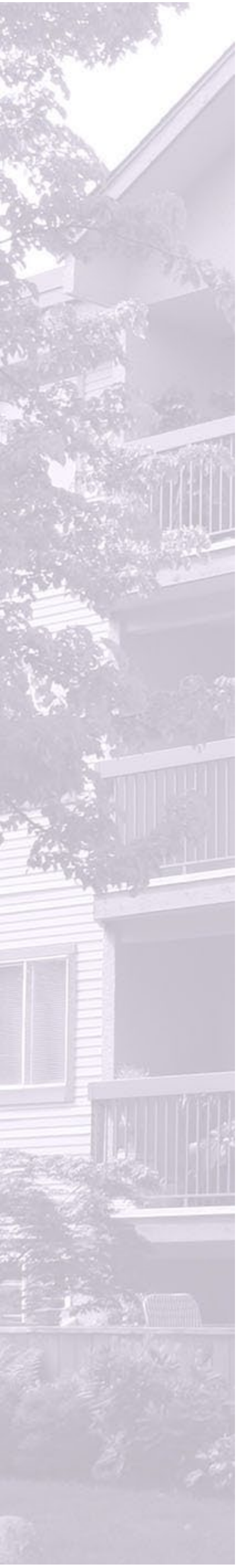

THE AGENCY
FOR CO-OPERATIVE
HOUSING

L’AGENCE
DES COOPÉRATIVES
D’HABITATION

RENTAL ASSISTANCE PROGRAM

Fluctuating Income / Income Averaging

Some assisted households may have income that is seasonal, fluctuating or occasional. Here are some examples of variable income sources:

- temporary employment through an employment agency
- commission sales
- seasonal work (i.e., lawn maintenance, snow removal)

This poses a challenge when you are determining how much rental assistance the member qualifies for.

You can calculate fluctuating income through several acceptable methods, provided you use the same method for all members in a similar situation. Your co-op is required to conduct an annual income review for all households receiving rental assistance, but for fluctuating income you could choose to review household income more often. Your co-op should have a clear policy that outlines the method used to calculate fluctuating income and how often you verify the income. If you need advice or a sample policy, CHF Canada or your local federation can help. Refer to section 3.3 and 3.4 of the FCHI-2 Reference Guide for a complete list of included and excluded income.

Here are three possible approaches to income calculations when an assisted member's income has recently started fluctuating:

- Calculate the housing charge based on the member's most recent Notice of Assessment or Proof of Income Statement (Option C print, which shows a less detailed summary of the Notice of Assessment) and current income documentation (e.g., paystubs, letter of employment).
- Base your calculation on the average of gross income over the last two or more months, projected for the year.
- Verify household income several times each year, based on the average of three recent consecutive paystubs, to ensure that the rental assistance calculation is as accurate as possible.

If the irregular income continues for more than one year, you can determine monthly income by averaging all income received over the full year.

Members are responsible for reporting income changes, whether an increase or decrease in relation to the income used in the most recent rental assistance calculation. Reporting income changes promptly will help avoid large retroactive adjustments.

Regardless of how you determine a member's average income, we always recommend that you obtain the Notice of Assessment or Proof of Income Statement (Option C print) to verify that the projected income was correct and that the household received the right amount of rental assistance.

Example 1- Determining Projected Gross Monthly Income for a New Position

A co-operative is doing their annual income review in October. A member of an assisted household started to work as a lunch-room supervisor at the local elementary school in September. She works two hours a day, 25 days each month from 1 September until 30 June. According to her letter of employment and confirmation of hours, she is paid $17 per hour. She is not eligible for EI during the summer and has no other income. When the co-op undertakes its next review of income, the member still has the same job and is earning the same amount. The gross annual income to be used in the housing-charge calculation is as follows:

$17 per hour x 2 hours per day x 25 days per month x 10 months = **$8,500**

$8,500/12= $708.33 (average gross monthly income)

In the spring of the following year, your co-op should obtain the Notice of Assessment or Proof of Income Statement (Option C print) from the household to confirm that the member's income was $8,500. Co-ops should encourage members to file taxes and share the tax form with the co-op right away so that annual income can be verified. If there is a difference in income, a retroactive adjustment takes place.

Example 2- Using Year to Date (YTD) Income from Paystubs

The member is employed in an on-call position and has submitted two consecutive months of paystubs. The most recent paystub is dated 22 April and shows the YTD gross income. The member, who is paid bi-weekly, has been in this position for several years.

YTD gross earnings from the April 22 paystub:	$6,500
Divide by number of pay periods (1 Jan – 22 April, bi-weekly pay):	8
Gross income per pay period:	$812.50 ($6,500/ 8)

Determine gross monthly income as follows:

Multiply income per pay period by the number of pay periods in one year: **812.50 x 26 = $21,125**

Divide by 12 months to determine gross monthly income: **$21,125 / 12 = $1,760.42** (average gross monthly income)

Consult the Notice of Assessment or Proof of Income Statement (Option C print) from the *previous year* to ensure you have accurately calculated the average income, prior to providing the calculation to the member. Obtain the *most recent* Notice of Assessment or Proof of Income Statement (Option C print), when available, to confirm the income and perform a retroactive adjustment, as needed.

For more information please contact us at agency.coop.