



Hamilton



# RGI Simplification Training

**Thursday May 27 & Friday May 28<sup>th</sup>, 2021**

# Simplification of RGI Assistance

**Effective July 1, 2021**, RGI calculations will be simplified. The Province has implemented significant changes to the RGI calculation. The intent of the change is to:

- Simplify the process and make it easier to administer and to allow households to better understand how their rent was determined
- Provide stability so that rent would remain constant for longer periods of time
- Ensure that households would be able to retain any gains they may experience in their financial circumstances with the view of potentially moving on to other housing options.

O. Reg. 298/01 was revoked, and the new simplified regulation came in-force on July 1, 2020. As of July 1, 2021, all Service Managers are required to use the simplified regulations per [O.Reg316/19](#)

# Simplification of RGI Assistance – What is Changing?

- Income tax based
- Significant decrease in reasons to report a change
- Effective dates
- No quarterlies/fluctuating income or student income
- Only one decrease per year for 20% or more
- Significant decrease in reasons to withdraw subsidy
- Review timeframes
- Reduced reasons for overpaid subsidy & retroactive calculations
- Income reductions no longer applies to child of the household

# Simplification of RGI Assistance – What is NOT Changing?

- ❖ Most definitions, including the definitions for a “family unit” and “benefit unit”
- ❖ Most eligibility rules and local rules
- ❖ Utility scales
- ❖ Rent scales for households receiving basic financial assistance either from Ontario Works (OW) or the Ontario Disability Support Program (ODSP)
- ❖ Employment income exceptions of \$75 or \$150/m (however the criteria to determine the amount is simplified)

# Basic Eligibility

Any Household members whose income is to be included in the rent calculation **must** file their income tax returns annually as a condition of continued eligibility.

Any extenuating circumstances are subject to Service Manager discretion.

All other basic eligibility requirements remain unchanged as per the [Basic Eligibility Requirements Policy](#).

# 24-Month Rule (RGI to Market)

A household becomes ineligible for RGI assistance when they have been paying the equivalent to market rent for a period of twenty-four (24) consecutive months.

- The household has the right to seek RGI assistance if the household income decreases during the 24 months.
- After paying the market rent/housing charge for 24 consecutive months the household will be deemed ineligible for RGI assistance.

During the 24-month period, the household is required to comply with all RGI eligibility requirements; including filing income tax returns and completing the annual RGI review, since they are still considered RGI households.

These changes will be adapted into the [RGI to Market Policy](#) .

# Pursuit of Income

No change to pursuit of income rules. See [Pursuit of Income Policy](#).

However, child support payments are not included in the net income amount from Line 23600 of the income tax return. Therefore, Housing Providers should *use caution* if requiring pursuit of child support income.

RGI household members that are required to pursue income due to a decrease in income must do so within thirty (30) calendar days of the Notice to Pursue income. The RGI payable shall be reviewed **when a decision has been made** regarding their eligibility for all pending income sources. See JOB AID- Request to Pursue Income

# Pursuit of Sponsorship

Sponsored immigrants in receipt of RGI assistance are required to pursue income from their sponsor as per the Pursuit of Income Policy.

The sponsor is required to complete a **Declaration of Sponsorship form** to confirm the details of the sponsorship, including the amount of the monthly contribution to the sponsored household member(s). See *JOB AID- Request to Pursue Sponsorship Income*

The Approximate Net income will be calculated based on the monthly contribution amount indicated on this form, since sponsorship income does not show on income tax returns, **Line 23600** will most likely show as \$0.

If the household has income below threshold and does not qualify for OW, then the amount used for the calculation will be the amount from **Line 23600** and minimum rent will apply – [see \*communiqué on minimum rent\*](#).



# The RGI Calculation

A Job Aid has been developed to assist with the steps of an RGI calculation.

| Overview of RGI Calculation Steps |   |
|-----------------------------------|---|
| Step 1                            | <ul style="list-style-type: none"> <li>• Verify household composition</li> <li>• Identify full-time students</li> <li>• Identify family units and benefit units</li> </ul>  |
| Step 2                            | Determine the annual net income of individual family members using one of the following methods:<br><b>(a) Tax-based net income OR</b><br><b>(b) Approximated net income "best estimate"</b>  |
| Step 3                            | Determine monthly Adjusted Family Net Income (AFNI) <ul style="list-style-type: none"> <li>• Add the annual net income of all members of the family unit or benefit unit</li> <li>• Exclude the income of full-time students</li> <li>• Divide by 12 to determine AFNI for a month.</li> <li>• Apply earnings exemption, if applicable</li> </ul> |
| Step 4                            | Calculate the base RGI for each family unit and benefit unit in the household using the appropriate method:<br><br><b>30% of AFNI or Rent Scales (OW/ODSP)</b> <ul style="list-style-type: none"> <li>• add these amounts to determine the base RGI for the household.</li> </ul>   |
| Step 5                            | Add any applicable utility charges <b>OR</b> subtract any applicable utility allowances.  |
| Step 6                            | Compare the final amount to the <b>minimum</b> and/or maximum rent (Market rent) for the unit adjust as required.   |
| Step 7                            | Apply any additional charges (i.e. parking, cable etc.) to determine the total Rent.  |
| Step 8                            | Partial month rent<br><br>If a new tenant moves into the unit mid-month, use the prorated rent table to calculate the partial rent for the month.   |

# Identify Full-time students

## Step 1

All household members in full-time studies will have their income excluded from the RGI calculation (regardless of age).

