York Region

Social Housing

Program Instructions

August 11, 2014 N° 2014-05

This Program Instruction is applicable to project(s) that are checked off.

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

Subject **Tax Free Savings Accounts (TFSA) and RGI calculations and eligibility**

Authority *Housing Services Act, 2011*

Summary TFSA investments are treated the same way as taxable investments and bank accounts with respect to asset limits, applicant income limits, RGI calculations, and imputed income

Background The federal government introduced a tax-free savings program that came into effect January 2, 2009. Individuals can contribute up to $5,000 annually into a registered Tax-Free Savings Account. Money held within a TFSA grows tax-free and can be withdrawn at any time. Withdrawals are also tax-free.

TFSAs can take a number of forms. Investment options include savings accounts, Guaranteed Investment Certificates (GICs), term deposits, bonds and mutual funds.

Action Required For RGI purposes, TFSA investments are treated the same as taxable investments and bank accounts. Specifically:

- the investment is included under the **asset limit**
- interest, dividends or any other income received from or accrued in the investment account is not exempt under the **income limits for applicants**
- interest, dividends, or any other income received from or accrued in the investment is included in **RGI calculations**
- **imputed income** may be charged against the asset where applicable
- where the TFSA is a bank account, **imputed income** does not apply unless the total value of the TFSA and other bank accounts of the household member is more than $1000.

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

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This document is available in an accessible format or with communication supports upon request. Contact: 905-830-4444 ext. 72052.

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