



DIFFERENTIAL RENT SCHEME 2013

In accordance with Section 31 of the Housing Act 2009, I recommend that the following Differential Rent Scheme apply to the Council's administrative area and will take effect from 27th April 2013.

1. Annual Rent Review

Rents will be reviewed annually under this scheme, with an effective date of the last Saturday in April each year.

2. Calculation of Rent

Rents of dwellings will be calculated as a proportion of "assessable income" of the principal earner together with a contribution from any subsidiary earners in the household defined under Paragraph (3).

The rent attributable to the Principal Earner will be calculated at 12% of assessable income.

After the rent payable in respect of the principal earner has been assessed, the following will apply to Subsidiary Earners:

Rent will be calculated at 12% of income of each subsidiary earner to a maximum of €40.00 per week per Subsidiary Earner.

In determining rent in the case of a new or transferred tenancy, "assessable income" as defined under Paragraph (4), will be reckoned by reference to the income situation of the family at the date of letting subject to terms of this scheme.

3. Definitions

Principal Earner

The Principal Earner is the person who is in receipt of the highest assessable income.

Subsidiary Earner

A subsidiary earner is a member of the household aged 18 years or over, other than the principal earner, who has an income or who is entitled to an income.

4. Definition of "assessable income"

In this Scheme "assessable income" refers to income of all persons and has the meaning assigned to it as follows:

In the case of Social Protection recipients, including those on Casual Jobseeker's Benefit/Allowance and Family Income Supplement or any other Social Protection Payments, the "assessable income" is the rate of payments in operation by the Department of Social Protection for the period under assessment. This includes top up payments for those who are employed/self-employed.

The “assessable income” of an employed person is the gross pay less tax, Pay Related Social Insurance and USC in accordance with the P60 for the tax year preceding the period under review. Overtime payments, shift allowances, bonuses and commission are included in the calculation of rent.

For those who have multiple employments a P21 for the tax year preceding the period under review must be supplied in addition to the P60 for the tax year preceding the period under review for each employment.

For those who become employed after the commencement date of this review, rent will be assessed based on the return of a declaration from the new employer to set out average weekly net income. The form entitled “ Income Received From Employment” MUST be returned by the tenant, for that person in new employment.

In the case of self-employed persons, the “assessable income” is based on the most recently available Notice of Assessment. This document must be for a financial year no more than 2 years older than the period under review.

If satisfactory documentary evidence is not received, or persons become self-employed after the commencement date of this Scheme, rent will be assessed on an assumed weekly “assessable income” of €500.00, which will be corrected once the Notice of Assessment is subsequently lodged.

All other sources of income are assessable for rent with the exception of those listed in Paragraph (6) below.

It should be noted that where the Council specifically requests the return of particular income details, it reserves the right in the event of the failure on the part of a tenant to supply that information, to assume an income for the purpose of assessment.

5. Income from the following sources is disregarded/subject to partial disregard as specified:

Fully disregarded – items a) to j)

- a) Child benefit, orphans’ allowances or orphans’ pensions
- b) Allowances payable for fostering children.
- c) Allowances for domiciliary care of a child suffering from a severe disability.
- d) Disability Allowance for those under 18 years of age.
- e) Respite Care Grants.
- f) Higher Education Grants.
- g) Fuel Allowance.
- h) Living Alone Allowance.
- i) Extra Allowance for people aged 80 and above.
- j) Assistance received from any charitable organisation.

Partially disregarded

- k) Community Employment Programme income
Where a person’s income is increased as a result of participation in Community Employment Programme the rent of the tenant shall not be increased solely as a result of such participation for a cumulative period of 3 years.

l) Back to Work Allowance

The rent of any tenant who is certified by the Department of Social Protection as participating in a Back to Work Allowance Scheme shall not be increased solely as a result of such participation for a period of twelve months from the date of certification, as long as the combined gross income from the Back to Work Scheme and employment/self-employment does not exceed €500 per week.

6. Fixed Rents

In the case of fixed rent, no increase will apply. Tenants may opt to pay rent on an income-related basis in accordance with the provisions of this Scheme.

7. Minimum Rent

A minimum rent of €22.00 will apply in respect of all rented dwellings.

8. Hardship

Where payment of a rent calculated in accordance with this Scheme would give rise to hardship, the Manager may agree to accept a lesser sum from a tenant for a specified period.

9. Household Budget/Standing Order

It is policy for all lettings that, where appropriate, the tenant must sign a Household Budget deduction form/Standing Order.

10. Changes in Income or Family Circumstances

In the case of a person who wishes to move into a social dwelling the Tenant(s) is obliged to complete an "inclusion on rent" form. Under no circumstances will anyone be allowed to move into a social dwelling unless approval is given by the Council in writing to the tenant. The revised rent will be assessed in accordance with the terms and condition of this Scheme.

In the case of persons moving out of a social dwelling, the tenant is obliged to notify the Council and supply satisfactory documentary evidence of alternative address to facilitate the adjustment of the rent account.

Tenants who experience a permanent change in household income (increase or decrease) must apply to have their rent assessed.

Permanent in this context, is defined as a change in income which is likely to extend to 3 months or more and documentary evidence to support any changes of circumstances must be submitted. Such rent assessments will be applied from the effective date of the change and may be subject to retrospective credits and debits.

Tenants should be aware that any documentation which is submitted late or in cases of undeclared income, an increase or decrease in rent will be applied retrospectively.

11. Penalties

It is the responsibility of the tenant(s) to provide full and accurate details of household composition and income.

In the event that the tenant(s) do not provide sufficient details to allow rent to be calculated, the rent of such households may be assessed on the following basis:

Last calculated rent plus €10.00 per week for each week until the information required is submitted. Any consequential rent change may be backdated.

12. Additional Charges

The Council reserves the right to apply extra charges to some properties to cover the cost of additional services provided to them.
