

## RENTAL ASSISTANCE PROGRAM

# A conversation about Income Verification

The Rental Assistance program (FCHI-2) makes housing more affordable for low-income households. How does it work? Co-ops and other housing providers collect income information of the members of interested households. These details determine if a household qualifies and how much assistance each one is entitled to get.

Each assisted household declares its total monthly income, before deductions, to the co-op office. With a few exceptions, all household members eighteen (18) years or older need to submit solid proof of their income. They'll also need to provide their most recent Notice of Assessment from the Canada Revenue Agency.

You don't have to declare income

- from anyone in your household who depends on another household member for financial support
- from an adult child under the age of twenty-six (26) who is a full-time student at a recognized learning institution

## How do I apply for Rental Assistance?

You will need to fill out a "[Request for Rental Assistance - Annual Household Declaration](#)" form, which you can get from your co-op. When you sign the application, you are declaring that the information provided is true and complete. You'll also agree to report any change in your household composition or income right away.

The co-op will need a new request from you every year.

## What happens if our income changes during the year or someone moves in or out?

Report the change as soon as you can. Report the change as soon as you can. You'll get a new "Request for Rental Assistance – Annual Declaration" form to fill in, reporting the gross monthly income from all household members eighteen (18) years and older.

## What if I don't report a change?

For each year, your co-op will need to see a Notice of Assessment from the Canada Revenue Agency for all household members over 18, except those whose income isn't counted (see above). This will show whether you declared your household's full income. If you don't provide this record, or if it shows that you gave incomplete or wrong information during the year, your assisted housing charge will be adjusted at the time of the next annual review and your household will have to make up the difference.

## What counts as income?

Not everything counts.

### ***Not Income***

CMHC's [Reference Guide](#) has a full list of types of income that aren't included. (There are quite a few.) Your co-op should check "Section 3.4: Excluded Income" before calculating your household's assisted housing charge.

### ***Income***

Your household's total gross monthly income could include any of the following:

### **Employment earnings**

A regular pay cheque is not the only form of employment income. When listing your household's gross monthly income, be sure not to leave out income from these sources:

- gross earnings from salary, wages, overtime payments, tips, commissions, bonuses of any kind and all taxable allowances

- gross income from a small business, or any self-employment, less the deductions from business income allowed by the *Income Tax Act*, excluding depreciation costs
- If you are self-employed in a home-based business, calculate your income by taking your gross earnings minus business expenses that the Canada Revenue Agency accepts as deductions. Then **add back** any utility costs, parking at the co-op or portion of your housing charge that you would claim as business expenses for tax purposes. Note that childcare is not a business expense.

You can't have an income below zero. If your business operated at a loss, your income from this source is zero. In this case, your co-op may take the average income of the last three (3) years to estimate your business income for the coming year.

### Pensions

- payments from one or more of
  - a registered pension plan
  - pensions paid to widows or other relatives of a deceased person
  - Canada Pension Plan payments, Old Age Security, Guaranteed Income Supplement
  - spousal allowances and old-age income supplements paid by a province
  - pensions received under a registered retirement savings plan as a life annuity, a fixed-term annuity, a registered retirement income fund (RRIF) or an income-averaging annuity contract
  - pensions sent from outside Canada

### Disability benefits

- government disability benefits
- other disability benefits, such as regular or occasional payments from short- or long-term disability insurance, including any back-dated amounts
- workers' safety-insurance payments for work-related illness, accident or disability (lump-sum payments are not included)

### Other government payments

- Employment Insurance (EI) benefits
- pandemic-related payments from the Canada Emergency Response Benefit or any similar social-assistance program

### Other cash income

- alimony, separation or maintenance allowances

You need to include alimony and maintenance allowances in your gross annual income, whether taxable or not. Household members who **pay** alimony or a maintenance allowance can deduct the amount paid from their gross income if they can prove they are making required payments to their child or former spouse.

- periodic support from people outside the household
- withdrawals from a registered retirement savings plan (RRSP) or another registered investment plan

### Investment income

- interest and dividends received from bank deposits and investments, such as bonds, debentures, securities, stocks, insurance policies, mortgages or investment securities not held in a registered plan
- net rental income from real estate or agricultural property

## You haven't explained "verification of income"

That is about showing evidence of how much your household earns. Here is what you need to give as proof for the main types of income above. Where several options are given, you need only provide one document. If your household has multiple adults with an income, you will need to produce a document of some kind for each source of income for each person

## Type of Income

## Verification

### Employment Income

Pay slips for the last two months, showing the name of the employee the name and contact information of the employer, the payroll period covered, and the gross income earned. An employment confirmation letter with the same information, signed by a company officer, is acceptable. This letter is all you need for a job held for less than two months.

You will need a Notice of Assessment to back up your declaration for commissions or tips.

### Income from self-employment or a small business

Audited financial statements for the most recent business year or a copy of the most recent Notice of Assessment for the business or self-employed person and the company or individual's current income statement.

The Proof of Income statement (option "C") from the Canada Revenue Agency is also acceptable.

If self-employment is recent and these documents are not available, an affidavit of income and expenses forecast for the year will be enough.

However, self-employment and small-business income must be verified at the end of each year to confirm the estimated income amounts.

### Employment Insurance

An Employment Insurance slip, identifying the recipient, gross income, payment dates and frequency. Copies of cheques or detailed deposit notices may be enough.

### Disability Benefits

All benefit slips must identify the recipient, gross income, payment date and frequency.

### Social Assistance

A copy of the letter of eligibility or another official document identifying the recipient, the number of beneficiaries and information on the amounts. Including the shelter component.

### Pension / Annuity Income

A statement identifying the recipient, gross income, payment date and frequency. Copies of cheques or detailed deposit notices may be enough.

**Alimony or other family-support income**

A copy of the legal agreement or court order, copies of cheques, lawyer's letter or letter from a recognized authority. The document must identify the recipient, amounts paid, payment date and frequency.

**Interest and earnings**

Copies of bank and investment statements or T5's and T3's identifying the recipient, amounts received, payment dates and frequency.

**Other income**

Proof of any other forms of income (example. periodic support from non-household members, income from informal care of children, withdrawals from a registered retirement savings plan, (RRSP) or other registered investment fund, lump-sum payments or payments received from time to time).

**No income**

Most recent notice of assessment and statutory declaration of income.



**For more information please contact us at [agency.coop](https://agency.coop).**