

Lambton County Community Services Housing Services Department Policy and Procedure Manual

SUBJECT: Rent Calculation - RGI Assistance		INDEX NO.: 1.011
EFFECTIVE: 01/10/01	APPROVED: Nov. 27, 2003	REVISED: 02/22/06

Policy:

Rent calculations are done using information from the Annual Income Verification Form (Index No. 3.006).

Procedure:

Determine benefit units (O. Reg. 298/01, s. 48) and/or family units (O. Reg. 298/01, s. 49).

Verify income and assets.

➤ Determine the source and amount of household income, *see Verification of Income and Assets, index 1.10.*

Socially-Assisted Beneficiaries

- Determine the type of social assistance of the principal cheque received and the total number of beneficiaries.

Employment Related Income

- Determine all employment-related income from the head of the household, spouse, secondary tenants, other lessees and live-in attendants, or unrelated adults.

Other Leaseholder Income

- Determine the total unearned or asset income and the total value of non-income producing assets.
- Multiply the total of unearned or asset income and non-income producing assets by the current imputed rate, and divide by twelve (12) to derive the monthly income.

Secondary Tenant Income

- Determine the earned and non-benefit income for each secondary tenant who is not a full time student.

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- In general, secondary tenants are children of the household, except for:
 - children who are living with a spouse;
 - children with children of their own;
 - children who receive a social assistance cheque.

Determine the rent scale to be used.

- There are two scales: Rent-Geared-to-Income (RGI) (30% of adjusted family income) or Socially Assisted Rent (SAR) (O. Reg. 298/01, Tables 3, 4 and 5).

Use the RGI Scale in the following circumstances:

- If household members are in receipt of employment related income (subtract the single parent or working spouse exemption for those that are eligible, O. Reg. 298/01, s. 50 (1) (b));
- If no household member receives social assistance;
- If the tenant receives the minimum monthly social assistance cheque and non-income benefits, such as a drug card. For example, recipients of the Widowed Spouses Allowance, CPP Disability Pension, or payments from the Ministry of Community and Social Services Work Incentive Program (WIN) which supplements employment income of former social assistance recipients;
- Refer to the RGI Scale, if there are also secondary tenants with earned/non-social assistance income. Secondary tenants include any family members of a household with the exception of primary tenants.

Secondary tenants are eligible for the secondary wage earner exemption (O. Reg. 298/01, s. 49 (3) (b)) with the following exceptions:

- any full time dependent student under the age of twenty-six living with one or both parents or guardians, since the income of such students is totally excluded from rent calculations;
- any dependent social assistance beneficiary who does not receive a cheque, since the geared-to-income rent for all beneficiaries is determined on the social assistance rent scales.

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Social Assistance Rent (SAR) Scale

Social Assistance Rent/Scales now consist of two Ontario Works Scales (O. Reg. 298/01, Table 3 and 4) plus an Ontario Disability Support Program (ODSP) Scale (O. Reg. 298/01, Table 5). The Ontario Works scales are separately labelled by household composition. It is the composition of the household (e.g. "single parent with children") which will now determine which of the two Ontario Works scales to use. The ODSP scale will apply to households who are in that program. The drug card will continue to specify the number of beneficiaries and the cheque stub should indicate whether the household is in receipt of Ontario Works or ODSP. It is also important to note that, the name of a recipient may show up on two drug cards in the same household, e.g. In the case of a single parent living with her parent/s who is/are also on social assistance, the name may be listed on her drug card as well as on the drug card of her parent/s.

The fully serviced scales are used when social assistance is the only source of income or if the household receives social assistance and has income from other sources which is less than the gross non-benefit income limit.

Examples: Using the SAR scale (This scale is revised on an regular basis)

Household Composition - couple and two children receiving benefits under Ontario Works. Use O. Reg. 298/01, Table 4, benefit unit size 4.

Rent/occupancy charge is \$254 plus standard extra charges (O. Reg. 298/01, Table 6) less allowances for water and appliances (O. Reg. 298/01, Table 7).

Household composition - couple, with no children receiving benefits under Ontario Works. Use O. Reg. 298/01, Table 4, benefit unit size 2.

Rent/occupancy charge is \$175 plus standard extra charges (O. Reg. 298/01, Table 6) less allowances for water and appliances (O. Reg. 298/01, Table 7).

