



## Australian Government

### Department of Veterans' Affairs

# Factsheet IS74 - Renting and Rent Assistance

## Purpose

This Factsheet explains rent assistance in relation to service pension, income support supplement or veteran payment. Pensioners receiving a social security pension through DVA should refer to [Factsheet IS75 Renting and Rent Assistance — Social Security Age Pensioners](#) for information about rent assistance.

## What is rent assistance?

Rent assistance is a non-taxable allowance to help meet the cost of private rented accommodation.

## What is considered to be rent?

Rent is an amount paid by a person on a regular basis for occupying a residence, and includes:

- rent for private rental accommodation
- fees for the hire, rental or leasing of a caravan site or to moor a boat
- lodging
- board and lodging (if you cannot identify the amount paid for lodging, 2/3rds of the total amount you pay is taken to be rent)
- fees paid to a non-government-funded residential care facility
- fees for nursing-home type accommodation in a facility that is not subsidised by Government
- fees paid for services in a self-care retirement village
- site fees for relocatable homes.

You may also be eligible for rent assistance if you have sold your principal residence and are paying rent while you wait to buy or build another.

## Who is eligible for rent assistance?

You are eligible to receive rent assistance if you:

- are eligible for service pension, income support supplement or veteran payment;
- pay rent other than Government (public housing) rent;
- pay a minimum amount of rent known as the rent threshold. The rent threshold as at 20 September 2019 is \$123.20 for a single person and \$199.40 for a member of a couple; and
- live in Australia.

**\*Note:** Eligibility for rent assistance does not necessarily mean that rent assistance is payable to an individual. See "Payability of Rent Assistance" below.

## Who is not eligible for rent assistance?

You are not eligible for rent assistance if you:

- pay rent to a government housing authority;

- own or are paying off the home you live in, unless you are an eligible homeowner;
- have a long term accommodation arrangement such as life interest from a deceased estate (refer to [Factsheet IS73 Granny Flats, Retirement Villages and Sale Leaseback Agreements](#));
- are overseas permanently, or temporarily for long periods of time (refer to [Factsheet IS77 Travelling or Living Overseas](#));
- are in a residential aged care facility that receives government funding (refer to [Factsheet IS81 Aged Care and your income support pension](#));
- live in a retirement village and have paid an entry contribution of more than \$210,500 (totalling all contracts) whether single or a member of a couple;
- receive incentive allowance from Centrelink;
- pay rent which is less than the rent threshold; or
- have (or your partner has) a dependent child under 16 (refer to [Factsheet IS48 Dependent Children and your Income Support Payments](#)).

## Government rent?

'Government rent' means rent payable to a housing authority in a State or Territory of Australia. If you pay government rent you are not eligible for rent assistance because your rent is already subsidised by the Australian and State or Territory Government.

If you sub-let or pay rent to a person (the primary tenant) who pays government rent, you are not eligible for rent assistance, unless:

- the primary tenant pays market rent as determined by the housing authority; or
- the housing authority has taken your income into consideration as a sub-tenant to determine the rate of government rent payable for the premises.

## Eligible homeowners

If you are a homeowner, you are not eligible for rent assistance unless you are included in one of the following categories:

- you have sold your home and are paying rent while you wait to buy another
- you are absent from your principal home, in relation to which you are a property owner, and in a care situation other than a retirement village or Australian Government subsidised residential aged care facility
- you are absent from your principal home, in relation to which you are a property owner, and you are personally providing community-based care for another person
- you pay an amount for the use of a site for a caravan or the right to moor a vessel, if the caravan or vessel is your principal home.

## Caravan residency - rentals

Amounts paid for the rental of a caravan or boat that is your principal home, and/or a caravan site or mooring rights (including if you own the caravan or vessel), which are payable at regular intervals are considered as rent. Rent assistance will be payable if the rent threshold is exceeded.

If you temporarily leave your principal home to travel in a caravan and pay rent while you travel, rent assistance is not payable until the absence from your principal home exceeds 12 months.

## Caravan residency - purchases

An amount paid to purchase a caravan that is your principal home and/or site (either in one payment, or several payments over time) is not regarded as a rent amount.

## Payability of Rent Assistance

Eligibility for rent assistance does not necessarily mean that rent assistance is payable.

Situations where rent assistance may not be payable to a person who is eligible include:

Where the recipient and/or their partner is receiving disability pension and/or permanent impairment payments

While disability pensions and fortnightly payments of permanent impairment compensation (or their equivalent for a person who has converted a fortnightly permanent impairment payment to a lump sum) are not counted as income for the purpose of calculating service pension, income support supplement or veteran payment, those payments can affect the amount of rent assistance you can be paid.

The reason for this is that rent assistance is intended to help pensioners with limited means. People whose rent assistance is affected by their rate of disability pension or the amount of permanent impairment compensation are not considered to be entirely dependent on their income support pension or veteran payment.

**\*Note:** - Service pensioners (or their partners) receiving disability pension paid by a foreign government may also have their rent assistance reduced because of that payment.