Both education related income (e.g. OSAP, scholarships) and non-educated related income (e.g. earnings) is excluded for the duration of the period that the full-time student is in school full-time.

The definition for full-time attendance or what constitutes a recognized educational institution has not changed.

Students must attend and show proof of attendance at recognized educational institutions which includes:

- Primary and secondary schools under the Education Act (including private schools and home schooling)
- Colleges and universities
- Private career colleges

A household member continues to be a full-time student while on summer or other temporary breaks as long as they are registered or intending to attend full-time school for the next term.

## **Student – OW & OSAP & Works Part-time**

Julie is a single mom with 2 children and attends university full-time. She also works part-time, receives OW and OSAP. Since she is a full-time student her earnings are not included or even compared to the non-benefit income limits in the Social Assistance Rent Scales, making her benefit income zero.

Her base RGI would be \$226.00 as per the OW Rent Scale.

The term Benefit Unit is used to describe a household, or part of a household, that receives a single OW or ODSP payment.

If a member is not included in the benefit unit by OW, it is also not considered part of the benefit unit for the purposes of calculating RGI.

A household consists of a mother, father & 2 children in receipt of OW benefits.

This household is considered a single benefit unit.

A household consists of a mother, 2 daughters (21 & 15) and the son of the 21-year old daughter. The mother & her 15 year old daughter are on OW **and** the 21-year old daughter and her son are also on OW.

This household consists of two (2) benefit units.

Previously there was a listing of 61 types of income that were excluded from RGI calculations.

Under the new rules, income that is **not included on Line 23600 is not included in RGI calculation.**

Other income excluded from line 23600 **and** the RGI calculation are:

- Child Support payments received
- Lump sum, one time or retroactive payments for a benefit that should have been received for a prior period
- Registered Disability Saving Plan (RDSP), any net income from the RDSP is excluded from the calculation of RGI.
- OW or ODSP payments **if** the non-benefit income exceeds the threshold set out in the Social Assistance Rent Scales
- Monthly OAS spouse's allowance payments or CPP Disability (CPP-D) benefits for ODSP recipients if equal or less than monthly ODSP basic needs amount.
- Monthly ODSP payments for OAS spouse's allowance or CPP-D benefit recipients if ODSP basic needs is less than OAS received for the month.

The income tax return shall be the **first and primary source** used to determine the Net Income of a household member.

This can be found on **Line 23600** from the household member's most recent Notice of Assessment (NOA) or Proof of Income Statement. It is normally used to calculate Federal and Provincial Tax credits and benefits, *but it is not net of income tax payable*.

Housing providers should encourage households to register for a '**My CRA Account**' to have ready access to their most recent NOA or Proof of Income Statement.



# Verifying Tax Based Net Income

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- 10100 - Employment Income
- 12500 – RDSP income
- 23200 – RSDP repayments
- 10400 – Earnings wage loss replacement benefits
- 11900 – EI
- 14400 – WSIB (loss of earnings)
- 23600 – Net income

 Government of Canada / Gouvernement du Canada

Canada Revenue Agency

## 2019 Assessment

July 1, 2020

 Canada

### NAME OF TENANT

112 MAIN ST  
OAKVILLE  
ON

Tax year: 2019

Taxing province: ON

Filing date: 26 MAR 2020

Date of assessment: 04 APR 2020

Social insurance number: 111 000 222

Province of residence: ON

Date of birth: 16 JAN 1993

Marital status: SINGLE

### Total income

| Line  | Description                                | Amount   |
|-------|--|----------|
| 10100 | Employment Income (box 14 on all T4 slips) | \$17,568 |
| 12100 | Interest and other investment Income       | \$12     |
| 12500 | Registered disability savings plan income  | \$610    |
| 14500 | Social assistance payments                 | \$2,600  |
| 14700 |  | \$2,600  |
| 15000 | Total income                               | \$15,790 |

### Net income

| Line  | Description  | Amount   |
|-------|--|----------|
| 20600 | Pension adjustment (box 52 on all T4 slips and box 34 on all T4A slips)                | \$2,882  |
| 20700 | Registered pension plan deduction (box 20 on all T4 slips and box 32 on all T4A slips) | \$1,009  |
| 21400 | Child care expenses  | \$2,210  |
| 21200 | Annual union, professional, or like dues (box 44 on all T4 slips and receipts)         | \$310    |
| 23300 | Total deductions   | \$3,529  |
| 23600 | Net income   | \$12,261 |

### Taxable income

| Line  | Description              | Amount  |
|-------|--------------------------|---------|
| 25000 | Other payments deduction | \$2,600 |
| 26000 | Taxable income           | \$9,661 |

# Determining the correct tax year

2

At the initial RGI calculation, the most recent return shall be used. Thereafter, the tax year used to determine an individual's Net Income is different depending on when the RGI review is conducted.



In all circumstances, tax-based net income should reasonably reflect the average amount of income over the next 12 months. If it does not, approximated net income may be required.



If the tax-based net income does not accurately reflect the average amount of income expected to be received by the household member over the next 12 months, then Housing Providers may use the approximated net income method (ANI).

The ANI is an amount that **estimates a person’s net income for the next 12-months period**, and is calculated using the same information that would be used when completing an Income Tax Return or line 23600.

