

## Northumberland County Community Housing Directives

Housing Services Division

555 Courthouse Road

Cobourg, Ontario K9A 5J6

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**Subject: Income Limits**

**Directive Number: 2021-09**

**Effective Date: Upon issuance, October 18, 2023**

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### Intent

To establish income limits to be eligible for rent-geared-to-income (RGI) assistance and to determine what types of income that are included under such limits.

### Background

Under the Housing Services Act (HSA), 2011, income limits can be established to limit the amount of income that a household may have and still be eligible for RGI assistance.

Income limits are updated periodically in line with the changes to the household income limits set out in Schedule 2 of Ontario Regulation 370/11.

### Income Limits

To be eligible for the centralized waitlist and initially eligible for RGI assistance, an applicant's adjusted family net income (AFNI) cannot be more than the applicable income limit.

### Procedures

At the time of a new application for RGI assistance, the AFNI of the household will be reviewed. Where AFNI is in excess of the provincial annual Household Income Limits, the household will be determined to be ineligible for RGI assistance. The AFNI will be assessed in relation to the largest unit for which the household is eligible for, even if the household is being offered a smaller unit.

Once a household is determined eligible and placed on the centralized waitlist, their eligibility will be reviewed every twenty-four months. If the AFNI is in excess of the provincial household income limits in place at the time of the review, the applicant will be ineligible for RGI assistance and removed from the waitlist.

Gross household income will be determined as declared by the applicant at the time of application or on any review. Verification of income will not normally be required, however may be requested.

Housing providers are required to verify the household income of all RGI applicants at the time of offer. If the household is in excess of the maximum provincial household income limit, the applicant is ineligible for RGI assistance and will **not** be offered the vacant unit.

## Verifying Income at Time of Offer

Housing providers will review and verify an applicant household's income at the time of offer and will proceed with the offer only if AFNI is below the applicable income limit.

AFNI is normally determined using tax-based net income. Tax based net income is the net income amount set out on Line 23600 of the person's income tax return as assessed by the Canada Revenue Agency (CRA). It is verified using the Proof of Income Statement or Notice of Assessment (NOA) from CRA.

- If the move-in date is between July and December, AFNI is verified using the Proof of Income Statement or NOA from the previous tax year
- If the move-in date is between January and June, AFNI is verified using the Proof of Income Statement or NOA from the tax year before the previous year.

If the applicant has not filed their income tax return or the tax-based net income does not accurately reflect the current average income, the housing provider may use approximated net income to determine AFNI. Verification must provide sufficient information to allow for an annualized approximation of net income that is anticipated to be received over the 12-months following move-in. Alternate verification may include:

- A more current Proof of Income Statement or NOA
- A regular statement of income (e.g. pay stub or monthly financial statement) or a letter from the employer or organization to verify gross income.

## Income Included under Income Limits

Only current and ongoing income that would normally be included in the calculation of RGI is considered under the income limits. This includes income that would normally be reflected on Line 23600 of the income tax assessment, such as:

- employment income, including wages, salaries, commissions, bonuses, tips, gratuities, vacation pay, and remuneration as a dependent contractor (do not include strike pay)
- net self-employment income (business, professional, commission, farming, fishing, and income from partnerships)
- 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 insurance plan
- veterans' 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
- Interest, dividends and other investment income - excluding income from Tax-free Savings Account (TFSA) investments
- Annuities
- capital gains
- net rental income
- spousal support payments received (but not child support payments)
- all other taxable income sources

Net Registered Disability Saving Plan (RDSP) payments, one-time lump sum payments, income tax credits or benefits, children's benefits, child support payments, or social assistance payments from Ontario Works or the Ontario Disability Support Plan (ODSP) are not included under the income limits.

The income of full-time students is considered under the income limits in determining eligibility for RGI, even though it is otherwise excluded from RGI calculations.

## **Repealed Rules**

This directive replaces Policy 2008-08 Income Limits

## **Legislative Authority**

Reference: Housing Services Act 2011, s. 42

O. Reg. 367/11, s. 34

O Reg. 370/11, Schedule 2

If there are any questions, please contact the Service Manager for Northumberland County Housing Services at 905-372-3329.