**\*Note:** - A blind pensioner is not subject to the income or assets test, unless they are better off on a rate of pension or veteran payment calculated for a person who is not blind. This can happen if the pensioner is renting their home. In these cases, the disability pension and permanent impairment compensation can affect the amount of rent assistance payable.

If you are single, your rent assistance that would otherwise be payable will start to reduce if you receive disability pension, or MRCA permanent impairment compensation\*, of more than \$174.00 per fortnight. If you are partnered, your rent assistance will start to reduce if you or your partner receives disability pension, or MRCA permanent impairment compensation, of more than \$308.00 per fortnight. As a guide, 40% of the general rate of disability pension is \$208.66 and 70% of the general rate of disability pension is \$359.38. These amounts include the Energy Supplement (ES). For more information on ES refer to Factsheet [CEP01 Energy Supplement](#).

**\*Note:** Veteran payment recipients are not eligible for Energy Supplement

**\*Note:** A person who has been paid a MRCA permanent impairment lump sum will, for the purpose of calculating rent assistance, be deemed to be receiving the fortnightly payments that they would have been paid if they had not chosen the lump sum. Information about the amount deemed can be obtained from the Department.

If you or your partner receive EDA, intermediate rate, or the special rate of disability pension, your rent assistance will most likely be reduced to nil.

## How is rent assistance calculated?

You must pay a minimum amount of rent before you can be paid rent assistance. This minimum amount is called the rent threshold. For every \$1 of rent that you pay in excess of the rent threshold you will receive \$0.75 of rent assistance, up to a maximum amount. The rent thresholds depend on whether you are single or a member of a couple.

The rent thresholds shown below are fortnightly figures.

Singles rate - \$123.20

Couples rate - \$199.40

Rent thresholds are adjusted twice-yearly, in March and September, in line with movements in the cost of living.

**\*Note:** - Most pensioners or persons who pay rent and have dependent children will have their rent assistance paid by the Family Assistance Office as part of their Family Tax Benefit. If you have a child and receive your rent assistance from DVA, please contact DVA for details of the threshold applicable to your circumstances.

**Example:** A single person is paying \$171.20 per fortnight in rent. The rent threshold is \$123.20. For every \$1.00 of rent paid that is over the threshold, the single person will receive \$0.75.

This equals:

$$\$171.20 \text{ (rent)} - \$123.20 \text{ (threshold)} = \$48.00$$

$$\$48.00 \times \$0.75 = \$36.00.$$

This means the single persons would receive \$36.00 per fortnight in rent assistance.

## What is the maximum amount of rent assistance I can receive?

The maximum amount of rent assistance you can receive depends on whether you are single or a member of a couple.

The maximum fortnightly amounts of rent assistance are:

Singles rate - \$138.00

Couples rate (combined) - \$130.00

**\*Note:** - Each partner receives half the Partnered (combined) rate.

The maximum amount of rent assistance is adjusted twice-yearly, in March and September, in line with movements in the cost of living.

**\*Note:** - Most pensioners or persons who pay rent and have dependent children will have their rent assistance paid by the Family Assistance Office as part of their Family Tax Benefit. If you have a child and receive your rent assistance from DVA, please contact DVA for details of the rates applicable to your circumstances.

## I receive disability pension or permanent impairment payments. Does this affect the amount of rent assistance payable?

The maximum amount of rent assistance you can receive depends on whether you are single or a member of a couple, as the rent assistance reduction amount depends on the amount of disability pension or permanent impairment payment received that exceeds the income free area multiplied by the amount of the taper rate applicable to the person's income support payment. This results in the amount of rent assistance being reduced by 50 cents for each dollar in excess of the rent assistance income free for a person assessed under the standard rules, or reduced by 40 cents per dollar for a person assessed under the transitional rules.

### Example of the disability income rent test for a single assessment

A single pensioner is paying \$300 per fortnight in rent as at 20 September 2019. The fortnightly rate of rent assistance (using the thresholds current as at 20 September 2019) is calculated as follows:

$$\$300.00 \text{ (rent)} - \$123.20 \text{ (threshold)} \times 0.75 = \$133.60 \text{ per fortnight}$$

If the same pensioner is in receipt of 50% disability pension, the disability income rent test is applied. This is because the amount of disability income, \$258.90 (50% disability pension as at 20 September 2019), exceeds the income support pension income free area (IFA) for a single pensioner of \$174.00 per fortnight. As a result, the rate of rent assistance is reduced by 50 cents in the dollar for each dollar of disability income that exceeds \$174.00.

