



## Durham Social Housing Directives

Housing Services Division | Financial Housing Services  
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<b>Subject:</b>	<b>Notice of Changes and In-Year Reviews</b>
<b>Directive Number:</b>	<b>RGI 2020-04</b>
<b>Date:</b>	<b>June 15, 2020</b>

### Purpose

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Establish the requirements for rent-geared-to-income (RGI) tenants and co-op members to give notice of changes to information and documents pertaining to their RGI eligibility.

Provide guidance about how to adjust RGI eligibility or RGI payable when tenants and co-op members report in-year changes.

### Background

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Under the Housing Services Act, RGI tenants or RGI co-op members may be ineligible for RGI assistance if they fail to notify their housing provider of:

- a change to information or documents previously provided to determine RGI eligibility
- specified changes in income.

The Region of Durham may set timelines for notice of changes and may determine if RGI should be reviewed and adjusted because of a reported in year change in income (i.e. before the annual RGI review).

### Changes to Information or Documents

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RGI tenants and co-op members must report a change in information or documents previously provided to determine RGI eligibility **as soon as the change occurs**. This may include changes to status in Canada, significant changes in assets, or changes to other information or documents specifically related to RGI eligibility. It does not include most changes in income. Notice may be made verbally or in writing. If a document has changed, the RGI tenant or co-op member must provide a copy.

RGI tenants and co-op members who fail to report a change at the time it occurs may be deemed ineligible for RGI if the change remains unreported at the time of the next annual RGI review.

## Extenuating Circumstances

A housing provider may continue or reinstate RGI eligibility if it is satisfied that the change was not reported due to extenuating circumstances. This must be clearly documented on the RGI tenant or co-op member's file.

## Alternative Providers

Alternative housing providers who serve homeless or hard to house tenants may waive this reporting requirement at their discretion. The reasons for the waiver must be clearly documented in the tenant file.

## Changes to Income

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RGI tenants and co-op members are not required to report most changes in income until their next annual review, including increases in income.

However, RGI tenants and co-op members must report the following changes **as soon as they occur**:

- a permanent change in household composition
- a household member, whose income was not included in RGI because they were a full-time student, is no longer a full-time student
- the tenant or co-op member starts receiving Ontario Works or ODSP
- the tenant or co-op member stops receiving Ontario Works or ODSP
- an Ontario Works or ODSP benefit unit has a permanent increase in their non-benefit income
- a household member has had their income taxes reassessed.

RGI tenants and co-op members who fail to report any of the above income changes at the time they occur may be deemed ineligible for RGI if the change remains unreported at the time of the next annual RGI review.

In determining whether or not the tenant or co-op member should be deemed RGI ineligible, the housing provider should consider the impact that the unreported change would have had on the amount of RGI payable had it been declared on time. The tenant or co-op member should remain RGI eligible if the unreported change would have resulted in:

- no change in RGI
- an RGI decrease
- an RGI increase that was not material – e.g. occurring as a result of an increase in adjusted family net income (AFNI) of less than 20 per cent.

## Extenuating Circumstances

A housing provider may continue or reinstate RGI eligibility if it is satisfied that an income change was not reported due to extenuating circumstances. This must be clearly documented on the RGI tenant or co-op member's file.

## Alternative Providers

Alternative housing providers who serve homeless or hard to house tenants may waive the income reporting requirement at their discretion. The reasons for the waiver must be clearly documented in the tenant file.

## Decreases in Income

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RGI tenants and co-op members are not required to report most changes in income until their next annual review, but they may voluntarily report a decrease in income and request a review of their RGI if their total adjusted family net income (AFNI) has decreased by at least 20 per cent.

In-year RGI changes will not be conducted for tenants or co-op members who are pending or required to pursue income until the amount of the pending income is known. The RGI may be decreased if the total adjusted family net income, including the new income, is decreased by at least 20 per cent.

In-year RGI reviews conducted at the request of the tenant or co-op member due to decreased income are limited to once between annual RGI reviews (or between move-in and the first annual review). There are no exceptions.

## In-year RGI Changes

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Not all income changes that are reported outside of annual RGI reviews will result in an in-year change to RGI.