*A Job Aid has been developed to assist in the calculation.*

The ANI may be used to calculate RGI in the following circumstances:

- At move-in, if a household member(s) does not have a current Proof of Income Statement or Notice of Assessment and at the sole discretion of the Service Manager (or housing provider if delegated)
- At annual review, if the tax-based net income amount does not accurately reflect the current average income (e.g. a new job was started since the last tax assessment was done).
- At in-year reviews, if there is only one source of income changing and the other sources remain the same. The income that has *changed* will use ANI & the income that *remains the same* would use the tax-based net income.

# Income included in the ANI calculation Continued..

- Employment income including wages, salaries commissions, bonuses, tips, gratuities,
- Vacation pay and remuneration as a dependent contractor
- Net self-employment income (**if Self-employed more than 1 year**) Proof of Income Statement is required; (**if Self employed less than 1 year**): a Self-Employed Income and Expense Form or a declaration (or sworn affidavit) of the business's estimated income for the first year, including tips and expenses.
- Employment Insurance, including benefits for training if not a full-time student
- Workplace Safety and Insurance Board (WSIB) benefits for loss of earnings
- Wage-loss replacement plan benefits or payments for sick leave, short-term disability or maternity leave under a private or workplace plan
- Veteran's benefits for income support or replacement (do not include amounts for disability or death of a war veteran due to war service)
- Old Age Security (OAS), Guaranteed Income Supplement (GIS), Guaranteed Annual Income Supplement (GAINS)
- Canada Pension Plan (CPP) or Quebec Pension Plan (QPP) – excluding CPP or QPP child benefits
- Registered Retirement Income Fund (RRIF) and Registered Retirement Savings Plan (RRSP) income from T4RSP slips
- Private pensions, foreign pensions, and superannuation's
- Interest, dividend and other investment income – excluding income from Tax-free Savings Account (TFSA) Investments
- Capital gains & Annuities
- Net rental income
- Spousal support payments received (but not child support payments)

# Income Excluded when using ANI

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|   |                           |
|---|---------------------------|
| Net RDSP payments                           | One-time lump sum payment |
| Income tax credits (i.e. GST/HST, Trillium) | Children's Benefits       |
| Child Support                               | OW or ODSP payment        |

Other deductions may include the following, when supported by the appropriate verification:

- Registered pension plan deductions eligible for tax deductions
- RRSP contributions eligible for tax deductions
- Annual union, professions or like dues
- Child care expenses eligible for tax deductions
- Disability supports eligible for tax deductions
- Employment expenses
- Spousal support payments paid under an enforceable court order or agreement (but not child support payments paid)

If the deduction amounts cannot be verified or are unknown, **gross income amounts may be used** to determine the approximated net income. These deductions will be reflected in the next income tax assessment and will be considered the next time tax-based net income is used.

# Verification of the ANI

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Documentation to verify ANI is required **from the source** of the income and must provide enough information to allow for the annual approximation of the net income that is anticipated to be received over the 12-month period following the RGI review.

It may include one or more statements or pay stubs at the discretion of the housing provider.

Details of your account activity

| Date   | Description                              | Withdrawals (\$) | Deposits (\$) | Balance (\$) |
|--------|--|------------------|---------------|--------------|
|        | Opening balance                          |                  |               | 4,267.14     |
| 15 Mar | Transfer                                 |                  | 85.00         |              |
|        | Interest paid                            |                  | 1.91          |              |
|        | ATM withdrawal                           | 106.00           |               |              |
|        | Interest purchase - 1361 - Highland Farm | 47.82            |               | 4,184.27     |
| 17 Mar | Overdraft interest                       |                  | 6,181.54      |              |
| 18 Mar | Cheque #30                               |                  |               |              |
|        | Cheque #31                               |                  | 3,991.63      |              |
| 19 Mar | ATM withdrawal                           |                  | 3,991.63      |              |
| 22 Mar | ATM withdrawal                           |                  |               |              |
|        | Interest purchase - 1361 - Highland Farm | 123.27           |               |              |
|        | Interest purchase - 1361 - Highland Farm | 6.94             |               | 3,781.36     |
| 27 Mar | Overdraft interest                       | 6.93             |               | 4,081.54     |
| 18 Mar | Cheque #30                               | 46.00            |               |              |
|        | Cheque #31                               | 108.11           |               | 3,991.63     |
| 19 Mar | ATM withdrawal                           | 46.00            |               | 3,991.63     |
| 22 Mar | ATM withdrawal                           | 16.00            |               |              |
|        | Interest purchase - 1361 - The Bay       | 175.13           |               |              |
|        | Interest purchase - 1361 - Highland Farm | 6.94             |               | 3,781.36     |

Canada Pension Plan (CPP)

|                              |          |
|------------------------------|----------|
| Retirement Pension           | \$132.89 |
| Disability Benefit           |          |
| Survivor's Pension           |          |
| Children's Benefit           |          |
| Post-Retirement Benefit      |          |
| Gross monthly CPP sub-total: | \$132.89 |

Old Age Security (OAS)

|                              |          |
|------------------------------|----------|
| Old Age Security Pension     | \$360.51 |
| Guaranteed Income Supplement | \$106.28 |
| Allowance                    |          |
| Allowance for the Survivor   |          |
| Gross monthly OAS sub-total: | \$466.79 |

Deductions:

|                           |          |
|---------------------------|----------|
| Voluntary tax deduction   | OAS      |
|                           | CPP      |
| Deduction for overpayment | OAS      |
|                           | CPP      |
| Non-resident tax          | OAS      |
|                           | CPP      |
| OAS recovery tax          |          |
| Other                     |          |
| Total monthly deductions: |          |
| Net monthly total:        | \$629.68 |

**Note:** Bank books/statements are no longer an acceptable verification of income, even when used in combination with T-slips.

