

# Rental Deposit Scheme

(TCE058 MAY18)

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## 1. Purpose

The Rental Deposit Scheme is a company loan designed to assist employees who are entering the privately rented tenancy sector for the first time and those moving between properties, faced with the problem of needing to produce a deposit for a new property before they have been able to obtain a refund of a previous deposit.

## 2. Scope

The Crown Estate recognises the ability to spread the cost of a deposit over a period of time is likely to provide significant assistance for new tenants who are also usually required to pay a month's rent in advance and, for the time-being at least, letting agent fees, in addition to the rental deposit.

Therefore, The Rental Deposit Scheme (RDS) is an interest-free loan and a non-taxable benefit if the amount is less than £10,000 in a single tax year. This is inclusive of any other loan that an employee may already have such as a season ticket loan and car parking loan.

## 3. Procedure

The RDS loan will be offered from day 1 of employment with The Crown Estate (i.e. during an employee's probationary period), across both London and Windsor (excluding housed employees)

Deductions will be made over a pre-agreed period of 6, 11 or 12 months, and will be governed by the length of the tenancy lease signed by the employee

The repayment period will not be longer than the remaining period of the employee's contract and will not be more than 12 months

The agreement will specify that The Crown Estate is entitled to deduct any outstanding loan amount from the employee's final salary prior to employment ceasing (if relevant)

Full repayment of the loan is required

## 4. Application process

A completed Rental Deposit Loan Scheme Application Form (available on i-site) is required. This has to be signed by the employee's line manager and provides authority for the company to deduct loan repayments from the employee's salary

The agreement also requires the employee to provide evidence of Tenancy Deposit Protection to HR within 35 calendar days of the application, together with a copy of the certificate confirming the deposit has been protected in a relevant scheme

The loan will be paid to the employee within 3-5 working days and repayment deductions will be made via payroll

The total amount of loan will be capped at either one month's net salary or £2,000, whichever is the lesser amount

## 5. Eligibility

All direct employees of The Crown Estate are eligible for this benefit.

## 6. General

This policy does not form part of your contract of employment and The Crown Estate reserves the right to amend the policy from time to time. In addition, any statutory entitlements and obligations will be governed by the applicable statutory provisions in force from time to time and this policy is intended to serve only as a general guide to such rights and obligations.

## 7. Other Related Policies

- Season Ticket Loan Scheme
- Cycle to Work Scheme

## Document History:

Version	Date	Amendment	Owner	Author
1.0	08FEB18	First Version	HR	D McCalla

## Document Review:

Version	Date	Amendment	Author	Reviewer
1.0	30APR18	Final review	D McCalla	Graham Stokes

## Document Approval:

Name and Title	Signature	Approval Date	Valid from date	Review date
Judith Everett Chief Operating Officer		08JUN18	01JUL18	01JUL19

Appendix 1

**Rental deposit loan application form**

TCE offers employees an interest free loan to help pay rental deposit when moving into a privately rented home, up to the level of your **net monthly pay or a maximum of £2000**. Repayments will be deducted from your monthly salary over a period of 6, 11 or 12 months in monthly instalments.

**Loans will be processed within 5 working days.**

<b>Employee number</b>	
<b>Employee name</b>	
<b>Department</b>	
<b>Total deposit amount</b>	
<b>Amount of loan required</b>	
<b>Repayment period</b>	
<b>Date payment required</b>	

I authorise TCE to deduct £                      for the next                      from my net salary. I agree that if I leave before the loan is paid in full, TCE can deduct the outstanding amount from my final month's salary.

I also agree that should I fail to comply with the requirement to provide HR with evidence of payment and evidence that the deposit is being held in a Tenancy deposit Protection Scheme by the landlord/agent the loan may become immediately repayable and TCE can deduct the entire amount from my salary.

**NB: This form needs to be completed and received in HR 5 working days before the loan is required.**

Employee signature:		Date:	
HR Operations Manager Authorisation signature:		Date:	

**Conditions of Advance**

Dear (insert name)

Thank you for your recent tenancy loan application. The conditions of the advance are as follows:

1. The advance is made solely for the purpose indicated above to a maximum of your net monthly pay.
2. The advance is repayable on demand but without prejudice to The Crown Estate's right to demand repayment at any time.
3. It will be recovered by equal instalments.
4. If cease to be an employee of The Crown Estate any outstanding balance will immediately become repayable without demand and will be offset against any pay/allowances, death gratuity, pension benefits or other payments due.
5. HR will require a photocopy or scanned image of your tenancy deposit receipt within one month of receipt of the loan.
6. HR will require a photocopy or scanned image of your season ticket, photocard and receipt within one month of receipt of the loan.
7. Further advances are not made until an existing advance has been fully recovered.

Kind regards,

HR

**Loan Agreement:**

This Agreement sets out the terms on which The Crown Estate is prepared to advance you an interest free loan of £ \_\_\_\_\_ ('the loan') in accordance with your Rental Deposit Loan Scheme Application dated \_\_\_\_\_ ('the Application').

- The information you have provided must be true and accurate
- You must be in possession of a written job offer from The Crown Estate in writing
- You must have satisfied all the Crown Estate's right to work checks
- The Loan may only be used for employees only and for the purposes stated in your application
- The Crown Estate will make deductions in \_\_\_\_\_ xx equal instalments from your salary for the purposes of repayment of the Loan
- In the event that you leave your employment for any reason, before completion of repayment of the Loan, you will be required to reimburse The Crown Estate for the outstanding amount of the Loan. You consent to a deduction equivalent to the outstanding balance of the Loan being made from any final salary payments due to you (Pay for the purpose of this Agreement includes, but is not limited to, salary, holiday pay, overtime, expenses, allowances and bonuses).
- In the event your final pay is insufficient to allow for the whole of the final deduction of the Loan repayment, you will be required to make a separate payment to The Crown Estate, to be paid immediately on termination of your employment.
- A copy of the receipt for the deposit and/or evidence of tenancy deposit protection must be provided within 35 days of receipt of the Loan. Failure to do so will result in full payment being required immediately.
- If you do not comply with the terms of this Agreement, it may be terminated and immediate repayment of the Loan may be required.
- If you do not repay the Loan in accordance with this Agreement, The Crown Estate may take legal action to recover the amount outstanding.
- The Loan may constitute a taxable benefit in which case you will be responsible for the payment of any tax and National Insurance due.

By signing and dating below, you confirm that you have read, understood and accept the above terms;

Employee Signature:

Date: