



28 August 2025

Tēnā koe

Official Information Act request

Thank you for your email of 1 August 2025, requesting information about Income Related Rent calculations and the treatment of boarders for Kainga Ora tenants.

I have considered your request under the Official Information Act 1982 (the Act). Please find my decision on each part of your request set out separately below.

- 1. How is income related rent calculated once a signees adult children start to receive an income (such as a student allowance) but they are not charged board by their parent (who is the signee of the tenancy agreement and who income related rent has always been calculated from)?*

Even if the child is included in the household type, a dependent child's personal earnings are **not** considered assessable income for Income Related Rent (IRR). If a child aged 16 years or older starts working full-time or is granted a benefit (including Student Allowance) in their own right, they are no longer considered a dependent child. If they continue to live with their parent, they are considered to be an additional occupant included in the application. The income of additional occupants is not included in the rate of IRR, unless the main source of income of the applicable persons of the household is contributions from additional occupants. In this case, the contributions are included in the IRR calculation. If a person is no longer considered a dependent child they are excluded from the household type. The definition of an applicable person is provided here: www.workandincome.govt.nz/map/definitions/applicable-person.html

An 18-year-old is considered to be a dependent child until the end of the year during which they turn 18 and are still in secondary or tertiary education, not working full time and not receiving government assistance (including benefits and Student Allowance).

For more information on a dependent children's incomes, additional occupants, and when a child has a change in circumstances, please see the following:

- www.workandincome.govt.nz/map/social-housing/income-related-rent/dependent-child-s-income-01.html.
- www.workandincome.govt.nz/map/social-housing/assessment-of-eligibility/additional-occupants-01.html

- www.workandincome.govt.nz/map/social-housing/income-related-rent/changes-and-reviews-income-related-rent/child-changes-in-circumstances.html.

Adults (including non-dependent children) who receive personal income but who do not pay board can be considered additional occupants if they meet a set of criteria. One of these criteria is that they have a specific and established ongoing need to be included as part of the household (and not be considered a household in their own right), at the time of application. For example, it may be reasonable for an adult child to remain living with their parents and be considered an additional occupant if they are person is working part time or studying.

Generally, for eligibility purposes, adult children living with the family would not be considered for bedroom allocation unless they meet the criteria to be an additional occupant. However, they may be considered as an applicable person if they are intending to be a signatory to the tenancy agreement and an assessment of their housing need has been undertaken. Please see www.workandincome.govt.nz/map/social-housing/assessment-of-eligibility/dependent-child-for-eligibility-purposes-01.html for more information on dependent children for the purpose of eligibility.

Contributions paid to the applicable person are generally considered board. If the applicable person is receiving board, then this is considered in the IRR calculation. However, if the applicable person chooses not to charge the additional occupants board/the additional occupants aren't paying any contribution, even if the children (or other adults) are receiving their own income (whether that be through wages, government assistance or other means) that income will not be considered in the applicable person's IRR assessment. The child cannot be forced onto the tenancy agreement.

2. *Can I please be provided with any policies/legislation that discusses how income related rent is calculated when there are paying boarders and also adults who are not paying board but receive a personal income (such as student allowance)?*

IRR is calculated using either the applicable rate of Jobseeker Support or the household income, whichever is higher. MSD must calculate IRR using both methods and then select the higher amount.

For more information see:

- www.workandincome.govt.nz/map/social-housing/income-related-rent/calculating-rate-using-jobseeker-support-rate-01.html
- www.workandincome.govt.nz/map/social-housing/income-related-rent/calculating-rate-using-household-income-01.html

Generally, the IRR rate calculated using the household's income will be higher than the Jobseeker Support rate when an applicable person is receiving income from other non-benefit sources, benefit assistance or benefit assistance and other income.

If the applicable person is receiving board, then this is considered in the IRR calculation. However, if the applicable person chooses not to charge board from their children (or other adults), even if they are receiving their own income (whether that be through wages, government assistance or other means) that

income will not be considered in the applicable person's IRR assessment. The child cannot be forced onto the tenancy agreement.

From 2 March 2026, there will be a change to the way payments of board are used in the calculation of IRR. This change will consider 62% of any payments received from any boarders as contributing to the accommodation costs, which will impact the IRR a tenant is paying. If a person residing at the property is not paying board, MSD will determine there are no board contributions and therefore IRR is calculated using only the income earned by the social housing tenant. For more information, please see: www.workandincome.govt.nz/about-work-and-income/news/2025/board-payments.html.

I will be publishing this decision letter, with your personal details deleted, on the Ministry's website in due course.

If you wish to discuss this response with us, please feel free to contact OIA_Requests@msd.govt.nz.

If you are not satisfied with my decision on your request, you have the right to seek an investigation and review by the Ombudsman. Information about how to make a complaint is available at www.ombudsman.parliament.nz or 0800 802 602.

Ngā mihi nui

pp.



Anna Graham

General Manager

Ministerial and Executive Services