



## Durham Community Housing Directives

Housing Services Division

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<b>Subject:</b>	<b>In-Year Reviews and Notice of Changes</b>
<b>Directive Number:</b>	<b>RGI 2023-03</b>
<b>Date:</b>	<b>July 31, 2023</b>

### Purpose

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Establish rules for when to conduct in-year reviews of rent-geared-to-income (RGI) when RGI tenants or co-op members report changes.

### Background

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Under the Housing Services Act, rent-geared-to-income is set at the time of move-in and reviewed once annually. Sometimes an RGI tenant or co-op member may report a change prior to the annual review that may result in:

- RGI ineligibility
- A change to the amount of RGI payable
- No change at all.

When RGI is reviewed outside of the annual review, this is called an in-year review. In-year reviews are conducted at the sole discretion of the service manager and for limited reasons.

### Reporting Changes

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

- A change in information or documents previously provided to determine RGI eligibility (e.g. changes to status in Canada, significant changes in assets).
- A permanent change in household composition.
- A household member, whose income was not included in the previous RGI calculation because they were a full-time student, is no longer a full-time student.

If this information is required in an accessible format, please contact 1-800-372-1102 ext. 2463.

- A household member starts or 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 had their income taxes reassessed by the Canada Revenue Agency.

Not all reported changes will result in an in-year review or change to RGI. See [In-Year Reviews](#) below.

Notice of changes may be made verbally or in writing. If a document has changed (e.g. status in Canada), the RGI tenant or co-op member must provide a copy. Income changes are only verified if an in-year change to RGI will be conducted.

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.

In determining whether or not the tenant or co-op member should be deemed RGI ineligible at the time of annual review, 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 in-year change in RGI.
- An in-year RGI decrease.
- An in-year RGI increase that was not material.

### **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.

## In-Year RGI Reviews

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In-year reviews and in-year changes are conducted only in the following circumstances:

- A new household member moves in with income.
- A household member has had their income taxes reassessed and the increase in net income is material.
- A household requests a decrease in RGI and **all** of the following criteria are met:
  - Total annual adjusted family net income (AFNI) for the whole of the household has decreased by at least 20 per cent.
  - No one in the household is pending or required to pursue income.
  - In the case of a benefit unit, the current RGI and other shelter costs exceed the maximum shelter allowance for the benefit unit.

In-year RGI reviews are normally limited to once annually (i.e. between annual RGI reviews or between move-in and the first annual review). However, housing providers may conduct a second review at their discretion if there are extenuating circumstances.

Requests for in-year reviews solely due to a 20 per cent decrease in AFNI are limited to once annually, without exception.

## Effective Dates of RGI Changes

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**In-year RGI increases** are effective the first day of the month following:

- A permanent change in household composition.
- The date a household member's income taxes were reassessed.

**In-year RGI decreases** are normally effective the first day of the month following the request for the in-year review. In the case of tenants or co-op members who are pending or required to pursue income, the in-year change will not be conducted until the amount of the pending income is known. For example:

Catherine is a single person who pays RGI of \$503 based on earnings of \$21,000 per year. In May, Catherine advises she has been laid off and is pending Employment Insurance (EI). She requests an in-year review.

In-year review is deferred until EI is known. Catherine advises in July that her EI is \$200 per week. This is about a 50 per cent decrease in AFNI.

RGI is reduced to \$238 based on EI income effective June 1 – first day of the month following Catherine’s initial request in May.

Although in-year RGI decreases are normally effective the first day of the month following the request for the in-year review, an eligible RGI decrease is effective the first day of the month following:

- A permanent change in household composition.
- Other extenuating circumstances, with the approval of the Housing Services Division.

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.

## **Recovery of Retroactive RGI Amounts Owing**

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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 charges 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).

### **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.

### **Repealed Rules**

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This directive replaces Directive RGI 2020-04 Notice of Changes and In-Year Reviews.

### **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