

Starting July 1, 2021
New Rules for Rent-Geared-to-Income (RGI) Rent Calculations
Questions and Answers for Tenants

The Province of Ontario has changed the rules for Rent-Geared-to-Income (RGI) rent calculation. These changes will simplify the RGI process for everyone and make rent more predictable.

Below are some common questions about the changes or how they apply to you. If you have additional questions about the changes, please contact your Housing Provider.

1. What are the changes starting on July 1, 2021 that I need to know?

- Starting July 1, 2021, RGI rent will be calculated once per year for most households, at the annual review, and will be based on the most recent income tax information filed with the Canada Revenue Agency (CRA)
- All household members that are sixteen* (16) years of age or older must file their income tax every year to remain eligible for RGI assistance. ***Note, sixteen (16) and seventeen (17) year old's are not required to file income tax if they are in school full-time.**
- The income tax information that will be used to calculate RGI rent is:
 - (17) Notice(s) of Assessment (NOA) or
 - (18) Proof of Income Statement(s) (Option 'C' Print from Canada Revenue Agency 'MyCRA Account') which provide a more detailed NOA statement.
- The income of full-time students is not included in the calculation of RGI rent.
- Minimum rent is changing and will increase annually for most RGI households.
- In year calculations can only be reviewed **once** in between annual reviews and only if the following situation occur:
 1. Household composition - when someone permanently moves in or out of the unit;
 2. Ontario Works (OW) or Ontario Disability Support Program (ODSP) assistance - when someone **starts or stops** receiving either of these benefits and when income is earned in addition to these benefits;
 3. Full-time student status - when someone starts or stops attending full-time school;
 4. Income tax - when someone has a reassessment or new assessment;
 5. Total household income - decrease of at least twenty percent (20%) for the year.

2. When will these changes affect me?

If your RGI rent was calculated once per year you will see these new changes at your next annual review.

If your RGI rent was recalculated every few months because your income went up and down (fluctuated) throughout the year, **starting July 1, 2021**, you will see these new changes at your next rent calculation. After that, your RGI rent will be calculated only once per year at your annual review, using your income from your income tax Notice of Assessment.

3. What if I don't have my Notice of Assessment?

Filing income tax and submitting a copy of your most recent NOA or Proof of Income Statement that was issued by Canada Revenue Agency (CRA) should be submitted to your Housing Provider. The Proof of Income Statement is preferred, since it resembles the income tax return summarizing all income and deductions for the tax year.

This is an eligibility requirement for RGI assistance, which means if you or a member of your household does not submit your income tax information to your housing provider, you could lose your rent subsidy and your rent could go up to full market rent.

If you or a member of your household has not filed your income tax yet, please let your Housing Provider know; they may be able to refer you to an Income Tax Clinic where someone can help you for free. For more information, visit www.canada.ca/taxes-help. Households have until April 30 of each year to submit their income tax return(s) to CRA for the prior tax year. For most income tax returns, CRA completes their review (of the prior tax year) by June 30 of each year.

4. What other information is needed to calculate RGI rent at the annual review?

In most cases, households will only be required to provide a copy of their NOA(s) or Proof of Income Statement(s) (Option 'C' Print from the 'my CRA account') for each household member and a completed *Annual Review Income Declaration Form and Consent to Disclose Information Form*.

However, depending on the income type of household members, additional documentation may be required. See the chart below for more information.

Income Type	Additional Documentation Required
Ontario Works (OW) and Ontario Disability Support Program (ODSP) Recipients	A current document that shows the <u>amount received</u> each month and the <u>beneficiaries</u> of the household (such as current statement of assistance, letter from a case worker, or a drug card, when available)
Full-Time Student	A current document on corporate letterhead from the issuing agency (e.g.: school or funding agency) that shows the <u>name of the school</u> , the <u>course load</u> , and the <u>study period</u>
Self-Employment	Completed Canada Revenue Agency (CRA) T2125 Statement(s) of Business or Professional Activities

When dependent children (16 years of age or older) are not in school full-time, all income is included in the RGI rent calculation.

5. How will Rent-Geared-to-Income (RGI) rent be calculated?

Starting July 1, 2021, your RGI rent will be calculated once per year, at your annual review. Most RGI households will have their RGI rent calculated based on the total of each household members Adjusted Family Net Income (AFNI), located on line 23600 on your income tax Notice(s) of Assessment.

A formula below will be used to calculate your monthly RGI rent. Other charges and allowances for things such as utilities and employment income continue to be part of your RGI rent calculation and have not changed. Income from full-time students and net income from a Registered Disability Savings Plan (RDSP) will not be used in the rent calculation.

