

**Limerick City Council**

**City Hall**

**Limerick.**

**30<sup>th</sup> November, 2004.**

<b>TO: THE CHAIRMAN AND EACH MEMBER OF THE SOCIAL POLICY AND HOUSING COMMITTEE OF LIMERICK CITY COUNCIL</b>
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## **Re: 2005 Differential Rent Scheme.**

Attached, herewith, for the information of the Members, is a breakdown of the changes incorporated in the revised Differential Rent Scheme which will come into effect on Monday 3rd January, 2004.

- As in 2004, Limerick City Council has adopted a four-tiered minimum rents system based on the number of bedrooms in the accommodation. The rent increase for tenants who remain on minimum rent is **€1.00**
- The maximum rent formula remains unchanged. Property valuations are based on valuations obtained in connection with the purchase of houses under the 1995 Tenant Purchase Scheme.
- The subsidiary earners contribution to household rent **remains unchanged**. The maximum contribution payable by subsidiary earners is €12.00.
- Rent increases for this forthcoming rent review are based on income as at 4th October 2004. **Any increase in Social Welfare in the forthcoming budget will not be taken into account.**

**PAT DOWLING  
DIRECTOR OF SERVICES  
SOCIAL POLICY AND HOUSING**

## LIMERICK CITY COUNCIL RENT SCHEME 2005

### 1. Scope of Scheme

This Scheme will apply with effect from 3rd January 2005. It will supersede all existing differential and fixed rent schemes and will be subject to review, on a regular basis as circumstances dictate.

### 2. Differential Rents

- (i) Rents of dwellings let on differential rent will be calculated in accordance with paragraph 3 below, as a proportion of the assessable income of the principal earner together with a contribution from any subsidiary earners in the household. Rents will be based on certified income as at 4<sup>th</sup> October, 2004. In determining rent in the case of a new tenancy, assessable income will be reckoned by reference to the income situation of the family at date of signing of new Letting Agreement.
- (ii) Assessable income of the principal earner is income from the following sources, assessed in full, but reduced by pay-related social insurance contributions and any income tax payable on such income.
  - a) Income from employment including self-employment.
  - b) All social insurance and social assistance payments, allowances and pensions, Health-Board allowances and training allowances except payments listed at (vi) overleaf.
  - c) Income from pensions of kinds not already included in (b) above.

Where a Husband and Wife are on split payments from the Department of Social Welfare, each income is assessed separately.

- (iii) **Income of an employed person** is in general, the normal weekly rate of remuneration as defined in Section 1 of the Holidays (Employees) Act, 1973, except that overtime, irregular shift allowances and occasional lump sum bonus payments are excluded. All other regular payments in the nature of pay are included.
- (iv) **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.
- (v) **Subsidiary Earner** is a member of the household, other than the principal earner, who has an income.

(vi) **Income from the following sources is disregarded for the purposes of calculation of Rents:**

- (a) Children's allowances, orphan's allowances or orphan's pensions payable under the Social Welfare (Consolidation) Act, 1981.
- (b) Scholarships.
- (c) Allowances payable under the Boarding out of Children Regulations, 1954.
- (d) Allowances for domiciliary care of handicapped children under the Health Act, 1970.
- (e) Allowances or assistance received from any charitable organisations.
- (f) Lump sum compensation payments.
- (g) Infectious diseases maintenance allowance.

**3(A) Calculation of Rent**

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

13% of the first €170 of principal earner's income plus 18% of any additional income.

**(B) Child Allowances**

Allowances will be made for dependant children on the basis of €6.35 per week for each dependant child of 17 years or under, or who being under 21, is attending a full-time course of education and is wholly or mainly maintained by the principal earner.

**(C) Subsidiary Earners**

The subsidiary Earner's contribution is calculated at one seventh of subsidiary earner's income, which exceeds €25.00. The maximum contribution for subsidiary Earners remains at €12.00.

**(D) Minimum Rents**

The minimum rent for:

One-bedroomed accommodation will be	€18.00
Two-bedroomed accommodation will be	€18.50
Three-bedroomed accommodation will be	€20.00

Four- bedroomed accommodation will be €20.50

**(E) Halting Bays**

The rents payable for halting bays is fixed at €13.00 per bay per week.

**(F) Maximum Rents**

The maximum rent is calculated on Market Value as follows:

Market Value x 5.25% divided by 52

To facilitate this system of calculating maximum rents, property valuations have been summarised into a number of valuation brackets as follows:

**Market Value**

1. Up to € 42,000	€ 42.50
2. Over € 42,000 and up to € 48,000	€ 48.50
3. Over € 48,000 and up to € 60,000	€ 61.00
4. Over € 60,000 and up to € 73,000	€ 74.00
5. Over € 73,000 and up to € 86,000	€ 87.00
6. Over € 86,000 and up to € 99,000	€100.00
7. Over € 99,000 and up to €111,000	€112.50
8. Over €111,000 and up to €124,000	€125.50
9. Over €124,000	€125.50

**(G) Non-submission of means forms for annual rent assessment**

In order to encourage tenants to return their means forms for the annual rent assessment, it is proposed to continue the practice of assessing the rents of offending tenants on the following basis:

Last calculated rent plus €15.00 per week for each week until form is submitted. Any consequential rent reduction will not be backdated except in exceptional circumstances.

**NOVEMBER, 2004**