

# Employment Incentive Scheme

## Policy

Date effective: 4 February 2020

### 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. If household income rises due to increased workforce participation, rent will also rise. The EIS works by gradually increasing the rent to the correct level over six months to offset any disincentive.

### 2. How EIS works

The household is provided a tenancy agreement for at least 12 months from the date of employment or increase in workforce participation hours. The tenancy agreement expiry date will not change if the existing fixed term tenancy agreement 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 member 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 recognised occupier joining the tenancy or an existing recognised occupier 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 the current rebate rate that applies to the household under the Rental Rebate policy.
3. After six months, eligibility for public housing is assessed and households who remain eligible for public housing continue to be charged rebated rent in line with the current rebate rate that applies to the household. If the household is no longer eligible for public housing, the Department's full rent for the dwelling is charged or 30 per cent of income, whichever is lesser.

### 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.

## 6. References

### 6.1. Legislation

*Housing Act 1982*

*Residential Tenancies Act 1999*

### 6.2. Policies

Appeals policy

Complaints policy

Discretionary Decision Making policy

Eligibility for Public Housing policy

Income and Assets policy

Rental Rebate policy

Rent policy

Tenancy Agreement for Public Housing policy

## 7. Document change control table

Release date	Version number	Approved by (position)	Section amended	Category
4/02/2020	4.00	Acting Chief Executive Officer	2	Revised
16/08/2019	3.00	Chief Executive Officer	2	Revised
1/10/2018	2.00	Chief Executive Officer	2	Revised
8/02/2018	1.02	Director Policy	all	Editorial amendments
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