

Lambton County Community Services Housing Services Department Policy and Procedure Manual

SUBJECT: Verification of Income and Assets		INDEX NO.: 1.010
EFFECTIVE: 01/10/01	APPROVED: 27/03/03	REVISED: 03/07/09

Policy:

The County of Lambton requires that all sources and amounts of income and assets be verified prior to the establishment of the rent geared-to-income assistance and on an annual basis or more often as determined by the Service Manager.

Procedure:

1. All income sources, amounts and asset values require verification for every member of the household.

Income means all income, benefits and gains, of every kind and from every source, but not limited to the following:

- gross salaries, wages, overtime payments, commissions, bonuses, tips, gratuities;
- ;
- the greater of the net income from the business or the total withdrawals from the business or personal salary or other benefits of any member of the family or of the applicant who is self-employed in a business;
- the gross amount of employment insurance benefits;
- the gross amount of worker's insurance benefit payments or other industrial accident insurance payments or payments made because of illness or disability;
- the gross amount of any old age security, federal guaranteed income supplement and spouse's allowance and the Ontario Guaranteed Annual Income Supplement (GAINS);
- the gross amount of every kind of pension allowance, benefit and annuity whether from a federal, provincial or municipal government of Canada or any level of government of any other country or state from any other source;
- the gross amount of alimony, separation, maintenance or support payments made to the applicant;
- the gross amount of gains from investments including interest on dividends, stocks, shares and other securities and where the actual income

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cannot be determined, an imputed rate of return set by the service manager from time to time;

- the gross interest income from savings or chequing accounts in a bank, trust company or a credit union;
 - the gross amount of interest earned or payable from bonds, debentures, term deposits or investments, certificates, mortgages, capital gains or lump sum payments or other assets;
 - an imputed income amount equal to the total appraised value of all assets which do not produce interest income multiplied by a rate of return set by the landlord from time to time.

“*Gross Family Income*” means the total income of the applicant and every person 16 years of age or older expected to reside in the accommodation.

Examples of possible sources of *income* include, but are not limited to:

a. Employment

- | | |
|---|--|
| <ul style="list-style-type: none"> • Casual Commissions • Cost of Living Bonus • Disability Pay • Full-time • Irregular • Long Term Income • Protection Payments • Odd Jobs | <ul style="list-style-type: none"> • Part-time • Seasonal • Separation/Vacation Pay • Shift Bonuses • Sickness Pay • Tips and Gratuities • Yearly or Seasonal Bonuses |
|---|--|

b. Self Employment

- | | |
|--|--|
| <ul style="list-style-type: none"> • Business • Child Care | <ul style="list-style-type: none"> • Teaching /Tutoring • Taxi |
|--|--|

c. Pensions and Allowances

- Canada Pension Plan (CPP)
- Civilian War Pension
- Company Pension

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- Disability pension
- Guaranteed Annual Income Supplement (GAINS)
- Guaranteed Income Supplement (GIS)
- Military or Militia or Civil Defence Allowances
- Old Age Security (OAS)
- Ontario Disability Support Program (ODSP)
- Private Pension
- Public Service Pension
- Quebec Pension Plan
- Social Security (other countries)
- War Veteran's Allowance (DVA)
- War Veteran's Allowance (other Countries)
- Widow's Pension Other
- Alimony Payments
- Employment Insurance Commission payments
- Insurance Payments
- Ontario Works (OW)
- Payments from Official Guardian or Public Trustee
- Provincial or Municipal Payments
- Separation Payments
- Support Payments (for spouse or child)
- Workplace Safety Insurance Benefits

Examples of possible *assets* include, but are not limited to the following:

a. Income Producing Assets

- Farm property which produces income
- Real estate (residential, commercial, farmland, cottage, mobile home) which produces rental income
- Savings accounts at bank, trust company, credit union, annuities; Guaranteed Investment / Certificates; stocks or shares, bonds, debentures, mortgages, loans, notes, term deposits
- Licence which produces income (e.g. taxi licence)

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- Business interest which produces income
- b. **Non-income Producing Assets**
 - Life Insurance (with a cash surrender value)
 - Real Estate (house, condominium, summer cottage, farmland, commercial or vacant land) which does not produce income
 - Collection of, or investments in, other valuable non-income producing assets
 - Business asset which does not produce income

