

# Housing Policy for expatriates

Applicable from 2022, 1st January

Endorsed by Head of HROD, Head of Finance 11<sup>th</sup> March, 2016

## 1. The Policy

ActionAid Denmark provides expatriate employees with furnished housing. This is either done by renting furnished housing or renting unfurnished housing and purchasing basic furnishing.

This policy on housing aims to define clear and unambiguous rates for suitable, modest and furnished housing on a lease basis, leaving the opportunity to individuals to choose where and how they live without further reference to ActionAid Denmark. Those choosing a more expensive accommodation will simply need to top up the housing allowance with personal funds. Those choosing cheaper accommodation or making private arrangements to share, etc. may also do so – if safe and secure – and still receive the same allowance.

The policy further aims to reduce administrative load and transaction costs, to make budgeting easier and generally minimize total real costs of furnished housing

The principles in this policy are aligned to the ActionAid International policy on housing.

The Housing Policy applies for all expatriates employed by ActionAid Denmark.

## 2. Housing

In establishing what constitutes suitable & modest accommodation, consideration should be taken of the following criteria.

### 2.1. General standard

ActionAid works in solidarity for and with people living in poverty and the most marginalized people in the society. The selection of housing should reflect the fundamental values of ActionAid and employees are therefore encouraged to select modest housing in a secure environment, which is not disproportional to the housing of national staff. For example, visits by poor and excluded people, community based organizations and donors to such housing should not be cause for embarrassment, either because the accommodation is too luxurious.

### 2.2. Size

The size of the house for which provision is to be made varies depending on the number of accompanying dependents

As per People4Change terms and conditions manual the housing level for Global and Country level Advisors is set at the threshold level *for a single person* no matter the size of the family.

Category	Size of the family	Number of rooms incl. bedroom(s), dining room or living room
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1	Employee only or Employee plus partner	2 <sup>1</sup>
2	Employee (with or without partner) with one or two children	3
3	Employee (with or without partner) with three or more children	4

If kitchen is a separate room, it will not be part of the counted rooms above. The accommodation should include bathroom.

### 2.3. Security

Accommodation should be safe and secure and may, in some locations, need to be in a gated compound with appropriate security arrangements. In safer locations this is less of an issue.

The Country Director, in cooperation with her/his Security Focal Person, defines the level of security needed and necessary arrangement that are required and the employee's selection of housing must be guided by this

#### Location

In choosing the location, security aspect should be taken in consideration. Both the neighborhoods and the path to work should be relatively safe and secure but within the spirit of 'modest' lifestyle to which AAI aspires; not the most expensive locations in any city.

The accommodation should be within reasonable driving distance and travel time to the work place, determined on local reality.

### 2.4. Amenities

Housing should be of good quality materials with adequate living space. For example, a modest garden for children might be appropriate, but swimming pools and large grounds would not be within the spirit of 'modesty'.

### 2.5. Furniture

By basic furnishing, one means following furniture (this list is an example and should not be considered as requirement):

- Fridge possibly with freezer, Cooker/Oven, Microwave oven, Kettle, Cooking utensils,
- Dining table, Chairs, Crockery/cutlery/glasses (for the size of the family plus 2-4 guests)
- Beds, Bedside lamps & tables, Blankets/rug (for the size of the family)
- Wardrobes, Bookcase, Sideboard/dresser
- Sofa, Chairs, Lamps
- Cushions Quilts, Curtains
- Soft furnishings
- House cleaning equipment, ironing board & iron

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<sup>1</sup> In some countries e.g. Bangladesh, the minimum flat size available is 2 bedrooms + living room and accommodation; this will be accepted as standard for categories 1 & 2

Towels and other “personal” linen are not part of furniture

All items should be modest; of sturdy quality but not luxurious

### 3. Rental

Expatriates located at TCDC are required to live on-site and provided a house located on TCDC ground. Thus, they do not have pay any rental.

#### 3.1. Responsibility of the Employee

The Employee enter rental agreements directly with the landlord. ActionAid does not have any obligation towards the landlord.

The Employee is responsible for sourcing their own accommodation and furnishings, for paying deposit, advance and rental fees in accordance with the lease contract and for recovering their deposits from landlords at end of tenancy<sup>2</sup>.