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

If your only household income is OW or ODSP support benefits, you will not use this formula. You will continue to pay RGI rent based on the RGI rent scale table listed in the Housing Services Act, 2011.

If the household has no income after all attempts to pursue income have been made, or all members of the household are enrolled in school full-time, monthly RGI rent shall be determined using **minimum rent**.

6. How does the new minimum rent for RGI households work?

Effective July 1, 2021, minimum rent (the lowest RGI rent that a household can pay) is increasing for most RGI households. The new minimum rent is \$129 per month and it increases each year by the Rent Increase Guideline. There are a few exceptions to this new rule for the following RGI households:

- RGI households paying RGI rent less than \$129 on June 30, 2020 - minimum rent increases to \$93 starting July 1, 2021 and increases \$8 each year.
- Single RGI households in receipt of Ontario Works (OW) or Ontario Disability Support Program (ODSP).

If your household is affected, the minimum rent change will occur at your next annual review and your housing provider will notify you of your new RGI rent in writing.

7. How is RGI rent calculated for households in receipt of Ontario Works (OW) or Ontario Disability Support Program (ODSP) benefits?

For households who are in receipt of OW or ODSP, the RGI rent is based on the appropriate OW or ODSP rent scale table.

If, a member has non-benefit income that is earned in addition to the OW or ODSP benefit that is over the non-benefit income limit threshold, minimum rent would be charged.

8. I am self-employed, how will my rent be calculated?

Household members who are self-employed must submit their Notice of Assessment (NOA) and completed Canada Revenue Agency (CRA) T2125 Statements of Business or Professional Activities as part of the annual review. The CRA T2125 Statements are important because they identify the deductions claimed on a member's income tax return.

9. What happens if my Notice of Assessment (NOA) does not reflect my current situation?

There may be occasions where the 'best estimate' approach is used to complete an RGI rent calculation. The RGI rent calculation is based on a 'best estimate' of the household member's Adjusted Net Income (ANI) and may require additional documentation.

The household member must submit their NOA to their Housing Provider as soon as it is available.

When dependent children (16 years of age or older) are not in school full-time, all income is included in the RGI rent calculation.

10. Do I still need to report changes to my household within thirty (30) days?

Yes, RGI households are required to report certain household changes, in writing, within thirty (30) days of the change. These changes are referred to as monitory reporting:

1. A permanent change in the composition of the household (someone moves in or out of the unit);
2. A member of the household starts to or stops receiving benefits under the Ontario Works (OW) or Ontario Disability Support Program (ODSP);
3. A member in receipt of an OW or ODSP benefit (who is not a full-time student) earns income in addition to these benefits;
4. A change in a member of the household's full-time student status;
5. A member of the household's income tax has been reassessed or additionally assessed.

When RGI households do not report these changes, they could become ineligible for RGI assistance. You need to advise your Housing Provider of these types changes when they occur because they significantly affect the way the RGI rent is calculated, and an in-year rent recalculation may be required.

11. Do I need to report employment and pension income changes during the year?

No, households are no longer required to report employment or pension income changes during the year.

12. Will my rent be re-calculated if there are changes?

Not all changes between annual reviews will result in an in-year RGI rent recalculation. Starting July 1, 2021, in-year RGI rent changes will only happen once per year.

One in-year RGI recalculation will occur for each of these household changes when reported. When a recalculation occurs following this change, it is called a mandatory in-year review.

* Note: A second in-year review may occur for these changes when extenuating circumstances have been clearly demonstrated by the household. This is at the sole discretion of the Service Manager.

13. What if my earnings increase or decrease?

Starting July 1, 2021, when the income from the **whole** RGI household has decreased by twenty percent (20%) or more during the year, you may request to have **one in-year rent review**. This is called a voluntary in-year review. This type of in-year rent review can only be completed **once per year** and to qualify for the re-calculation, the household must prove a decrease of twenty percent (20%) or more in their total household income for the year.

14. How is RGI rent for households with fluctuating income calculated?

Fluctuating income goes up and down during the year. These income changes can be a normal part of employment and are predictable or they can be unexpected. Fluctuating income is usually hourly paid wages where the number of hours worked varies daily or weekly and is received from one or more employer(s) during the same month. Examples of this are personal support workers, retail workers, taxi drives, and shift workers. Fluctuating income is also seasonal work where employees are regularly laid off and rehired in the same type of employment with the same or a different employer, such as landscapers, crossing guards, and contract teachers over a twelve (12) month period.

