

Issued 08-04-2020

Income related rent support framework



Supporting our customers experiencing difficulty with rent charges and payments as a direct result of the impact of COVID 19.



Overview

We're aware that some customers may have reduced or no income because of the COVID-19 pandemic:

- for example if their wage/salary has been reduced,
- they've lost their job, or
- have been temporarily stood down until alert levels reduce from four.

MSD is fast-tracking Income Related Rent re-assessments for tenants whose income is reduced because of the COVID-19 response. Changes to rent charged will apply even if the change of income lasts for less than 8 weeks.



This document explains the process for managing IRR changes during the COVID-19 pandemic and outlines how we can support customers who are facing financial difficulties:

- In the first instance we will refer to MSD for financial support and IRR re assessments
- We will escalate IRR assessments if the customer has been waiting more than three days
- Where a customers income has been impacted we will negotiate an affordable amount until MSD confirms the new rent

How to manage IRR Conversations and escalate IRR issues

These will most likely occur as part of a welfare check or when a customer contacts the CSC

First we should ask the customer if their income has been impacted because of COVID-19, and understand what income if any the household is receiving.

Explain this is to offer support and ensure they are paying the correct amount of rent if their income has been reduced.

If their income has been impacted we should encourage customers to speak directly with MSD in order to have their Income Related Rent re-assessed and discuss any other financial support they may be able to offer them. We can also complete three way calls where required.

If a customer advises that:

- they have already spoken with MSD,
- and have waited three or more days for an outcome,

Then please complete the email add-in “**COVID-19 Reduced Income**” and email the interagency mailbox. Advise the customer that they can expect to hear directly from MSD.

Record the conversation in arrears action with the addition of ensuring that the income vulnerability person attribute comment is updated to reflect the outcome.

If customers income has been impacted then we need to understand their situation and offer support where required.

In your conversation with the customer seek to understand the household's situation.

Understanding the household situation is important so you are able to discuss what rent payments can be made while they wait for MSD to complete the rent assessment.

Consider their income, the impact of the COVID-19 response as well as household expenses in order to determine an interim agreement which is to be paid while waiting for the reassessed household.

In both cases the [community service directory](#) is there to help you explain and refer customers to those services that will be able to meet the need of the customer and household.

If...	Then...
There is no income in the household	We cannot expect the household to pay any rent until there is a source of income. In these circumstances it is important to ask the customer if they require any support, such as food banks.
Income has significantly reduced	After understanding the household situation negotiate and encourage payments as per what the household can afford to pay. Some households may have increased expenses if they have extra household members

There are two key points to make clear to the customer:

Explain that any agreement you make for rent payments is not what the new rent will be, this is what we have agreed that should be paid until their rent has been reassessed by MSD.

If there is a difference between what they do pay and what the new rent is based on their new income, they will need to pay back the difference at some point, but we can discuss that once things return to normal. We do not want to put any extra stress on our customers during this time.

Financial scenarios

Over-arching principles to rent discussions

- Be kind, caring and empathetic
- Seek to understand and support the entire household
- Focus on the immediate need of the household

There are two key points to make clear to the customer:

- Explain that any agreement you make for rent payments is not what the new rent will be. This is instead just an interim position until their rent amount has been reassessed by MSD.
- If there is a difference between what they do pay and what their reassessed amount is, they will need to pay back the difference at some point.
However, the repayment plan can be discussed at a later date as it is important not to put any extra stress on our customers during this time.

Scenario 1 – customer who was in full time employment and is unable to work OR has a reduced income OR has lost their job

- Identify if the household is receiving any income and record notes as per BAU process in arrears actions along with the addition of updating the people attribute - income vulnerability
- Recommend contacting MSD via MyMSD or 0800 559 009 to have IRR reassessed and to check their eligibility for financial support.
- The three way MSD conference call is still operating and is proving an efficient way for customers to sort their IRR issues quickly.
- If they have made contact with MSD and have not had a response and they have had a significant impact then follow the escalation process for Income Related Rent re-assessment to interagency mailbox.

- Discuss what rent the customer can pay in the interim as per the table below

If...	Then...
There is no income	We cannot expect the household to pay any rent until there is a source of income. In these circumstances it is important to ask the customer if they require any support, such as food banks .
Income has significantly reduced	After understanding the household situation negotiate and encourage payments as per what the household can afford to pay. Some households may have increased expenses if they have extra household members

- In both cases the [community service directory](#) is there to help you explain and refer customers to those services that will be able to meet the need of the customer and household.

Scenario 2 – Customer is in employment, income not significantly reduced however managing significant other bills and expenses

- Manage as per scenario 1 however be understanding that the customer may need to pay less than their current rent.
- It is important to understand the other bills the customer has to be able to understand what they can afford to pay.
- If their income has reduced then we recommend they contact MSD via MyMSD or 0800 559 009 to have IRR reassessed if income has reduced and to check their eligibility for financial support. We can always complete a three way conference call.
- If they have made contact with MSD and have not had a response follow the escalation process for Income Related Rent re-assessment to interagency mailbox.
- Record notes as per BAU in arrears action and in the income vulnerability under person attributes.

- Discuss what rent the customer can pay in the interim.

If...	Then...
Income has not significantly reduced	<p>After understanding the household situation negotiate and encourage payments as per what the household can afford to pay.</p> <p>It might be an option to discuss financial agencies with the customer that could support during this time, i.e. https://www.moneytalks.co.nz/ or local financial agencies that are still operating under the current Alert level</p>
If no income impact	Still have a conversation with the customer about their general welfare and refer to the community service directory if they have any support needs

Scenario 3 – Customer has picked up new employment / additional hours as a result of COVID-19 pandemic

- Congratulate the customer and advise that their rent will not increase for the next six months due to the COVID-19 rent freeze.
- Inquire whether the customer is aware of IRR processes, and discuss the usual IRR processes for post COVID-19 and the need to advise MSD at a later date.
- Record notes as BAU in arrears actions.

Scenario 4 – Customer in employment but in hospital due to COVID-19

- Focus on the customer's health and that of their household
- Identify whether the household is already an identified COVID-19 case and manage as per vulnerability identification process if not currently identified – update the vulnerability flag
- Don't discuss rent payments at this time unless the customer wants to talk about rent
- Record notes as per BAU processes with the addition of updating income vulnerability
- You can refer to the [community service directory](#) if the customer or household has a need for support

Scenario 5 – Customer in employment but has a history of rent arrears prior to COVID. Rent arrears has worsened during the COVID crisis.

- As per first scenario, Identify what income the household is receiving from their employer and/or MSD and whether the household income has been impacted by COVID-19.

If...	Then...
Income has been impacted due to COVID-19	Dismiss all prior poor payment history and manage as per scenario 1
Income has not been impacted by Covid 19	<p>There is still a need to understand what is happening in the household before we have any conversations about rent.</p> <p>We need to be clear with the customers that this is not the time to worry about the amount of debt, we will work with them to start paying this back at an affordable amount when the time is right.</p>

If you need help or have any questions

Is there anything else you would like to know?

- Talk to your manager first or
- You can contact us @ Operationsupport@kaingaora.govt.nz



Placeholder title

Staff name

Position title

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