The rent assistance reduction amount is:

$$(\$258.90 \text{ (disability income)} - \$174.00 \text{ (IFA)}) \times 0.50 = \$42.45 \text{ per fortnight}$$

The rate of rent assistance payable is therefore:

$$\$138.00 - \$42.45 = \$95.55 \text{ per fortnight}$$

## Example of the disability income rent test for a partnered assessment

A couple is paying a total of \$350.00 per fortnight in rent as at 20 September 2019. The fortnightly rate of rent assistance for each member of the couple (using the thresholds current as at 20 September 2019) is calculated as follows:

$$\$350.00 \text{ (rent)} - \$199.40 \text{ (combined threshold)} \times 0.375 = \$56.47 \text{ each}$$

If the same couple is in receipt of disability income consisting of the veteran's 100% disability pension, the disability income rent test is applied. This is because the amount of disability income, \$510.10 per fortnight (100% DP as at 20 September 2019), exceeds the combined IFA for a couple of \$308.00 per fortnight. As a result, the couple's combined rent assistance is reduced by 50 cents in the dollar for each dollar that exceeds \$308.00. For the purposes of the disability income rent test formula, this is a reduction of 25 cents in the dollar for each member of the couple.

The rent assistance reduction amount is:

$$\$510.10 \text{ (disability income)} - \$308.00 \text{ (IFA)} \times 0.25 = \$50.52 \text{ each per fortnight}$$

The rate of rent assistance payable to each member of the couple is therefore:

$$\$56.47 - \$50.52 = \$5.95 \text{ each per fortnight}$$

## I receive the income support supplement. Does my war widow's or widower's pension affect my rent assistance?

The amount of rent assistance included in the calculation of the income support supplement is not reduced by a person's war widow's or widower's pension. However, the war widow's or widower's pension\* is included in the income test used to assess the amount of income support supplement payable to a war widow or widower. The income test will, in some cases, reduce the amount of rent assistance payable.

**\*Note:** - This also applies to compensation following death payable to a wholly dependent partner payable under MRCA.

## How do I apply for rent assistance?

To receive rent assistance, you need to contact DVA and tell us of your rental situation and the amount of rent you pay per fortnight. There are a number of ways you can give us information. You can:

- phone us;
- visit any of our offices; or
- write to us.

To confirm your rental amount you will need to give us a copy of your latest rent receipt or a copy of your lease.

**\*Note:** - Rent assistance cannot be backdated. Payments can only be paid from the payday following notification that you are renting.

## What if I intend to travel or live overseas?

Rent assistance is not payable if you live overseas permanently. If you are overseas temporarily, eligibility for rent assistance may continue for 26 weeks after departure from Australia, if you continue to pay rent. Rent assistance is restored either upon your return to Australia, or from when you tell us of your return to Australia, whichever is later.

If only one member of a couple is overseas, only the rent assistance for that person will be cancelled. Rent assistance for the partner remaining in Australia will be paid at the single rate.

## Obligations

When you were granted an income support pension or payment, and periodically after that, you will be notified of your obligations. You will be required to tell us within 14 days (28 days if you receive remote area allowance) of changes to your circumstances that might affect the rate of income support pension or payment you receive or your eligibility to receive that pension or payment. These obligations apply equally to trustees.

In relation to your rent assistance, the sorts of things you would need to tell us about within 14 days (28 days if you receive remote area allowance) are if:

- the amount you pay in rent reduces;
- you stop paying rent;
- you change your address;
- you start paying government rent, including paying rent to another person who pays government rent;
- you travel overseas; or
- you start to receive rent assistance with your Family Tax Benefit for a dependant child.

Usually an overpayment of pension or payment will not occur when you have met your obligations. However, sometimes even if you have met your obligations, an overpayment can occur because we have not been able to process the change before the next payday. We do our best to avoid this occurring, but it is not always possible. To provide you with your exact entitlement we are obliged to recover overpayments of pension or payment where they do occur.

## More Information

### DVA General Enquiries

Phone: 1800 555 254 \*

Email: [GeneralEnquiries@dva.gov.au](mailto:GeneralEnquiries@dva.gov.au)

DVA Website: [www.dva.gov.au](http://www.dva.gov.au)

Factsheet Website: [www.dva.gov.au/factsheets](http://www.dva.gov.au/factsheets)

\* Calls from mobile phones and pay phones may incur additional charges.

## Related Factsheets

- [CEP01 — Energy Supplement](#)
- [IS48 — Dependent Children and your Income Support Payments](#)
- [IS71 — Home Owners](#)
- [IS73 — Granny Flats, Retirement Villages and Sale Leaseback Agreements](#)
- [IS75 — Renting and Rent Assistance — Social Security Age Pensioners](#)
- [IS77 — Travelling or Living Overseas](#)
- [IS117 — Financial Hardship](#)
- [IS81 — Aged Care and your income support pension](#)
- [IS147 — Blind Pensioners](#)
- [MRC07 — Permanent Impairment Compensation Payments](#)
- [MRC09 — Special Rate Disability Pension \(SRDP\)](#)
- [MRC50 — Compensation for Dependants under the Military Rehabilitation and Compensation Act 2004](#)

## Disclaimer

The information contained in this Factsheet is general in nature and does not take into account individual circumstances. You should not make important decisions, such as those that affect your financial or lifestyle position on the basis of information contained in this Factsheet. Where you are required to lodge a written claim for a benefit, you must take full responsibility for your decisions prior to the written claim being determined. You should seek confirmation in writing of any oral advice you receive from DVA.

