

**Reckonable Income Directions under
Section 24 of the Housing (Miscellaneous Provisions) Act 2014**

The Minister for Housing, Local Government & Heritage, in accordance with section 24(3) and (4) of the Housing (Miscellaneous Provisions) Act 2014, issues the following directions to all housing authorities concerning the manner in which each authority shall determine reckonable income for the purposes of the purchase of houses by tenants under Part 3 of that Act.

Applications received by housing authorities on 1 February 2022 or thereafter should be assessed under the directions.

Deductions from gross income

1. A housing authority shall not make any deductions from gross income for the purposes of determining reckonable income.

Reckonable income

2. A housing authority shall include the following sources and classes of income in determining reckonable income:
 - (a) Income from employment, including self-employment;
 - (b) Overtime payments, bonuses and commission, as follows:
 - (i) Overtime – restricted to a maximum of 10% of basic income, except where there is a regular overtime pattern;
 - (ii) Bonuses – restricted to a maximum of 10% of basic income;
 - (iii) Commission – restricted to a maximum of 30% of basic income;
 - (c) Maintenance payments received;

- (d) Income from rental properties, dividends, capital investments and other similar sources of income;
- (e) **subject to paragraph 3**, reckonable income includes the State Contributory and Non-Contributory Pension as primary sources of income. All other social welfare payments by the Department of Social Protection, will be treated as a secondary source of income, i.e. a social welfare payment to a tenant in receipt of income from employment is reckonable income, as is a social welfare payment to the spouse, civil partner or cohabitant of a tenant in employment, whether or not that payment is in addition to employment income of that spouse, civil partner or cohabitant;
- (f) Pensions, from whatever source, including from abroad.

Income disregards

- 3. (1) A housing authority shall disregard income from the following sources for the purposes of determining reckonable income:
 - (a) Child Benefit;
 - (b) Carer's Allowance, Carer's Benefit and Half-Rate Carer's Benefit;
 - (c) Working Family Payment;
 - (d) Guardian's Payment (Contributory & Non Contributory);
 - (e) Exceptional Needs Payments;
 - (f) Diet Supplement;
 - (g) Fuel Allowance;
 - (h) Carer's Support Grant;
 - (l) Prescribed Relative Allowance;
 - (j) Living Alone Increase;

- (k) Age 80 (Pension) Increase;
- (l) Domiciliary Care Allowance;
- (m) Tús (Community Work Placement Initiative);
- (n) Back to Education Allowance;
- (o) Gateway (Local Authority Activation Scheme);
- (p) Rural Social Scheme;
- (q) Community Employment Programme;
- (r) Fostering Allowance;
- (s) Blind Welfare Allowance;
- (t) Back to Work Family Dividend
- (u) Boarding-Out Payments;
- (v) Student grants and scholarship schemes;
- (w) Home Tuition Scheme;
- (x) Youthreach training allowance;
- (y) Payments by charitable organisations, one of the functions of which is to assist persons in need by making grants of money to them;
- (y) payments made by another EU Member State that correspond to Child Benefit;
- (aa) rehabilitation training allowances.

(2) In determining reckonable income, a housing authority shall disregard income that is once-off, temporary or short-term in nature and that is outside the regular pattern of a person's annual income. Otherwise, where income fluctuates from week to week, reckonable income shall be determined on the basis of a person's average earnings over a typical work period.

Information in respect of reckonable income

4. A housing authority shall require all tenant(s), to provide documentary evidence to verify different types of reckonable income, as follows:
 - (a) employee income: an Employment Detail Summary (formerly known as Form P60) and payslips for each employment and, where necessary, a signed and stamped employer's salary certificate, stating employment terms, basic salary, overtime, commission, bonuses and any other payments;
 - (b) Income from self-employment: a copy of the income and expenditure accounts for each business or such documentation that satisfies the housing authority as to the nature and amount of income involved;
 - (c) Payments made by the Department of Social Protection: documents issued by that Department, detailing the payments made;
 - (d) Rental income from land or property: a copy of accounts or a statement of rental income;
 - (e) Interest on savings, investments or dividends: a statement from the financial institution or other provider, detailing the amount paid;
 - (f) A pension other than a pension paid by the Department of Social Protection: a document issued by the body involved, detailing the payments made;
 - (g) maintenance payments received: the Court Order, formal or informal maintenance arrangement or agreement, or solicitor's statement, detailing the amount and frequency and end-date of payments, and

documentary evidence that the required payments are being made in accordance with the order, arrangement, agreement or statement concerned;

- (h) Income from any other source: documentary evidence from the appropriate person or body involved, detailing the source and nature of the income and the amount paid.

Reference note concerning relevant legal provisions

(This note is not part of the directions and does not purport to be a legal interpretation)

Persons whose income is reckonable

Under section 24(2) of the Housing (Miscellaneous Provisions) Act 2014, a housing authority shall, in calculating the annual income of a tenant who has applied to purchase a house under Part 3 of that Act, include the reckonable income of —

- All tenants of that house, and
- The tenant's spouse or civil partner living with him or her or the tenant's cohabitant.

Provision of information relating to income

The Housing (Sale of Local Authority Houses) Regulations 2015 (S.I. 484 of 2015) contain enactments relating to the provision by a tenant purchaser of information relating to income, as follows:

- Regulation 7(b) provides that, when applying to purchase a house under Part 3 of the 2014 Act, a tenant shall provide information sought by a housing authority to enable the authority to comply with section 24 of the Act of 2014 and directions issued under that enactment;

- Regulation 8 provides that a tenant shall, within 4 weeks of being requested to do so by the housing authority concerned, provide to that authority such additional information, including documents and other particulars, as the authority may reasonably require for the purpose of verifying information provided by the tenant in connection with an application to purchase.

Department of the Housing, Local Government & Heritage

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