In-year RGI **decreases** resulting from a reported change in income will only be implemented if it meets all of the following criteria:

- The RGI tenant or co-op member is requesting that RGI be decreased.
- The household has not already had an in-year review due to a decrease in income.
- The change decreases total adjusted family net income (AFNI) for the year by at least 20 per cent.
- In the case of a benefit unit, the current RGI and utility costs payable are higher than the maximum shelter allowance for the benefit unit, and the difference is material.

In-year RGI **increases** resulting from a reported change in income will not normally be implemented, except in the case of any of the following:

- a new household member moves in with income
- a household member ceases to be a full-time student, and that person also has had ongoing income for at least the previous 6 months, that had previously been excluded from RGI due to their student status
- a benefit unit that is paying RGI at scale has an increase in non-benefit income above the applicable non-benefit income limit, and they continue to qualify for Ontario Works or ODSP
- a household member has had their income taxes reassessed and the change in net income is material.

In-year RGI reviews and changes are limited to once between annual reviews (or between move-in and the first annual review).

With the exception of in-year reviews conducted at the request of tenant or co-op member due to a decrease in income (i.e. the change was not required to be reported), housing providers may conduct a second review at their discretion if there are extenuating circumstances.

## **Effective Dates of RGI Changes**

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If a reported change in income results in an in-year RGI change, the effective date of the RGI change is the first day of the month following:

- the permanent change in household composition
- a household member's change in full-time student status
- the start of Ontario Works or ODSP
- the termination of Ontario Works or ODSP
- the date a household member's income taxes were reassessed.

The effective date of the RGI change is the first day of the month following the review of RGI in the case of:

- a benefit unit whose non-benefit income increases above the applicable non-benefit income limit
- a tenant or co-op member who requests an RGI change due to a decrease in income that does not normally have to be reported.

If a reported change in income does not result in an in-year change to RGI, the change in income will be included in the RGI calculation at the next annual RGI review.

## **RGI Increases of Less than \$10**

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In-year changes resulting in an RGI increase of less than \$10 are not implemented until the time of the annual RGI review.

## **Retroactive RGI Changes**

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In-year changes can result in the retroactive calculation of RGI if changes are not reported in a timely manner. They can also occur at the time of the annual RGI review if the change should have been reported in-year. This can result in the tenant or co-op member's owing retroactive RGI.

Retroactive RGI amounts owing must be repaid by the tenant or co-op member.

- Housing providers should first attempt to recover the retroactive RGI owing through a repayment agreement with the tenant or co-op member.
- If the tenant or co-op member refuses to enter into a repayment agreement, the housing provider may collect the amount owing by increasing the monthly rent or housing charge by 10 per cent of the monthly RGI amount.

Although the original RGI increase may be implemented retroactively to the first day of the month following the change in income, the additional 10 per cent increase cannot take effect until the first day of the second month following the notice of this increase.

For example:

- In January, a new person, who has income, moves into the RGI unit and the tenant or co-op member does not notify the provider of the change until mid June. The change results in the RGI increasing from \$250 to \$500 per month.
- In June, the provider notifies the tenant or co-op member that their RGI has increased to \$500 effective February 1, resulting in retroactive RGI owing of \$1,250 (\$250 x 5 months). The RGI tenant will start paying \$500 per month beginning July 1.
- In June, the housing provider gives notice to the RGI tenant that the RGI charge will be increased by 10 per cent to collect the retroactive RGI. The RGI charge increases to \$550 effective August 1.

Housing providers are required to use the [Notice of Retroactive RGI with Amount Owing](#) template letter in the Resources for Community Housing

Providers section on the Region of Durham’s website to notify tenants and co-op members of RGI changes that result in retroactive RGI owing.

### **Administrative errors**

Retroactive RGI resulting from an administrative error is not collected back from the RGI tenant or co-op member (e.g. if an RGI tenant or co-op member declares information on time and the housing provider does not implement the change in a timely manner).

### **Repealed Rules**

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This directive replaces Durham Community Housing Directive RGI 2012-04 Notice of Changes.

### **Legislative Authority**

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Housing Services Act, s. 42, 52(3), 56(2)  
Ontario Regulation 367/11, s. 28, 60, 64  
Ontario Regulation 316/19, s. 11