# Determine the ANI ANNUAL amount

2

The approximated **annual** net income for each family member with income is calculated by:

| Frequency of Income | Annual net income factor                   |
|---------------------|--|
| Annual              | ---  |
| Quarterly           | Multiply by 4                              |
| Monthly             | Multiply by 12 months                      |
| Semi-monthly        | Multiply by 24 (12 months multiplied by 2) |
| Biweekly            | Multiply by 26 (52 weeks divided by 2)     |
| Weekly              | Multiply by 52 weeks                       |

Once the annual net income of **all** family members (who are not full-time students) is determined & verified, these amounts are totaled to determine the Adjusted Family Net Income (AFNI) for the family unit or benefit unit. It is the income amount to be used in all rent/housing charge calculations.

If a household member has or had a Registered Disability Saving Plan (RDSP), any net income from the RDSP is *subtracted* from their AFNI & any RDSP repayments are *added* to AFNI.

The RDSP payments are reported on **Line 12500** and RDSP repayments on **Line 23200** (other income)

If a household member has employment-related income, they are entitled to an **earnings exemption** to offset AFNI.

The exemptions are:

- \$75 for a single person
- \$150 for a family with more than one person

Earnings exemptions apply per family unit or benefit unit in the household. If there is more than one family unit in the household, the household may qualify for more than \$150 in earnings exemptions.

The earnings exemption cannot be more than the total earnings of the applicable family unit or benefit unit. Dependents over the age of 18 with employment-related income are entitled to an earnings exemption in their own right.



Once AFNI has been determined, divide by 12 to find the **monthly** amount to be used in the calculation of **all** RGI.

The **monthly** AFNI then forms the basis of the RGI calculation for:

- Households **not** in receipt of OW or ODSP
- Households where a recipient of OW or ODSP has other income that exceeds the Non-Benefit Income Limit for the size of their benefit unit
- Households on ODSP with CPP-Disability (CPP-D) or OAS Allowance where the amount of the CPP-D exceeds the Basic Needs portion of ODSP.

The calculation is based on 30% of a household's total tax-based net income (Line 23600) MINUS adjustments.

*The formula can also be explained as follows:*

$$\text{Monthly RGI Rent} = \frac{(\text{AFNI} - \text{employment deduction}) \times 30\% \pm \text{utility adjustment}}{12}$$

# RGI Calculation for Benefit Units

Step 4

If a household is in receipt of Ontario Works (OW) or Ontario Disability Support Program (ODSP), monthly RGI rent is determined based on the scales.

The Rent Scales apply to household member(s) that have OW or ODSP as;

- the **only** source of income or
- the **gross income** from other sources is within the **Non-Benefit Income Limit**

|                   | TABLE 1<br>OW   |   | TABLE 2<br>OW   |   | TABLE 3<br>ODSP                                    |   |
|-------------------|---|---|---|---|--|---|
|                   | <ul style="list-style-type: none"> <li>• NO SPOUSE OR</li> <li>• SAME SEX PARTNER AND ONE OR MORE DEPENDANTS</li> </ul> |   | <ul style="list-style-type: none"> <li>• NO SPOUSE OR SAME SEX PARTNER,</li> <li>OR</li> <li>• SPOUSE/SAME SEX PARTNER WITH NO OTHER DEPENDANTS,</li> <li>OR</li> <li>• SPOUSE/SAME SEX PARTNER AND ONE OR MORE DEPENDANTS</li> </ul> |   |  |   |
| Benefit Unit Size | OW –Rent attributable to benefit unit (monthly)   | OW – Non benefit income limit (monthly) | OW –Rent attributable to benefit unit (monthly)   | OW – Non benefit income limit (monthly) | ODSP – Rent attributable to benefit unit (monthly) | ODSP – Non benefit income limit (monthly) |
| 1                 | N/A   | N/A                                     | 85.00   | 360.00                                  | 109.00   | 440.00                                    |
| 2                 | 191.00  | 791.00                                  | 175.00  | 737.00                                  | 199.00   | 817.00                                    |
| 3                 | 226.00  | 907.00                                  | 212.00  | 861.00                                  | 236.00   | 941.00                                    |
| 4                 | 269.00  | 1051.00                                 | 254.00  | 1001.00                                 | 278.00   | 1081.00                                   |
| 5                 | 311.00  | 1191.00                                 | 296.00  | 1141.00                                 | 321.00   | 1224.00                                   |
| 6                 | 353.00  | 1331.00                                 | 339.00  | 1284.00                                 | 363.00   | 1364.00                                   |
| 7                 | 396.00  | 1474.00                                 | 381.00  | 1424.00                                 | 405.00   | 1504.00                                   |
| 8                 | 438.00  | 1614.00                                 | 423.00  | 1564.00                                 | 448.00   | 1647.00                                   |
| 9                 | 480.00  | 1754.00                                 | 466.00  | 1707.00                                 | 490.00   | 1787.00                                   |
| 10                | 523.00  | 1897.00                                 | 508.00  | 1847.00                                 | 532.00   | 1927.00                                   |
| 11                | 565.00  | 2037.00                                 | 550.00  | 1987.00                                 | 575.00   | 2071.00                                   |
| 12 or more        | 607.00  | 2117.00                                 | 593.00  | 2131.00                                 | 617.00   | 2,211.00                                  |

Benefit units always have social assistance income, but they can also have other types of income, like earnings or pensions. This is called non-benefit income which has a separate and different method of calculating RGI using the Rent Scales.

