

2.2.2.2 Rent Payment Options



Preamble

Women's Housing Company (WHC) is a community housing association as part of the social housing system in NSW. WHC provides long term housing for single women and medium term housing through support partnerships.

As a social housing provider WHC offers subsidised rent to tenants on low incomes. The method used to calculate the rental subsidy is based on income and is known as an income related rent.

The NSW Office of Community Housing and the Housing NSW set guidelines to determine who is eligible to receive government funded rent subsidies and Women's Housing Company assesses tenants' income details accordingly.

WHC is committed to implement and develop strict measures to guarantee that government funds are not misused.

POLICY

On signing of a tenancy agreement Women's Housing Company explains to tenants their obligation to pay rent in accordance with the Residential Tenancy Agreement; that is two weeks in advance from the day of the agreement.

The tenancy agreement date for rent purposes is referred to as the **anniversary date**, and is the same for every fortnight following.

Every tenancy agreement offers a number of **rent payment options**, these include:

- Direct deposit into a nominated Women's Housing Company account as stated on the agreement or otherwise notified;
- By Centrepay payment, that is the tenant authorises Centrelink to pay rent straight from the Centrelink income support payment into the nominated account;
- By internet banking deposit into the nominated WHC account.
- By money order.

Women's Housing Company will not accept personal cheques for payment of any rent or non-rent debt from a tenant or ex-tenant.

If a **cheque** is paid into our account in any way and is subsequently **dishonoured**, Women's Housing Company has to pay a bank fee. If rent or a non-rent debt is paid by cheque and subsequently dishonoured, the fee charged will be passed on to the tenant.

WHC provides **rent subsidies** to qualifying tenants; the subsidy is the difference between rent based on 25% of the tenant's income + 100% of Commonwealth Rent Assistance (CRA) and market rent. The 25% rent component is calculated on all gross income, investments and assets, including accessible superannuation.

In order to qualify for this subsidy, tenants are required to provide requested information in regards to their income, investments and assets.

All verified information must have the correct spelling of the name of the tenant and the correct address of the tenant at a Women's Housing Company rented property.

Community Housing tenants are eligible for the Commonwealth Rent Assistance (CRA). According to Office of Community Housing policy, Women's Housing Company must maximise rent assistance as income and charge it at 100% of the **maximised rent assistance** towards rent.

Rebated or subsidised rent is calculated in accordance with the Office of Community Housing Rent Policy. Rebated rent is assessed at 25% of the tenant's total gross income and 100% of the maximised Commonwealth Rent Assistance. All tenants are eligible to apply for a rental subsidy.

Women's Housing Company maintains the right to withdraw a tenant's rent subsidies for the following reasons:

- The tenant fails to provide proof of income, investments and assets as requested.
- The tenant is no longer eligible for housing with WHC under the organisation's guidelines e.g. they are caring for children full time, or they are no longer living alone.
- The tenant is being investigated of committing rental subsidy fraud.

Rent statements are printed and sent to tenants every quarter with the Newsletter, and on tenants' request.

WHC will not reimburse overpaid rent for current tenancies to avoid tenants using rent payments as a form of savings account. Tenants may suspend rent payments temporarily if ahead in rent.

WHC will reimburse **overpaid rent** to all tenants vacating property.

Rent is to be paid up to and including the date the keys are returned to WHC.

Overpaid rent cannot be used for outstanding non-rent debt unless so negotiated between WHC and the tenant, or determined by the Consumer Trader and Tenancy Tribunal.

Date developed: 2000

Date/s policy was ratified and/or changed by Board: 31/1/05; 28/8/07

Note: Procedures are designed to guide the implementation of a policy and will be updated on a regular basis as part of ongoing best practice service improvement.

PROCEDURE

All rent payments received by WHC are entered in the Tenancy Management System (TMS) database by the finance team. Payments are made by utilising an agent number system where each tenant is allocated an agent number when signing the tenancy agreement with WHC.

Evidence of income, investments and assets must be provided before the rent subsidy can be calculated.

Women's Housing Company will accept the following **income, investment and asset verifications**:

- An original 'INCOME STATEMENT' from Centrelink. This should not be more than 2 weeks old.
- Original payslips covering at least the last 4 consecutive weeks from your current employer/s stating gross and net earnings if the earnings are the same every week (within \$25 income fluctuations based on average).
- Original payslips covering the last 6 - 12 consecutive weeks if the income varies per week (more than \$25 fluctuations).
- For tenants who are self employed a current profit and loss statement, or a current tax return must be submitted. A tax assessment notice is not acceptable. The information must be related to the current financial year and be produced by a financial professional.
- All financial investments and/or assets in addition to the regular income must be provided, including a statement from a bank/financial institution for all combined investments/assets over \$5,000; this includes accessible superannuation investments.

