

CY 2026 Guidance on Reversing the Impact of Rent Reductions from the Jobs Plus Earned Income Disregard (JPEID) on Formula Income

This guidance explains the effect of the JPEID on (per unit month — PUM) formula income and provides instructions on how to make relevant adjustments. The Jobs Plus program develops locally based, job-driven approaches to increase earnings and advance employment outcomes through work readiness, employer linkages, job placement, educational advancement technology skills, and financial literacy for residents of public housing.

Formula income is part of the Operating Subsidy (Op Sub) formula. Lower formula income results in higher Op Sub eligibility. *Income Disregards* lower rents and increase Op Sub eligibility. Reimbursement to the PHA for "lost" rental income must come only from the Jobs Plus grant. PHAs may not receive additional operating subsidy based upon their participation in the Jobs Plus program.

HUD pre-populates formula income with tenant rent data from the Financial Data Schedule (FDS). Therefore, for PHAs participating in JPEID, decreased formula income as a result of the *Income Disregards* in JPEID are incorporated in the formula income. To ensure that PHAs do not receive additional Op Sub funds because of their participation in JPEID, the prepopulated formula income data must be adjusted to reverse the rent reduction caused by the *Income Disregard*.

PHAs submit worksheets to PIH's Community and Supportive Services (CSS) team detailing the rent reductions caused by the JPEID *Income Disregards*. This data is validated by the JPEID team and then used as part of the Op Sub process to reverse the rent reductions caused by the JPEID *Income Disregards*.

To ensure that PHAs that administer the Jobs Plus program do not receive reimbursement for lost rental income via Op Sub funds, HUD will use the JPEID rent reduction data submitted by the PHA and validated by the CSS team to make a manual adjustment to the PHA's Op Sub forms after submission. To accomplish this:

- (i) Where formula Income is pre-populated into the Form HUD-52723, the PHA should adjust the formula income to reverse the rent reduction caused by the *Income Disregard*. This should be completed before submitting the Form HUD-52723 to their local Field Office (FO). Where a PHA has done this, it should leave a comment in the form indicating such, including details of the adjustment made.
- (ii) If the PHA does not make the required adjustments before submitting the Form HUD-52723 to the FO where data has not been pre-populated or the data from CSS is not available; the FO is to advance the form to the next stage in the submission process where HUD will make the corrections in accordance with 24 CFR 990.200(c).
- (iii) HUD will make the changes during the Quality Control process following the Alternative Calculation Methodology for Operating Subsidy Calculation standard

operating procedure to ensure that PHAs are not overfunded. HUD will include a comment in the Form HUD-52723 indicating that the formula income was adjusted to comply with JPEID requirements, providing details on the adjustment made.

JPEID Adjustment Methodology with a Complete Data Set

The following methodology is used to adjust the formula income for all three scenarios where the CSS team has validated the rent reduction data available, the data set is complete and has provided the information to the PHFMD Operations Branch by the due date established by PHFMD: HUD Pre-populated, or PHA-Corrected, or PHA-Derived Formula Income in the JPEID Worksheet.

1. *JPEID Rent Reduction Amounts (the total amount rent was reduced as a result the JPEID *Income Disregards* for all tenants for the PHA's fiscal year) = \$B
2. **EUMs from Column B15 of the Form HUD-52723² = C
3. JPEID Rent Reduction Amount PUM = \$B ÷ C
4. Adjusted Formula Income PUM³ = Formula Income PUM⁴ + JPEID Rent Reduction Amount PUM.

The table below illustrates how the formula is broken down in the JPEID Worksheet.

HA Code	PPN	PUM Formula Income (1)	JPEID Adjustment Provided by CSS (2)	EUMs (B15): 2024 Form HUD-52723 TableMaster (3)	Revised JPEID Adj./EUMs (Col. 12/Col. 13) (4)	Adjusted Formula Income PUM (Col. 1 + Col. 4) (5)
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(1) This amount is identified by PHAs. PHAs must submit a worksheet to the CSS team calculating the rent reduction caused by the JPEID. This figure is derived from that worksheet.

(2) By using eligible unit months (EUMs), JPEID can be backed out of the Op Sub formula, dollar for dollar. If the unit months leased (UML) from the FDS and the occupancy changes during the reporting period, the adjustment would not be one-for-one (or dollar for dollar).

(3) This is the PUM amount that is entered into Section 3, Part B, Line 1 of the Form HUD-52723. It is the tenant rent, after it has been adjusted to reverse the impact of rent reductions caused by the JPEID income disregards

JPEID Adjustment Methodology with an Incomplete/Unavailable Data Set

If the CSS team cannot provide complete JPEID adjustment data by the required PHFMD deadline, an alternative methodology will be used to ensure PHAs are not overfunded.

1. When historical JPEID data is available, the adjustment is calculated using the highest value from the prior three years and added to the higher of either the prepopulated or PHA-submitted Formula Income PUM on Form HUD-52723.
2. If the PHA has already included a JPEID Adjustment, they must notify PHFMD and provide supporting documentation for review.

When historical data is unavailable, the adjustment is based on the higher of either the current year average CSS rent reductions across JPEID PHAs or the average JPEID adjustment from the prior the years, excluding zero or missing values. The calculated adjustment is then applied to the higher of the prepopulated or PHA-submitted Formula Income PUM, with the same notification and documentation requirements applying if the PHA has already included the adjustment