



Comhshaol, Oidhreachta agus Rialtas Áitiúil
Environment, Heritage and Local Government

Social Housing Support

Guidance notes on the Household Means Policy of 30 March 2011

Issued with Circular SHIP 2011/06 C by
Department of the Environment, Heritage and Local Government,
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1. Background and purpose of Household Means Policy

The Household Means Policy is a document setting out formal written guidance from the Minister for the Environment, Heritage and Local Government, which sets out the manner in which housing authorities will assess the means of applicant households for the purpose of determining the household's ability to provide accommodation from its own means and by extension its eligibility, or otherwise, for social housing support.

The requirement to adhere to the household means policy in assessing applicants for social housing support is set out in Regulation 17 of the Social Housing Assessment Regulations, 2011 which provides that *the income of a household shall be calculated for the purposes of these Regulations in accordance with written guidance issued by the Minister to housing authorities (in these Regulations referred to as a "household means policy")*.

This Guidance Note offers further details to assist housing authorities when applying the Household Means Policy.

2. Household Means Policy and Income thresholds

From 1 April 2011, one of the criteria for eligibility for social housing support is compliance with an income threshold. The underlying criterion in the assessment of a household's means for social housing purposes is to determine, in accordance with a set income threshold, whether the household is capable of meeting its own housing needs from its own resources. Regulations 19 - 21 of the Social Housing Assessment Regulations, 2011, as amended by the Social Housing Assessment (Amendment) Regulations, 2011, set out the maximum income threshold for single adult households in the 3 banded areas. Households must have a net¹ annual income of less than

- €35,000 in Band 1;
- €30,000 in Band 2; or
- €25,000 in Band 3;

in order to be eligible for social housing support. These income bands are expressed in terms of a maximum income threshold for a single-person household, with an allowance of

- 5% for each additional adult household member, subject to a maximum allowance under this category of 10%, and
- 2.5% for each child, subject to a maximum allowance under this category of 10%.

These limits are the current maximum thresholds set by the Minister in Regulations. Note that a housing authority may set a lower limit if appropriate – see Regulations 19-21 and page 20 of Guidance for housing authorities issued with Circular SHIP 2011/06 and SHIP 2011/06 C.

¹ i.e. net of income tax, universal social charge, PRD and PRSI. See note 3 below for details.

3. Income assessed is net income

The income threshold is the basic measure of whether a household is eligible for social housing support. The determination of whether an applicant/joint applicant/household meets the income criteria is based on a calculation of net income. Net income means that income tax, universal social charge, Pension Related Deduction within the meaning of the Financial Emergency Measures in the Public Interest Act, 2009, and PRSI are deducted from the relevant gross assessable income.

4. Are any other deductions made?

The deductions for tax, USC, PRD and PRSI are the only deductions that may be made when calculating net income. There should be no other deduction from income for other items such as travel expenses, rent paid, pension contributions etc, for example. Nor should there be any deduction from assessable income for maintenance paid by an applicant/joint applicant. See note 9 below re maintenance payments.

5. Income from all over 18 in the applicant household is assessed

The income of all persons aged 18 years and over included in a social housing application will be assessed for the purposes of determining whether an applicant household meets the income requirements. So if a person aged 18 or over is included in the application, 100% of their net income listed in the assessable categories at 6 below must be taken into account in determining the total income of the household.

6. Income that is assessable in considering social housing applications

Subject to what follows in the paragraphs below, the following incomes are assessable for the purposes of assessing eligibility for social housing support

- income from employment including overtime, bonuses and commissions;
- overtime payments, commissions and bonuses will be assessable as follows:
 - o overtime – generally restricted to a maximum of 10% of basic income, but regular overtime may be taken into account ;
 - o bonus – restricted to a maximum of 10% of basic income;
 - o commission – restricted to a maximum of 30% of basic income, where applicable;
- income from self-employment;
- maintenance payments received, subject to the criteria set out in paragraph 9
- income from rental properties, dividends, capital investments and other similar sources of income;
- occupational and social welfare pensions, from whatever source, including from abroad, and
- with the exception of the specific payments listed in paragraph 7 below as being disregarded, all income from social insurance and social assistance payments, allowances, and benefits, including Family Income Supplement is assessable.

7. Incomes which are not assessable

Income from the following sources shall, in all cases, be disregarded for the purposes of assessing income:

- child benefit or guardian's payment;
- exceptional or urgent needs payments;
- carer's allowance;
- scholarships or higher education grants;
- foster care payments;
- domiciliary care allowance;
- allowances/assistance from charities;
- fuel allowance;
- mobility allowance;
- living alone allowance;
- rent or mortgage interest supplements; and
- payments under FÁS schemes.

8. How to assess temporary or short-term incomes

In assessing household income for the purposes of the household means policy, a housing authority *may* decide to disregard income that is once-off, temporary or short-term in nature and which is outside the regular pattern of a person's annual income.

9. Marital Separation and maintenance payments

The following guidelines apply in the case of an applicant/joint applicant for social housing support who is separated/divorced. Where a separation agreement is in place, a copy of the agreement must be included with the application. The agreement must identify:

- the extent of maintenance being received or paid by the applicant;
- the circumstances under which the maintenance payments can cease;
- details of any payment to be made in respect of buy-out of spousal rights to the existing family home or other property which could have a bearing on the applicant's ability to purchase the dwelling;
- that no onerous conditions exist.

Where there is a reluctance to provide the full agreement due to sensitivity about some of the contents, a letter from the applicant's solicitor confirming details is acceptable.

If there is no separation agreement, a letter from the applicant's solicitor should be obtained confirming:

- that there is no formal separation agreement;
- that there are no court proceedings pending under family law legislation;
- the position in relation to maintenance and other payments.

Where the applicant is in receipt of maintenance payments these will be considered as assessable income, as indicated in section 6. Evidence, though, should be sought that the required payments have been made, without interruption, for at least the previous 12 months.

There should be no deduction from assessable income for maintenance paid by an applicant/joint applicant.

10. What about savings?

Savings are relevant to the income assessment only in so far as they generate an income for applicants, by way of dividend or interest.

11. Is rent being paid at the moment deductible from income when determining if an applicant meets the income threshold?

No. No deduction should be made for rent currently being paid.

12. What about travel expenses?

No deduction should be made from net income for travel expenses. See Note 3 above which clarifies that the only items, payments, expenses or outgoings allowable as deductions from gross income are tax, USC, PRD and PRSI.

13. Income Information to Accompany a Social Housing Application

The application form prescribed in the Schedule to the Assessment Regulations sets out the information that households must provide when applying to a housing authority for social housing support. In relation to the information that an applicant must provide on the household's income/means circumstances, the following documentation, at a minimum, should be sought:

1. Employment – an up-to-date P60 and/or a minimum of 4 out of last 6 payslips.
2. Self-Employment – a minimum of 1 year's accounts with either Auditor's Report or an Auditor's Report along with an up to date tax balancing statement and preliminary tax receipt.
3. Social Welfare Income – documentary evidence of all social insurance and social assistance payments, allowances and pensions being received by members of the household. As income of household members over 18 is also included in the assessment for qualification, evidence of payments to these household members is also needed.

Further information in relation to any aspect of income may also be sought if needed.
