

# RENT SUPPLEMENT PROGRAM GUIDE

for Ontario  
co-operatives  
with a CMHC  
rent supplement  
agreement

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# 1. What the guide covers

This guide was written for housing co-operatives in Ontario that have signed rent supplement agreements with Canada Mortgage and Housing Corporation (CMHC). It applies to Section 95, Section 27/61 and FCHP (ILM) co-operatives.

It will help you

- understand the rules in your rent supplement agreement
- administer the Rent Supplement Program
- calculate assisted housing charges, and
- use the Agency's online rent supplement module.

Over time, the guide may be updated to clarify program rules. Please remember to [check online](#) for the most recent version. If you have a printed copy of the guide, be sure to compare the date on the cover page with the online version to ensure that your hard copy is current.



## 2. Overview of Program Requirements

### 2.1 Fair and consistent treatment

When you signed your rent supplement agreement, your co-operative agreed to

- Administer the Rent Supplement Program in a fair and consistent way.
  - The agreement says that co-operatives must have a formal, consistent system of choosing which households receive assistance. This is in line with the *Ontario Co-operative Corporations Act*, which requires that “the procedures for awarding subsidies to individual members must be procedurally fair.”
  - Your by-laws, policies and procedures dealing with rent supplements must meet this standard.
- Treat your assisted members in the same way as any other member.
  - The *Ontario Human Rights Code* does not allow discrimination based on income. Except for following the requirements of the Rent Supplement Program, assisted members are entitled to the same rights and have the same responsibilities as all other co-operative members.
- Comply with human rights laws. The co-operative itself is bound by the *Ontario Human Rights Code*. CMHC is bound by federal human rights laws. In acting for CMHC, the co-operative must respect federal law. The safe course is to comply with the higher standard wherever federal and provincial rules differ.

### 2.2 Privacy

The co-operative must comply with the *Personal Information Protection and Electronic Documents Act (PIPEDA)*. Under the act the co-operative can collect the information it needs to

- confirm the eligibility of a household for assistance
- set the assisted housing charge.

Before collecting the information, the co-operative must

- get the written consent of the person giving the information
- tell the person
  - why the information is being collected
  - whom to contact with questions.

You should include the information and consent in your application form.

The co-operative must

- use the information only for the purpose for which it was collected
- protect the information collected from unauthorized
  - sharing
  - use
  - disposal.

Your co-operative should have a privacy policy that deals with these items.

### 2.3 Conflict of interest

It may happen that someone involved with administering the Rent Supplement Program has a conflict of interest, real or perceived. In these cases, the co-operative should follow its own conflict of interest rules. Normally, the person with the actual or perceived conflict of interest

- must report the conflict to the Board
- may not take any part in the discussion or decision about the matter
- should make sure there is a written record of the conflict of interest and the action taken.

If a serious actual or potential conflict of interest is not resolved to the Agency's satisfaction, the Agency may advise CMHC to terminate the rent supplement agreement. CMHC must give the co-operative 30 days' written notice. The agreement will not end if the co-operative resolves the issue during the notice period.

### 2.4 By-laws and policies

The co-operative should ensure its by-laws and policies comply with rent supplement program requirements, including

- any by-law or schedule to the occupancy by-law dealing with rent supplements
- any privacy policy
- any conflict of interest policy or by-law
- the co-operative's rent supplement application form
- the co-operative's annual income review package
- any other documents the co-operative has that deal with rent supplement administration.

### 2.4.1 Occupancy agreements for Assisted Households

Every occupancy agreement signed with an Assisted Household must say that

- the household will give the co-operative a signed declaration of its gross household income each year
- the assisted housing charge will rise or fall when the household's income or assets rise or fall
- the assisted housing charge will be changed after the fact if the household reports its income incorrectly
- the household may not sublet its unit
- adults not listed in the occupancy agreement may not live in the unit
- the household may be offered a unit of a more appropriate size if its composition changes.





## 3. Annual Rent Supplement Claim

### 3.1 Administration fees

CMHC pays co-operatives an administration fee of \$4.50 per rent supplement unit per month for the co-operative's role in administering this program. An estimated amount is included in each monthly advance and is reconciled as part of the annual claim made following the co-operative's fiscal year end.

### 3.2 Co-operative maintenance

Co-operatives have a responsibility to keep their units in a good state of repair, clean and fit for occupancy. The rent supplement agreement stresses this for units occupied by Assisted Households.

Co-operatives should also conduct move-in and move-out inspections. This is particularly important for ILM-program co-operatives. See Damage Claims ([Section 3.3](#)).

### 3.3 Damage claims

**This section applies to ILM co-operatives only.**

ILM co-operatives may apply to the Agency for reimbursement of costs incurred by the co-operative to repair damages caused by an Assisted Household. Co-operatives must use the Agency's form for any damage claim application ([see Section 3.3.3](#)).

Claims can be made for damage to the interior of an Assisted Unit that is beyond normal wear and tear.

#### 3.3.1 Eligible expenses

Damage claims can cover the cost of

- patching and painting walls and ceilings
- appliance repair or replacement
- plumbing and plumbing fixtures
- wall tile repair or replacement
- flooring repair or replacement
- kitchen and bathroom cupboards and vanity repair or replacement
- countertops
- exterior and interior door repair or replacement
- window and screen repair or replacement
- flooring.



If the unit is uninhabitable for more than one month while repairs are being done, co-operatives can claim vacancy loss for the market housing charge for up to one month. However, if a co-operative claims vacancy loss on a damage claim, it can not claim vacancy for the same month in their rent supplement claim.

Co-operatives cannot make a claim for

- regular maintenance items such as cleaning or furniture removal, or
- total damages of less than \$500
- capital items if the items were scheduled to be replaced within two years according to the co-operative's capital plan or based on the usual life-cycle of the item.

### 3.3.2 Purchasing requirements

To be eligible for reimbursement, the co-operative is required to observe the following requirements

- Individual repair items costing less than \$5,000 can be single sourced. While no competitive bidding is required for this limit, co-operatives are encouraged to ensure value for money, transparency and responsible management.
- Individual repair items costing from \$5,000 to \$10,000 require competitive prices from three (3) sources through quotations, tenders or proposals.
- Individual repair items expected to cost above \$10,000 must be submitted to the Agency for pre-approval of the repair before starting the work and for guidance on the competitive bidding process to be followed.
- Purchasing requirements may be met through [bulk purchasing](#) arrangements offered by sector organizations, provided care is exercised to ensure best overall price and quality of services over time.

### 3.3.3 Claim documentation

The Co-operative must submit to the Agency

- a completed [electronic claim form](#) that can be found on the Agency's website [www.agency.coop](http://www.agency.coop)
- photos of the damages in the unit
- copies of quotes obtained (as applicable)
- copies of paid invoices
- copies of the move-in and move-out inspection reports for the damaged unit done by the co-operative.

If the co-operative does not have a move-in inspection report, a copy of the last annual inspection report can be submitted instead.

### 3.3.4 Submission review and approval process

The co-operative should send their completed claim forms to their relationship manager along with supporting documentation. Incomplete documentation will delay the approval and payment processing time. The Agency aims to approve claims within two (2) weeks from the receipt of a complete claim.

The Agency will review the completed claim and if it is approved, CMHC will add the reimbursement to the Co-operative's next monthly rent supplement advance.

### 3.3.5 Records of the Claim

A copy of the claim including copies of inspection reports and repair bills must be kept on file at the co-operative.

## 3.4 Vacant units

If a unit is vacated or abandoned by an Assisted Household without sixty (60) days' prior notice, CMHC may pay the co-operative the full market charge for the unit for up to two (2) months to cover the vacancy loss immediately following the month the unit became vacant. This does not apply to units where the Assisted Household has been evicted. When deciding whether to cover the vacancy loss, the Agency will review the circumstances of the vacancy.

If a unit becomes vacant after an Assisted Household gives proper notice and moves out, or after an Assisted Household is evicted, CMHC may pay the co-operative up to 50% of the full market charge for the unit for the month immediately following the month the unit became vacant.

## 3.5 Online Rent Supplement Claims System

The Agency's online reporting system (CHAIS) is the tool that the Agency and co-operatives use when recording, reviewing and approving a co-operative's rent supplement records. A User Guide and video tutorials are available for detailed instructions on using the system after login or on the Agency's website [www.agency.coop](http://www.agency.coop).

### 3.5.1 Before the fiscal year starts

One month before the start of the co-operative's fiscal year, the system automatically generates a new login link for access to the following year's data entry screens. The new link is sent to the co-operative in their year-end reminder letter from the Agency. The person at the co-operative responsible for rent supplement administration should bookmark the link in their web browser.

This new link becomes the access point for the co-operative's past and present rent supplement claims and replaces the previous year's link. This approach protects the personal information accessible in the system.