For tenants on wages, salary, or self employed an average of weekly earnings is calculated based on the number of weeks of payslips provided. The rebated rent is calculated at 25% on the total gross income per week. This includes salary sacrificed portions of a salary.

Investments (trust accounts, savings, accessible superannuation, etc) are assessed at 25% of the **deemed interest** earned per week.

The deemed interest does not take into account the first \$5,000 of investments/savings.

Once the first \$5,000 are taken out, the remaining amount is assessed as per Office of Community Housing rent policy deeming rate.

The total deemed interest based on these calculations is then divided by 52 weeks to ascertain the weekly deemed interest income, this weekly income is then assessed at 25% to calculate the weekly rent based on the deemed interest in addition to the weekly rent based on other income.

Tenants receiving Centrelink income support payments are assessed at 25% of their weekly payments. If casual weekly earnings are verified on the income statement 25% rent is calculated on these also.

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CRA must be maximised for all tenants eligible for CRA, 100% of CRA is added to rent. To calculate the maximised CRA, the OCH provided calculator must be used for all existing tenants at 1/7/2008.

For all new tenants post 1/7/2008, the calculator as part of TMS (Tenancy Management System) can be utilised.

If the Centrelink statement verifies annual interest earned, this is divided up over 52 weeks and then 25% of the weekly income is assessed as rent in addition to the rent based on the income support payment.

If a tenant chooses to provide statements of their investments, savings or assets WHC will deem interest based on this information provided by the tenant, rather than the deemed investment calculated on the Centrelink statement.

Assessable income differs for payments received from the Department of Veteran Affairs. The SHM obtains an updated chart of payments identifying non-indexed payments which cannot be assessed as income.

There are situations when the rent subsidy is withdrawn and market rent is charged on the property, see [2.2.8 Income Review & Market Rent Update](#) and [2.3.7 Becoming ineligible for housing with WHC](#).

Women's Housing Company will provide [Rent Certificates](#) to all tenants in receipt of Centrelink payments when they sign their initial tenancy agreement .

This will state the amount of rebated rent the tenant starts paying to WHC from the day of the lease.

If the tenant lodges the rent certificate with Centrelink, Centrelink will reassess the tenant's rent assistance.

Women's Housing Company will advise a vacating tenant of any [overpaid rent](#) when the keys are returned, and will request a forwarding address. The housing worker responsible for the property will terminate the tenancy on TMS and print out a copy of the ex-tenants rent statement.

If the tenant has non-rent debts the housing worker aims to negotiate that any overpaid rent can be used to offset parts of this debt. If this is agreeable to the tenant the housing worker needs to make a file entry on TMS and inform the finance team in writing, by email or otherwise.

The housing worker is required to pursue non-rent debt and rent arrears via the CTTT if agreement is not possible. This will not be pursued if the amount owed is insubstantial, less than \$200, or if WHC has no option of contacting the tenant.

If there is no non-rent debt or the tenant is not agreeable to this suggestion, the housing worker will attach the rent statement to a cheque requisition form and pass to the finance department for reimbursement.

The housing worker staples a copy of this rent statement displaying the over- or underpaid rent on the inside front cover of the tenant file.

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The finance department raises a cheque payable to the ex-tenant for overpaid rent. Once any overpaid rent has been reimbursed the rent statement will display zero as rent account balance. The finance team will staple this rent statement on top of the previous one attached by the housing worker on the inside front cover of the tenant file.

Rent Transfer for Rehousing

When a tenant is rehoused from one Women's Housing Company property into another, any excess rent paid on their original property must be transferred to their new property.

When the original tenancy is terminated, the computer will calculate rent paid in excess for the original tenancy. This will include any money in the carried forward balance.

The housing worker informs the finance department of the rehousing situation by completing the form 'When transferring rent amounts between properties'.

The finance department will move the excess rent amount or rent arrears from the old property into the new property rent account.

At times there may be a timing difference with the next rent payment and the actual transfer.

If the old property account is in arrears the housing worker will explain to the tenant that the arrears of the old property will need to be paid off first. Rent payments received by Women's Housing Company after the new tenancy has commenced will pay any arrears of the old property first.

Should the tenant not be agreeable to this, a CTTT process for rent arrears needs to be initiated.