Attachment B: Guidance for Calculating Household Annual Gross Income: Allowable Income and Excluded Income

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Modified: Not applicable

Household annual gross income can be calculated by adding up the total income from all sources of every household member over 12 months leading up to the Step 1 Reservation of Funds. MEA refers to the DHCD definition of allowable versus excluded income when calculating gross income. Household income is defined as compensation received from one or more of the "allowable" sources (gross amounts, unless otherwise noted) listed below. Disallowed income sources are not taken into account:[1]

Allowable Income	Excluded Income
● Money, wages, and salaries before any deductions; ● Net receipts from non-farm or farm self-employment (receipts from a person's own business or from an owned or rented farm after deductions for business or farm expenses); ● Regular payments from social security, railroad retirement, unemployment compensation, strike benefits from union funds, workers' compensation, veteran's payments, training stipends, alimony, and military family allotments; ● Private pensions, government employee pensions (including military retirement pay), and regular insurance or annuity payments;	● Capital gains; ● Any assets drawn down as withdrawals from a bank; ● Money received from the sale of a property, house, or car; ● One-time payments from a welfare agency to a family or person who is in temporary financial difficulty; ● Tax refunds; ● Gifts, loans, or lump-sum inheritances; ● College Scholarships; ● One-time insurance payments, or compensation for injury; ● Non-cash benefits, such as the employer-paid or union-paid portion of health insurance; ● Employee fringe benefits, food, or housing received in lieu of wages; ● The value of food and fuel produced and

[1] https://dhcd.maryland.gov/Energy-Home-Repair/Documents/WAP/EnergyEfficiencyProgramOperationsManual.pdf

● Dividends and/or interest; ● Net Rental income and net royalties; ● Periodic receipts from estates or trusts; and ● Net gambling and lottery winnings.	consumed on farms; ● The imputed value of rent from owner-occupied non-farm or farm housing; ● Depreciation for farm or business assets; ● Federal non-cash benefit programs such as Medicare, Medicaid, Food Stamps, school lunches, housing assistance; ● Combat zone pay to the military; ● Child Support Payments;* ● Reverse mortgages; and ● Payments for care of Foster Children.

*A common income exclusion for DHCD is child support.