A co-operative's management company has their own access to the system. The co-operative's auditor also has access to the claim, once the Annual Information Return (AIR) for the same period has been started.

Users will need the co-operative or management company's unique username and password to access the system. The co-operative's designated contact can get this information from the relationship manager.

### 3.5.2 Starting the new fiscal year

The data entry screens use data from the previous year as a starting point.

The co-operative will need to

- update the market housing charges, utility charges and allowances in effect for the current year
- update household composition and income information received during the most recent annual income verification
- enter the geared-to-income housing charges for each household for the coming fiscal year.

The initial information for the current fiscal year needs to be entered before the previous fiscal year's annual Rent Supplement Claim can be submitted.

As a best practice, the Agency recommends that co-operatives enter any changes as they occur during the year, but all updates can also be made at the end of the year.

### 3.5.3 Submitting the Annual Rent Supplement Claim

The co-operative must submit an annual rent supplement claim to the Agency.

Co-operatives claiming assistance under more than one rent supplement program must file a separate claim for each program.

A claim is due two (2) months after the end of the co-operative's fiscal year. The system will send e-mail reminders about the deadline to the co-operative's designated contact at the same time as the Annual Information Return (AIR) deadline reminder.

### **3.5.4 Reviewing the Annual Rent Supplement Claim**

Once submitted by the co-operative, the Agency reviews the Rent Supplement Claim which may involve some back and forth with the co-operative.

While the Agency is completing its review of a claim, the co-operative, management company, and auditor cannot make any changes. As necessary, the Agency can return the claim for the co-operative to make corrections to the claim.. The auditor makes sure that the rent supplement amounts claimed match the figures in the AIR. This can be done using the AIR Check / File AIR screen. The AIR cannot be filed before the Rent Supplement Claim is reviewed by the Agency, and any discrepancies are resolved or explained.

### **3.5.5 Annual Rent Supplement Reconciliation**

During the reconciliation process, the Agency will check

- The difference in the submitted claim between monthly advances received from CMHC and approved rent supplement provided and administration fees (which are automatically calculated).
- Approved prior year corrections. These are corrections that were identified after the previous year's AIR was validated and submitted to the Agency.

The monthly advance amount is usually updated and is retroactive to the beginning of the fiscal year (or the last advance adjustment, if more recent).

The co-operative is then advised of the reconciliation amounts and how they will be reflected in future payments from CMHC.

### **3.5.6 Rent supplement reports**

There are a number of online rent supplement reports available to assist co-operative administrators and bookkeepers. See the Reports tab for a full list.

### **3.5.7 Online system help**

There are a number of “how to use” resources for the online system, including

- Instructions on each of the screens
- Tutorial videos
- User Guide to the Online Rent Supplement Claims System

These are found both after you log into the system and on the Agency's website [www.agency.coop](http://www.agency.coop).

### 3.6 Mid-year advance review

If the rent supplement advance received by the co-operative is noticeably different from the amount being used, the co-operative can apply for an advance adjustment at any time during the year.

The co-operative must be in full compliance with all rent supplement program requirements, and must be up-to-date with its rent supplement submissions and current year data entry to be eligible for a mid-year change. The co-operative should contact their relationship manager to make an advance change request. Requests will be reviewed and assessed based on the co-operative's rent supplement usage and its overall financial situation. The increase may be retroactive or not, depending on circumstances. The decision will be e-mailed to the co-operative's designated contact.

It is important that the co-operative keeps accurate records of the amount of advances received and the amount of rent supplement used.



## 4. Eligibility

### 4.1 Eligibility criteria

To receive rent supplement assistance, a household must first be assessed for eligibility based on the following requirements:

- The household must be in [Housing Need](#) as defined in the rent supplement agreement.
  - Housing Need means that a household pays thirty per cent (30%) or more of their Gross Household Income for housing.
- All household members must be allowed to reside permanently in Canada. This includes people with an accepted application for permanent residence in Canada (those with a first-stage approval or “approval in principle”). Domestic workers are eligible only if their employment contract does not include room and board.
- The household must have at least one primary occupant who is at least 18 years old or has withdrawn from parental control and is at least 16 years old.
- No household member may hold an ownership interest in a residential property that can be lived in year round unless the holder of the interest agrees to dispose of it within a six-month period of being offered assistance. The co-operative may extend the six-month period at its discretion.
- No household members may owe money to a fully or partly government-funded housing provider unless
  - the debt has been forgiven
  - the debt has been settled even though only part of the debt was paid
  - the housing provider will accept payment over time.

The household will only be responsible for 50% of the debt in order to be eligible, if

- the debt is owed by a member of the household who is a victim of domestic violence
  - victims of domestic violence are given priority for assistance under the co-operative’s by-laws
  - the debt is a result of a joint tenancy.
- Household members must be able to live independently, either with or without support services. It is the responsibility of the applicant to arrange for any necessary and appropriate support services.

## 4.2 Assessing and reviewing eligibility

When a household applies for rent supplement assistance, their eligibility is assessed. If the household is placed on the waiting list for assistance, the co-operative may need to do another eligibility assessment if some time passes before the assistance is allocated.

A household's eligibility may change over time so even once the assistance has been allocated, eligibility will be reviewed when

- household income changes
- household composition changes
- the co-operative does the annual income and asset review.

To assess a household's eligibility, the co-operative must ask for documents to prove that it meets the eligibility requirements. The documents will be kept on file by the co-operative for each Assisted Household.





## 5. Occupancy Standards

### 5.1 How many bedrooms can a household have?

Occupancy standards are rules about the size of unit (based on the number of bedrooms) that a household can live in and be eligible for assistance. The size of unit depends on the number of people in a household.

Occupancy standards in the rent supplement agreement set the minimum number of people who must live in a unit in order to be eligible to receive assistance.

The agreement also sets the maximum number of people. The maximum number does not limit the number of people who can live in a unit: it simply means that once the household has more than the maximum number of people, it can be considered for a larger unit and still receive assistance.

Different cultures, different circumstances and personal preferences lead to widely different ideas of how many people can share a unit. To enforce a rule that limits the number of people who can live in a unit, the co-operative must use the municipal standards for maximum occupancy rules.

### 5.2 Minimum and maximum occupancy standards

The occupancy standards for deciding what size unit an Assisted Household may move into are

- **Minimum Occupancy Standard:** one occupant per bedroom.
  - Two adults who are married or cohabiting as spouses are required to share a bedroom.
  - Children under the age of 26 years who are attending school out of town may be included in the household for purposes of applying the Minimum Occupancy Standard provided
    - they are attending a recognized educational institution on a full-time basis
    - they are dependent, in whole or in part, on the family for financial support.
- **Maximum Occupancy Standard:** two occupants per bedroom.

#### 5.2.1 Exceptions to the minimum occupancy standards

- Two adults who are married or cohabiting as spouses are eligible for separate bedrooms if they have a documented medical need.
- A household may require an extra bedroom to accommodate the needs of a person with a disability. Following the “Duty to Accommodate” rules under the human rights legislation, the co-operative will assess each such person’s specific needs and obtain reasonable evidence of their need. The co-operative will keep a record of any exception to the

minimum occupancy standards it makes including the reason for the exception. Exceptions could include providing a second bedroom

- to store essential equipment
- for an individual who is not a member of the household but who regularly provides full-time overnight support services to a member of the household.
- A parent with legal joint custody of one or more children may request an extra bedroom or bedrooms for those children, subject to providing satisfactory proof of the custody arrangement.
- Non-custodial parents who can provide satisfactory proof of parental access rights may request an extra bedroom or bedrooms if they need to be able to provide overnight accommodation in order to fulfil or benefit from the access rights. Non-custodial parents do not have to request an extra bedroom even if the household would exceed the maximum occupancy standards when their children are staying in the unit overnight.
- Parents who have one or more children being returned to their care by the Children's Aid Society or under court order may request an extra bedroom. Verification from the Children's Aid Society or a certified copy of the court order is needed to confirm the arrangement.
- If a household member is expecting a child, the household may request an extra bedroom. As necessary, the co-operative will ask for medical confirmation of the pregnancy.
- If a household is in the process of adopting a child, the household may request an extra bedroom. As necessary, the co-operative will ask for confirmation of the adoption.

### 5.2.2 Exceptions to the Maximum Occupancy Standard

- If permitted under municipal by-laws, two persons may share a bachelor apartment.
- The co-operative may make exceptions to the maximum Occupancy Standard at the request of an Assisted Household provided that the number of occupants will not exceed municipal standards.

## 5.3 Changes in household composition

When the number of individual members of a household changes, the household composition changes. Households are required to immediately report these changes to the co-operative.

### 5.3.1 Overhousing

Overhousing is the term used for an Assisted Household living in a unit with more bedrooms than allowed by the co-operative's rent supplement agreement.

