



**County of Wellington**  
**Social Services Department – Housing Services**  
**DIRECTIVE**

**Directive Number: 2015-01**  
**Effective Date: January 26, 2015**

This directive has been developed by the County of Wellington in its role as Consolidated Municipal Service Manager (CMSM) and applies to housing providers funded under the following social housing programs:

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| √ | <b>Provincially Reformed Non-Profit Housing Programs (MNP, PNP &amp; OCHAP)</b> |
| √ | <b>Provincially Reformed Co-operative Housing Programs (Co-ops)</b>             |
|   | <b>Municipal Non-Profit Housing Program (Section 56.1 Pre-1986)</b>             |
| √ | <b>Local Housing Corporation (LHC)</b>  |
|   | <b>Federal Non-Profit Housing Program (Section 95 Pre-1986)</b>                 |

**SUBJECT: Fluctuating Income Directive**

**LEGISLATIVE REFERENCES:** Housing Services Act, 2011  
 Ontario Regulation 298/01, s 50. (13)

**POLICY REFERENCES:** N/A

**DIRECTIVE REFERENCES:** Directive 2014-03 - Review of Decisions System

**ATTACHED:** N/A

**BACKGROUND**

In Ontario Regulation 298/01, s 50. (13), the rule for subsidy calculation of fluctuating income states the following:

“If a service manager has reason to believe that the adjusted family income of a family unit fluctuates from month to month, the service manager, in determining the rent attributable for a month to a family unit under subsection 49 (3), may use, as the adjusted family income of the family unit for a month, the average monthly adjusted family income of the family unit over such period of time as the service manager considers reasonable in the circumstances.”

Direction is required to ensure that all RGI calculations are performed in a consistent manner across the County of Wellington CMSM area.

**DIRECTION:**

Quarterly reviews are required for all RGI households with fluctuating income for the first year, at which point the rent is set for the subsequent year. Housing providers must follow this Directive when determining fluctuating income and calculating RGI.

In the determination and calculation of fluctuating incomes, we encourage housing providers to discuss all possible options with their Housing Advisors.

**PROCEDURE:****1. Determining Fluctuating Income**

Households with income sources that meet the following criteria are considered to have fluctuating income:

- Employees who are paid at an hourly rate and do not maintain a consistent set of hours from week to week;
- Employees who receive a salary, and receive frequent bonuses or gratuities;
- Temporary employees who work regularly with the same or different employers;
- Paying out child or spousal support.

Households with the following income sources are not considered to have fluctuating income:

- Households with only fixed income (example: CPP or OAS);
- Ontario Works or Ontario Disability Support Programme recipients with non-benefit income that is below the threshold;
- Seasonal employees that do not have earnings in the off season;
- Receipt of child or spousal support .

Income for all households will continue to be reviewed annually. In the case of seasonal earnings, the income from the previous year is averaged over the entire year to determine the monthly assistance provided.

**2. Verification of Income**

Accepted forms of income verification documents for households with fluctuating income are:

- pay stubs; or
- a signed letter from an employer that includes:
  - name of employer,
  - gross amount of each payment received for the most recent 3 month or 13 week (minimum) period,
  - dates of payments,
  - total gross year to date payments, and
  - a contact name and telephone number.

If a household has multiple sources of income, only the documentation for the fluctuating income source shall be requested quarterly.

**3. Calculating Fluctuating Income**

Starting Quarterly Reviews:

If the housing provider determines that a household has fluctuating income and is subject to quarterly reviews, the housing provider must estimate the average monthly income to calculate the RGI amount for the first quarter. This estimate should be based on actual, verified earnings.

#### Quarterly Reviews:

All households with fluctuating income are required to report their household income quarterly. The quarterly period will begin on the first day of the month and end on the last day of the third month. Housing providers must collect verification of income received during this period.

All quarterly verification documents are due on the first day of the month following the end of the period; i.e. verification of income received between January 1 and March 31 is due on April 1. The housing provider will use this information to determine the household's average monthly income and will recalculate the amount of RGI assistance provided monthly in the next quarter.

If the household does not submit the income verification by the due date, the housing provider will notify the household that the documentation is overdue, and failure to provide the documentation by the end of the current month will result in loss of subsidy.

If the documentation is not received by the end of the month, the housing provider will serve a 90 day notice of removal of subsidy. The household will have the right to request a review of this decision. However, the decision of ineligibility shall be reversed by the housing provider if it receives the required documentation.

#### Quarterly Review Income Calculations:

The average adjusted family income for those households experiencing fluctuating earnings is to be calculated using the following method:

- Total all payments received during the quarterly reporting period. (Three (3) consecutive months must be collected).
- Divide the total of all payments within the 3 month period by 3 and this number will be the average income for the rent subsidy calculation.
- If the change is less than \$10.00 in the quarter, do not change the rent subsidy amount for the next quarter.

#### Mid Quarter Adjustments:

Households with fluctuating income will not have their rent recalculated mid-way through the reporting period unless there is a significant and permanent change.

Examples of significant or permanent change: situations where a current source of income ends or a new source of income starts. In these situations, the adjustment should be made mid-quarterly review, while maintaining the future planned quarterly reviews scheduled. For more clarification or further direction, please contact your Housing Advisor.

#### Written Notices:

Written notices are required for all RGI decisions and must include the following:

- The date the decision was made.
- The new RGI amount.
- Effective date of the change as per the Housing Services Act i.e. rent increase is effective the first day of second month and a rent decrease is the first day of the month following the decrease.

- Opportunity for a Review of Decision as per the County of Wellington's Review of Decisions Directive 2014-03.

#### 4. Annual Reviews

Quarterly reviews do not replace the requirement for a household to complete an annual review.

The housing provider must set the rent for the subsequent year on the 4<sup>th</sup> consecutive quarterly review period based on an average of the previously collected 12 months of income verification documentation. Housing providers cannot require households to resubmit income verification previously provided for the purpose of calculating RGI. Every attempt should be made by the housing provider to synchronize the 4<sup>th</sup> quarter review with the annual income review.

If you have any questions, please contact the Housing Advisor.



Harry Blinkhorn  
Acting Director of Housing