

New Shelter/Utility Deduction

Households may choose either the standard deduction amount or actual shelter/utility expenses when determining income eligibility for FDPIR. Before selecting either option, an applicant may wish to compare 50% of their net monthly income (as calculated in Step 2 above) with the appropriate shelter/utility standard deduction amount to determine which option would be preferable. However, a household may choose either deduction option, regardless of which is higher.

Option 1: Standard Deduction

If a household chooses to claim the shelter/utility standard deduction, the standard deduction option is for the current fiscal year. For fiscal year 2025, the shelter/utility standard deduction is **\$712** (effective Dec. 30, 2024). Applicants must show at least one allowable shelter or utility expense to receive this deduction option. The FDPIR administering agency must verify that the household incurs the expense on a monthly basis

Option 2: Actual Expenses Up to 50 Percent of Net Monthly Income

If a household chooses to claim actual expenses, then the household may claim up to 50 percent of their net monthly income and must provide verification of all expenses. If an allowable shelter/utility bill is in a household member's name (who is not disqualified), the bill may be used to show actual expenses, regardless of whether that person has income.

For households with difficult determinations and/or for which there are special policies or procedures:

- **Disqualified household member:** A pro rata share of the shelter/utility bill of the disqualified household member may be counted towards the deduction. For example, if a disqualified person is a household member of a four-person household and has a shelter/utility expense in their name, 75 percent of the shelter/utility bill of the disqualified person could be counted toward the deduction.
- **Non-household member:** If a shelter/utility bill is in a non-household member's name and the household shares that expense with the non-household member, only the amount actually paid or contributed by the household is deducted as a household expense. If the payments or contributions cannot be differentiated, the expenses must be prorated evenly among persons actually paying or contributing to the expense, and only the household's pro rata share is deducted.
- **Infrequently Occurring Expenses:** If a shelter/utility expense occurs less than monthly, the household may choose either:
 1. to have the expense(s) averaged across the certification period, or
 2. if the expense occurred in the past 30-day period in which income is assessed, the household may input the entire shelter/utility bill(s) they paid in the past 30 days.