Under the current rules, the non-benefit income was calculated using the same calculation method as was used to determine income, however, there is NOW a different method of calculating the non-benefit income using the AFNI and the monthly OW/ODSP payment received.

Line 23600 includes any payments received from OW/ODSP as part of the income. The AFNI therefore has to be adjusted to take into account any social assistance payments that were received in addition to the other income of the household.

# Non-Benefit Income Example 1

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If the total non-benefit income is greater than the non-benefit income limit in the applicable table, then the base RGI for the benefit unit is calculated at 30% of the AFNI for the benefit unit.

The OW/ODSP income is **not** included in the calculation.

A single mom with 1 child receives OW and has monthly earnings of \$850.00

The non-benefit income limit set out in Table 1 for a benefit unit size of 2 is \$791.00

The monthly earnings are greater than the non-benefit income limit, so the social assistance rent scales do not apply.

The employment-related income deduction of \$150 is applied to the \$850.00 resulting in an adjusted non-benefit income amount of \$700.00

The rent amount for the benefit unit is 30% of \$700 = \$210, plus or minus any applicable utility adjustments.

# Non-Benefit Income Example 2

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If the total non-benefit income is equal to or **lower** than the non-benefit income limit in the applicable table, then the base RGI for the benefit unit is the amount shown in the 'Rent attributable to benefit unit' column of the applicable table (the 'scale' amount).

A couple with two young children are receiving OW.

The couple have non-benefit income of \$900.00 per month.

The non-benefit income limit set out in Table 2 for a benefit unit size of 4 is \$1,001

The monthly earnings are less than the non-benefit income limit, so the social assistance rent scales apply.

The rent amount of the benefit unit is \$254 plus or minus any applicable utility adjustments.

For benefit units that receive ODSP and CPP-Disability (CPP-D) or OAS Allowance (OAS-A), the amount of income from those sources is not compared to the non-benefit income limit. Income from CPP-D or OAS-A is compared to the ODSP basic needs amount and is shown in the table below.

This amount is found on the ODSP Statement of Assistance.

| CPP-D/OAS Allowance   | Calculation Method  | Threshold |
|---|---|-----------|
| <b>LESS than or EQUAL to ODSP basic needs</b>                                       | Scale Amount  | N/A       |
| <b>LESS than or EQUAL to ODSP basic needs + spouse has other non-benefit income</b> | Scale Amount (if non-benefit income less than threshold)<br>30% (if non-benefit income more than threshold) | Applies   |
| <b>MORE than ODSP basic needs</b>   | 30% of non-benefit income   | N/A       |

Utility charges and allowances are added/deducted from the RGI calculation after determination of **monthly** AFNI and applying the appropriate rent calculation method (scale or 30%)

The table amounts have not changed and there is no need to update the charges or allowances applicable to your housing site.

Please refer to [O.Reg. 316/19](#) for the Tables or the RGI Policy.

After you have calculated the RGI for the household, including any applicable utility adjustments, you must ensure that the RGI is not below the minimum rent or above the maximum rent for the unit.

Minimum and maximum rents always apply to the entire household and not individual family units or benefit units.

This new minimum rent does not apply to those who are a **single beneficiary on OW or ODSP**. The Minimum rent for single benefit unit paying RGI is calculated as per the Social Assistance Rent Scales.



As provided in the [Communique Issue 2020-4](#) dated May 22, 2020 minimum rent will be indexed each year on July 1 based on the Ontario Rent Increase Guideline.

The Housing Services Division, will notify housing providers of the applicable indexed minimum rent amounts before July 1 each year.

Housing providers will be required to adjust rent-geared-to-income (RGI) for tenants and co-op members paying minimum rent to the new indexed amount at the first RGI review conducted after July 1 each year.

# Transition to Minimum Rent

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For **current RGI households who are at minimum rent** (not including those at \$85.00 that are on OW or ODSP only) at their next annual review the rent will be increased to \$93.00.

Each annual review after this, an additional \$8.00 will be added until the new minimum is equal to the actual minimum rent including all of the Rent Guideline increases

The chart shows an example of timing to have the current minimum rents match the new minimum rent.

| Year | Minimum Rent (Household) |
|------|--------------------------|
| 2020 | 85                       |
| 2021 | 93                       |
| 2022 | 101                      |
| 2023 | 109                      |
| 2024 | 117                      |
| 2025 | 125                      |
| 2026 | 133 (129)                |

# Households with No Income

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Where an RGI household reports or has a change in income that results in the household having no sources of income, the household's rent can be set to the **minimum rent** if they meet the following conditions:

- Provide verification of the change in circumstances resulting in having no income source (e.g. a copy of the Record of Employment) **and** must meet the requirements to pursue income.
- If a household cannot verify that they have no income, they will continue to be charged their normal RGI rent until they can provide the required documentation to verify that no income is being received.

Households who fail to pursue income, in accordance with the [Pursuit of Income Policy](#) will cease to be eligible for RGI assistance and must be issued a ninety (90) day notice of an increase to market rent.

# Additional Charges

## Step 7

- Any additional charges for services that the housing provider supplies such as parking, cable/satellite tv, internet, air conditioning charge, or a co-op sector support fee are the **final addition** to determine the total rent for the month.
- Additional charges are always added after the RGI is calculated.
- Additional charges must be listed in the tenancy agreement.

