

GUIDE TO UNDERSTANDING YOUR **RENT SUBSIDY**

IMPORTANT

This guide provides important information about your rent subsidy. The Government of Ontario changed the way rent subsidies are calculated. These changes took effect in York Region on July 1, 2021.

This document is for tenants and co-operative members who live in a community housing building administered by York Region. For clarity, the term “rent” is used throughout, and applies to co-operative members who pay housing charges.

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Rules you must follow to keep your rent subsidy

- Complete your annual review when contacted by your housing provider within the timeline they specify
- File your taxes each year by the Canada Revenue Agency (CRA) deadline of April 30th
- Give your housing provider any additional information or documents they ask for within 30 days
- Talk to your housing provider before someone moves in and let them know within 30 days if someone moves out
- Not be away from your unit for more than 90 days in a row
- Apply to additional income benefits or assistance programs when directed to by your housing provider
- Live independently in your unit, with or without supports
- Live in a unit that has the right number of bedrooms for the number of people living with you
- Stay under York Region's asset limits and report any new assets to your housing provider at your annual review, including bank accounts:
 - \$75,000 if you started receiving your rent subsidy on or after October 1, 2018
 - \$150,000 if you started receiving your rent subsidy before October 1, 2018
- Not pay rent equal to market rent for more than 24-months. This can happen when your income increases, and your rent calculation is equal to or more than the market rent for your unit

IMPORTANT If you do not complete your income tax return each year, you will lose your rent subsidy and pay market rent for your unit.

How is my rent calculated?

Your rent is calculated every year by your housing provider. The way your rent is calculated depends on the type of income you receive.

- If you do not receive Ontario Works (OW) or Ontario Disability Support Program (ODSP), your rent is calculated based on 30% of your household's monthly income before taxes. Your monthly income is determined using your most recent income tax information
- If you get social assistance from OW or ODSP and:
 - Your income from sources other than OW or ODSP (i.e., employment income) is below a provincial income limit, your rent is set at a fixed rate
 - Your income from sources other than OW or ODSP (i.e., employment income) is above a provincial income limit, your rent is calculated based on 30% of that income

Your rent subsidy covers the difference between market rent for your unit and the rent you pay. The rent subsidy is paid by the Region directly to your housing provider. Additional charges may apply depending on the building that you live in (e.g., parking, cable, sector support charges if you live in a co-operative, etc.).

IMPORTANT You can download a copy of the Rent Subsidy Review Form by visiting york.ca/Housing-Providers-Resources

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Steps used by your housing provider to calculate your rent

Step 1	Confirm who lives with you
Step 2	Confirm your annual income
Step 3	Calculate the rent based on everyone's income and determine if you're eligible for an employment deduction
Step 4	Add any utility charges paid by your housing provider set by the Government of Ontario
Step 5	Subtract allowances for services, utilities and heating paid for by your household set by the Government of Ontario
Step 6	Compare the final amount to the lowest and highest amount of rent you can pay based on provincial rules
Step 7	Add any additional charges (i.e., parking, cable, co-op sector support, etc.)
Step 8	Notify you of changes in rent

Step 1 Confirm who lives with you

To calculate your rent, your housing provider needs to know who lives with you, their income, and if anyone receives social assistance or is a full-time student. You report this information by completing the [Rent Subsidy Review Form](#) every year or when you wish to add someone to your unit.

Why does my housing provider need to know about full-time students in my household?

Income earned by full-time students is **not** included in your rent calculation. A full-time student is someone taking at least 60% of a full course load, or in the case of a student with a permanent disability, at least 40% of a full course load. To show that someone is a full-time student, you must give your housing provider a copy of the Ontario Student Assistance Program (OSAP) assessment summary or a letter from the registrar of a post-secondary institution. You are not required to give proof of full-time student status for students under the age of 18.

IMPORTANT The income of full-time students is not included in the calculation of your rent.

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Step 2 Confirm your combined annual income

Once your housing provider knows who lives with you, the next step is to confirm your combined annual income. In most cases, your housing provider will use income tax information to do this, by:

1. Adding up Line 23600 of your **Proof of Income Statement** or your **Notice of Assessment** for everyone that lives with you, except full-time students
 - a. If any Registered Disability Savings Plan (RDSP) payments were made or received, your housing provider needs your Proof of Income Statement to verify RDSP income
2. Dividing your household's combined annual income by 12 months to get monthly income
3. If you receive OW or ODSP, subtracting your benefit payment amount shown on your Statement of Assistance from your monthly income to determine how much income you receive from other sources

What if my current income is different than my income tax information?

If your current income is very different from your income in the last tax year, your housing provider can use your current income to calculate your rent. This is why you must list all your monthly income sources on the [Rent Subsidy Review Form](#) when completing an annual review.

Changes in income can happen when you've changed jobs, you start or stop receiving social assistance, or you start receiving pension income.

If your income has changed, you must provide proof of your current income. Your housing provider can help you understand what documents to provide. This can include pay stubs or letters from your employer or the organization that issues your income.

Your housing provider will usually use this approach only if your annual income has gone up or down by around 20% or more.

Step 3 Calculate rent based on monthly income

Once your housing provider knows your household income, and if you receive OW or ODSP, they can calculate your rent.

