

# Program Instructions

**This Program Instruction applies to the following:**

- ✓ HSA Part VII Housing Providers (Provincial Reform)
- ✓ Rent Supplement – Social Housing Rent Supplement Program
- ✓ Rent Supplement – Commercial and Strong Communities
- ✓ Former Federal Program Housing Providers (s.15. 1/27, s.56. 1/95)
- ✓ Housing York
  - ✓ Public Housing
  - ✓ HSA Part VII

## TREATMENT OF COVID-19 RECOVERY BENEFITS UNDER RENT-GEARED-TO-INCOME SIMPLIFICATION

**Note: This Program Instruction replaces Program Instruction N°2020-05**

**Effective Date:** July 1, 2021

### Summary

This Program Instruction provides direction to community housing providers delivering rent-geared-to-income (RGI) in York Region on the treatment of federal COVID-19 recovery benefits under RGI simplification.

In general, federal COVID-19 recovery benefits are considered included sources of income for the purposes of calculating RGI, but housing providers are required to determine whether it is appropriate to calculate RGI using the tax-based net income approach or the approximated net income approach outlined in [Program Instruction 2021-08: Adjusted Family Net Income](#).

Community and Health Services

Housing Services

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## Background

During the COVID-19 pandemic, the federal government launched a series of temporary benefits to assist individuals experiencing financial hardship. These temporary benefits included the [Canada Emergency Response Benefit \(CERB\)](#) and the [Canada Recovery Benefit \(CRB\)](#). CERB ended in September 2020, and individuals continuing to require income support were able to transition to Employment Insurance (EI), or, if not eligible for EI, the CRB. The CRB remains in place until September 2021. Additional information on federal COVID-19 benefits is available [here](#).

In April 2020, York Region issued direction to housing providers regarding the treatment of COVID-19 benefits under *O. Reg. 298/01* – the previous RGI rules – through [Program Instruction 2020-05: Administering Rent-Geared-to-Income during COVID-19](#).

On July 1, 2021, *O. Reg. 316/19* took effect in York Region, moving RGI to an annual, tax-based calculation, with limited circumstances in which in-year reviews can be completed based on changes in income. Tenants and members are no longer required to report most increases in income between annual reviews. In spring 2021, York Region released multiple program instructions to support RGI simplification and [a guide to administering RGI](#), available on the [Housing Provider Information](#) webpage.

## Calculating RGI for COVID-19 Benefits

### TAX TREATMENT OF COVID-19 BENEFITS

When calculating RGI, COVID-19 benefits are considered included income, as they contribute to a household member's annual adjusted net income as it appears on line 23600 of the Canada Revenue Agency Notice of Assessment or Proof of Income Statement. Tenants and members who received COVID-19 benefits from the federal government were issued T4A slips for the 2020 tax year, as the benefit amounts are taxable and must be reported when filing taxes.

### ANNUAL RGI REVIEWS

While COVID-19 benefits are considered included income, adjusted family net income (AFNI) may be determined using either the tax-based net income approach or the approximated net income approach. Depending on their circumstances, household members who received COVID-19 benefits may report annual adjusted net incomes (line 23600) for 2020 that are significantly higher or lower (by 20% or more) than their current and anticipated income over the next 12 months. Some tenants and members have also been required to repay COVID-19 recovery benefits to which they were not entitled.

In these situations, housing providers may be required to approximate net income, estimating an annual average for the 12-month period following the RGI review. Instructions for determining AFNI using the tax-based or approximated net income approaches are set out in [Program Instruction 2021-08: Adjusted Family Net Income](#). When using the approximated net income approach, tenants and members are required to provide written verification of income to support the approximation. Housing providers have discretion to determine the documents required to verify income, but they must come from the source (i.e., the agency, organization, or employer) that issues the income.

Housing providers are reminded that a provincial rent freeze remains in effect for 2021 and applies to calculations completed under RGI simplification. The earliest date RGI can be increased following a review is January 1, 2022.

## IN-YEAR RGI REVIEWS

There are a limited number of circumstances in which an in-year RGI review may be completed based on changes in income, as outlined in [Program Instruction 2021-10: In-Year Rent-Geared-to-Income Reviews](#). Only one in-year review is permitted between annual reviews. Specific to COVID-19 benefits:

- Tenants and members transitioning from COVID-19 benefits, such as the CRB, or from EI back to employment, are not required to report increases in income between annual reviews. The change will be captured at the next annual review.
- Household members transitioning from CRB to Ontario Works (OW) are required to report the change within 30 days of its occurrence.
- Tenants or members reporting a decrease in income between annual reviews may be eligible for an in-year reduction in RGI if AFNI for the household decreases by 20% or more since the last annual review

**Authority:** *Housing Services Act, 2011* – section 50  
*O. Reg. 316/19* – sections 6, 10 and 11

Please contact your Program Coordinator with any questions.

This notice will be available in an accessible format or with communication supports upon request from 1-877-464-9675 or 905-830-4444 ext. 72119.

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