

APPLICABLE TO:

DATE: August 24, 2006

<input checked="" type="checkbox"/>	Municipal & Private Non Profit
<input checked="" type="checkbox"/>	Co-operatives
<input type="checkbox"/>	Federal Non Profits
<input checked="" type="checkbox"/>	OCHAP/CSHP
<input type="checkbox"/>	Rent Supplement

<input checked="" type="checkbox"/>	Mandatory
<input type="checkbox"/>	For Information

SUBJECT: Fluctuating Income Procedure and Time Frame

POLICY

Fluctuating income is to be reviewed on a quarterly basis with income verification covering the previous three-month timeframe for the first year and in subsequent years the income would be reviewed annually with income verification covering the previous year.

BACKGROUND

Many tenants/members have fluctuating incomes due to seasonal, intermittent or part time employment where numbers of hours worked in any month could vary substantially. This could result in sharp spikes in rent/housing charges and no opportunity for households to predict the rent/housing charge payable if the rent-geared-to-income is calculated each month. Calculation of rent/housing charges each month also results in high administration costs.

The Social Housing Reform Act, 2000 and associated regulations do not have specific rules for calculating geared-to-income rent for households with fluctuating income. However, the SHRA and associated regulations require Niagara Regional Housing (NRH) to develop standard procedures and timeframes for averaging fluctuating income in order to determine the geared-to-income assistance for all households in a consistent and equitable fashion.

Definitions

- **Fluctuating Income** - *Employment income that changes from month to month.* This does not apply to income from Ontario Works or Ontario Disability Support Program. The income may be from seasonal, irregular, or self-employment.
- **Average Monthly Income** - *The total employment income of a household member over a number of months, divided by the same number of months.* Example: a tenant/member who earns \$1,200 over three months of employment has an average monthly income of \$400 per month.

IMPLEMENTATION

This policy is effective immediately.

HOUSING PROVIDER'S ROLE

Calculation of rent-geared-to-income (RGI) and verification for households with fluctuating income:

- When calculating the rent/housing charge the housing provider will determine if the tenant/member has fluctuating income.
- Households who start to earn fluctuating incomes are required to report their income monthly for the first three months. Household rent/housing charge is calculated each month based on the past month.
- Households are required to report and verify their income quarterly for the second, third and fourth quarters. Rent/housing charges are recalculated every three months based on the average monthly income from the preceding three months.
- If there is a change in the source of income, or the income increases or decreases drastically, the rent may be recalculated more frequently than every three months.
- If a household member's income changes from fluctuating to non-fluctuating, the household's rent/housing charges will be recalculated. RGI will be based on the non-fluctuating income and remain in place until the next annual review or the income changes.
- If the household's income fluctuates for 12 months and the source of the income doesn't change, the rent for the next year is to be based on the last year's income.
- If rent/housing charge is increased, the increase will take effect on the first day of the second month following the change in income.
- If rent/housing charge is decreased the decrease will take effect on the first day of the month following the change.
- An unresolved dispute resulting from a fluctuating rent calculation is subject to an internal review.
- Where the pattern of fluctuating income for a household is not clear, housing providers have the option of continuing with monthly calculations until the fluctuating income pattern can be established.
- Rent/housing charge notice of change, must be in writing and must include:
 - rent/housing charge due;
 - date due;
 - instructions as to when verification of income is next required;
 - a reminder that if income changes from fluctuating to non-fluctuating, the household composition changes or the source of income changes, the tenant/ member must inform the provider.
 - instructions for internal review if the household wishes to dispute the calculation.

Note: A sample letter (Appendix "A") is attached for your information.

SERVICE MANAGER’S ROLE

NRH will review the housing provider’s implementation of this policy during the operational review process to ensure compliance with legislation and this notice.

If you have any questions regarding this notice, please contact your Housing Administrator.

(Original signed by Lora Beckwith)

Lora Beckwith, General Manager

Enclosure: Appendix “A”

Insert Date

Insert Address

Dear ***Mr/Mrs Insert Last Name:***

As requested, you have been informing us of changes in your income on a regular basis and as a result, we are now able to set your rent for three month periods.

- Based on the information you've provided us to date, we are now able to set your rent charge using the previous three months' average income.
- You are required to tell us your income once every three months, rather than monthly. Your rent will remain the same for the next three months.
- After one year, provided that your income pattern and source of income remain the same, the next year's rent will be based on the past year's income.
- If you get a new job or your job changes from part-time to full-time, and/or the number of people in your household changes, you must notify us within 30 days. This may result in a change to how we calculate you rent/housing charge.

Based on the information you have provided us, your rent/housing charge will change to ***\$.00*** starting ***insert date***. On ***insert date***, please send us proof of your income for the previous 3 months.

If you have any questions regarding the Fluctuating Income Policy or how your new rent was calculated, please contact me directly at ***insert phone number***.

Should you still disagree with the way your rent is set, you have the right to request an appeal of this decision within 10 business days. Reply in writing to:

***Housing Provider
Name and Address***

Include, in detail, the reasons why the review is to be conducted. The request for review will result in a meeting with the Appeal Committee. You will be notified when the meeting will take place and we encourage you to attend. You can bring a friend or a representative from a community agency if you wish.

Sincerely,

Insert provider name