### 5.3.1.1 Procedures for Overhousing

Co-operatives must decide how to address overhousing.

Your co-operative should set its own fair and consistent procedure. The rent supplement agreement requires that Assisted Households sign an occupancy agreement that addresses overhousing.

To create an overhousing procedure, the co-operative should consider the following:

- After move-in, members may remain in the housing unit chosen, even though there is a change in family composition, as long as the “one person per bedroom” minimum requirement is met.
- Co-operatives may decide that overhoused households should be offered a unit of a more appropriate size to the household composition. If a smaller unit is offered and the household refuses to move, it is no longer eligible for assistance.
- Another approach is to require overhoused households to pay the difference between the full housing charge for their current unit and the full housing charge for the unit they are eligible for under the occupancy standards. This is called an Overhousing Surcharge.

### 5.3.2 Underhousing

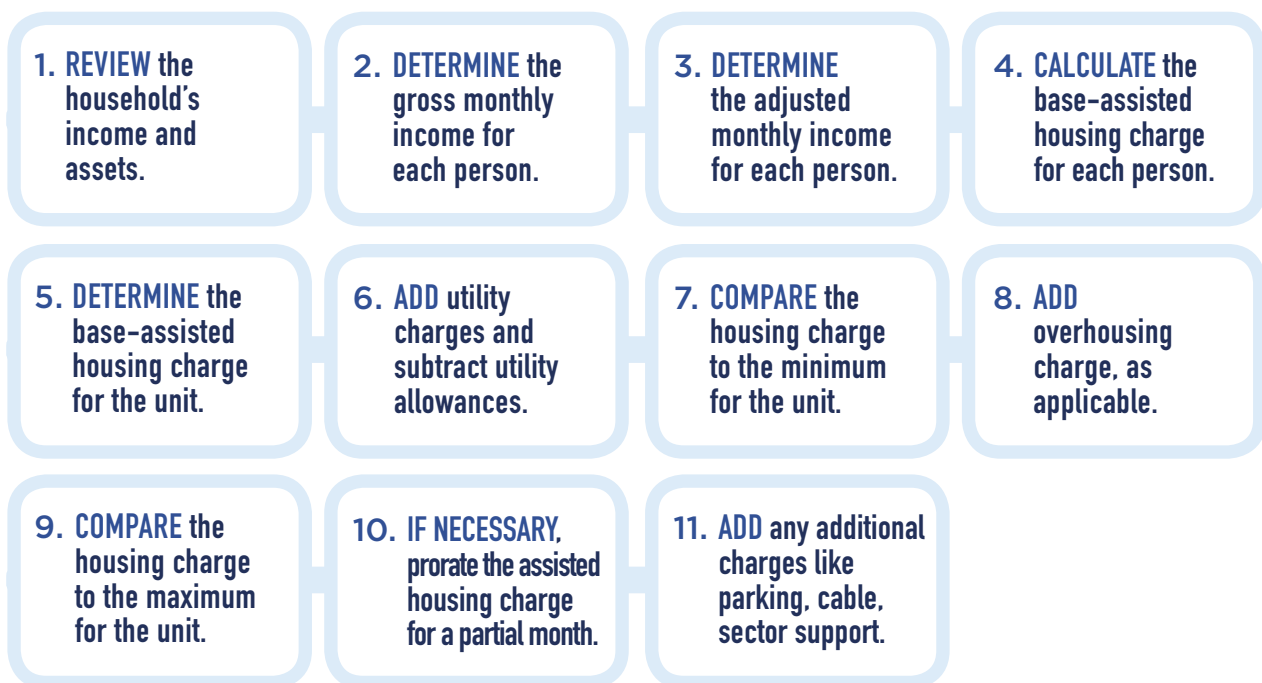
Underhousing is the term used for an Assisted Household living in a unit with fewer bedrooms than allowed under the co-operative’s rent supplement agreement. The household may choose to apply for a transfer to a larger unit.



## 6. Calculating an Assisted Household's housing charge

Once a household's eligibility for assistance and the size of unit for which they qualify have been decided, the next step is to calculate their assisted housing charge.

### Steps in calculating assisted housing charges



### 6.1 Step 1 – Review the household's income and assets

The income and asset review is the first step and the foundation for assisted housing charge calculations.

#### 6.1.1 Types of income

Broadly, there are three types of income:

- Income related to employment
  - Earned income
  - Income from self-employment
  - Tips, bonuses and commissions

- Disability income
- Pension income
- Income for support
  - Social assistance
  - Support payments received
- Income related to investments (assets)
  - Income-producing assets
  - Imputed income from non-income producing assets that are expected to increase in value over time
  - Imputed income from transferred assets

### 6.1.2 What is gross income?

Gross Income means all income, benefit and gains, of every kind and from every source before any deductions.

### 6.1.3 What is gross household income?

Gross household income is the income from all sources of each member of the Assisted Household. Household members may have more than one source of income.

### 6.1.4 Required information and proof

The co-operative is required to verify the income and assets from all sources of each member of the Assisted Household. Each household member must provide proof of their income and assets and must also provide

- the names of all occupants and their relationship to each other. This will be used to decide which occupants are [dependants](#) or [secondary occupants](#).
- the birthdates of all the occupants. This information will be used to assess possible income exemptions of students.
- a declaration form confirming that the information they have provided is true and complete.

Table 1 sets out various types of income and how to verify them.

Assisted Households must report all income even if it is not included in the table. If a member reports they have no income, the member should make a sworn statement to that effect using a statutory declaration ([see sample in Appendix D](#)).

**Table 1**

Type of income	Earned income deduction	Verification required
<b>Income related to employment</b>		
<b>Income from employment.</b>	Yes	Recent consecutive pay stubs covering an eight-week or two-month period showing the employee's name, the employer's name and address, pay periods covered, gross earnings.
<b>Income from seasonal or intermittent employment.</b>	Yes	Recent consecutive pay stubs covering an eight-week or two-month period showing the employee's name, the employer's name and address, pay periods covered, gross earnings.
<b>Income from self-employment – if the person has been self-employed for more than one year.</b>	Yes	Audited financial statements for the most recent fiscal year prepared by a professional accountant or a copy of the most recent notice of assessment and statement of business activities plus any additional information required to calculate business deductions. A working copy of the business tax return or the <a href="#">Proof of Income Statement (Option C print)</a> from Revenue Canada is also acceptable.
<b>Income from self-employment – if the person has been self-employed for one year or less.</b>	Yes	A statutory declaration that estimates the revenue and expenses for the year.
<b>Training allowances (see <a href="#">Appendix C</a> for exclusions).</b>	Yes	Recent consecutive pay stubs covering an eight-week or two-month period showing the employee's name, pay periods covered, gross earnings.
<b>Employment insurance (EI) benefits</b>	Yes	EI statements showing the recipient's name, gross income, date and payment frequency.
<b>Workers' compensation, industrial accident insurance payments, regular or periodic short- or long-term disability payments.</b>	Yes	Payment statements showing the recipient's name, gross income, date and payment frequency.
<b>Strike pay</b>	Yes	Payment statements showing the recipient's name, gross income, date and payment frequency.

Type of income	Earned income deduction	Verification required
<b>Income for support</b>		
<b>Social assistance (OW, ODSP or GAINS-D)</b>	No	“Proof of Eligibility Letter” from the income support worker that identifies the number of beneficiaries, the type of assistance, the net earned and non-earned non-benefit income. (However, the amount of any non-benefit income needs to be verified separately because this social assistance document does not use gross earnings.)
<b>Pension payments including Registered Retirement Income Fund (RRIF) payments</b> <i>(See Appendix B – Definitions for a complete list of pensions.)</i>	No	Payment statements showing recipient’s name, gross income, date and payment frequency.
<b>Spousal support and child support or maintenance payments received</b>	No	A copy of the legal agreement, cheque copies, lawyer’s letter, a letter from the Family Responsibility Office or a statutory declaration showing the recipient’s name, and the amount and frequency of the payment.
<b>Income related to investments (assets)</b>		
<b>Income from income-producing assets</b>	No	Copies of recent statements or other documents from the bank, credit union, investment or trust company showing the recipient’s name, gross income, date and payment frequency.
<b>Imputed income from non-income producing assets</b>	No	Copies of recent statements or other documents from the bank, credit union, investment company showing the recipient’s name and the total value of the assets.
<b>Imputed income from transferred assets</b>	No	Written appraisal or valuation of transferred property, including the date of the appraisal and the name and qualifications of the appraiser and date of transfer.
<b>Imputed income from other property (includes real estate, art, precious metals, etc.)</b>	No	Written appraisal or valuation of the property, including the date of the appraisal and the name and qualifications of the appraiser.
<b>Excluded Income</b>	N/A	Appropriate documentation also needs to be provided for all excluded income.

