

Directive

Directive: Treatment of Canada Disability Benefit (CDB) Payments under Rent-Geared-to-Income (RGI) Rules

Issue Date: September 25, 2025

Directive No.: DIR2025-06

Revision Date:

Replaces s No.:

Applicable Policy: n/a

Type: Operational

Applicable Housing Providers

Provincial Non-Profit Housing Providers

- | | |
|--|---|
| <input checked="" type="checkbox"/> Gananoque Family Housing | <input checked="" type="checkbox"/> Twp. of Bastard & South Burgess
Housing Corp. |
| <input checked="" type="checkbox"/> Legion Village 96 Seniors Residence | |
| <input checked="" type="checkbox"/> Brockville Municipal Non-Profit
Housing Corp. | <input checked="" type="checkbox"/> Gananoque Housing Inc. |
| | <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 Service Agreement)
- Marguerita Residence Corp. (RGI Service Agreement)
- South Crosby Non-Profit Housing Corp. – Rideau Lakes Apartments (RGI Service Agreement)

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- Rent Supplement Program, including Housing Providers with expired Federal Operating Agreements

Other Housing Providers

- Leeds and Grenville Housing Department

Background

The Canada Disability Benefit (CDB) is a new federal income-tested benefit that provides up to \$200 per month (\$2,400 per year) to eligible people with disabilities aged 18 to 64. Currently, the CDB is considered taxable income under the federal Income Tax Act, which means it is included in a person's net income as reported to the Canada Revenue Agency. Under the Housing Services Act, 2011 (HSA), rent-geared-to-income (RGI) is generally calculated as 30% of a household's adjusted net income. Rules for calculating RGI rent, conducting annual reviews, and optional in-year reviews are set out in Ontario Regulation 316/19. In most cases, CDB payments received in 2025 would not affect a household's RGI rent until the annual review using 2025 tax data, typically starting July 1, 2026. However, if a Service Manager or housing provider projects a household's income for the upcoming year or conducts an in-year review, the CDB might increase a household's rent unless adjustments are made. The Service Manager has the authority to forgive all or part of the rent payable by a household, which includes the treatment of CDB payments, under Section 51 of the *HSA*.

Purpose

To provide guidance to Housing Providers on the treatment of Canada Disability Benefit (CDB) payments under the Housing Services Act, 2011 (HSA). The intent is to prevent unnecessary increases in geared-to-income rent or loss of eligibility resulting from households receiving CDB payments.

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Action to Be Taken

Reporting Requirements

Households are required to report increases in non-benefit income within 30 days (Section 28, O. Reg. 367/11). Housing Providers may extend this reporting period for households receiving CDB to reduce administrative burden and prevent unintended rent changes.

Housing Providers are directed to use their flexibility and authority under the Housing Services Act, 2011 (HSA) and associated regulations to prevent any negative impacts of Canada Disability Benefit (CDB) payments on RGI households. Housing Providers should take proactive steps to ensure that households receiving the CDB do not face unintended rent increases. Specifically:

Deferral or forgiveness of geared-to-income rent

51 (1) The service manager may, upon the application of a household receiving rent-geared-to-income assistance, defer or forgive all or part of the rent payable by the household. 2011, c. 6, Sched. 1, s. 51 (1).

In-Year Reviews

In-year rent reviews are at the discretion of the Housing Provider and are not mandatory (Section 11, O. Reg. 316/19)

Where in-year reviews are conducted, Housing Providers are to exclude CDB income from projected income calculations to prevent unnecessary rent increases.

Annual Reviews

Household income and rent calculation is based on a household's previous year's tax data. This means that increases to household income resulting from CDB payments would generally not impact RGI eligibility or geared-to-income rent until tax data for

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2025 is used for annual reviews and eligibility determinations (typically as of July 1, 2026).

Annual rent reviews are required; the review does not need to occur on a fixed date within the 12-month cycle (Section 10, O. Reg. 316/19). Housing Providers are encouraged to continue with regular schedule timeframes for annual reviews, this guidance does not exempt households from their required annual rent review but rather provides the direction to exclude CDB income from Line 236 on the Notice of Assessment.

Households must provide verification of CDB income to have the amount excluded from the annual RGI calculation.

Communication to Households

Housing Providers should communicate with households about CDB and its impact on RGI assistance.

- a) Notify all households explaining the CDB, how to report income and the potential impact on rent-gear-to-income calculations. (Appendix A – Household letter template)
- b) Keep records of communication with households including letters sent and any adjustments made to in year calculations.

Reference

SH Notification: 25-06 Treatment of Canada Disability Benefit Payments under Rent-Gear-to-Income Assistance. Effective July 1, 2025.

Legislation

Housing Services Act, 2011 s. 51

O. Reg. 367/11 s. 10, 11, 28, 32.4(2)

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Appendix

A – Household Letter Template

If you have any questions, please contact the following:

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October 8, 2025

Chris Morrison, Manager

Date

Housing Department