If a household lives in a unit for less than a full month, the RGI for the month is prorated so that the household only pays for the part of the month in which it occupied the unit.

The RGI is not prorated if the lease or housing agreement begins on the first of the month, and the household chooses not to move in until after this date.

The prorated RGI amount can be calculated using either of the following methods:

- based on the days in the month, then multiplying the daily RGI by the number of days that the tenant **has occupancy** of the unit.
- based on the Prorated Rent Table (please refer to the *JOB AID- Prorated Rent Tables*).

Once the RGI has been calculated and rounded to the nearest dollar, the Tenant is notified of the RGI calculation which is the **FINAL step of the RGI calculation**.

# Reporting Changes- Annual Renewal

Beginning July 1, 2021, RGI rent shall be calculated once per year, at the annual review.

RGI Applicants and Tenants must follow the rules in the H.S.A. to be eligible for RGI assistance. These responsibilities include:

- Providing information and documents requested within specified time frames
- Filing annual income tax returns
- Notifying the Housing Provider of **certain mandatory changes** used to determine their initial or ongoing eligibility for RGI within 30 days of the change

# Reporting Changes- Annual Renewal Continued...

A review of a household's continued eligibility is to be conducted at least once in every 12-month period after the household began to receive RGI.

A review of the household's eligibility should correspond with the anniversary date of when the household first began to receive RGI assistance (rolling reviews) or on a fixed date (fixed reviews) for all households as determined by the housing provider.

# Reporting Changes- Annual Renewal Process

| Annual Review Month | Proof of Income statement year | Send annual review forms by: (ARF) | Package due back by: | Review Conducted in (prior to the 15th of the month) | Effective date of rent increase or decrease: | If package not returned by due date, withdraw subsidy on: | Effective Date of Market Rent |
|---------------------|--------------------------------|------------------------------------|----------------------|--|--|---|-------------------------------|
| June 1, 2021        | 2019                           | Feb 15th                           | Mar 20th             | May  | June 1, 2021                                 | March 25th  | July 1st                      |
| July 1, 2021        | 2020                           | Mar 15th                           | Apr 20th             | June   | July 1, 2021                                 | April 25th  | August 1st                    |
| August 1, 2021      | 2020                           | Apr 15th                           | May 20th             | July   | August 1, 2021                               | May 25th  | September 1st                 |
| September 1, 2021   | 2020                           | May 15th                           | Jun 20th             | August   | September 1, 2021                            | June 25th   | October 1st                   |
| October 1, 2021     | 2020                           | Jun 15th                           | Jul 20th             | September  | October 1, 2021                              | July 25th   | November 1st                  |
| November 1, 2021    | 2020                           | Jul 15th                           | Aug 20th             | October  | November 1, 2021                             | August 25th   | December 1st                  |
| December 1, 2021    | 2020                           | Aug 15th                           | Sep 20th             | November   | December 1, 2021                             | September 25th  | January 1st                   |
| January 1, 2022     | 2020                           | Sep 15th                           | Oct 20th             | December   | January 1, 2022                              | October 25th  | February 1st                  |
| February 1, 2022    | 2020                           | Oct 15th                           | Nov 20th             | January  | February 1, 2022                             | November 25th   | March 1st                     |
| March 1, 2022       | 2020                           | Nov 15th                           | Dec 20th             | February   | March 1, 2022                                | December 25th   | April 1st                     |
| April 1, 2022       | 2020                           | Dec 15th                           | Jan 20th             | March  | April 1, 2022                                | January 25th  | May 1st                       |
| May 1, 2022         | 2020                           | Jan 15th                           | Feb 20th             | April  | May 1, 2022                                  | February 25th   | June 1st                      |
| June 1, 2022        | 2020                           | Feb 15th                           | Mar 20th             | May  | June 1, 2022                                 | March 25th  | July 1st                      |
| July 1, 2022        | 2021                           | Mar 15th                           | Apr 20th             | June   | July 1, 2022                                 | April 25th  | August 1st                    |

## Withdraw of Subsidy Process

During the 90 day period before the market rent takes effect Housing Provider's are required to implement eviction preventions measures including following up with the household, assisting the household with providing the paperwork, and/or making other

If the Annual Review Forms are submitted **prior** to the date market rent takes effect, HP's can process and complete the calculation.

If the Annual Review Forms are submitted **after** the date market rent takes effect & there are extenuation circumstances, HP's must contact the HAO as Service Manager.

**Rent Freeze in place for 2021.** A reminder that all rent increases will take effect on January 1, 2022 (including withdraw of subsidy).



# Reporting Mandatory Changes- In-year reviews

Most income changes are only reported once a year at the Annual RGI review. However, RGI households must provide notice of the following income changes within 30 days of their occurrence:

1. A permanent change in household composition
2. A household member is no longer a full-time student
3. A household member starts or stops receiving social assistance OW or ODSP
4. A household member receiving social assistance has a permanent increase in another source of income
5. A household member has had their income taxes reassessed

This is called mandatory reporting. When a recalculation occurs following this change, it is called a mandatory in-year review.

**Only one in-year review is permitted for each of the above circumstances.** However, if the housing provider believes there are extenuating circumstances they may conduct one or more additional in-year reviews at their discretion.

# Reporting Voluntary Changes- In-year reviews

There is only one additional reason an in-year RGI rent recalculation can occur; when the RGI household's total income decreased by at least twenty percent (20%) for the year. This is called a voluntary in-year review and it must be requested by the RGI household; the Housing Provider cannot require this rent recalculation.

