

Executive Compensation Reporting for Public Housing Authorities

Every three years, Public Housing Authorities (PHAs) are required to report executive compensation to the Department of Housing & Urban Development (HUD) using [HUD-Form 52725](#), and the next reporting cycle is coming up in 2026.

The last time PHAs submitted this information was in 2023 for calendar year 2022, as outlined in [PIH Notice 2023-05](#). In 2023, the submission window was April 1 to June 30, so we can expect a similar timeline for reporting 2025 compensation data in 2026. HUD will notify PHAs when it is time to begin the reporting process. The process is handled electronically through HUD's secure systems.

As stated in [PIH Notice 2023-05](#), *"The reporting requirements apply to all PHAs that administer a public housing or housing choice voucher program, regardless of the amount of compensation paid to an employee. This includes PHAs that have converted their entire public housing inventory via the Rental Assistance Demonstration (RAD) Program but still received funding sourced from Section 8 or Section 9 (Capital Fund & LIPH) in [CY2025]. There are no exemptions from these requirements. The reporting requirements also apply to Moving to Work Demonstration Program (MTW) agencies.*

A PHA is defined in 24 CFR 5.100 and also includes any public or private non-profit entity that was administering a Section 8 tenant-based assistance program pursuant to a contract with HUD or a PHA on or prior to October 21, 1998, as noted in 24 CFR § 982.4(b)."



HUD FORM 52725 CONSISTS OF THREE SECTIONS:

1. Section I – PHA information

- ▶ Name of PHA, PHA Code, Fiscal Year (FY), etc.

2. Section II – Calendar year employee compensation data

- ▶ The top management official (e.g., the Executive Director, Chief Executive Officer (CEO), or person with similar duties).
- ▶ The top financial/accounting official (e.g., the Chief Financial Officer (CFO) / Chief Accounting Officer, or person with similar duties).
- ▶ All individuals who are paid an annual salary (including bonus) above the prevailing salary for [level IV of the Executive Schedule \(\\$195,200 for CY2025\)](#). The salary cap for [CY 2026 level IV of the Executive Schedule is \\$197,200](#).

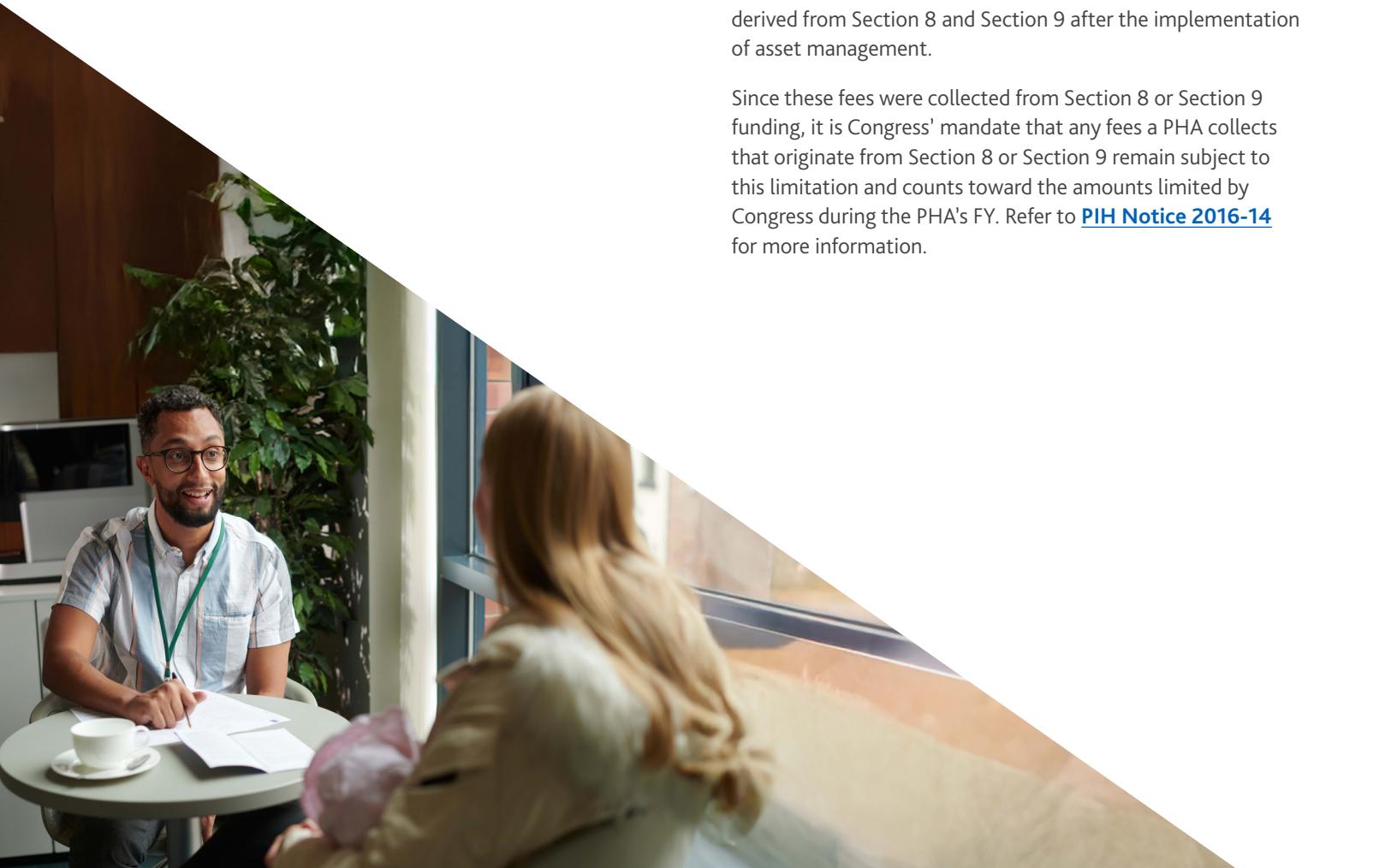
3. Section III – For individuals reported in section II that received cash compensation that was not reported on IRS form W-2 (for example, when cash compensation is reported on IRS form 1099, the covered individual does not receive a W-2).

