



## **GUIDE: Understanding the Accommodation Recognition Payment (ARP) in Hosting**

### *A Resource for Hosts & Guests*

While hosting presents a fantastic opportunity for both hosts and guests, we've noticed an increasing trend where guests contribute over and above the [Accommodation Recognition Payment](#) (ARP) in a manner extending beyond utility bills, 'topping up' the payment to meet market rent rates for self contained properties.

While this setup might appear attractive and it's ultimately up to hosts and guests to decide on their own terms, it's important to understand the difference between a rental tenancy and a hosting arrangement, as well as the possible implications that come with it.

#### **Tenancy v License. What's the difference?**

When someone rents a self-contained place and pays the owner for the right to live there, that's called a **tenancy**. These tenancies are covered by the Residential Tenancies Act, 2004, and regulated by the [Residential Tenancies Board](#).

However, if someone lives with the property owner, it's a different story. These situations, often called 'lodger' or 'digs' arrangements, are known as '**licences**' instead of tenancies. This means they don't have the same tenancy rights under the Act.

**It's important for both hosts and guests to know that a licence or tenancy can still happen even if no formal lease or licence has been signed.** Whether it's considered a lease or a licence depends on the specific details of each situation.

#### **For Hosts:**

ARP is not payable if there's a rental agreement in place with the guest in your home or property. Concurrently receiving both ARP and rental payments from guests may lead to complications with regulatory bodies such as the Residential Tenancies Board (RTB), Revenue, and the Department of Social Protection, particularly for self-contained properties.

Possible Implications:

1. **Residential Tenancies Board (RTB):** Having both ARP and rental payments in some circumstances brings the arrangement under the Residential Tenancies Act and could result in obligations arising under that act. *More info [here](#).*
2. **Revenue:** The ARP is tax-free, whereas rental income is taxable. Failing to declare rental income to Revenue while receiving ARP could lead to tax implications and penalties. *There's a useful article on this, [here](#).*
3. **Department of Social Protection:** Concurrently receiving ARP and rental payments could potentially be viewed as fraud by the Department of Social Protection. This

could result in the suspension of benefits or legal action being taken against the host to recover monies paid.

**Other than a contribution to utility costs, the only money a host should receive is the €800 financial contribution from the Department of Social Protection.**

When considering hosting, it's crucial to understand and adhere to the necessary conditions, safeguarding yourself against potential repercussions and ensuring compliance with relevant regulations.

#### **For Guests:**

**The ARP scheme is not a form of rental contribution from the government;** rather, it's a recognition payment to individuals hosting those fleeing conflict, such as the ongoing situation in Ukraine.

When you enter into an agreement and pay rent in a self-contained property, you gain certain tenancy rights, including protections against eviction and the right to accommodation which meets certain standards. *To learn more about tenancy rights, click [here](#).*

When availing of ARP supported accommodation and where you live with your host, whether through HIH, The Irish Red Cross, IOM or privately, you enter into a licence agreement with the host. This means, you do not gain the same tenancy rights through this licence agreement.

If you pay additional payments extending beyond utility bills within the ARP scheme, this does not establish a landlord-tenant relationship in a shared property. It does not automatically afford guests the same legal protections as a traditional tenancy agreement.

Where a guest believes that a host is charging rent or excessive amounts for utilities, or there is any uncertainty about whether the arrangement in place is a licence arrangement or tenancy, the matter can be referred to the [Residential Tenancies Board \(RTB\)](#) or contact us.

#### **Finally...**

While the ARP is a valuable (crucial!) support mechanism for hosts and guests, it's essential to approach hosting with awareness and diligence, protecting yourself (as a host or a guest) and avoiding any legal or financial pitfalls.

**If you've any concerns, or would like further information or support, visit [www.helpingirishhosts.com](http://www.helpingirishhosts.com) or call us on 01 2630360**

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