**This type of in-year rent review can only be completed once per year** cannot be reviewed a second time in between annual reviews, even if there are extenuating circumstances. To determine if the household qualifies for a recalculation, a JOB AID- has been developed.

All rent increases of \$10.00 or less that are determined outside of the annual review process will not be implemented.

# In-year reviews continued





Because households are not required to report employment or pension income changes during the year. In-year RGI rent calculations do not occur when household members' employment or pension income increases **or** if a household fails to report a decrease in income in a timely manner.

There is no retroactive adjustment to the households' RGI (i.e. there is no underpaid subsidy applied).

In-year reviews will not be conducted for household members who are pending or required to pursue income **until the amount of the pending income is known.**

When the ANI or "Best Estimate" method is used, the household member must submit their Income Tax Notice of Assessment (NOA) as soon as it is received, and a comparison must be done. If reported ANFI income differs by 20% or more and in-year review should be completed.

# Effective dates of RGI changes

| Annual Reviews   |   |  |
|--|---|--|
| Increase or Decrease in Rent   |    | Effective first day of the month following the review                          |
| Housing providers should implement RGI changes resulting from the annual RGI review without delay. |   |  |
| In-Year Reviews  |   |  |
| Decrease in income of at least 20%   |    | Effective first day of the month following the in-year review                  |
| Increase in non-benefit income above limit   |   |  |
| Permanent change in household composition  |    | Effective first day of the month following the change                          |
| Change in full-time student status   |   |  |
| Change in receipt of OWor ODSP   |   |  |
| Income Taxes re-assessed   |   |  |
| <b>Ineligibility for RGI assistance</b>  |  | Effective first day of the month following 90 days from the date of the notice |

# Retroactive Calculations

Section 56 of the HSA allows for repayment by households for RGI assistance improperly received.

Most changes in income do not have to be reported until the Annual RGI Review, however, they can occur if the household member does not provide full or accurate information **when they are required to do so**. This results in a retroactive change to the RGI amount.

Retroactive calculations will **only** occur if the mandatory changes were not reported within 30 days of the event.

# Retroactive Calculations Continued..

Retroactive changes are subject to the same rules as all in-year changes.

Overpaid subsidies resulting from an administrative error are not collected from the RGI household. When the error is discovered, a new income review should be completed without delay.

As a best practice, housing providers should strive to have all documentation processed within 30 days of receipt.

# Overpaid Subsidy 10%

If a household member has paid less RGI than they should have, they may be required to repay the difference between what they paid and what they should have paid (overpaid subsidy or OPS).

Housing providers should attempt to recover the overpaid subsidy (OPS) separate from the ongoing RGI rent with the agreement of the household.

- The RGI household may re-pay the entire amount owing **or** may enter into a repayment schedule with the housing provider.
- If the household is unwilling or unable to pay the entire amount or enter into a repayment agreement, housing providers may collect the amount owing by increasing the current monthly RGI rent by 10% of the current monthly RGI amount.

# Retroactive Calculations- Examples

## Example 1:

The household consists of a mother and her teenage daughter. The mother was attending post secondary full time. She graduated from her program in April and started working in May, but did not declare this change until September.

The housing provider retroactively increases RGI effective May 1 (the first day of the month following graduation) using ANI to determine Net Income.

## Example 2:

The household consist of a mother and her child. The mother's boyfriend moves into the unit in March. The mother does not declare this change until June.

The housing provider retroactively increases RGI effective April 1 (the first day of the month following the change)



# Retroactive Calculations- Examples continued

## **Example 3:**

The household consists of a father and his 17 year old son. The father was working part time, but started working full time in August. The father reported this change to the housing provider in October.

The housing provider does not retroactively increase RGI in this example. Increases in income only have to be reported at the time of Annual Review.

## **Example 4:**

The household consists of a single senior 65 years old. She was receiving ODSP but began receiving CPP and OAS on her birthday in February. The senior reported this change to the housing provider at the annual renewal in July.

The housing provider retroactively increases RGI effective March 1 (the first day of the month following the change) and offers a repayment schedule.

# RGI Ineligibility

Household who fail to return their Annual Renewal forms before the require date are **ineligible** for RGI. Housing Providers must issue a Notice of RGI Ineligibility, noting that rent will increase to the market rate on the fist day of the month following 90 days from the date of the notice.

Housing Providers may make additional requests for the information prior to serving the notice of ineligibility as outlined in the Eviction Prevention Policy. However, Housing Providers should not reasonably delay notice of RGI ineligibility if the documents are not returned.

Housing Providers may **reinstate** the RGI eligibility if the Annual Renewal forms are returned **prior to the increase to the market rent**.

If forms are returned **after the increase to the market rent charge**, the Housing Provider may contact the Service Manager, if it is of the opinion there are **extenuating circumstances** which have been clearly demonstrated by the household.

# Extenuating Circumstances

Extenuating circumstances are defined in the RGI Policy as unforeseen circumstances which were:

- out of the control of the household,
- are unlikely to occur again and
- resulted in the household not being able to meet the requirements in order to remain eligible for RGI

At this time any extenuating circumstances are reviewed with the Service Manager by contacting the appropriate HAO for the Housing Providers Portfolio.

The SM may decide to grant approval of the extenuating Circumstance or advise that the matter be resolved by the Social Housing Review Panel.

