- Health Care Reimbursements
- Tax credits and rebates
- Payments received for care of foster children

Subtract Earned Income Disallowance (see page 30 for information on Income Disallowance)

\_\_\_\_\_ - \_\_\_\_\_ = \$ \_\_\_\_\_  
Total from Above      Income Disallowances      **Annual Income**

### Step 2: Figure Out Your Deductions

You may be able to get certain deductions, meaning you can subtract certain expenses from your annual income before your rent is calculated. Here are some of the most common:

#### 1. Deduction for Dependents and Disabled or Elderly Head of Household

You can take deductions for your dependents or if the head of household is disabled or elderly:

Enter \$480 for each child under 18 (do not include foster children): \$ \_\_\_\_\_  
\$480 x \_\_\_\_\_ (# of children)

Enter \$400 if the Head of Household is Disabled or Elderly \$ \_\_\_\_\_

#### 2. Medical Deductions

There are two medical deductions that you might be able to take. Both of these deductions include a calculation based on 3% of your annual income. To determine that number do the following calculation:

$$\frac{\text{_____}}{\text{(Annual Income from Step 1)}} \times .03 = \frac{\text{_____}}{\text{3\% of Annual Income}}$$

a. Unreimbursed Medical Expenses

If you have a disabled household member OR are an elderly family, you may be entitled to a medical deduction if you have unreimbursed medical expenses that are more than 3% of your Annual Income.

To determine if you can take a medical deduction, do the following calculation:

$$\frac{\text{_____}}{\text{Total Unreimbursed}} - \frac{\text{_____}}{\text{3\% Annual Income}} = \frac{\text{_____}}{\text{Medical Deduction}}$$

b. Costs to Enable Household Members to Work

If you have disabled household members and costs for an attendant or for auxiliary apparatus, you may be eligible for another deduction. If these costs enable the disabled member or a caretaker of the disabled member to go to work and the costs are more than 3% of your Annual Income, you can take the following deduction:

$$\frac{\text{_____}}{\text{Disability-related expenses for work}} - \frac{\text{_____}}{\text{3\% Annual Income}} = \frac{\text{_____}}{\text{Disability-Related Medical Deduction}}$$

This deduction can only be as much as your earned income.

3. Child Care Expense Deduction

If you have children under 13 years old and the care is needed so you can go to work or school. The deduction can only be for as much as the lowest paid adult member of the household makes.

$$\frac{\text{\$ _____}}{\text{Child Care Deduction}}$$

**Step 3: Determine Annual Adjusted Income**

Your rent is calculated based on your annual adjusted income. To determine your Annual Adjusted Income, subtract all of your deductions from your Annual Income:

	<b>Annual Income</b>	\$ _____
-	Dependent Deduction	\$ _____
-	Disabled or Elder Head of Household Deduction	\$ _____

-	Medical Deduction	\$ _____
-	Disability-Related Medical Deduction	\$ _____
-	Child Care Deduction	\$ _____
=	<b>Adjusted Annual Income</b>	\$ _____

#### Step 4: Figure Out Your Adjusted Monthly Income

To figure out your adjusted monthly income, divide your Adjusted Annual Income by 12:

$$\frac{\$ \text{Adjusted Annual Income}}{12} = \$ \text{Adjusted Monthly Income}$$

#### Step 5: Figure Out Your Rent

Multiply your Adjusted Monthly Income by 30%:

$$\frac{\$ \text{Adjusted Monthly Income}}{1} \times 0.30 = \$ \text{Your Monthly Rent}$$

If the Housing Authority pays all utilities, then this should be your rent and what your final monthly payment should be.\*

If you pay some of your own utilities, subtract your utility allowance from this rent amount for what your monthly payment should be:

$$\frac{\$ \text{Your Monthly Rent} - \text{Utility Allowance}}{1} \times 0.30 = \$ \text{Your Monthly Payment*}$$

If the utility allowance amount is more than your monthly rent amount, see "Utility Allowance" on page \_\_\_ of this booklet.

\*You may have extra payments due every month, depending on your lease and extra services or uses you have requested (like the use of an air conditioner). These extra charges must be in your lease and must be authorized by the Housing Authorities Statement of Policies.

If you believe the PHA made a mistake on your monthly rent, talk with your housing authority worker. If that does not solve the problem, you can file a grievance.