

RBD FASTFACTS—APPLYING COLA TO SOCIAL SECURITY BENEFITS

Change Introduced Through HOTMA

Prepared for Customers of Ross Business Development, Inc.

RBD FASTFacts—Applying COLA to Social Security Benefits

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In September, HUD released HSG Notice 2023-10 [Implementation Guidance: Sections 102 and 104 of the Housing Opportunity Through Modernization Act of 2016 \(HOTMA\)](#). This notice was revised and re-released in February 2024.

HOTMA, EIV, SSA AND COLA INCREASES

HOTMA changes owner/agents' use of EIV to verify Social Security Income especially for those residents who have ARs effective between January and April.

In HSG Notice 2023-10 [Implementation Guidance: Sections 102 and 104 of the Housing Opportunity Through Modernization Act of 2016 \(HOTMA\)](#), Effective 1/1/2024 and implemented no later than 1/1/2025, HUD indicates that owner/agents will no longer use guidance provided in HH 4350.3 Change 4 Paragraph 9-6.

When processing recertifications with an effective date of January 1, February 1, March 1 and April 1, in order to complete the Recertification Steps outlined in Chapter 7, Figure 7-3, and provide the tenant with the required 30-day notice of any increase in rent, the owner must use one of the methods below for determining the tenant's income.

- 1. Use the benefit information reported in EIV that does not include the COLA as third party verification as long as the tenant confirms that the income data in EIV is what he/she is receiving;*
- 2. Use the SSA benefit, award letter or Proof of Income Letter provided by the tenant that includes the COLA adjustment if the date of the letter is within 120 days from the date of receipt by the owner;*
- 3. Determine the tenant's income by applying the COLA increase percentage to the current verified benefit amount and document the tenant file with how the tenant's income was determined; or*
- 4. Request third party verification directly from SSA when the income in EIV does not agree with the income the tenant reports he/she is receiving. (See [Paragraph 9-15](#))*
- 5. All recertifications effective after April 1, must reflect the SSA benefit that includes the COLA.*

In Paragraph B-3 of Housing Notice 2023-10, HUD provides new instruction:

Effective the day after SSA has announced the COLA, PHAs/MFH Owners are required to factor in the COLA when determining SS and SSI annual income for all Annual Recertification and Interim Recertifications that have not yet been completed and will be effective January 1 or later of the upcoming year.

Owner/agents must apply any announced COLA:

- ✧ The day after the COLA increase is announced;
- ✧ To incomplete certifications effective on **January 1** or later.

For 2024, the COLA increase is 3.2%.

Using the EIV Income Report on the next page, calculate the new income for Huxley's 2/1/2024 AR.

RBD FASTFacts–Applying COLA to Social Security Benefits

Contract Number GA111111111 **Subsidy Type** Section 8
Project: MAGNOLIA GARDENS **Project Number**
Next Re-certification Date 02/01/2024 **Form 50059 as of:** 02/30/2023
Address: 1 MAGNOLIA LANE, MAGNOLIA, GA 33333
Most Recent Type of Action: AR-Annual Recertification **Effective Date:** 02/01/2023

Head of Household: HUXLEY HILL

Social Security Number: ***-**-1111 **Date of Birth:** XX/XX/1955

Print

Household Member: HUXLEY HILL **SSN:** ***-**-1111
Date of Birth: XX/XX/1955 **Relationship:** Head of Household

Employment Information

EIV received no Employment (W4) data.

Wages

Pay Period	Amount	FEIN	Employer Name and Address	Date Received by EIV
Q3 of 2022	\$54.00		1,630 + 3.2% = \$1,682.16 (Do not round until the end)	2/27/2023
Q2 of 2022	\$63.00		1,682.16 * 12 = \$20,185.92	2/27/2023
Q3 of 2021	\$3,084.00		SS Income for the 2/2024 AR = \$20,186.00	0/09/2022

Unemployment Benefits

EIV received no benefit data.

Social Security Benefits

Verification Data		Benefit History	
Payment Status Code:	C - Current payment status (except railroad payment)	Date	Gross Benefit
Date of Current Entitlement:	04/2022	12/2022	\$1,630.00 Benefits paid
Net Monthly Benefit if Payable:	\$1,630.00	12/2021	\$1,500.00 Benefits paid
Payee Name and Address:	HUXLEY HILL 1 MAGNOLIA LANE APT 202 MAGNOLIA, GA 33333		

Lump Sum

Date	Amount
03/01/2022	\$0.00

Date Received by EIV: 06-NOV-23

Fictitious data for illustration purposes only.

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The appropriate COLA Fact Sheet showing the COLA increase must be attached to either the EIV printout or the award letter showing the current award amount. An award letter or a printout showing the upcoming COLA is also acceptable documentation.



Fact Sheet

SOCIAL SECURITY

2024 SOCIAL SECURITY CHANGES

Cost-of-Living Adjustment (COLA):

Based on the increase in the Consumer Price Index (CPI-W) from the third quarter of 2022 through the third quarter of 2023, Social Security and Supplemental Security Income (SSI) beneficiaries will receive a 3.2 percent COLA for 2024. Other important 2024 Social Security information is as follows:

Tax Rate	2023	2024
Employee	7.65%	7.65%
Self-Employed	15.30%	15.30%

NOTE: The 7.65% tax rate is the combined rate for Social Security and Medicare. The Social Security portion (OASDI) is 6.20% on earnings up to the applicable taxable maximum amount (see below). The Medicare portion (HI) is 1.45% on all earnings. Also, as of January 2013, individuals with earned income of more than \$200,000 (\$250,000 for married couples filing jointly) pay an additional 0.9 percent in Medicare taxes. The tax rates shown above do not include the 0.9 percent.

	2023	2024
Maximum Taxable Earnings		
Social Security (OASDI only)	\$160,200	\$168,600
Medicare (HI only)	No Limit	
Quarter of Coverage		
	\$1,640	\$1,730
Retirement Earnings Test Exempt Amounts		
Under full retirement age	\$21,240/yr. (\$1,770/mo.)	\$22,320/yr. (\$1,860/mo.)
NOTE: One dollar in benefits will be withheld for every \$2 in earnings above the limit.		

Social Security National Press Office Baltimore, MD

It is not mandatory to implement this change for 2024 certifications.

With the change to the deadline to implement HOTMA (1/1/2025), it is mandatory that this change is applied to 2025 certifications.