York Region

Housing Services

Program Instructions

This Program Instruction applies to the following :

- ✓ HSA Part VII Housing Providers (Provincial Reform)
- ✓ Former Federal Program Housing Providers (s. 15.1/27, s, 56.1/95)
- ✓ Housing York
  - ✓Public Housing Buildings
  - ✓HSA Part VII

RGI Calculation - Treatment of student scholarships/bursaries and Imputed income from non-interest bearing bank accounts

Effective: July 1, 2016

Purpose: This Program Instruction explains rent-geared-to-income (RGI) calculation changes relating to:

(I) income from all scholarships and bursaries for students attending post-secondary institutions
(2) imputed income from non-interest bearing bank accounts.

(1) Income from scholarships and bursaries

Ontario Regulation 298/01 lists income that must be excluded when calculating RGI. Effective July 1, 2016, the list has expanded to include all forms of scholarships and bursaries for students attending post-secondary institutions. It is important to note that students do not need to meet the definition of “student” as defined under the regulation (i.e. child of the household, single student, full-time attendance, less than 5 years since attending of secondary school) to exclude this type of income from an RGI calculation.

(2) Imputed income from non-interest bearing bank accounts

RGI calculations must include imputed income from non-income producing assets. The imputed rate of return is an estimate of the financial benefit received from assets that do not produce income or interest, but do increase in value. One of the most common types of non-income producing assets is a non-interest bearing bank account, such as a chequing account. As of July 1, 2016, the treatment of imputed income from non-interesting bearing bank accounts has changed. The imputed rate of return calculation is based on an average monthly balance that exceeds $5,000; this is up from the previous average monthly balance of $1,000. It is important to note that the current imputed rate of return is 0%.

How to calculate an imputed income from non-income producing bank accounts

a) Ask each household member for 3 months of bank statements to determine an average minimum monthly account balance for each household member (exclude students).
b) Calculate imputed income on the average minimum monthly balance over $5,000 for each household member.
c) Multiply the average minimum monthly balance over $5,000 by the imputed rate of return.
d) Divide by 12 to get the monthly interest income from the bank accounts.

Authority:
Ontario Regulation 298/01 – section 50(3) and section 50(9.1)

Please contact your Program Coordinator with any questions.

- ORIGINAL SIGNED -

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