

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

The Minister for Housing, Local Government & Heritage, in accordance with sections 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 29 January 2024 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 Pensions, Widow's, Widower's, Surviving Civil Partner's (Contributory and Non-Contributory) Pension, Blind Pension, Invalidity Pension and Disability Allowance as a primary source 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.

3. Income disregards

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.

A housing authority shall disregard income from the following sources for the purposes of determining reckonable income:

(a) Payments by the Department of Social Protection under the Social Welfare Acts in respect of -

- (i) Child Benefit
- (ii) Guardian's Payments (Contributory)
- (iii) Guardian's Payments (Non-Contributory)
- (iv) Carer's Allowance (Full or half rate)
- (v) Carer's Benefit
- (vi) Domiciliary Care Allowance
- (vii) Constant Attendance Allowance
- (viii) Prescribed Relatives Allowance
- (ix) Household Benefits Package (including Electricity & Gas Allowance)
- (x) Fuel Allowance
- (xi) Telephone Allowance
- (xii) Increase for living on a Specified Island
- (xiii) Living Alone (Pension) Allowance
- (xiv) Diet Supplement
- (xv) Payments under Medical Care Scheme
- (xvi) Back to Work Family Dividend
- (xvii) Disablement Benefit

Once off payments or irregular payments, including for example Carer's Support Grant, Training Support Grant, Back to School Clothing and Footwear Allowance, Additional Needs Payment (including Exceptional Needs Payment and Urgent Needs Payment), Humanitarian Assistance Scheme, Funeral Grant.

(b) Community employment schemes such as Community Employment Programme, Community Services Programme, Gateway (Local Authority Activation Scheme), the Work Placement Experience Programme, Tús (Community Work Placement Initiative); the amount of income in excess of the Supplementary Welfare rate.

(c) Payments from the Department of Social Protection or the Department of Education / Department of Further and Higher Education, Research, Innovation and Science or any Government

Department or state agency in respect of an education or training course: the amount of income in excess of the Supplementary Welfare rate.

(d) Payments by the Health Service Executive in respect of—

- (i) Foster Care Allowance
- (ii) Blind Welfare Allowance
- (iii) Mobility allowance

(e) Payments by the Department of Education, or under schemes funded by that Department, in respect of—

- (i) Student grants schemes
- (ii) Home Tuition Grant Scheme
- (iii) Youthreach training allowance

(f) Payments received as a training allowance while undergoing a course of rehabilitation training by an organisation approved by the Minister for Health;

The following miscellaneous payments:

(g) Payments by charitable organisations, being bodies the activities of which are carried on otherwise than for profit (but excluding any local authority or other public authority) and one of the functions of which is to assist persons in need by making grants of money to them;

(h) Payments made by another EU Member State and / or the United Kingdom (Common Travel Area) that correspond to Child Benefit;

(i) Scholarships in respect of attending approved courses provided by approved institutions, within the meaning of sections 7 and 8 of the Student Support Act 2011 (No. 4 of 2011), respectively;

(j) Income earned by children.

Information in respect of reckonable income

5. A housing authority shall require a tenant to provide documentary evidence to verify different types of reckonable income, as follows:

(a) employee income: Employment Detail Summary 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.

**Social Housing Policy Unit,
Department of Housing, Local Government and Heritage.
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