

Employment Incentive Scheme

Policy

Date effective: 27 October 2016

1. Overview

The Employment Incentive Scheme (EIS) reduces the financial disincentive for tenants who return to work or increase workforce participation. The disincentive may occur because of an increase in rent, additional costs such as childcare, or loss of benefits.

The rent paid by eligible public housing tenants is dependent upon household income. Therefore, when household income rises due to a new job, so does the rent. The EIS works by gradually increasing the rent to the correct level over six months to offset any disincentive.

2. How it works

The household is guaranteed a secure lease for at least 12 months from the date of employment or increase in hours. The lease expiry date will not change if the existing lease has more than 12 months remaining.

All tenants eligible for public housing and their household members (including dependents aged 18 years and over) are eligible for EIS. The household must earn a minimum wage of \$200 per week before tax to participate in the EIS. A household is not eligible for the scheme if the change in household income is due to somebody who was already employed, such as a new resident joining the tenancy or an existing resident turning 18.

Households can access the scheme once every 12 months if a household member returns to work or increases workforce participation.

Rent is adjusted in three stages:

1. For the first three months, rent is frozen at the rebated rent level which the household received before gaining employment or increasing gross household income;
2. For the next three months, rent is calculated at 23 per cent of the wages received (other income remains calculated using rental rebate policies); and
3. After six months, rent is calculated depending on eligibility for the rental rebate scheme. If the household is no longer eligible for a rental rebate, the Department's market rent is charged until the lease expires. If the household is still eligible, or if the household income drops below the eligibility limits, rent is calculated using rental rebate policies.

3. Discretionary decision making

Discretion can be applied to this policy using the Discretionary Decision Making policy.

4. Complaints and/or appeals

If a client is not satisfied with either a decision or action of the Department, they can access the Department's complaints and/or appeals processes. For further information, please refer to the Complaints and/or Appeals policies.

5. Review of the policy

If at any time the legislative, operating or funding environment is so altered that the policy is no longer appropriate in its current form, the policy shall be reviewed and amended accordingly. This policy will be reviewed within two years of release.

6. References

Legislation

Housing Act

Residential Tenancies Act

Policies

Eligibility for Public Housing policy

Income and Assets policy

Rental Rebate policy

Rent policy

Tenancy Agreements for Public Housing policy

7. Document change control table

Release Date	Version Number	Approved by (position)	Section amended	Category
27/10/2016	1.01	Director Policy	all	Editorial amendments
26/06/2013	1.00	Executive Director Housing Operational Client Support	all	New separate policy derived from Housing Services Operational Policy Manual, Chapter 8