1. Income Verification – Documentation Requirements:

INCOME SOURCE	DOCUMENTATION REQUIREMENTS
a) Employment income	
Regular Employment Income <i>*Full time students living at home are not required to provide the Employer Verification form. Verification of "full time" student status is required.</i>	Completed verification form from employer indicating: <ul style="list-style-type: none"> - company name, address, phone # - employee's name - pay period/frequency - gross pay amount and rate of pay - date employment commenced OR Consecutive pay stubs for a minimum of a two month period indicating: <ul style="list-style-type: none"> - company's name - employee's name - pay period/frequency - gross pay amount and rate of pay - tear-to-date totals AND Most recent Notice of Assessment from Revenue Canada. The Income Tax

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	Return may be appropriate in some cases.
Irregular Employment Income	As regular employment income AND Most recent Notice of Assessment from Revenue Canada. The Income Tax Return may be appropriate in some cases. Average monthly gross of previous 12 months earnings. (Note: where income is averaged, no rent forgiveness will be permitted.)
Tips/Gratuities/Commissions	Copy of pay stubs or T4 showing amount received AND Most recent Notice of Assessment from Revenue Canada. The Income Tax Return may be appropriate in some cases.
b) Self Employment Income	Audited financial statements AND Most recent Notice of Assessment from Revenue Canada. If self-employed less than one year: Signed statutory declaration of anticipated income for next 12 months or forecast from professional accountant. Subsequent verification by a certified copy of income tax return or audited financial statements.
c) Pensions and Allowances	
Employment Insurance Benefits	Most recent EIB cheque stubs indicating gross amount and frequency of

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	payment(s) AND Most recent Notice of Assessment from Revenue Canada. The Income Tax Return may be appropriate in some cases.
Annuity Retirement Income Fund Payments	Cheque stub(s) indicating gross amount and frequency of payment(s) OR Letter from issuer confirming gross amount and frequency of payment(s) AND Most recent Notice of Assessment from Revenue Canada. The Income Tax Return may be appropriate in some cases.
Disability Payments *Not required if pension is from Ontario Disability Support Program.	Most recent cheque stub(s) indicating gross amount and frequency of payments OR Letter/statement from insuring agency stating gross amount and frequency of payments AND Most recent Notice of Assessment from Revenue Canada. The Income Tax Return may be appropriate in some cases.*

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Pension Income	<p>Most recent cheque stub(s) indicating gross amount and frequency of payment(s)</p> <p>OR</p> <p>Pension fund statement showing gross monthly pension amount and frequency of payments(s)</p> <p>AND</p> <p>Most recent Notice of Assessment from Revenue Canada. The Income Tax Return may be appropriate in some cases.</p>
Training Allowances	<p>Statement or cheque stub from granting organization indicating:</p> <ul style="list-style-type: none"> - total gross amount and frequency - amounts for transportation, child care, tuition, etc. - duration of program/course
d) Other Income	
Student Grant and/or Loan	<p>OSAP assessment form</p> <p>AND/OR</p> <p>Letter or information slip verifying amount and duration of any grant, scholarship or bursary</p>
Ontario Works Social Assistance Income	<p>Notice of Assistance Stub</p> <p>AND</p> <p>Drug Benefits Eligibility card</p>
Workplace Safety & Insurance Board Income	<p>Most recent cheque stub(s) indicating gross amount and frequency of payment(s)</p> <p>OR</p>

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	Statement stating gross amount and frequency of payment(s) AND Most recent Notice of Assessment from Revenue Canada. The Income Tax Return may be appropriate in some cases.
Support Payments Received	Copy of the support agreement or court order OR Family Responsibility Office (FRO) statement OR Sworn affidavit of amounts received, attaching a copy of the written agreement between the parties, if no legal agreement exists, and/or copies of receipts
Support Payments Paid	Court order or agreement requiring support payments be made and copies of cancelled cheques, documentation of garnished wages, etc. (if applicable)

2. Asset Verification – Documentation Requirements:

A written appraisal, by a qualified appraiser of the asset being valued (appraiser qualifications to the satisfaction of the County of Lambton), is required for the following types of assets: real estate (whether income producing, including farm property, or non-income producing), non-income producing business assets, and any collection of, or investments in, other valuable non-income producing assets.

