

Qualifying Income for Applicants in PAYE Employment or Working on Contracts

The following income and percentages of income are considered when calculating the amount the Society will lend to PAYE employees or contract workers.

% of income (up to)	Qualifying Income (per annum)	Condition	Verification
100%	Current basic income or other permanent contractual income.		Employment Reference, P60, Payslips
100%	Overtime, bonus, commission.	Allowed subject to verification of 12 months' earnings. An average will be taken of regular overtime, bonus or commission. If 12 months' evidence is not available, then 50% of overtime, bonus or commission will be used.	Employment Reference, P60, Payslips
100%	Large town allowance, e.g. London weighting, cost of living supplement.		Employment Reference, P60, Payslips
100%	Private / State pension		State: latest 3 months bank statements or a letter from DWP dated within last 3 months. Private: latest 3 months bank statements or latest pension slip.
100%	Income from part time employment		Employment Reference, P60, Payslips.
100%	Child benefit payments		3 months bank statements, coded as CHB and paid into bank account weekly / every four weeks, or a letter confirming amount of benefit. Children must be aged 13 or under.

% of income (up to)	Qualifying Income (per annum)	Condition	Verification
100%	Disability Living Allowance/Carers allowance		Last 3 months' bank statements evidencing payments, or latest letter from DWP.
100%	Child Tax Credit		Last 3 months' bank statements evidencing payments, or latest letter from HMRC. Children must be aged 13 or under.
75%	Pension Credit		Last 3 months' bank statements evidencing payments, or latest letter from HMRC.
75%	Working Tax Credit		Last 3 months' bank statements evidencing payments, or latest letter from HMRC.
75%	Maintenance (including payments via Child Support Agency)	If it is received under the terms of a Court order or a CSA assessment. Or if it can be evidenced that payments have been received continuously for the last 12 months. A copy of the maintenance agreement must be provided and we will not accept payments that have not been received satisfactorily for at least 12 months (and at current level for 3 months).	Copy of maintenance agreement and 12 months bank statements showing payment received. If maintenance in respect of children, they must be aged 13 or under.
100%	Industrial Injuries Disablement Benefit		3 months bank stmts coded as IIDB or a letter confirming benefit.

% of income (up to)	Qualifying Income (per annum)	Condition	Verification
50%	Dividend income or interest received from investments	If it is determined income from this source is sustainable.	Dividend statements or tax assessment.
100%	Dividend income when the dividend is paid to a director/shareholder in lieu of salary		Annual Accounts
100%	Income from permanent secondary employment	If both employments represent normal working hours can use 100%.	Employment Reference, P60, Payslips. Must have been employed for a minimum of 6 months.
100%	Income from lodgers	<p>Capped at the level set by the Government under its 'rent a room' scheme (currently £7.5k pa). The property must be judged to be capable of meeting the needs of the borrower(s) and their lodger. Only one lodger is permitted.</p> <p>Max LTV 80%; Capital and Interest Repayment required; The rent from the lodger must not equate to more than 25% of CMP.</p>	By way of evidence on bank statements for a re- mortgage, or by way of a signed lodger agreement for a purchase
100%	Zero Hours Contracts	<p>If LTV ≤ 80%</p> <p>We will require a minimum employment period of 12 months, and will calculate an annual income figure from an average of the last 12 months data from a combination of payslips and P60 as available.</p>	