Section II will require the most work from the PHA when entering detailed data regarding the employee's name, position, salary amount, allocation to Section 8, Section 9 and other funds as well as incentive and bonus amounts. Other items to note include, if the top management official and the top financial/accounting official are the same person, the PHA is to report information for that person and the next highest paid employee. A PHA that has neither a top management official nor financial/accounting official must report compensation for its two highest paid employees.

It is likely that appropriations language remain consistent with previous years, and the following language will remain the same: *"no tenant-based section 8 or section 9 funds may be used by any public housing agency for any amount of salary, including bonuses, for the chief executive officer of which, or any other official or employee of which, that exceeds the annual rate of basic pay payable for a position at level IV of the Executive Schedule at any time during any public housing agency fiscal year."*

This means that salaries paid to staff funded from Section 8 and/or Section 9 cannot exceed level IV of the Executive Schedule and also includes fees that PHAs earned in the COCC derived from Section 8 and Section 9 after the implementation of asset management.

Since these fees were collected from Section 8 or Section 9 funding, it is Congress' mandate that any fees a PHA collects that originate from Section 8 or Section 9 remain subject to this limitation and counts toward the amounts limited by Congress during the PHA's FY. Refer to [PIH Notice 2016-14](#) for more information.



The term **covered individuals** includes:

- ▶ The "chief executive officer" as well as "any other official or employee" of the PHA with an annual salary (including any bonus) greater than the then prevailing salary for level IV of the Executive Schedule.
- ▶ Persons who are employed in a legally separate entity of the PHA but are reported in the PHA's financial statement as a component unit in accordance with applicable accounting standards.

The term **covered individuals** does **not** include:

- ▶ Persons who work on an hourly basis, as needed, and are paid an hourly rate.
- ▶ Independent contractors. PHAs must determine on a case-by-case basis whether or not an individual providing services under a contract or other agreement is a covered individual. The determination of whether such an individual is an independent contractor or an employee depends on the relationship between the PHA and the individual, not on the name on the contract or agreement. Guidance for making this determination is provided by the Internal Revenue Service at irs.gov.

The term **chief executive officer** includes:

- ▶ The chief operating officer, the executive director, or similarly titled individuals.
- ▶ For PHAs that are divisions or departments of another entity such as a state, county, locality, or non-profit that administers the federal Section 8 HCV or 9 programs and receives federal funds under Section 8 or 9, the term includes similarly titled individuals at the PHA who are employees of that other entity.

The term **any other official or employee** includes:

- ▶ All officials or employees of the PHA within the ordinary understanding of those terms.

As provided by Congressional appropriations in FFY 2015, salaries (including bonuses) are subject to the restriction. Overtime and benefits (such as retirement, life insurance, medical insurance, or the use of a PHA vehicle) are not.

