

# Directive

## Directive: Rent-Geared-to-Income Calculations – Treatment of Temporary Doubling of Guaranteed Annual Income Systems (GAINS)

<b>Issue Date:</b>	April 20, 2023	<b>Directive No.:</b>	DIR2023-06
<b>Revision Date:</b>		<b>Revision No.:</b>	

**Applicable Policy:**

**Type:** Operational

*The policies and procedures in this Directive are to be implemented by Housing Providers/Cooperatives funded by the Municipality under the following programs.*

**Provincial Non-Profit Housing Providers**

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Gananoque Family Housing                      | <input checked="" type="checkbox"/> Gananoque Housing Inc.                           |
| <input checked="" type="checkbox"/> Legion Village 96 Seniors Residence           | <input checked="" type="checkbox"/> Twp. of Bastard & South Burgess Housing Corp.    |
| <input checked="" type="checkbox"/> Brockville Municipal Non-Profit Housing Corp. | <input checked="" type="checkbox"/> South Crosby Non-Profit Housing Corp. – Pineview |

**Federal/Provincial Cooperative Housing**

- Shepherds Green Cooperative Homes Inc.

**Housing Providers with Rent Geared-to-Income Service Agreements**

- Athens & District Non-Profit Housing (RGI Service Agreement)
- Gananoque Housing Inc. (RGI Agreement)
- Marguerita Residence Corp. (RGI Service Agreement)
- South Crosby Non-Profit Housing Corp. - Rideau Lakes Apartments (RGI Service Agreement)
- Rent Supplement Program, including Housing Providers with expired Federal Operating Agreements

**Other Housing Providers**

- Leeds Grenville Housing Department

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### BACKGROUND

Since July 1, 2021 the province has introduced changes to the RGI calculation and introduced flexibility to excluded temporary benefits from rent-geared-to-income- calculations. As society recovers from the COVID-19, the impact on the economy continues, and emergency/recovery benefits expire, Housing Providers will continue to support vulnerable households through these changes.

### PURPOSE

To provide information to Housing Providers regarding the treatment of the temporary doubling of Guaranteed Annual Income System (GAINS) payments in 2023 for rent-geared-to-income (RGI).

### ACTION TO BE TAKEN

1. The following emergency payments are considered taxable income and will appear on the tenant's Notice of Assessment (NOA):
  - Canada Emergency Response Benefit (CERB)
  - Canada Emergency Student Benefit (CESB), except where exempted for full-time students under the Housing Services Act, 2011
  - Temporary doubling of the Guaranteed Annual Income System (GAINS) payments
2. Some tenants may have received emergency/recovery benefits. As these benefits expire, Housing Providers will continue to support vulnerable households with the transition through Annual and In-Year Reviews.
3. If at the time of the Annual Review the emergency/recovery benefit has expired **and** the NOA is not reflective of the household's current income, Approximated Net Income should be used to calculate the tenant's RGI. For example, if a household member received taxable COVID-19 emergency and/or recovery benefits in 2021, this is reflected on the 2022 NOA. If the household no longer receives the benefit(s) at the time of the Review, and ongoing income in 2023 has decreased, Approximated Net Income should be used for the RGI calculation to more accurately reflect the household's current income. Please refer to the Revised Guide to Calculating Rent-Geared-to-Income calculations for guidance on when and how to calculate Approximated Net Income.
4. When a household experiences a decrease in emergency and/or recovery benefits after the Annual Review has been completed (i.e. they were still in receipt of benefits at the time of the Review), an In-Year Review may take place. Household income must have dropped by 20%

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### ACTION TO BE TAKEN

and households are limited to one In-Year Review. Households must report changes within 30 days of the change in income.

### REFERENCE

SH Notification: 2303 Rent-Geared-to-Income and Canada-Ontario Housing Benefit Calculations: Treatment of Temporary Increase to the Ontario Guaranteed Annual Income Systems (GAINS), effective March 2023.

### LEGISLATION

Ontario Regulation 316/19

If you have any questions, please contact the following:

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**Chris Morrison, Manager  
Housing Department**

April 25, 2023

**Date**

# SH *notification*

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social housing

## **Rent-Geared-to-Income and Canada-Ontario Housing Benefit Calculations: Treatment of Temporary Increase to the Ontario Guaranteed Annual Income System (GAINS)**

Legislation/Regulation

March 10, 2023

Operational

Release: 23-03

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The purpose of this notification is to provide information to Service Managers and housing providers regarding the treatment of the temporary doubling of Guaranteed Annual Income System (GAINS) payments in 2023 for rent-geared-to-income (RGI) assistance and Canada-Ontario Housing Benefit (COHB) payments.

### **Rent-Geared-to-Income Flexibility**

Since July 1, 2021, the province has introduced changes to the RGI calculation and introduced flexibility to exclude temporary benefits and emergency payments from rent-geared-to-income calculations. For example:

- Canada Emergency Response Benefit
- Canada Emergency Student Benefit (except where exempted for full-time students under the *Housing Services Act, 2011*)
- and the 2020 temporary doubling of the Ontario Guaranteed Annual Income System (GAINS) payments.

Service Managers are expected to take advantage of regulatory flexibility in regard to the treatment of the temporary doubling of GAINS payments in 2023 and determine RGI assistance in accordance with the Ministry's simplified rules prescribed in Ontario Regulation 316/19 under the *Housing Services Act, 2011*.

For example, Section 6(4) of Ontario Regulation 316/19 allows a Service Manager to project income and deductions for the 12-month period following an annual RGI review if, in the opinion of the Service Manager, the net income amount on the most recent income tax return is not reflective of a household member's current financial position. This may occur in a situation where a household member received taxable emergency and/or recovery benefits that do not reflect their historically expected income and their income in the coming year is expected to decrease. The Ministry expects Service Managers will utilize this flexibility to exclude income from the temporary increase to GAINS provided in the current tax year from RGI calculations.

Under Section 11 of Ontario Regulation 316/19, households may also request that their Service Manager or housing provider conduct an in-year RGI recalculation if their

household income has decreased by 20 per cent or more since their last review. RGI households are limited to one in-year recalculation for loss of income between annual reviews.

### **Canada-Ontario Housing Benefit (COHB)**

Applicants entering the COHB program can be exempted from Automated Income Verification (AIV) for their initial benefit calculation and the Service Manager can elect to use Schedule 2 of the application form to project the applicant's income.

Effective from January 1, 2023, to December 31, 2023, Service Managers will only include half of a new applicant's 2023 GAINS payment amount when manually calculating household net income and AFNI where the applicant's 2021 income tax return for benefit year 2022-2023 or their 2022 income tax return for their 2023-2024 benefit year has not been filed. Starting March 1, 2024, Service Managers will manually calculate household net income and AFNI for benefit year 2024-2025 for all new applicants in receipt of GAINS to bypass AIV to avoid reduced COHB entitlements due to the temporary GAINS increase reflected in their 2023 income tax return.

### **Further Information**

Ontario Regulation 316/19 is available through the following hyperlink:  
<https://www.ontario.ca/laws/regulation/190316>

Should you have further questions, please contact your respective Team Lead, Regional Housing Services.