If the household cannot provide the verification that is set out in the table, a letter from the source of the income can be a substitute. The verification should cover at least the previous eight (8) consecutive weeks or two (2) month period.



### 6.1.5 Tax information

The co-operative may also ask for the household's most recent Notice of Assessment or [Proof of Income Statement \(Option C print\)](#), from the Canada Revenue Agency. It can be requested online. These are useful

- when a person is self-employed
- when a person receives tips, bonuses, overtime pay or commissions
- to confirm income previously reported was correct and make any necessary retroactive adjustments
- if the member reports no income
- if the co-operative suspects that not all income has been reported.

## 6.2 Step 2 – Determine the gross monthly income

Determine the gross income for every person living in the unit and every person who is part of the household but temporarily living somewhere else. Each person's gross monthly income should be calculated separately.

### 6.2.1 Included and excluded income

Although households must report all types of income, some are not included in the housing charge calculation.

#### 6.2.1.1 Included income

Income used in the housing charge calculation includes

- **Income related to training and employment**
  - gross salaries, wages, overtime payments, vacation pay, shift premiums, commissions, bonuses, tips, and gratuities, whether current or retroactive
  - gross income from any form of self-employment including an owned business, less business deductions allowed by the Canada Revenue Agency for tax purposes, other than the following, which must be added back to determine the total self-employment or business income:
    - capital cost allowances for depreciation of assets
    - rent, parking and utilities, if the household member works from home
    - child-care expenses
  - gross amount of Employment Insurance Benefits (EI)

- gross amount of training allowances, exclusive of any portion specifically intended to pay for child-care expenses, living-away-from-home expenses, transportation expenses, tuition fees or books
- Disability Benefits
  - gross amount of Workplace Safety and Insurance Board (WSIB) payments or other industrial accident insurance payments received due to illness or disability
  - gross amount of any short-term or long-term disability insurance benefits received on a regular or periodic basis, including retroactive payments
- Pension Income
  - gross amount of every pension, benefit and annuity payment received from a federal, provincial or municipal government of Canada (e.g., CPP, Old Age Security, federal Guaranteed Income Supplement, Spouse's Allowance, and financial assistance under the Ontario Guaranteed Annual Income System)
  - gross amount of every private or public pension, benefit or annuity payment received from any source anywhere in the world
  - gross amount of payments from a Registered Retirement Income Fund (RRIF)
- **Income for support**
  - Social assistance
  - Spousal support and child support or maintenance payments received
- **Investment Income**
  - gross amount of interest earned on accounts held in a bank, trust company, credit union, caisse populaire or other deposit-taking financial institution
  - gross amount of interest and dividends received from all investments (including invested lump-sum payments and capital gains) including stocks, shares, bonds, debentures, term deposits, certificates, mortgages or other securities
  - income imputed at a rate set by CMHC from the total appraised or otherwise documented value of all assets or investments that do not produce interest or dividend income but are intended to appreciate in value, including Registered Retirement Savings Plan (RRSP), and excluding Registered Disability Savings Plan (RDSP) and Registered Education Savings Plan (RESP) assets
- **Other Income**
  - gross amount of alimony, separation, maintenance or support payments
  - withdrawals from an RESP, other than the portion attributable to a Canada Education Savings Grant
  - Imputed income from the total appraised or otherwise documented value of all assets given away

### 6.2.1.2 Excluded income

The following sources of income should not be included in the housing charge calculation

- **Income of Dependants**

- income of any financially dependent household members under 26 years of age who are in regular full-time attendance at a recognized educational institution

- **Income Related to Employment, Training and Education**

- severance pay (except pay in lieu of notice is included income)
- living-out or travelling allowances
- allowances or payments for child-care, transportation, tuition, books or living-away-from-home expenses of any participant in programs to promote employment or enhance job skills or qualifications
- a grant received under the *Employment Insurance Act* (Canada) and used to purchase a training course provided under the *Ontario Works Act, 1997*
- repayable loans (e.g., student loans)
- grants, scholarships or bursary payments
- a Canada Education Savings Grant, if it is paid into a Registered Education Savings Plan (RESP) for a child residing in the household

- **Public Assistance**

- Canada Child Benefit and any comparable provincial or territorial child benefit
- retroactive payments of the Universal Child Care Benefit applicable to previous years
- a child benefit under the Canada Pension Plan paid to, on behalf of or for the benefit of a dependant of a disabled or deceased CPP contributor
- Foster Allowance (Ontario Works)
- Foster Child Allowance (CAS)
- Developmental Care Program payments (CAS)
- a benefit received from Veterans Affairs Canada under the Veterans Independence Program
- a payment received pursuant to the *Indian Act* (Canada) under a treaty between Her Majesty in right of Canada and a band, other than funds for post-secondary education
- a payment received as a special allowance under the Resettlement Assistance Program established under the *Immigration and Refugee Protection Act* (Canada)
- a payment received under the Community Homelessness Prevention Initiative of the Ministry of Municipal Affairs and Housing of the Province of Ontario
- Other home care allowances

- **Disability Benefits**

- Foster Child/Adult Placement Program payments (e.g., from Associations for Community Living)
- a special disability allowance paid to an ODSP recipient
- allowances from any source paid to or on behalf of a disabled child
- lump-sum disability benefits, other than retroactive payments of regular or periodic disability payments
- a payment received under the Workers' Compensation Act, subsection 147(14) as it read on December 31, 1997
- a special allowance received from Veterans Affairs Canada under the Veterans Affairs Disability Pension Program
- Child Disability Benefit and any comparable provincial or territorial child disability benefit
- attendant-care allowances
- a payment received from Human Resources Development Canada under the Opportunities Fund for Persons with Disabilities Program in relation to participation in employment-related activities
- a payment made by the Government of Canada under the *Canada Disability Savings Act* (2007) that is paid into a Registered Disability Savings Plan (RDSP) established for the benefit of a member of the Household
- a gift or voluntary payment received for the purpose of making a contribution to an RDSP, if the gift or payment is contributed as soon as practicable into an RDSP established for the benefit of a member of the household
- payments from an RDSP established for the benefit of a household member
- a payment received under the Extraordinary Assistance Plan (Canada)

- **Tax Credits and Grants**

- Working Income Tax Benefit
- property and sales tax credits, including GST/HST credits
- tax grants for senior citizens

- **Investment Income**

- proceeds from the liquidation of investments, including capital gains
- interest, dividends or any other income of an RDSP or RESP established for the benefit of a member of the household
- a payment received under the authority of the Ministry of Municipal Affairs and Housing of the Province of Ontario in conjunction with an initiative under which financial contributions are made towards the recipient's savings goals

### • **Income from Other Sources**

- income earned by and allocated to a prepaid funeral plan
- CPP Death Benefit
- periodic or lump-sum war-reparation payments
- lump-sum payments from the following sources:
  - insurance settlements
  - WSIB settlements
  - court awards
  - inheritances
  - other sources identified by CMHC from time to time
- lottery winnings
- proceeds from the sale of effects (e.g., furniture, equipment or automobile)
- a donation received from a religious, charitable or benevolent organization
- a casual gift or casual payment of small value

## **6.2.2 Income from assets**

Housing charge calculations include income from assets that Assisted Household members may

- own
- own an interest in
- have transferred recently.

Some types of assets provide income to households and other types do not but are expected to increase in value over time.

### **6.2.2.1 Income-producing assets**

Income-producing assets provide interest, dividend or other income. The actual income from these assets is included in the gross household income. Examples of income-producing assets include

- Interest-bearing bank accounts
- Term deposits
- Guaranteed investment certificates
- Income-producing stocks and mutual funds
- Interest paid on loans. The loan has been made by the household member to someone else.

### 6.2.2.2 Imputed income from non-income producing assets

Because non-income producing assets do not actually provide income to the household, an estimate of income based on value of the asset is made. The estimate is called “imputed income” and it is included in the gross household income. It is done this way because the asset will increase in value over time and the household benefits from that increase.

To calculate the imputed income, use the verified value of the asset value and multiply it by the imputed rate. The annual imputed rate is set each year by CMHC.

If the rate is 0%, no calculation is needed.

#### **Example 1**

A person owns shares in a mutual fund that does not pay income but is expected to increase in value over time. The most recent investment certificate shows the value as \$38,000. The annual imputed rate from CHMC is 2%.

The imputed income for the year is  $\$38,000 \times .02 = \$760$ .

#### **Example 2**

A person provides a copy of a life insurance policy with a cash surrender value of \$6,000. No dividends are paid on the policy. The CMHC rate for imputed income is 3%.

The imputed income for the year is  $\$6,000 \times .03 = \$180$ .

Examples of non-income-producing assets include

- Residential land and buildings
- Non-income paying stocks and mutual funds
- Bank accounts that do not pay interest.

