U. S. Department of Housing and Urban Development
Office of Public and Indian Housing

Special Attention of:	**NOTICE: PIH-2015-14 (HA)**
Public Housing Agencies; Public Housing Hub Office Directors; Public Housing Program Center Directors; Public Housing Division Directors; Regional Directors; Field Office Directors	Issued: September 11, 2015 Expires: Effective until amended, superseded, or rescinded Cross References: PIH-2011-48 (HA) PIH-2012-14 (HA) PIH 2014-01 (HA)

Subject: Guidance on Reporting Public Housing Agency Executive Compensation Information

1. <u>Purpose.</u> This notice provides information and guidance on how public housing agencies (PHAs) are to use the recently revised HUD-52725 form to report executive compensation.

2. <u>Background.</u> This notice supersedes prior Notice PIH-2014-01 (HA) "Guidance on Reporting Public Housing Agency Executive Compensation Information" and those parts of PIH-2011-48 (HA) "Guidance on Reporting Public Housing Agency Executive Compensation Information and Conducting Comparability Analysis" that refer to the HUD-52725 form.

Key changes to the HUD-52725 include:

a. Simplification and increased consistency in reporting employees' total compensation for PHAs by entering the amount provided on the employees' W-2 forms;

b. Additional definitions of sources of funds to increase clarity;

c. Submitting a salary breakdown showing employee compensation from Section 8 and Section 9 funds as well as compensation from non-Section 8 and non-Section 9 funds;

d. A section that will account for PHAs that have officials serving as contractors in highly paid executive roles; and

e. Built-in completeness checks to ensure the accuracy of the submission.

3. <u>Applicability.</u> The requirements in this notice apply to all PHAs that administer a public housing or housing choice voucher program regardless of the amount of compensation paid to an employee. There are no exemptions from these requirements. The reporting requirements also apply to MTW agencies.

4. <u>Reporting PHA executive compensation using the HUD-52725 form.</u> PHAs will complete the HUD-52725 form and submit executive compensation data online through HUD's Secure Systems. After completing the HUD-52725, PHAs are to confirm the information is accurate and click "submit."

HUD will send all PHAs an email with the link for accessing the HUD-52725 form including submission instructions. PHAs will be able to either click on that link or paste the link into their browser.

The HUD-52725 form has changed from prior years. To simplify and reduce the administrative burden on the PHA, the required reported compensation data will be derived primarily from the PHA executive's annual Internal Revenue Service (IRS) form W-2.

The HUD-52725 form is comprised of three sections.

Section I of the form will include basic information identifying your PHA.

In **Section II** each PHA must identify the following three executives (see Boxes 1 through 3):

1) the top management official;
2) the top financial official; and
3) the highest compensated employee who is neither the top management official nor the top financial official.

To complete the HUD-52725 form, each PHA will use the total compensation figure reported on the PHA employee's IRS form W-2 for the PHA's reporting year. The PHA will further break down the W-2 reported figure into four components for each executive:

1) base salary from section 8 and 9 funds;
2) bonus, incentive, and other compensation from section 8 and 9;
3) base salary from non-section 8 and 9 funds; and
4) bonus, incentive, and other compensation from non-section 8 and 9 funds.

Note: If an executive's total cash compensation was not reported on a W-2, the PHA must still include that individual's name and title in section II.

Section III will be completed only if any of the individuals reported in Section II received cash compensation that was not reported on IRS form W-2 (for example, when cash compensation is reported on IRS form 1099).

Please refer to the attached HUD-52725 form and instructions. This attachment will help you identify the information needed, but please do not attempt to complete and submit this form. It is provided for reference and planning purposes only. At a later date, your PHA will be sent an email with a link for submitting the data electronically.

5. Submissions. For calendar year 2014 compensation data, the period when PHAs will be required to complete and submit the HUD-52725 form online is planned to begin September 9, 2015 and end September 30, 2015. For calendar years 2015, 2016 and 2017 compensation data, PHAs will be notified when the calendar compensation data should be submitted.

6. Authority. The collection is authorized pursuant to HUD's specific oversight of the public housing Operating Fund and Capital Fund that is found in the U.S. Housing Act of 1937 as amended, 42 U.S.C. 1437 et seq., particularly 42 U.S.C. 1437c(a)(1) and (f), 42 U.S.C. 1437f(b)(1) and 42 U.S.C. 1437g. Authority is also found in the Department of Housing and Urban Development Act (42 U.S.C. 3531 et seq.) (Department of HUD Act). Under the Department of HUD Act, HUD is provided general oversight and monetary authority over its funded programs. In particular, section 7(r)(1) of the Department of HUD Act (42 USC 3535(r)(1)) authorizes the Secretary to expend funds "for evaluating and monitoring" housing programs, including public housing and all other programs authorized under the U.S. Housing Act of 1937 and other HUD statutes, and for "collecting and maintaining data for such purposes."

Additionally, the government-wide regulations governing grants and cooperative agreements to state, local, and federally recognized Indian tribal governments provide for access to records. Federal awards made prior to December 26, 2014, will continue to be governed by HUD's regulations on access to records in effect and codified in 24 CFR part 85 (2013 edition). When the terms of a Federal award made prior to December 26, 2014, state that the award will be subject to regulations as may be amended and for Federal awards made on December 26, 2014 and after, the access to records provisions in 2 CFR part 200, subpart D govern.

7. Penalty for PHA non-compliance. In the event that a PHA fails to comply with the PHA executive compensation reporting requirements, HUD may impose temporary monetary sanctions on the PHA pursuant to Section 6(j)(4) of the U.S. Housing Act of 1937, as well as other remedies pursuant to HUD regulations. These provisions apply to MTW as well as non-MTW agencies.

8. Paperwork Reduction Act. The information collection requirements contained in this document are approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995, 44 U.S.C. 2501-3520. The OMB control number for this collection is 2577-0272. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to a collection of information unless the collection displays a currently valid OMB control number.

9. Further information. Inquiries about this notice should be directed to Darius Miknaitis (202-746-6783) and Jerrald Hite (206-295-0245), or via email to PHACompensation@hud.gov.

/s/

Lourdes Castro Ramírez,
Principal Deputy Assistant Secretary
for Public and Indian Housing

Attachment