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Asset Type	Documentation Requirements
a) Income Producing Assets	
Bank Accounts	Passbook/monthly statement indicating: <ul style="list-style-type: none"> - account number - name & address of financial institution - total interest earned in past year or average monthly interest over past 12 months OR T5 slip(s) issued by financial institution OR Letter from appropriate financial institution indicating interest amount earned in past 12 months
Term Deposits/Bonds/Debentures	Supporting documents indicating: <ul style="list-style-type: none"> - principal amount, interest rate, interest earned - name & address of financial institution - date of issue and term - identifying serial number OR Letter from financial institution indicating the above
Stocks/Shares/Mutual Funds	Cheque stubs, copies of cheques or T5's indicating: <ul style="list-style-type: none"> - amount of dividends received - company name - series or type of stock - number of stock shares OR Annual statement

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b) Non-Income Producing Asset	
Cash or Non-Interest Bearing Chequing Accounts	Confirmation of annual average or most recent typical minimum monthly balance of account and the amount of cash
Equity in Business or Investment	Confirmation of current equity
Cab Plates (Taxi Licences) when shared with other drivers	Confirmation of the percentage the plates/licences are being used by other drivers
Life insurance with a cash surrender value	Confirmation of the current cash surrender value plus accumulated dividends of the policy
Residential Property	Confirmation of appraised value of property & mortgage outstanding
Non-Residential Property	Confirmation of appraised value of property & mortgage outstanding
Life Interest in Real Estate	Confirmation of value of life interest
Solely-Owned Real Estate	Appraisal conducted by a qualified real estate appraiser
Co-Owned Real Estate	Documentation indicating the names, addresses and portions of each of the owners
Non-Income producing Stocks/ Shares/Mutual Funds	Confirmation of the current value of the asset
Financial Holdings	Copy of bank book or other documentation detailing the non-income producing holding OR Letter from financial institution or profession in a field relating to the holding, indicating the current value and name and address of the financial institution (if applicable)

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	OR For life insurance policies – a letter from insurance company giving the policy number and current cash surrender value
Transferred Assets	Confirmation of transfer date and appraised value of asset

2. Non-requirement of verification of Income

Pursuant to Ontario Regulation 298/01:

Subsection 5(10) - A household is not required to provide information/documentation if unable – at the discretion of the Service Manager.

Subsection 5(11) - For special priority household applicants, information/documentation is not required if it puts a household member at risk.

3. Pursuit of Other Income

Based on the information and documentation provided at the annual income verification, the Service Manager shall form an opinion as to whether a member of the applicant household may be eligible to receive an *other type of income*. *Types of other income* are defined in O.Reg. 298/01, ss12(5) as:

- Ontario Works basic financial assistance;
- Support payments under the *Divorce Act (Canada)*, *Family Law Act*, or the *Reciprocal Enforcement of Support Orders Act*.
- Employment Insurance (EI) benefits.
- Any senior pension or other benefit (not including pension or other benefit available to individuals prior to the month date of their 65th birthday) from the Government of Ontario or the Government of Canada
- Support or maintenance payments under the *Immigration Act (Canada)*

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If it is believed that the applicant may be eligible for one or more of the *other types of income*, written notification shall be given to the applicant household,

- Stating the *type of other income* that the member may be eligible to receive;
- Requesting the member to apply for that income and to make reasonable efforts to obtain a decision on the application and receiving that income;
- Provide contact information relevant to the type of income recommended to be pursued (see Schedule A);
- Advise of documentation required to verify that either application for that income type has been made, or that reasonable efforts to pursue that income have been made;
- Specify the period of time permitted to provide a favourable response to the Service Manager.

If it is believed that the applicant may be eligible for “support payments” and (a) the applicant advises that there are no support provisions in place:

- Refer the applicant to Duty Counsel, who can be reached through Legal Aid .
- Advise the applicant that s/he may wish to use the Lawyer referral service at 1-416-947-3330, or contact a lawyer recommended by friends or family.

OR,

(b) the applicant advises that there already are support provisions, i.e., a support agreement or court order in place that is not being honoured by the payer:

- Refer the applicant to the Family Responsibility Office at 1-800-267-4330;
- Refer the applicant to Duty Counsel (see above contact information)
- Advise the applicant that s/he may wish use the Lawyer referral service (see above), or contact a lawyer recommended by friends or family.

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Verification of the reasonable pursuit of other income shall include at least one of the following, normally within a maximum of 3 weeks of date of notice issued pursuant to step no. 2 above:

- Copies of application for other income; or
- Copies of the court documents, showing court dates;
- Letter from lawyer, or phone call from lawyer confirming efforts being made; or
- Verification of legal aid appointment; or
- Confirmation provided by caseworker.

If notice has been given as above and either no response has been received in the time specified in the notice, or, if the response received appears to indicate that reasonable efforts have not been made to pursue the type of income specified in the notice the Service Manager shall make a determination of ineligibility for rent-geared-to-income assistance.