#### 3.2. Deposit

ActionAid Denmark will not usually support costs of deposits and other miscellaneous costs.

However, in locations where deposits are a necessary payment, not linked to any reduction in rental value, ActionAid may provide the rental advance to landlords usually for a period of one to six months of housing allowance value. This will be decided on a case-to-case basis. It will only be payable once, at the start of rental agreement. Deposits paid by ActionAid will be treated as on account and will be recovered over the same period directly from salary by way of monthly deductions.

ActionAid will provide no support for deposits to employees choosing to purchase houses via mortgages.

### 4. The National ActionAid support

The national ActionAid will provide initial accommodation and recharge AADK in accordance with the relevant MoU. It will be for a maximum of two months and on a self-catering basis. No per diems are paid during this period.

The national ActionAid office will also support in seeking suitable housing.

ActionAid will only offer support to signing leases in situations where direct renting by the employee is impossible, illegal or impractical.

National ActionAid offices are encouraged to assist employees leaving the country by agreeing to possibly receive deposit pay-back when released by landlords and transferring it to the employee.

### 5. Allowance

ActionAid Denmark will provide a housing allowance that provides 90% of standard value of suitable, safe, secure, modest accommodation as per chapter 2 to its expatriate employees based on family size. This do not apply for Employees based at TCDC as they are provided a house.

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<sup>2</sup> In case of furnished accommodation, employee should pay the maintenance or repair of furniture and fixture if anything else is agreed in rental agreement.

### 5.1. Payment of Housing Allowance

The Expatriate will be eligible to receive housing allowance at the level of their expected duty station for up to 6 months. If the Expatriate has not relocated to a duty station abroad within the 6 months period, the house allowance will fall away until the Expatriate relocate to a duty station abroad.

If a deposit is required, the Expatriate may provide a request for an housing allowance advance of up to 6 months housing allowance. Afterward, the housing allowance will be paid monthly together with the monthly salary, independent of rental pay frequency.

Regardless of the size of the housing allowance advance, the Employee is always obligated to repay the advance. The advance will be deducted from the last three months' salary of the Employment period, or, if the Employee contract is terminated prematurely, from the last month's salary.

In case of the Employee resigns prematurely and before the end of the rental contract period, the Employee is responsible for reimbursing negative advance balance if any and to pay rental fees to the landlord for the period after her/his termination on her/his own; AA Denmark will not compensate for rental costs after the Employees contract termination.

AA Denmark will not pay hotel and house allowance for the same period.

The Housing Allowance is paid out together with the salary of the Employee and appears on salary slip.

The allowance is paid in Euro with a fix exchange rate with British pounds and US Dollars as per our Currency policy.

If the Employee's income tax is paid by the National ActionAid to the tax authority, the income tax related to house allowance, if any, is withheld like it is for basic salary income tax. If the Employee pays tax her/himself, it is the responsibility of the Employee to make prompt and regular payments to the income tax authorities as may be required by local national law; employee is required to send payment documentation to AADK as per general income tax.

### 6. Timing and Application of changes

This Housing Policy is not significantly different from the previous one. Please, note though that:

1. GP-staff will receive the same housing allowance as other expatriates
2. Taxes are calculated in the allowance
3. Some changes in housing allowance levels may happen from 2022, January 1<sup>st</sup>.

In the roll out of this policy, following rules apply:

- There is no intention in this policy to evict staff from their present housing in any abrupt manner. An employee may choose to remain bound to the terms of a present lease for the duration of the lease. An employee may also choose to continue living in the same house for the duration of their fixed-term contract (excluding any extensions) with AA Denmark, renewing the current leases periodically. However, if an employee moves to a new house either because of personal choice or landlord requirements, then the housing allowance levels as determined by this policy will apply.
- Current staff receiving a higher housing allowance than the one listed in chapter **Error! Reference source not found.** will be requested to send rental agreement and related documentation of payments to AADK; if the documentation shows a lower agreement

fee/payment than the allowance previously agreed (taking taxes in consideration), the paid allowance will be adjusted accordingly with a three months' notice. If we do not receive the documentation, the new level will apply with a three months' notice

- The research on the value of renting furnished housing in 2022 is still being conducted and will be updated communicated to the Employees continuously in the first 6 months of 2022.