



NRAS Information Sheet – Eligible Tenants

The purpose of this information sheet is to outline the income and eligibility requirements for tenants in the National Rental Affordability Scheme ('NRAS' or 'the Scheme').

Assessing eligibility of tenants

Under the *National Rental Affordability Scheme Regulations 2008* (the NRAS Regulations), tenants of an approved NRAS dwelling become eligible tenants “*on their start date if their combined gross income for the 12 months ending on the day before the start date does not exceed the income limit for their household*”.

The start date is the day on which the tenants become tenants of the approved rental dwelling and tenant eligibility will be reassessed on the anniversary of their start date in subsequent years.

The first eligibility year commences on their start date, and each consecutive year starts on the anniversary of their start date. Ongoing tenant eligibility should be assessed, including combined gross income for the household, on the day prior to the anniversary of their start date.

Under the NRAS Regulations, eligible tenants cease to be eligible tenants if:

- (a) they cease to be tenants of an approved rental dwelling, that is, they stop renting an NRAS dwelling
- (b) their combined gross income exceeds the income limit for their household by 25 per cent or more in two consecutive eligibility years.

Eligibility relates to the combined gross income of the household, so any tenant who has joined the household during an eligibility year will be relevant for the purposes of assessing the combined gross household income.

Where tenants cease to lease a dwelling under NRAS and apply for a new lease in a different NRAS dwelling, the household would be considered a new household for eligibility purposes. As such, the eligibility for the tenants must be re-assessed as if the tenants are applying to be eligible tenants for the first time.

NRAS household income limits

Potential NRAS tenants are required to meet gross household income limits in order to be considered eligible tenants. The income limits vary according to the composition of the household and are indexed annually. The most current income limits can be found at: [NRAS household income limits](#)

The calculation of household income limits takes into account the composition of the household, including the number of dependants. For households with shared care arrangements each child is counted as a member of the household, regardless of the percentage of care, or how many nights per week each child resides in the dwelling. For example, if a household has children living in the dwelling for weekends only each child would count as a member of the household for the purposes of calculating the household income limit.

Where there is a change in the household composition the approved participant, or their tenancy manager, is responsible for updating the tenant information with the Department, and re-assessing tenant eligibility.

More information on the definition of income under NRAS can be found in the [Income Definition Information Sheet](#).

How to assess tenant eligibility

Eligibility year 1 = Commences 20 Dec 2014 and ends 19 Dec 2015

Eligibility year 2 = Commences 20 Dec 2015 and ends 19 Dec 2016

On 20 December 2014, tenants move into an approved rental dwelling. The combined gross income for their household does not exceed the income limit on the day before the eligibility year commences, that is, 19 December 2014.

On 19 December 2015, (a day before the commencement of eligibility year 2), the same tenants exceed the gross income limit for the household by more than 25 per cent.

On 19 December 2016 (a day before the commencement of eligibility year 3), the same tenants exceed the gross income limit for the household by more than 25 per cent.

As the combined gross income for their household exceeds the income limit by 25 per cent or more in two consecutive eligibility years, the tenants cease to be eligible tenants and no incentive is payable from 20 December 2016.

As the tenants will no longer be considered eligible tenants under NRAS the approved participant will need to arrange for the tenant(s) to vacate the approved rental dwelling and find alternative eligible tenants; or allow the tenants to continue to rent the dwelling, and apply to transfer the NRAS allocation to a new approved rental dwelling, in order to continue to be eligible for an NRAS incentive. A failure to do so could lead to a proportional reduction in the incentive amount for the portion of the NRAS year that the ineligible tenants remain in the approved rental dwelling.

Any arrangements for tenant(s) to vacate from a dwelling must be in line with the relevant landlord and tenancy laws applicable in the relevant state or territory.

Further information

Further queries on eligibility of tenants can be sent to nras@dss.gov.au