### 6.2.2.3 Imputed income from transferred assets

Any non-income or income producing asset that is given away or transferred by a member of an Assisted Household is considered a non-income producing asset and is included in the housing charge calculation.

This applies to any asset transferred either after applying for rent supplement or during the three years before applying. The co-operative may make an exception for households that transferred assets prior to a financial setback such as serious illness, death of spouse, divorce, loss of employment, etc.

To calculate the imputed annual income from a transferred asset

- multiply the verified value of the asset by the imputed rate of return as set by CMHC (see [Appendix C](#));
- After the first year, reduce the value of the asset by \$2,000 until the value is zero.

Note that the value of the transferred asset only needs to be verified in the first year.

### **Example**

A person gave their daughter a condominium two months before applying for assistance. A recent real estate appraisal shows that the condo is worth \$320,000. The annual imputed rate from CMHC is 2%.

The imputed income for this year is  $\$320,000 \times .02 = \$6,400$ .

The following year the annual imputed rate from CMHC is 1% and the value of the asset should be decreased by \$2,000.

The imputed income for the following year is  $(\$320,000 - \$2,000) \times .01 = \$3,180$ .

### **6.2.3 Income averaging**

Some household members may have income that is seasonal, fluctuating or intermittent. Examples include

- temporary employment through an employment agency
- commission sales
- seasonal work (i.e., lawn maintenance, snow removal)

There are a variety of acceptable methods for calculating such income, as long as the methods are applied to all members with comparable situations. Co-operatives are encouraged to use methods where an income review and recalculation is done annually or, at most, quarterly.

Households who have this income for the first time often have their housing charge calculation based on their most recent Notice of Assessment or [Proof of Income Statement \(Option C print\)](#).

If this type of income continues for more than one year, the income can be averaged over the full year.



**Example**

The co-operative is doing their annual income and asset review in October. A member of an Assisted Household started to work as a lunch room supervisor at the local elementary school in September. She works 2 hours a day, 25 days each month from September 1 until June 30. She is paid \$17 per hour. She is not eligible for EI during the summer and has no other income.

For the current income and asset review, the co-operative uses the member’s most recent Notice of Assessment to determine the gross annual income for the housing charge calculation.

For the next income and asset review, the member still has the same job and is earning the same amount.

The gross annual income to be used in the next housing charge calculation is:

\$17 per hour x 2 hours/day x 25 days/month x 10 months = \$8,500.

**6.2.4 Getting to gross monthly income**

All included income for calculating housing charges must be converted to a monthly amount. The following table shows the calculation factors used in the conversion of annual, weekly, bi-weekly and daily income to a monthly amount.

**Table 2**

Income frequency	Factor
Annual	Divide by 12
Weekly	Multiply by 4.333
Bi-weekly	Divide by 2 then multiply by 4.333
Semi-monthly	Multiply by 2
Daily	Multiply by 21.66

**Example**

If a person earns a gross income of \$35,000 annually, the monthly income is  $\$35,000/12 = \$2,917$ .

## 6.3 Step 3 – Determine the adjusted monthly income

Determine the adjusted monthly income by deducting support payments made (if any) and the earned income deduction from gross income for each household member.

### 6.3.1 Support payments

Subtract verified spousal and child support or maintenance payments made.

### 6.3.2 Earned income deduction

Table 1 shows which types of income are eligible for the earned income deduction. The following amounts are deducted from gross monthly income of Assisted Household members:

- \$75 for a person who does not have dependants and has income to which the deduction applies
- \$75 for each spouse if they have one or more dependants and they both have incomes to which the deduction applies
- \$150 for a spouse whose partner has no income to which the deduction applies and they have dependants
- \$150 for a single person who has income earnings to which the deduction applies and they have dependants

#### **Example**

The Assisted Household is made up of three roommates who all have jobs at the local tire store. Their incomes are eligible for the earned income deduction. The result would be that the adjusted monthly income for each would be \$75 less than their gross monthly income.

Secondary occupants do not get an earned income deduction regardless of their type of income. See [Section 6.4.2](#) for more information about secondary occupants.

## 6.4 Step 4 – Calculate the individual base-assisted housing charges

This section sets out how to calculate the base-assisted housing charges. There are two calculation methods depending on the source of the income: rent scales and income-based

- For families who receive social assistance and limited other income, a [rent scale](#) is used
- For members with other source of income, 30% of the monthly adjusted monthly income is used (unless the household member is a secondary occupant)

Calculate the base-assisted housing charge for each person whose assisted housing charge is based on a percentage of income and for each family unit whose assisted housing charge is based on a rent scale.

### 6.4.1 Social assistance rent scales

There are various types of social assistance available to Ontario residents. These generally fall into two broad categories

- Ontario Works (OW)
- Ontario Disability Support Program (ODSP).

The [Social Assistance Rent Scales](#) are used to set the base-assisted housing charge when

- a family unit's sole source of income is social assistance, or
- members of a family unit have income from social assistance and other sources and the gross income from the other sources is less than or equal to the Non-Benefit Income Limit.

A family unit on social assistance includes all members of the household that are beneficiaries of the social assistance program.

The Province of Ontario publishes the rent scales and may update them from time to time.

#### 6.4.1.1 Non-benefit income limit

A family unit that receives social assistance and other non-social assistance income must provide proof of both types of income. Add up all their gross non-social assistance income and compare it to the Non-Benefit Income Limit shown on the social assistance rent scale.

The Non-Benefit Income Limit is the threshold used to determine whether the rent scale is used to set the base-assisted housing charge or whether the 30% ratio as described in [Section 6.4.2](#) should be used. Below the limit, the scale is used and above the limit, the ratio is used for the gross non-social assistance income. The social assistance is not included in the calculation.

### 6.4.1.2 Changing from ODSP to Canada Pension Plan OAS- Spouses Allowance or Canada Pension Plan- Disability

Some Assisted Household members who previously only received ODSP may change to receiving ODSP **and** Canada Pension Plan Old Age Security Spouse's Allowance (CPP OAS-Spouses Allowance) or the Canada Pension Plan for the Disabled (CPP-Disability). They must provide proof of both types of income. The statement of assistance provided with the ODSP payment shows the actual source of monthly income.

For household members who receive ODSP and either OAS-Spouses Allowance or CPP-Disability, the amount of income from those sources is not compared to the Non-Benefit Income Limit on the Social Assistance Rent Scale.

Income from OAS-Spouses Allowance or CPP-Disability is compared to the ODSP basic needs amount. This amount is found on the ODSP Statement of Assistance.

If the OAS-Spouses Allowance or the CPP-Disability is **equal to or lower than the basic needs amount**, then the assisted housing charge is set using the scale amount.

If the OAS-Spouses Allowance or the CPP-Disability is **greater than the basic needs amount**, then the assisted housing charge is calculated using the 30% ratio. The ODSP income is not included in the calculation.

The household member may have another type of income in addition to the ODSP and the OAS-Spouses Allowance or CPP-Disability.



**Table 3**

CPP-Disability or OAS-Spouses Allowance is	Calculation method	Non-Benefit Income Limit
<b>LESS</b> than or <b>EQUAL</b> to ODSP basic needs	Scale amount	Does not apply
<b>LESS</b> than or <b>EQUAL</b> to ODSP basic needs AND the spouse has other non-benefit income	Scale amount (if non-benefit income less than threshold)	Applies
<b>MORE</b> than ODSP basic needs	30% of CPP-Disability or OAS-Spouses Allowance	Does not apply

### 6.4.1.3 Which social assistance rent scale to use

There are three Social Assistance Rent Scales. Each one shows

- the base-assisted housing charge based on the number of beneficiaries (individuals). It is determined by the number of beneficiaries, not the amount of assistance received.
- the Non-Benefit Income Limit.

The three scales ([Appendix B](#)) are

- Ontario Works 1 for single persons without dependants and couples with or without dependants
- Ontario Works 2 for single parents with dependants
- Ontario Disability Support Program for ODSP recipients.

### 6.4.2 Calculate the base-assisted housing charge

The base-assisted housing charge calculations are used for all types of income other than social assistance and depend on the occupant type.

For primary occupants, it is calculated at 30% of monthly adjusted income.

For secondary occupants, it is calculated on their monthly adjusted income. Secondary occupants do not get an earned income deduction. Their base-assisted housing charge is calculated as

- 15% of the first \$1,000 of monthly adjusted income, and
- 30% of the monthly adjusted income over \$1,000.

