Durham Social Housing Directives
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Subject:	**Earnings Exemptions**
Directive Number:	**RGI 2020-08**
Date:	**June 15, 2020**

Purpose

To set out the earnings exemptions that apply in the calculation of rent-geared-to-income (RGI) for a tenant or co-op member with employment-related income.

Background

RGI is calculated at 30 per cent of adjusted family net income (AFNI) – excluding the income of full-time students – for family units and for benefit units who do not pay RGI per social assistance scales.

When an RGI tenant or co-op member has employment-related income, the monthly AFNI amount is reduced by a flat rate prior to the calculation of RGI. This flat rate is called the earnings exemption.

Employment-related Income

Employment-related income includes the following:

- wages, salaries, commissions, bonuses
- tips and gratuities
- vacation pay
- remuneration as a dependent contractor renumeration
- net business or self employment income
- Employment Insurance (EI) benefits
- Workplace Safety and Insurance Board (WSIB) benefits for loss of earnings
- payments for sick leave or short-term disability under a private or workplace insurance plan

- wage replacement benefits payable by the federal, provincial or a municipal government.

Earnings Exemptions

If an RGI tenant or co-op member has employment-related income, the following earnings exemptions apply:

- $75 for a single person
- $150 for couples
- $150 for families with dependants.

The earnings exemption cannot be more than the total earnings of the applicable family unit or benefit unit.

Dependants with Employment-related Income

Dependants over the age of 18 with employment-related income are entitled to an earnings exemption in their own right. If an earnings exemption applies, the dependant is not also included for the purpose of determining any earnings exemption applicable to their parent(s).

For example:

1. A single parent has one daughter aged 21. Both the parent and the daughter work. The household is entitled to a total earnings exemption of $150:
    - $75 for the single parent, who is treated as a single person family unit because she has no other dependents
    - $75 for the daughter, who is also treated as a single person family unit.
2. A single parent has two dependants, a son and a daughter. The parent works, as does the son. The household is entitled to a total earnings exemption of $225:
    - $150 for the single parent, who is treated as a family unit with one dependent (the daughter who is not working).
    - $75 for the son, who is treated as a single person family unit.
3. A couple receives ODSP and the wife works. They live with their son who works and is not included in their ODSP budget. The household is entitled to a total earnings exemption of $225:
    - $150 for the parents because they are a benefit unit couple

- $75 for the son because he is a single family unit.

Repealed Rules

This directive replaces Durham Community Housing Directive RGI 2013-03 Income – Earnings Exemptions.

Legislative Authority

Ontario Regulation 316/19, s. 4(1), 5(3)