As of July 1, 2021, households with fluctuating income will have their RGI rent calculated once per year, starting at their next rent calculation. After that, RGI rent will be calculated one per year at the annual review, based on the income the household received in the previous year as it appears on their income tax Notice(s) of Assessment (NOA).

15. How is RGI rent recalculated for an in-year review?

An in-year RGI rent recalculation is based on a best estimate of the household member's Adjusted Net Income (ANI) for the upcoming twelve (12) months.

Completing a best estimate involves collecting information about the current income (both taxable and exempt), any Canada Revenue Agency (CRA) allowable income deductions from total income, and any substantive changes that occurred.

16. Are retroactive RGI rent adjustments completed?

There can only be one (1) in-year review between annual reviews. When a mandatory change was not reported within the required thirty (30) days, but is reported prior to the next annual review, the RGI rent will be retroactive to the first month following the change.

When an in-year rent re-calculation for the type of change reported already occurred, no additional in-year retroactive RGI rent adjustments would occur; the change would be captured as part of the next annual review.

When a household fails to report a change at the time it occurred, the household may be deemed ineligible for RGI assistance if the change remained unreported at the time of the next annual RGI review. Housing Providers may continue and/or reinstate RGI eligibility only if they are satisfied *extenuating circumstances prevented the household from reporting*.

17. What if I or someone in my household lose their job and have no income?

RGI household members are required to pursue income when they lose their income. Their RGI rent would be reviewed and recalculated **once a decision has been made regarding their eligibility for all pending income** by the pending income sources.

18. What are the effective dates of RGI rent changes?

All RGI rent changes (increase, decrease, no change) take effect on the first day of the month following the event, where the event is defined as the date the:

- a. Annual review was completed (annual reviews);
- b. In-year household composition changed, income type changed, full-time student status changed, or tax reassessment or new assessment occurred (mandatory in-year reviews);
- c. Full income verification documentation was received when a rent recalculation was requested due to a household income decrease of twenty percent (20%) or more for the year (voluntary in-year review).

19. Does the annual review date change when I have an in-year review?

No, in-year reviews and annual reviews are separate and distinct. The annual review date stays the same and occurs at the same scheduled time every year.

20. Can an annual review be postponed?

An annual review should be completed at the same scheduled time each year. An annual review can be postponed when extenuating circumstances have occurred which prevented the household from being able to complete the annual review within the required time. For example, during the COVID-19 pandemic.

21. What are extenuating circumstances?

Extenuating circumstances are 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.

22. Will I lose my RGI subsidy if I am paying Market Rent?

When an RGI household's income has increased and the calculated RGI rent payable is equal to or greater than, the market rent for the unit they occupy, the RGI rent is set at market rent. This is known as 'equivalent to market rent'.

For the next twenty- four (24) months following this determination the household is still considered to be an RGI household under the Housing Services Act, 2011. During this twenty-four (24) month period, the household must:

- Continue to report changes in income or other information that may affect their RGI eligibility, and,
- Continue to comply with Housing Provider requests for information and with the annual household review process.

During the twenty-four (24) month period, the RGI household is eligible for an RGI rent recalculation when there is a change in circumstances that would result in the recalculation of a lower RGI rent.

When the household continues to pay 'equivalent to market rent' for twenty-four (24) continuous months, the household ceases to be eligible for RGI assistance and must reapply for RGI assistance with ATH, if it is required in future.

23. I don't agree with an RGI rent calculation Notice of Decision issued to me. What can I do?

- Please contact your housing provider directly to discuss the decision. Discussing the decision helps everyone understand the situation better.
- If after speaking with your housing provider, you still do not agree with the decision, you have the right to an Internal Review. An Internal Review is an appeal of the decision.
- You must request an Internal Review in writing before the deadline date in your decision letter. There is an Internal Review form that you must complete. Your housing provider can help you make this request.

24. What if I don't agree with the RGI rent calculation Notice of Decision issued to me. What can I do?

If **after you have completed an internal review with your Housing Provider**, and you still do not agree with the decision, you have the right to a review by the Social Housing Review Panel. The Social Housing Review Panel provides an **independent review** of certain decisions made by a housing provider or Access to Housing.

Applicants and tenants may request a review if they disagree on decisions about their:

- Eligibility for rent-geared-to-income (RGI) assistance,
- Amount of RGI housing charge/rent payable,
- Size and type of RGI unit or mandate of building;
- Priority on the centralized waiting list;
- Eligibility for special needs housing.

To request a review the [Social Housing Review Panel Request for Review Forms](#) must be received by the City of Hamilton no later than 10 days after the internal review is completed by your housing provider.