## Primary occupant

A person is a primary occupant if one or more of the statements below is true:

1. The person is an adult (i.e., over the age of 18) and lives alone.
2. The person is an adult and lives with their spouse.
3. The person is an adult, lives with a person under the age of 18 (a “child”) and is either the child’s parent or is playing the role of a parent in relation to the child.
4. The person was once a secondary occupant. They left the unit and returned as an adult.
5. The person is an adult, receives social assistance and occupies the unit with one or more other persons.
6. The person is an adult and occupies the unit with one or more other persons and is unrelated to the others.
7. The person is an adult and is related to at least one other person who occupies the unit but is not financially dependent on their relative(s).
8. The person is a child and lives alone.
9. The person is a child and lives with their spouse.
10. The person is a child, lives with another child and is either that child’s parent or is playing the role of a parent in relation to that child.
11. The person is a child, receives social assistance in their own right and occupies the unit with one or more other persons.
12. The person is a child, occupies the unit with persons to whom they are unrelated and is not financially dependent on any of those persons.
13. The person is a current signatory to the occupancy agreement and one or more of the statements above is currently true.

For purposes of the above, a person is considered financially dependent on another occupant if that other occupant is providing financial support to them and if one or more of the statements below is currently true

1. The dependent person is a child.
2. The dependent person is an adult under the age of 26 and is a fulltime student of a recognized learning institution.
3. The dependent person is an adult and their adjusted income does not exceed the maximum income assistance (basic needs and shelter allowance) available under Ontario Works to a single person, and the value of their assets does not exceed the Ontario Works assets threshold. [See the Ministry of Community and Social Services website for the latest maximum basic and shelter benefits.](#)

## **Secondary occupant**

A secondary occupant is any occupant of a unit who is not a primary occupant as defined above.

### **6.4.2.1 Different household members, different sources of income and different calculations**

It is important to note that there may be different calculation methods for different members of the Assisted Household. Calculate the base-assisted housing charge for each person whose assisted housing charge is based on a percentage of income and for each family unit whose assisted housing charge is based on a rent scale.





## 6.5 Step 5 – Determine the base-assisted housing charge for the unit

Add together all the base-assisted housing charges to get the full base-assisted housing charge for the complete household.

### Example 1: Family on social assistance with other income, below non-benefit income limit

- A single mother and her young child live in a two-bedroom unit.
  - She receives Ontario Works (OW2) and works part-time, earning \$500 a month. She receives child support of \$200 a month and a Canada Child Benefit of \$550 a month. She recently inherited \$2,000.
  - The Canada Child Benefit and the inheritance are excluded income.
- The non-OW gross income from included sources of \$700 is compared to the non-benefit income limit of \$791. Because the gross income is below the limit, the Social Assistance Rent Scale is used to set the assisted housing charge.
- For rent supplement purposes, this household consists of one family unit.

Family type	1-parent family	
Person	Mother	Child
Occupant type	Primary	Secondary
Monthly non-OW income:		
Employment income	500	
Child support	200	
Canada Child Benefit (excluded)	excluded	
Inheritance (excluded)	excluded	
Gross monthly income	700	0
Gross monthly income - household	700	
Non-benefit income limit	791	
Base-assisted housing charge (OW2 rent scale for 2 people)	191	



**Example 2: Family on social assistance with other income, above the non-benefit income limit**

- This is the same situation as in Example 1 except the mother earns more.
- A single mother and her young child live in a two-bedroom unit.
  - She receives Ontario Works (OW2), works part-time, earning \$700 a month. She receives child support of \$200 a month and a Canada Child Benefit of \$550 a month. She recently inherited \$2,000.
  - The Canada Child Benefit and the inheritance are excluded income.
- Because the family receives social assistance, its non-OW gross income from included sources of \$900 is first compared to the non-benefit income limit of \$791. For rent supplement purposes, this household consists of one family unit.

Family type	1-parent family	
Person	Mother	Child
Occupant type	Primary	Secondary
Monthly non-OW income:		
Employment income	700	
Child support	200	
Canada Child Benefit	excluded	
Inheritance Gross monthly income	excluded	
<b>Total</b>	<b>900</b>	<b>0</b>
Gross monthly income - household	900	
Non-benefit income limit	791	
Gross monthly income	900	0
Less: Deductions (earned income)	150	0
Adjusted monthly income - individual	750	0
Adjusted monthly income - family	750	
Base-assisted housing charge (30% of 750)	225	

**Example 3: Three-generation family**

- A family of five (5) lives in a four (4)-bedroom town house. There are two (2) parents, their son and daughter and their daughter’s infant child.
  - One parent is a self-employed bookkeeper earning \$1,500 a month.
  - The second parent works part-time at a pharmacy earning \$800 a month.
  - The son is 22, has always lived at home, attends university full-time and earns \$300 monthly cleaning the local mosque. As a full-time student under 26 who has always lived at home, his earnings are excluded.
  - The daughter receives social assistance (OW2) and has no additional income.
- For rent supplement purposes, this household consists of two family units.

Family type	2-parent family			1-parent family	
Person	Parent 1	Parent 2	Son	Daughter	Baby
Occupant type	Primary	Primary	Secondary	Primary	Secondary
Monthly non-OW income:					
Self-employment income	1500				
Employment income		800			
Employment income			excluded		
Deductions (earned income)	75	75	0	0	0
Adjusted monthly income	1425	725	0	0	
Base-assisted housing charge - individual	427 (30% of 1,425)	217 (30% of 725)	0	191 (OW2 rent scale for 2 people)	
Base-assisted housing charge - household	835 (427 + 217 + 191)				

### Example 4: Secondary occupants

- A family of six (6) lives in a five (5)-bedroom house. There are two (2) parents and their four (4) children who have always lived at home.
  - One parent is retired with a \$1,200 per month pension.
  - The other parent has no earnings.
  - A 20 year old daughter is a full-time student and earns \$800 a month as a tutor. As a full-time student under 26 who has always lived at home, she is considered a secondary occupant and her income is excluded.
  - A 16 year old son earns \$1100 a month working part-time at a grocery store. As a child (under 18) he is considered a secondary occupant.
  - An 18 year old daughter earns \$500 a month doing odd jobs. As she has always lived at home and earns less than the threshold for being considered financially dependent, she is considered a secondary occupant.
  - A 25 year old son is a part-time student and earns \$975 a month working at a health centre. As he is only a part-time student and he earns more than the threshold for being considered financially dependent, he is considered a primary occupant.
- For rent supplement purposes, this household consists of two family units.

Family type	2-parent family					1 person
Person	Parent 1	Parent 2	Daughter (20 yrs old)	Son (16 yrs old)	Daughter (18 yrs old)	Son (25 yrs old)
Occupant type	Primary	Primary	Secondary	Secondary	Secondary	Primary
Monthly income		0				
Pension	1200					
Employment income - excluded			N/A			
Employment income				1100	500	975
Deductions (earned income)	0	0	0	0	0	75
Adjusted monthly income	1200	0	0	1100	500	900
Base-assisted housing charge - individual	360 (30% of 1200)	0	0	180 (15% of 1000 + 30% of 100)	75 (15% of 500)	270 (30% of 900)
Base-assisted housing charge - household	885 (360 +180 + 75+270)					

## 6.6 Step 6 – Add utility charges and subtract utility allowances

The **base-assisted housing charge** is for a **fully serviced** unit. **Fully serviced** means that the rent includes

- heat
- water
- hot water
- fridge
- stove

If these five (5) services and no others are included in the housing charges, there is no adjustment to the base-assisted housing charge for utilities.

Assisted Households will have a **utility charge** added to the base-assisted housing charge if additional services are provided and the costs are paid by the co-operative. These services may include electricity or coin-free washer and dryers. A **utility allowance** is deducted from the base-assisted housing charge if there are fewer services provided. There is a separate allowance for each service that is not provided.

Utility charges and allowances are applied to the base-assisted housing charge for the whole unit and not to individual household members.

Utility charges and allowances are updated periodically by CMHC. They are based on

- unit size
- type of heating (oil, gas, electric, etc.)
- heating zones (location).

Update assisted housing charges for all assisted units as part of each annual review based on the most recent utility charges and allowances schedules available. You may, but are not obliged to, update assisted housing charges mid-year when the CMHC schedules are updated – if you choose to do this, update all assisted units at once. The new online rent supplement system is based on the same schedule being used for all assisted units at any given time.

Utility charge and allowance tables and heating zones are available on the Agency's website [www.agency.coop](http://www.agency.coop).

**Example**

An Assisted Household with five (5) members has a base-assisted housing charge of \$770 for the unit. The unit is a three (3)-bedroom row house and the household provides its own fridge and stove. The housing charges at the co-operative include heat, water and hot water.

Therefore, the unit is not fully serviced and the base-assisted housing charge will be adjusted with a utility allowance.

Base-assisted housing charge	\$770	A
Utility charges	\$0	B
Utility allowance for fridge and stove	\$4	C
Assisted housing charge	\$766	A+B-C

## 6.7 Step 7 – Compare the housing charge to the minimum for the unit

After adjusting the base-assisted housing charge for utility allowances and/or charges, compare it to the minimum housing charge.