# Ceasing to be Eligible for RGI Assistance

Households receiving RGI assistance would no longer qualify for RGI assistance in the following circumstances:

- no longer meets an eligibility requirement
- did not [pursue income](#)
- does not provide Annual Review documentation
- **does not file an income tax return under the Income Tax Act (Canada) by the time of their next annual review.**
- does not report changes to information or documents pertaining to RGI eligibility, changes to household composition or certain changes to income within 30 days

# Ceasing to be eligible for RGI Assistance Continued...

- Does not divest themselves of an interest in residential property.
- Household who pays the equivalent to market rent for a period of 24-months
- An over-housed household does not follow the process to move to an appropriately sized unit per [Occupancy Standards Policy](#)
- [absence from the unit](#) for a period greater than 120 days within 12 months period at the start of the first absence
- **begins to receive a portable housing benefit**

# Changes to RGI Eligibility

If a household member is determined ineligible for RGI due to **a reported in-year change** to information or documents (e.g. status in Canada), they are ineligible effective the date of notice, and their rent will increase to the market rate on the first day of the month following 90 days from the date of the notice.

- In-year changes in RGI eligibility are always implemented

## 3rd Party Information

An in-year review may be conducted as a result of information received from a third party (e.g. a neighbor alleges that someone has moved into the unit).

In these cases, households must be provided with a chance to comment or provide verification of the accuracy of this information, before a decision is made.

An in-year review would only be conducted if the reported event is one of the 5 mandatory changes or could result in a determination of ineligibility.

Households reserve the right to request a review of any decision relating to their RGI charge through an internal review and through the Social Housing Review Committee.

# RGI Calculation Scenario 1

George and Ingrid are a married couple with two children (ages 4 and 5 years).

Ingrid is employed, and George receives WSIB.

- Ingrid's Line 23600 \$10,223 Tax-based net income
- George's Line 23600 \$7,109 Tax-based net income
- George's Line 12500 \$1,000 RDSP payment
- George's Line 23200 \$0 RDSP repayment

AFNI is  $\$10,223 + \$7,109 - \$1,000 = \$16,332$

Monthly AFNI for RGI is  $\$16,332 \div 12 = \$1,361$  - \$150 employment exception AFNI = \$1,211

# RGI Calculation Scenario 2

Sarah is a single parent of two children, Jacob (aged 22 years) and Isaac (aged 17 years).

Sarah is employed, Jacob recently started receiving Employment Insurance and Isaac is in school full-time.

You have approximated his net income at \$600 per month.

|                         |         |                         |
|-------------------------|---------|-------------------------|
| Sarah - Line 23600      | \$9,408 | Tax-based net income    |
| Jacob - \$600 per month | \$7,200 | Approximated net income |

- $\$9,408 + \$7,200 = 16,608$  Annual AFNI /12 = \$1,384 monthly AFNI
- $(1384 - \$150 \text{ Earnings exception for Sarah} - \$75 \text{ Earnings exception for Jacob}) \times 30\% = \$347.00$



# RGI Calculation Scenario 3

Simon is a single parent with two children who receives Ontario Works and also works part time.

Simon declares net monthly earnings of \$1,300 and Ontario Works of about \$400 per month.

- Line 23600 = \$20,760 Tax-based net income
- Annual AFNI = \$20,760
- Monthly AFNI  $\$20,760 \div 12 \text{ months} = \$1,730$
- Net Ontario Works = \$385 Per OW Statement(monthly)
- Monthly non-benefit income = \$1,345  $\$1,730 - \$385$

Non-benefit income is above the non-benefit income limit of \$907.  
Therefore calculation is completed based on AFNI of 30% **not** scales.

# Transitions

The City of Hamilton recognizes that these changes may be very confusing and frustrating for some tenants and therefore, communication and consistent messaging becomes more and more important for Housing Providers.

**Housing Administration Officers are here to help** and may be able to assist with communications and questions.

Housing Services will be holding 1 hour monthly check-in's or RGI clinics starting in June 2021

# Resources

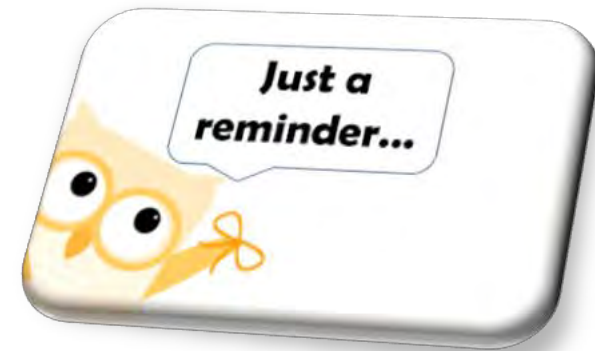
1. [Job Aid – Overview of RGI Calculation](#)
2. [Job Aid – Prorated Rent Table](#)
3. [Job Aid – Request to Pursue Income](#)
4. [Job Aid – Request to Pursue Sponsorship Income](#)
5. [Job Aid – Verifying Tax Based Net Income](#)
6. [Job Aid – Approximated Net Income \(ANI\)](#)
7. [Job Aid – COH Annual Review Forms 2021](#)
8. [Job Aid – RGI Review Calculation worksheet](#)
9. [Job Aid – Annual Review Process](#)
10. [Job Aid - Tenant Responsibilities](#)
11. [Job Aid – Minimum Rent Chart](#)

# Next Steps

Communiques and Policies can be accessed on the City of Hamilton's website:

<https://www.hamilton.ca/social-services/housing/housing-provider-information>

Housing Services staff are currently reviewing and revising policies to ensure compliance and complete any required updates.



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Region of Waterloo





Thank You