

Program Instructions



October 9, 2002

N° 2002-14

Please note if your program is not checked, this Program Instruction is not applicable to your project(s).

- ✓ Public Housing
- ✓ Provincial Reform Housing Programs
- Municipal Non-Profit Housing Programs
- Federal Unilateral Housing Programs
- ✓ Rent Supplement - Commercial
- ✓ Rent Supplement - OCHAP & CSHP
- ✓ Rent Supplement Homelessness

Subject **2003 Imputed Rate of Return for Non-Income Producing Assets**

Authority Section 50(9) of Ont. Reg. 298/01, made under the *Social Housing Reform Act, 2000*

Background Housing providers with rent-geared-to-income households in the above check-marked housing programs are required to consider an imputed rate of return. For the purpose of determining the rent charge of a subsidized unit, an imputed income is added to the gross income of a member in a subsidized unit in order to account for non-income producing assets, investments or holdings that are intended to increase in value and which do not normally generate income. Some examples of non-income producing assets include investments in precious metals, gems, art, financial holdings and assets transferred outside the family unit.

Procedure The annual imputed income is determined by multiplying the value of the non-income producing assets by the imputed rate of return. The result is an approximation of the income a member of a subsidized unit could reasonably expect to receive if their assets were converted into standard, risk-free financial investments.

Rate Update Effective **January 1st, 2003**, the annual imputed rate of return will be **two percent (2%)**. This imputed rate of return is the same as the interest rate on the most recently issued series of Canada Savings Bonds rounded down to the nearest whole percent. The most recent interest rate on Canada Savings Bonds may also be obtained from the Bank of Canada's website at www.csb.gc.ca.

Please contact your Program Co-ordinator if you have any questions.

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