The default minimum housing charge is \$32 per month. A co-operative may set higher minimums, including one minimum for all assisted units, or minimums based on number of bedrooms or other criteria. A minimum is for the whole unit and not for individual household members.

**Example - Not below the minimum**

An Assisted Household has a base-assisted housing charge of \$35 for the unit. The unit is a one (1)-bedroom apartment and the household provides its own fridge and stove. The housing charges at the co-operative include heat, water and hot water.

Therefore, the unit is not fully serviced and the base-assisted housing charge will be adjusted by a utility allowance.

Base-assisted housing charge	\$35	A
Utility charges	\$0	B
Utility allowance for fridge and stove	\$4	C
Assisted housing charge - calculated	\$31	D = A + B + C
Assisted housing charge - minimum	\$32	E
Assisted housing charge	\$32	Greater of D and E

## 6.8 Step 8 – Add overhousing charge

Add an overhousing charge if the household is subject to one. The co-operative’s by-laws should explain how overhousing charges are applied.

## 6.9 Step 9 – Compare the housing charge to the maximum for the unit

Compare the housing charge to the market rent for the unit. The Assisted Household cannot be charged more than the market rent.

Once you adjust the base-assisted housing charge for any utility charges, utility allowances, overhousing charge, minimum, and/or maximum you have determined the final adjusted assisted housing charge for the unit.

On the Agency’s online rent supplement system, this is the “Assisted housing charge.”

### Example – Not above the maximum

An Assisted Household has a base-assisted housing charge of \$897 for the unit. The unit is a one (1)-bedroom apartment and it is fully serviced but the co-operative provides a dryer in the unit.

The full market housing charge for the unit is \$900.

Therefore, the unit is more than fully serviced and the base-assisted housing charge will be adjusted by a utility charge.

Base-assisted housing charge	\$897	A
Utility charge for dryer	\$6	B
Utility allowance	\$0	C
Assisted housing charge - calculated	\$903	$D = A + B - C$
Assisted housing charge- maximum	\$900	E
Assisted housing charge	\$900	Lesser of D and E

## 6.10 Step 10 – If necessary, prorate the housing charge for a partial month

When a household moves into or out of a unit for a part of a month, the assisted housing charge should be calculated for only the portion of the month during which the household will occupy the unit.

To prorate, take the adjusted base-assisted housing charge, multiply by the number of days the Assisted Household lives in the unit and divide by the number of days in the month.

### Example

An Assisted Household is moving into their unit on November 20. The monthly assisted housing charge is \$597 including all utility allowance and charges.

Assisted housing charge	\$597	A
November has 30 days	\$19.90	$B = A/30$
They will live in the unit for 11 days (Nov. 20 – 30)	\$218.90	$C = B \times 11$
Prorated assisted housing charge (rounded to nearest dollar)	\$219	

## 6.11 Step 11 – Add any additional charges, such as parking, cable or sector support

Some co-operatives have additional charges that are added to the housing charges. These could include parking, cable or internet, sector support or air conditioning. These charges to the unit are in addition to the assisted housing charge and are not entered into the online rent supplement system.

### Example

An Assisted Household has the minimum assisted housing charge of \$32 after applying any utility charges or allowances. Co-operative members pay \$55 a month for bulk cable. This household rents one parking space for \$35 a month.

Assisted housing charge	\$32	A
Additional charge – bulk cable	\$55	B
Addition charge - parking	\$35	C
Total charges payable each month	\$122	$A + B + C$

## 7. Annual Income, Asset and Eligibility Reviews

A household's financial situation may change over time. The annual review is the opportunity to update your co-operative's records on all households receiving assistance and make any necessary changes. A sample Annual Review form is available in [Appendix D](#).

The date for the annual review is usually the same date for all Assisted Households and usually coincides with the co-operative's fiscal year end. The review should be completed in time so that the Assisted Household receives proper 60 days' notice that their new housing charge will start at the beginning of the co-operative's fiscal year.

The steps in the annual review process are

- Distribute the income declaration and household composition form to be signed by each rent supplement household, along with a covering letter that is dated and individually addressed and specifies a return date;
  - Include a reminder that if the information is not returned by the due date, the household will no longer receive assistance
  - To meet privacy requirements, letters should explain why the information is being collected, that it will be kept confidential and whom the household can contact with questions or concerns.
- Receive the completed income declaration(s) with supporting verification of income, assets and household composition;
- Confirm eligibility of all household members and calculate the new assisted housing charge; and
- Notify each household of the new assisted housing charge and its effective date.

The annual review sets the assisted housing charge for the household for one year unless household composition or income changes during the year.

### 7.1 Non-Receipt of Documentation

If the Assisted Household does not provide the required documents by the due date specified, the co-operative will send a 60-day notice of a housing charge increase to the full market charge for their unit.

This notice will also explain that the full market charge is due unless the required documentation is provided, and that rent supplement will not be automatically reinstated.

If the documentation is received before the full market charge is effective, the monthly housing charge can be re-adjusted to the appropriate assistance level. If the effective date has passed, then the household may be placed on the co-operative's waiting list for assistance based on the date of their original application for housing.



## 8. Changes between annual reviews

An Assisted Household may have a change to their household composition or household income between annual reviews.

Assisted Households must report changes to household composition and income as soon as they happen. The co-operative will review the eligibility of all household members for assistance and will calculate a new assisted housing charge if necessary.

If the change results in a lower assisted housing charge, the decrease will be effective the first day of the first month after the change.

If the change results in a higher assisted housing charge, the increase will be effective if it is at least \$25 dollars higher. If the increase is less than \$25, the housing charge stays the same. It will be effective the first day of the second month after the change. If the change happened on February 10, the new housing charge would be effective April 1.

The household may need to sign a new occupancy agreement if the household composition has changed.

## 9. Record keeping

Co-operatives must collect and keep personal information about household eligibility, household composition, and various sources of income including income earned on assets.

- Information can be collected in paper or electronic formats
- Information must be kept in a secure place, with access restricted to staff and others that need to use the information in calculating housing charges and administering the Rent Supplement Program
- Information must be kept for a period of seven (7) years, and must then be disposed of securely

### 9.1 Access to Co-operative Files by CMHC or the Agency

All co-operative records related to the administration of the Rent Supplement Program must be made available to CMHC or the Agency, upon request.

## 9.2 An Assisted Household's File

The following should be kept in the household's assisted housing charge file:

- The household's application for assistance
- Proof of status in Canada for all household members
- Other proof for eligibility
- Documentation justifying an exception to occupancy standards
- Court or other documentation regarding child custody or access arrangements
- Documentation for students
- All annual review declaration forms
- All housing charge calculations by date with complete income verification attached
- All notices of housing charge changes
- An up-to-date occupancy agreement and all previous occupancy agreements for the household
- General correspondence about assistance to and from the household.



## Appendix A: What's New?

All Ontario co-operatives that receive rent supplements from CMHC have a new rent supplement agreement with an effective date of 1 June 2017. Listed below are the changes that came into effect with the new agreements. Go to the section number shown for more details.

### These changes took effect on 1 June 2017

1. For ILM co-operatives, Redecorating Claims are now called Damage Claims. There are new rules for making claims ([Section 3.3](#)).
2. CMHC may cover the vacancy loss on an abandoned unit for up to two months ([Section 3.4](#)).
3. CMHC may cover half of the full regular housing charge for one month on a vacant unit where the Assisted Household gave proper notice before moving out ([Section 3.4](#)).

### These changes are in effect for all fiscal years ending 31 July 2017 or later

4. All rent supplement claims must be made through the Agency for Co-operative Housing's online system ([Section 3.5](#)).
5. The due date for annual Rent Supplement Claims is two months after the co-operative's fiscal year end ([Section 3.5.3](#)).

**These changes take effect with the first annual income review done after 1 June 2017 and may affect the assisted housing charges resulting from that review. The rules set out in the Ministry of Housing's Rent Geared-to-Income Handbook (October 2000) apply until then. A co-operative may elect to apply the changes earlier.**

6. There are minor changes to eligibility rules ([Section 4.1](#)).
7. The co-operative is responsible for setting overhousing rules ([Section 5.3.1.1](#)).
8. There have been changes to excluded income ([Section 6.2.1.2](#)).
9. The definitions of primary and secondary occupant have changed. There is now only one way to set the housing charge for secondary occupants (former option 2). The changes may be significant for some co-operatives ([Section 6.4.2](#)).
10. If a change in household income leads to a rise in the monthly assisted charge of more than \$25, the new charge takes effect the first day of the second month after the income change ([Section 8](#)).