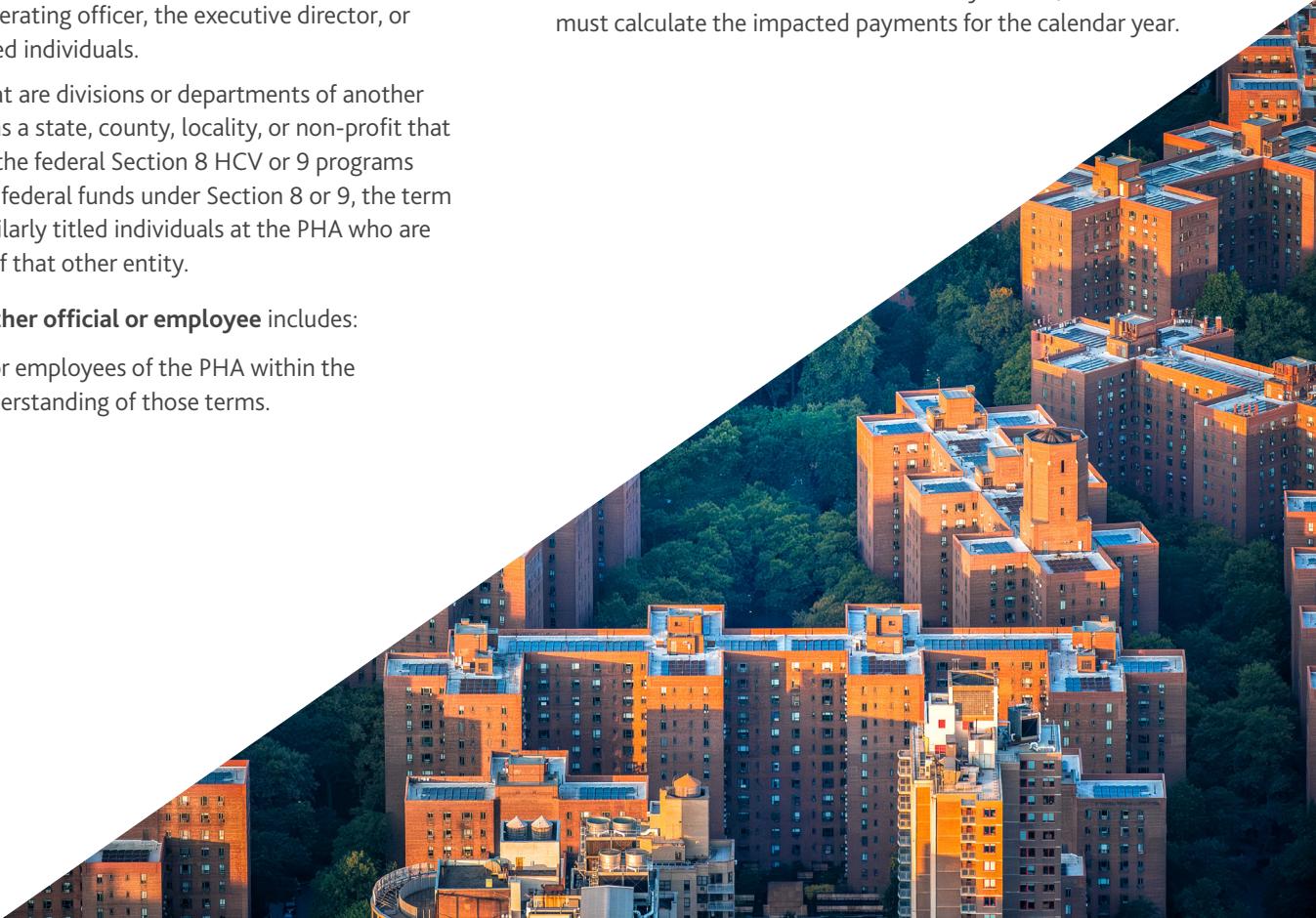
The term **salary** includes:

- ▶ Payments to all covered individuals who are paid on an annual basis.
- ▶ Situations where multiple PHAs collectively hire one person for an annual amount under a single agreement.

The term **bonus** refers to:

- ▶ Additional taxable compensation that a covered individual receives during the PHA's FY that is generally a one-time payment based on performance or meeting performance measures but not necessarily limited to this standard.
- ▶ If a reasonable person can conclude that certain additional taxable compensation (beyond salary) appears to be a bonus, it should be treated as a bonus and falls under the restrictions of the appropriation acts.
- ▶ Further, for purposes of this notice, salaries (including any bonuses) are the amounts the PHA pays to an individual during the PHA's fiscal year.

If a PHA has a FY rather than a calendar year end, the PHA must calculate the impacted payments for the calendar year.



Contact Us

Contact us today to talk about Executive Compensation Reporting and how BDO can assist your PHA with instructions and submission deadlines.

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