Employment deductions

If someone in your household is working, they may be eligible for an employment deduction. The deduction amount is determined as follows:

- \$75 for a single person
- \$150 for a family with more than one person

Rent calculation

Your rent is then calculated as follows:



Income



\$75 or \$150



30%

Take your monthly household income

Subtract the applicable employment exemption

Multiply by 30% to determine your household's rent

If you receive OW or ODSP, your housing provider will compare the monthly income you receive from other sources, calculated during Step 2, to provincial income limits. If your other income is below the limit for your household, your rent is set at a fixed rate. If your other income is above the limit, your rent is calculated at 30% of that income.

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Steps 4 and 5 Add utility charges or subtract allowances

Once your rent is calculated, your housing provider may add extra charges if they pay the cost of additional services (i.e., heat, hot water, water, refrigerators, and stoves) or subtract an allowance if you pay directly for the services or utilities listed above.

The Government of Ontario sets the amounts of extra charges and allowances.

Step 6 Compare your rent to the lowest and highest amount of rent you can pay

Once your rent has been calculated and utility charges and allowances have been applied, the amount is compared to the minimum and maximum rent for your unit based on provincial rules.

- Minimum rent is the lowest amount of rent you can pay. Once utility deductions are applied, you cannot pay less than the applicable minimum rent
- Maximum rent is the highest amount of rent you can pay. It is the market rent for your unit

Step 7 Add any additional charges

Any additional charges are added to determine the total rent for your household. Additional charges can include services like parking, cable, locker and sector support for co-operatives.

IMPORTANT Additional charges are always added after the rent is calculated.

Step 8 Notify you of changes in rent

Your housing provider will send you a letter to let you know about changes in your rent and the date you will start paying the new amount. All rent calculations following an annual review take effect the first day of the month after the review, whether your rent is increasing or decreasing.

For example, if your housing provider completes your annual review in October, your new rent amount will take effect on November 1st. If your housing provider finds you are no longer eligible for a rent subsidy, you will start paying market rent for your unit 90 days after the review.

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Annual rent reviews

Your annual rent review confirms you are eligible for a rent subsidy and sets the amount of rent you will pay for the year. Your housing provider will contact you for a rent review once a year. You must complete the review to keep your rent subsidy.

Verifying information

For your review, you will need to provide:

- A filled-out copy of York Region's [Rent Subsidy Review Form](#). It is very important to fill out the entire form, including your income and asset information. By signing this form, you are confirming that all the information that you provided is true.
- Copies of birth certificates, permanent residence, or refugee claim documents if not already on file with your housing provider or if status has changed
- *Proof of Income Statement* (preferred) or *Notice of Assessment* from the CRA for you and everyone who lives with you over 18 years of age and not a full-time student
- Proof of current income if your current income is very different from the income on your *Notice of Assessment* or *Proof of Income Statement*
- Proof of school registration for all full-time students 18 and older
- Most recent *Statement of Assistance* from OW or ODSP, if you get benefits from either program
- Documents showing any new assets for anyone over the age of 16

What happens if I don't complete my annual review?

If you don't complete your annual review when your housing provider contacts you, you will lose your rent subsidy and pay the market rent for your unit 90 days after your housing provider gives you notice.

What is a proof of income statement and notice of assessment? How do I get a copy?

Proof of Income Statement A *Proof of Income Statement* is a document provided by CRA that outlines your income and deductions for the tax year. This document is the preferred document to give to your housing provider for your annual review.

Notice of Assessment A *Notice of Assessment* is an evaluation of your tax return sent by CRA after you file your tax return. Your *Notice of Assessment* does not have as much information as your *Proof of Income Statement*. Your housing provider may ask you for your *Proof of Income Statement* instead of your *Notice of Assessment* depending on your situation.

You can get a *Proof of Income Statement* or *Notice of Assessment* from the CRA by calling 1-800-959-8281.

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Reporting changes

What if my income changes between annual rent reviews?

The following changes must be reported to your housing provider within 30 days:

- You or someone you live with starts getting OW or ODSP benefits
- You or someone you live with has tax information reassessed by CRA
- Someone moves in or out (Remember: you need to talk to your housing provider *before* someone moves into your unit)
- The status in Canada of someone you live with changes

You do not need to tell your housing provider about increases in income between annual reviews.

What happens if my income decreases before my next annual review?

If your income decreases by 20% or more (i.e., you lost your job), you can ask your housing provider to recalculate your rent. Your housing provider will ask you for pay stubs or a letter from your employer to confirm your new income. They will then recalculate your rent based on your estimated annual income for the next 12 months.

You can only request a rent review for a decrease in income once per year.

What information do I need to provide when reporting changes?

- Proof your annual income has gone down by 20% or more (could be pay stubs, letter from employer, etc.)
- OW or ODSP Statement of Assistance
- *Notice of Tax Reassessment* from CRA
- Information about the person moving in or out of your unit
- Canadian status documents (ex. copies of birth certificates, permanent residence or refugee claim documents, etc.) for someone who you want to move into your unit

What if I don't agree with a decision my housing provider made?

You can request a review if you disagree with decisions made by your housing provider. Reviews are done by The Regional Municipality of York. Reviewable decisions include:

- Your eligibility for a rent subsidy
- The amount of rent set at your annual or in-year review
- Your eligibility for the size and type of unit

You can ask for a review by submitting a [Request for Review Form](#) to your housing provider within 15 calendar days of the date on the decision letter. If you request a review of your housing provider's decision, York Region will review the request and make a final decision.

If you have any questions about the information in this guide, please contact your housing provider.

Accessible formats of this guide or communication supports are available by calling 1-877-464-9675 or 905-830-4444 ext. 72119.