**Co-operatives have until 1 July 2018 to make any needed changes to their occupancy agreements, by-laws or policies. In the meantime, all but point 13 below apply.**

- 11.** Co-operatives must have a formal, consistent system for allocating assistance to households. This includes having an application form that collects enough information to support assistance decisions ([Section 2.1](#)).
- 12.** Co-operatives must be careful to avoid actual or perceived conflicts of interest in administering the Rent Supplement Program ([Section 2.3](#)).
- 13.** Occupancy agreements must include specific wording related to Assisted Households ([Section 2.4.1](#)).
- 14.** Co-operatives must follow applicable privacy legislation when collecting personal information from applicants and Assisted Households ([Section 2.2](#)).

## Appendix B: Definitions

Term	Definition
<b>Annual Information Return (AIR)</b>	The annual report filed by co-operatives with the Agency.
<b>Assisted Household</b>	A household that lives in a unit at the co-operative and receives rent supplement assistance.
<b>Assisted housing charge</b>	This is the monthly housing charge payable by the Assisted Household to the co-operative. Also known as RGI or geared-to-income housing charge.
<b>Assisted unit</b>	A unit in the co-operative which is occupied or will be occupied by an Assisted Household.
<b>Base-assisted housing charge</b>	The assisted housing charge before taking into account any utility charge and allowance, overhousing charge, and minimum and maximum for the unit.
<b>Certified income tax return</b>	A copy of the member's original tax return, filed with Canada Revenue Agency, that has been validated by the local taxation office as a duplicate of the original return.
<b>Damage</b>	Damage above normal wear and tear that normally costs more than \$500 to repair.
<b>Family unit</b>	A person or couple and dependants living in a unit.
<b>Full housing charge</b>	The monthly housing charge paid by non-subsidized households. Also known as the regular occupancy charge or market housing charge.
<b>Fully serviced</b>	Fully serviced means that the rent includes heat, water, hot water, fridge and stove.
<b>Geared-to-income housing charge</b>	This is the housing charge payable by the Assisted Household to the co-operative monthly. Also known as assisted housing charge.
<b>Household</b>	Every person residing in a unit.
<b>Housing Need</b>	Housing Need means that a household pays thirty per cent (30%) or more of their Gross Household Income for housing.
<b>Housing charge assistance</b>	Housing charge assistance is the difference between the full occupancy charge for the unit and the geared-to-income housing charge payable to the co-operative by the Assisted Household.
<b>Non-Benefit Income Limit</b>	The Non-Benefit Income Limit is the threshold used to determine whether the rent scale is used to set the base-assisted housing charge or whether the 30% ratio should be used.

Term	Definition
<b>Imputed income</b>	The assumed income to be used in the assisted housing charge calculation based on the value of a non-income producing asset and a rate set by CMHC.
<b>Income producing assets</b>	Investments that generate interest, dividend or other income.
<b>Non-income producing assets</b>	All assets, investments or holdings that are intended to increase in value rather than generate regular income.
<b>Non-residential property</b>	Non-residential property includes <ul style="list-style-type: none"> <li>• property not suitable for year-round occupancy, such as a non-winterized summer cottage,</li> <li>• land holdings, including farm lands, and</li> <li>• any non-residential real estate that produces rental income.</li> </ul>
<b>Notice of Assessment</b>	A summary report prepared by Canada Revenue Agency confirming the member's income and deductibles.
<b>Occupancy Standards</b>	Occupancy standards are rules about the size of unit (based on the number of bedrooms) that a household can live in and be eligible for assistance. The size of unit depends on the number of people in a household.
<b>Overhoused household</b>	Overhoused is the term used for an Assisted Household living in a unit with more bedrooms than allowed under the co-operative's rent supplement agreement.
<b>Pension income</b>	Pension income includes <ul style="list-style-type: none"> <li>• permanent workers' compensation pensions</li> <li>• Canada Pension Plan, Québec Pension Plan</li> <li>• accident insurance</li> <li>• illness insurance</li> <li>• Old Age Security (OAS)</li> <li>• Guaranteed Income Supplement (GIS)</li> <li>• Guaranteed Annual Income Supplement for seniors (GAINS)</li> <li>• Veterans' Pension or allowance</li> <li>• retirement pensions from any source</li> <li>• disability pensions from any source</li> <li>• survivor pensions from any source, and</li> <li>• U.S. Social Security and all types of foreign pensions or supplements (converted to Canadian dollars).</li> </ul>
<b>Permanent resident</b>	Canadian citizens, landed immigrants, refugees and any other persons allowed to reside permanently in Canada.

Term	Definition
<b>Proof of Income Statement (Option C print)</b>	A simple generic version of a tax assessment provided by the Canada Revenue Agency that summarizes income and deductions for a specific tax year.
<b>Regular occupancy charge</b>	The monthly housing charge paid by non-subsidized households. Also known as the full housing charge or market housing charge.
<b>Social assistance</b>	Programs administered under the <i>Ontario Works Act</i> and the <i>Ontario Disability Support Program Act</i>
<b>Spousal support and child support or, maintenance payments received</b>	Payments required by a court order for support based on the Federal Divorce Act or provincial legislation, or required by a legal domestic contract such as a separation agreement, a paternity agreement, marriage contract or co-habitation agreement.
<b>Statutory Declaration</b>	A written solemn declaration used to assert the truth of any fact or facts of any account in writing.
<b>Transferred assets</b>	Any non-income or income producing asset that is given away or transferred by a member of an Assisted Household to someone else either after applying for rent supplement or during the three years before applying. The co-operative may make an exception for households that transferred assets prior to a financial setback such as serious illness, death of spouse, divorce, loss of employment, etc.
<b>Underhoused household</b>	Underhoused is the term used for an Assisted Household living in a unit with fewer bedrooms than allowed under the co-operative's rent supplement agreement.
<b>Utility allowance</b>	A utility allowance is deducted from the base-assisted housing charge if there are fewer services provided than in a fully serviced unit. There is a separate allowance for each service that is not provided. The rent in a fully serviced unit includes heat, water, hot water, fridge and stove.
<b>Utility charge</b>	Assisted households will have a utility charge added the base-assisted housing charge if additional services are provided and the costs are paid by the co-operative. These are services beyond those of fully serviced unit where rent includes heat, water, hot water, fridge and stove.
<b>Workers' compensation</b>	Temporary or permanent benefits that a member receives following a workplace accident.

## Appendix C: Rent Scales and Imputed rate of return

As of July 1, 2016

The imputed rate of return is currently: 0%

<b>Ontario Works 1 (OW 1)</b> for single persons without dependants and couples with or without dependants		
Rent scale for a benefit unit consisting of (a) a recipient with no spouse and no other dependants, (b) a recipient with a spouse but no other dependants, or (c) a recipient with a spouse and one or more other dependants		
<b>Column 1</b> <b>Benefit unit size</b> (number of individuals)	<b>Column 2</b> <b>Rent attributable to benefit unit</b> (monthly amount)	<b>Column 3</b> <b>Non-benefit income limit</b> (monthly amount)
1	85	360
2	175	737
3	212	861
4	254	1,001
5	296	1,141
6	339	1,284
7	381	1,424
8	423	1,564
9	466	1,707
10	508	1,847
11	550	1,987
12 or more	593	2,131
O. Reg. 298/01, Table 4; O. Reg. 103/14, s. 3.		



<b>Ontario Works 2 (OW 2)</b> <b>for single parents with dependants</b>		
Rent scale for a benefit unit consisting of a recipient with no spouse but with one or more other dependants		
<b>Column 1</b> <b>Benefit unit size</b> (number of individuals)	<b>Column 2</b> <b>Rent attributable to benefit unit</b> (monthly amount)	<b>Column 3</b> <b>Non-benefit income limit</b> (monthly amount)
2	191	791
3	226	907
4	269	1,051
5	311	1,191
6	353	1,331
7	396	1,474
8	438	1,614
9	480	1,754
10	523	1,897
11	565	2,037
12 or more	607	2,117
O. Reg. 298/01, Table 3; O. Reg. 452/01, s. 6; O. Reg. 103/14, s. 2		

**Ontario Disability Support Program (ODSP)  
for ODSP recipients**

Rent scale for a benefit unit consisting of  
 (a) a recipient with no spouse and no other dependants,  
 (b) a recipient with a spouse but no other dependants, or  
 (c) a recipient with a spouse and one or more other dependants

<b>Column 1 Benefit unit size (number of individuals)</b>	<b>Column 2 Rent attributable to benefit unit (monthly amount)</b>	<b>Column 3 Non-benefit income limit (monthly amount)</b>
1	109	440
2	199	817
3	236	941
4	278	1,081
5	321	1,224
6	363	1,364
7	405	1,504
8	448	1,647
9	490	1,787
10	532	1,927
11	575	2,071
12 or more	617	2,211

O. Reg. 298/01, Table 5; O. Reg. 103/14, s. 4.

## Appendix D: Sample Annual Income and Asset Review Package

Please download our [sample package](#) from our website.

## Appendix E: Statutory Declaration

Please download our [Statutory Declaration](#) from our website.