

**Manitoulin-Sudbury District Services Board
POLICY & PROCEDURES MANUAL**

Section: I. Social Housing	Effective Date: July 1, 2020
Topic: I.2. Tenant Policies	Replaces: NEW
Subject: 4.13. RGI Simplification	
Policy No. I.2.1	Page 1 of 2

POLICY

The Province of Ontario has changed the way Rent Geared to Income (RGI) is calculated. Service System Managers were given the choice to implement the new changes effective July 1, 2020 or July 1, 2021 in order to determine the local impact.

The new RGI calculation is based on 30% of Adjusted Family Net Income (AFNI) and that rent amount is adjusted for utilities, services and heating costs which are all subject to a minimum rent amount.

$$\text{Monthly rent for a family unit} = \left[\frac{\text{AFNI} \times 30\%}{12} \right] \text{ +/- utility adjustments}$$

The Manitoulin-Sudbury DSB has decided to implement the new RGI calculations starting July 1, 2020. All rents calculated as of July 1, 2020 will use the new RGI calculation.

PROCEDURE

RGI rent will be determined through an annual calculation based on 30 percent of AFNI, which is adjusted for utilities/heating and is subject to minimum rent. This equates to Line 236 of the latest Income Tax Return less any Registered Disability Support Plan (RDSP) payments. Before applying the 30 percent, monthly AFNI is reduced by any employment-related earnings deduction of either \$75 or \$150 per month. The calculation is completed as follows: Line 236 x 30% divided by 12. Then deduct \$75 or \$150. (As calculated in the Housing Database -Yardi).

A review of a household's RGI rent must be conducted every 12 months. RGI households paying market rent remain eligible for 24 consecutive months.

The minimum rent for RGI households will increase to \$129.00 and indexed year over year to Ontario's annual rent increase guideline.

All household members in full-time studies (regardless of age or circumstances) will now have their income excluded from the RGI calculation. Net income will also exclude child support.

**Manitoulin-Sudbury District Services Board
POLICY & PROCEDURES MANUAL**

Section: I. Social Housing	Effective Date: July 1, 2020
Topic: I.2. Tenant Policies	Replaces: NEW
Subject: 4.13. RGI Simplification	
Policy No. I.2.1	Page 2 of 2

Household member whose income is to be included in the rent calculation will be required to file their income tax returns annually as a condition of continued eligibility, subject to the Service System Managers discretion in extenuating circumstances.

On an annual basis, all residents will be requested to supply updated information of their income by way of the Notice of Assessment (and assets) to determine the correct rental amount. Residents will receive an update request starting 6-months prior to the anniversary date of their most current lease agreement. Changes will be effective the first day of the following month of the RGI review for decreases and the first day of the second month for increases.

Should a resident not respond, 2nd requests will be sent 5-months in advance of the anniversary date, and 3rd (final) requests will be sent 4-months in advance. After the final request, residents who do not respond are subject to notice to the market rent value for non-compliance. If a tenant provides the required documents to calculate the rent late – rent will be adjusted within the month the documents are received. Additional rent adjustments will be made at the discretion of the Service System Manager.

Housing Providers will only complete in-year reviews under specific circumstances such as: permanent change in household composition, a decrease in income of 20 percent, a change in full-time student status, a member of a household has started to receive or stopped receiving social assistance, a member of the household has had their income tax reassessed.

The most current Notice of Assessment will be used to complete annual reviews. In some instances where tax information is not available or does not accurately reflect current financial circumstance (e.g. irregular income), the Service System Manager can determine an alternate annual income amount based on a projection for the next 12 months. If line 236 is showing no income, it will be at the discretion of the Service System Manager on next steps.

If the Notice of Assessment is not available other forms of verification documents will be accepted as follows:

- The net income from the tenant's copy of Income Tax & Benefit Return;
- The net income from the previous year Notice of Assessment (if the review is done prior to June 30th);
- Current and consecutive paystubs (based on a 12-month projection of employment income) using net income to determine an average;
- T4/T5 statements;

**Manitoulin-Sudbury District Services Board
POLICY & PROCEDURES MANUAL**

Section: I. Social Housing	Effective Date: July 1, 2020
Topic: I.2. Tenant Policies	Replaces: NEW
Subject: 4.13. RGI Simplification	
Policy No. I.2.1	Page 3 of 2

- Bank Statements;
- A completed employment verification form.

Information for Social Assistance Recipients (SAR) who are not employed, or do not have dependents will be updated once every 36 months. Interdepartmental consent will be used to continue to verify information in SAMS for social assistance eligibility and household size.

Seniors receiving Old Age Security (OAS), Guaranteed Income Supplement (GIS) or Guaranteed Annual Income System (GAINS) and only fixed income may have their RGI reviewed every two years. RGI is increase in non-review years by 30 percent of the difference between current OAS/GIS/GAINS and the amount in the previous tax year.