Household composition - single person receiving benefits under Ontario Works. Use O. Reg. 298/01, Table 4, benefit unit size 1. Rent/occupancy

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charge is \$85 plus standard extra charges (O. Reg. 298/01, Table 6) less allowances for water and appliances (O. Reg. 298/01, Table 7).
Household composition - single parent and three children receiving benefits under Ontario Works. Use O. Reg. 298/01, Table 3, benefit unit size 4. Rent/occupancy charge is \$269 plus standard extra charges (O. Reg. 298/01, Table 6) less allowances for water and appliances (O. Reg. 298/01, Table 7).

Household composition - single person receiving benefits under ODSP. Use O. Reg. 298/01, Table 5, benefit unit size 1. Rent/occupancy charge is \$109 plus standard extra charges (O. Reg. 298/01, Table 6) less allowances for water and appliances (O. Reg. 298/01, Table 7).

Household composition - couple and two children receiving benefits under Ontario Disability Support Plan (ODSP). Use O. Reg. 298/01, Table 5, benefit unit size 4. Rent/occupancy charge is \$278 plus standard extra charges (O. Reg. 298/01, Table 6) less allowances for water and appliances (O. Reg. 298/01, Table 7).

- If social assistance is the only source of income, apply the total number of beneficiaries to the appropriate scale.
- If a household is in receipt of two or more social assistance cheques, calculate the rent of each recipient according to the appropriate scale, and add together to determine the rent for the household.
- If the tenant has non-Ministry of Community and Social Services (non-MCSS) benefit income that exceeds the threshold amounts given under the gross non-benefit income limit on the Social Assistance Scale, use the RGI Scale to calculate the rent.
- A household head or spouse may receive reduced social assistance to offset the full non-social assistance income (i.e., earnings or pension income) of another household member who is not defined as a primary tenant. In this case, the

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household member is included in the total number of beneficiaries applied to the appropriate scale.

- One or more members of the household may receive social assistance payments that are not reduced to offset the full non-social assistance income (i.e., earnings or pension income) of any non-beneficiaries living in the household. In this case, calculate the rent of the non-beneficiaries separately on the RGI scale, and add to the rent for all social assistance beneficiaries. For example, the household head may be employed full time, but a resident daughter who is a single parent, or a disabled older child or grandparent may receive social assistance.
- Tenants, who are recipients of Spouses Allowance or the Canada Pension Plan (CPP) Disability Pension, may receive the minimum social assistance benefit each month and a drug card. These tenants are not considered to be social assistance recipients and the RGI Scale is applied to their total income.
- If the social assistance recipient is considered to be a Non-Profit boarder by the social worker, it is appropriate to inform the tenant's social worker that the full social assistance rent is required.

Calculate rent.

- Total Monthly Income
 - Calculate all income from socially-assisted beneficiaries, employment related income and other income as described less applicable deductions.
- Monthly Rent Per Scale
 - If the income is from social assistance, and any other income does not exceed the gross non- benefit income limit, then use the appropriate social assistance scale.
 - Calculate the rent separately for each social assistance recipient, and then add together.

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If the income is not from social assistance, then use the appropriate RGI rate of 30% after allowing for the deduction on employment-related income. Adjust for secondary tenant income if applicable.

Adjust rent for Utility Charges/Allowances.

➤ **Net Adjustment**

The rent that has been established is the "fully-serviced" rent, which includes heat, hot water, water, fridge and stove. This does not include hydro for lights and power. Should any of these services not be provided, there may be an additional allowance to reduce the rent. Should services in addition to the ones above be provided, there may be an additional charge added to the rent.

Add standard extra charges (O. Reg. 298/01, Table 6) or subtract allowances for water and appliances (O. Reg. 298/01, Table 7), to get the adjusted monthly rent.

Final Monthly Rent

➤ Normally, the adjusted rent is the final rent; however, if the adjusted rent is less than the minimum rent of \$85.00 use the minimum rent. If the adjusted rent is more than the market rent, reduce it to the market rent.

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Step by Step Summary

- Step 1** Verify all sources of income and household composition
- Step 2** Identify excluded income
- Step 3** Determine the gross monthly income of all household members
- Step 4** Identify social assistance income
- Step 5** Apply employment allowance, if applicable
- Step 6** Identify income-producing assets
- Step 7** Identify non-income producing assets
- Step 8** Determine monthly adjusted family income
- Step 9** Apply the appropriate rent ratio or appropriate rent scale to calculate the base RGI
- Step 10** Apply utility charges or allowances
- Step 11** Compare geared-to-income rent to minimum/maximum rent
- Step 12** Apply additional charges
- Step 13** Adjust for partial month rent, if applicable