

Government support for homeowners affected by the COVID-19 pandemic

Purpose

This document provides a quick reference guide to enable council customer service agents to advise homeowners seeking information on government financial assistance to help them pay their rates.

Context

As the COVID-19 pandemic and lockdown continues in New Zealand, there is a risk that some households will come under financial stress and struggle to meet their accommodation costs. For some, this could mean that they cannot afford to pay their rates to councils.

The Government has two main options for supporting homeowners with their rates payments:

- The Accommodation Supplement (AS); and,
- The Rates Rebates Scheme.

While the Rates Rebates Scheme can be applied for at the end of a rating year, the Accommodation Supplement is open for applications now. The below provides some key points on the AS as a reference to help you on your discussions with rate payers.

Key messages for quick reference

- The AS is the Government's primary assistance for accommodation costs, including for homeowners seeking help with their rates payments
- People do not need to receive a main benefit to be eligible for AS
- Homeowners must occupy the house that they are paying accommodation costs for as their own home
- Payment amounts will depend on a person's financial position (assets and income), accommodation costs, family circumstances and where they live
- People can apply for the AS through Work and Income either online at: <https://www.workandincome.govt.nz/online-services/apply/index.html> or by phone on **0800 559 009**. A phone appointment will then be arranged once an application is processed.

Accommodation Supplement for homeowners

The AS is the Government's primary assistance mechanism to help people with their accommodation costs. This assistance contributes towards the costs of rent, board and owning a home. It is administered by the Ministry of Social Development through Work and Income.

For homeowners, the AS is a non-taxable, weekly payment that enables the following accommodation costs to be claimed:

- mortgage repayments (interest and principal repayments on mortgages for a house)
- payment towards a deposit if included in a [rent to buy](#) contract
- retirement village residents with 'Licence to occupy'
- [body corporate fees](#)
- local authority rates. If the applicant receives a rebate on any of these items, this must always be deducted
- water rates
- house insurance premiums excluding contents insurance
- mortgage protection insurance or life insurance where this is compulsory for the mortgage
- [essential repairs and maintenance costs](#) to the home.

Other costs that can be claimed for are:

- leasehold rental for leasehold land and rents for houses on Māori land
- principal and interest repayments made under the Loans for Major Repairs Advances to Homes scheme
- costs of a farm residence, but only if these costs are not claimed as an expense in the farm business account

- costs of a home that is also being used as a business, but only if these costs are not claimed as an expense for the business.

Eligibility

To be eligible for AS, applicants need to:

- be incurring accommodation costs and occupy the house as a home where the costs are being paid
- be aged 16 years or more, although 16- and 17-year olds must be financially independent
- be a New Zealand citizen or permanent resident
- generally be ordinarily resident in New Zealand and intend to stay here
- not be paying rent for a social housing property provided by Kāinga Ora (formerly Housing New Zealand) or an approved community housing provider
- meet a cash asset test. Cash assets means money in the bank or other assets that can easily be converted into cash. It may include a house or flat that are owned but are not being used as the primary home (because that property could be sold and converted to cash)
- meet an income test.

People do not need to receive a main benefit to be eligible for the AS. If a person's income is below the threshold, they can apply as a non-beneficiary to receive the AS to complement their income. Non-beneficiaries will have to meet both an asset and income test. The asset test is the same as for beneficiaries.

There are a number of specific circumstances that will affect an applicant's entitlement to the AS. These can be viewed here: <https://www.workandincome.govt.nz/map/income-support/extra-help/accommodation-supplement/specific-circumstances-01.html>

Full eligibility criteria are available here: <https://www.workandincome.govt.nz/map/income-support/extra-help/accommodation-supplement/qualifications.html>

An online eligibility test is available here: <https://check.msd.govt.nz/>

Payment amounts

The amount of AS payment that an applicant might receive will depend on homeowners':

- income
- assets
- accommodation costs
- family circumstances, whether they are single, a couple (married, civil union or in a de facto relationship) and if they have children, and
- where they live

The entry thresholds and maximum payment rates vary depending on an applicant's personal circumstances. The entry threshold is the amount of money that an applicant is expected to contribute towards their housing costs before they would receive an AS.

AS entry thresholds and maximum payment rates by benefit type and for non-beneficiaries are available here: <https://www.workandincome.govt.nz/map/deskfile/extra-help-information/accommodation-supplement-tables/entry-thresholds-and-maximum-rates.html>

If the applicant's gross (before tax) income is over a certain threshold, the Accommodation Supplement payment will abate (be reduced). The asset and income limits may be adjusted from year to year.

There are different maximum payments depending on which region homeowners live in. There are four areas that are determined by the market costs of living in certain locations. Maximum payments are higher in Area 1 which includes Auckland and Queenstown and Area 2, as these are the more expensive housing markets in which to live. Areas 3 and 4 include regions that have lower housing costs.

To confirm the Area for a specific property, applicants must contact Work and Income directly.

A high-level indication of regions and locations under each Area is available here:

<https://www.workandincome.govt.nz/map/deskfile/extra-help-information/accommodation-supplement-tables/definitions-of-areas.html#Area12>

How to apply for the Accommodation Supplement

The application form homeowners need to fill out varies and will depend on what assistance payments they already receive, if any.

Homeowners seeking assistance can apply online at: <https://www.workandincome.govt.nz/online-services/apply/index.html>. A phone appointment will then be arranged once an application is processed.

For any further information or if there are further questions, homeowners should be directed to Work and Income either through links noted above or by phone on **0800 559 009**.