



Limerick City and County Council Differential Rent Scheme 2020

1. Scope of Scheme

This scheme will apply to Limerick City and County Council and will take effect as follows:

Monday 3rd February 2020: Existing and New Differential and Fixed Rent Tenants, RAS and Leased Accommodation Tenants

Monday 17th February 2020: HAP Tenants

The Scheme will supersede all existing differential and fixed rent schemes and will be subject to review, as circumstances dictate.

2. Differential Rents

- i. Rents of dwellings let on differential rent will be calculated in accordance with section 3 below, as a proportion of the assessable income of the principal earner together with a contribution from any subsidiary earners in the household. Rent will be based on certified income, which must be submitted with Rent Assessment Forms.
- ii. Assessable income is income from the following sources, assessed in full, but reduced by pay-related social insurance contributions, universal social charge, and any income tax payable on such income:
 - All income from employment.
 - All social insurance and social assistance payments, allowances and pensions, Health Service Executive allowances and training allowances except payments listed at (viii) overleaf.
 - Income from pensions of kinds not already included above.
 - Maintenance Payments
 - Where the employment income details submitted are less than the minimum Social Welfare entitlement for a specific family composition, the rent may be assessed based on general social welfare entitlements.

- iii. **Assessment of Self- Employed Persons**
In the absence of Certified Accounts/Notice of Assessment, persons who are self-employed may be assessed on a minimum net income of €500.00 per week.
- iv. **Income of an employed person/self-employed person - income shall be the weekly earnings or income.**
In the case of employed persons, the annual earnings as shown on the P60/P21 form may be converted to a weekly average. In the case of self – employed persons, taxable income or an amount determined by Limerick City and County Council from other satisfactory evidence, e.g. based on a notice of assessment and/or audited accounts.
- v. **Where a husband/partner, and wife/partner,** are receiving split payments from the Department of Employment Affairs and Social Protection, the combined income of both spouses, will be taken as the assessable income, for the purpose of rent calculation
- vi. **Principal Earner** is the person (either the tenant or any other person normally resident in the household) who is in receipt of the highest assessable income within the household.
- vii. **Subsidiary Earner** is a member of the household 18 years of age and over, other than the principal earner, who has an income and who is not in full time education.
- viii. **Income from the following sources is disregarded for the purpose of the calculation of Rents:**
 - (a) Children’s allowances, orphan’s allowances or orphan’s pensions payable under the Social Welfare (Consolidation) Act, 1981.
 - (b) Scholarships and Higher Education Grants.
 - (c) Allowances payable under the Boarding out of Children Regulations, 1954, such as Foster Care and Guardian Payments.
 - (d) Domiciliary Care Allowance
 - (e) Allowances or assistance received from any charitable organisations.
 - (f) Lump sum compensation payments.
 - (g) Infectious diseases maintenance allowance.
 - (h) Living alone allowance.
 - (i) Fuel Allowance.
 - (j) Over 80’s allowance.
 - (k) Other allowances that Limerick City and County Council consider analogous to those listed above.
- ix. Rents assessed will be rounded up to the nearest 50 cents.
- x. Persons on JIS/TUS/CE/BACK TO WORK SCHEMES are entitled to secondary benefits for the first four years of the scheme. Therefore, rent will be assessed on the Social Welfare rate of payment only applicable to them or their household.

3. Calculation of Rent

The rents of dwellings let on differential rent will be calculated as follows:

(A) Principal Earner

14.5% of the first €275 of the principal earner's income plus 19% of any additional income.

(B) Child Allowances

Allowances for dependent children will be made as follows:

€12.00 per week for each dependent child of 17 years or under, or if under 21 and attending a full-time course of education and is wholly or mainly maintained by the principal earner.

(C) Subsidiary Earners

Subsidiary Earners will be required to pay a contribution of 14.5% of their income after an allowance of €26.50 is deducted from the income.

(D) Minimum Rents

A minimum rent of €30.00 will apply to all properties. (With the exception of F below)

(E) Traveller Accommodation

The rents payable for halting site bays is fixed at €30.00 per bay per week.

(F) Demountables

Fixed charge for Demountables (in situ on 3rd February 2020) shall be €20.00 per week.

(G) Maximum Rents

To date a number of City Estates have been subject to a Maximum Rent in the amounts of €60.00 and €90.00 per week.

Henceforth, this Differential Rent Scheme will see a phasing out of these Maximum Rents, in the following manner:

	Year 1 (2020) Maximum	Year 2 (2021) Maximum	Year 3 (2022) Maximum
Property currently on a Max of €60.00 will increase to –	€80.00	€110.00	€160.00
Property currently on a Max of €90.00 will increase to -	€110.00	€140.00	€190.00

From Year 4 (2023) there will be No Maximum Rent

(H) Charge

In respect of Limerick City and County Council's residential properties, the rent will be increased by an additional fixed weekly amount sufficient to generate funds to meet the Local Property Tax Liability.

(I) Non-submission of Rent Assessment Form

Tenants who are requested to, and who fail to, complete and return a Rent Assessment Form with the supporting documents, will be subject to a rent increase as follows: Last calculated rent **plus €50.00** per week for each week until the information is submitted. Any consequential rent reduction will not be backdated.

4. Cases of Hardship

In exceptional circumstances where payment of a rent calculated under section 3 would, in the opinion of Limerick City & County Council, give rise to undue financial hardship, Limerick City and County Council may agree to accept a lesser sum from a tenant for a specified period. Such lesser sum would not be less than the applicable minimum rent.

5. Review of Income

The tenant shall notify Limerick City and County Council immediately of any change in income or in family circumstances and comply with the requirements of their Letting Agreement in this regard. Where a tenant does not comply with this section, Limerick City and County Council reserves the right to apply any rent changes retrospectively, to when this change to household income occurred.

6. Additional Charges

Where additional charges are payable by Limerick City & County Council for a dwelling provided in a private or public estate, Limerick City and County Council reserve the right to apply extra charges to cover the cost of additional services provided to them, e.g. management and maintenance fees.