



Session 206 The Ups and Downs of Quarterly Reporting

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Housing Services Act

- Permits service manager to average fluctuating income over period of time that it considers reasonable
 - O. Reg. 298/01, s. 50(13)
- Service agreement permits housing provider to average income
- Service manager may have local rules



ONPHA Best Practice

- ONPHA recommends quarterly reporting as a best practice
 - Reporting income
 - Averaging income
 - Calculating RGI
- Annual reporting and averaging after four quarters



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Advantages of Quarterly Reporting

- Greater consistency in RGI calculations
- Stable and predictable RGI
- Compliance with Housing Services Act
 - Effective date of change and notice to tenants
 - Right to request a review



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Monthly Reporting?

Month	RGI Charge	New RGI Charge	Notice
JAN	\$ 300	\$ 400	Increase eff MAR
FEB	\$ 300		
MAR	\$ 400		
APR			
MAY			
JUN			
JUL			



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Monthly Reporting?

Month	RGI Charge	New RGI Charge	Notice
JAN	\$ 300	\$ 400	Increase eff MAR
FEB	\$ 300	\$ 200	Decrease eff MAR
MAR	\$ 400 \$ 200		
APR			
MAY			
JUN			
JUL			



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Monthly Reporting?

Month	RGI Charge	New RGI Charge	Notice
JAN	\$ 300	\$ 400	Increase eff MAR
FEB	\$ 300	\$ 200	Decrease eff MAR
MAR	\$ 400 \$ 200	\$ 350	Increase eff MAY
APR	\$ 200	\$ 400	Increase eff JUN
MAY	\$ 350	\$ 370	Increase eff JUL
JUN	\$ 400		
JUL	\$ 370		



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Monthly Reporting?

Month	RGI Charge	New RGI Charge	Notice
JAN	\$ 300	\$ 400	Increase eff MAR
FEB	\$ 300	\$ 200	Decrease eff MAR
MAR	\$ 400 \$ 200	\$ 350	Increase eff MAY
APR	\$ 200	\$ 400	Increase eff JUN
MAY	\$ 350	\$ 370	Increase eff JUL
JUN	\$ 400	\$ 390	Decrease eff JUL
JUL	\$ 370 \$ 390		



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Quarterly Reporting

- Fluctuating earnings
 - Non-salaried or hourly employees
 - Employees who receive frequent bonuses or gratuities
 - Temporary employees
- Other fluctuating income
 - Support income
 - EI where earnings are deducted



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Annual Reporting

- Tenants on quarterly reporting after 4 quarters
- Tenants with fixed income
- Tenants with stable earnings that do not fluctuate from month to month
- ODSP/OW tenants with non- benefit income below threshold
- Seasonal employees
- School board employees



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Quarterly Reporting Steps

- Review verification of quarterly income
- Determine average monthly income
- Re-calculate RGI
- Notify tenant of RGI change
- Request income verification for next quarter
- Follow up for requested income verification



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Starting Quarterly Reporting

- Determine if quarterly reporting is appropriate
 - incoming tenant
 - new employment
- Estimate average monthly earnings to recalculate RGI
- Request income verification for first quarter



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Estimating Initial Average Income

Income may be verified by:

- paystubs
- employer letter
- T-4 or CRA Notice of Assessment

Reasonably reflect anticipated income over next three months

Verification should not delay RGI increase



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Joan Average



- Joan moves in Nov 1
- Works at “Coffee Coffee” for last 3 years
 - \$12,600 annual earnings
 - T-4 slip and NOA
- \$300 monthly support
 - Court order



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Initial Average Income

	Calculation	RGI
Average earnings (\$12,600/12 months)	\$1,050	
Support income	+ \$300	
- employment deduction	- <u>\$150</u>	
Total gross income	\$1,200	
RGI	30% of \$1,200	\$360
Effective date (move-in)		Nov 1
First quarter		Nov Dec Jan
First quarter due		Feb 1



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Mid Quarter Changes

- Average income is not normally adjusted
 - new employment
 - end of employment
 - significant and permanent change in hours/average income
- Changes to other income are implemented - but average income is not recalculated
- Changes made annually (e.g., investment income) are unaffected



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Mid Quarter Changes

- Joan starts a second job at Gas 'n Sip on Dec 2 and provides the following pay stubs:
 - Gas 'n Sip – \$160 on Dec 7 (one week)
 - Gas 'n Sip – \$210 on Dec 14 (one week)
 - Coffee Coffee – \$610 on Dec 7 (2 weeks)
- Joan also reports that her support stopped
 - last payment Nov 1



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Mid Quarter Change

	Calculation	RGI
Average Coffee Coffee earnings (\$12,600/12 months)	\$1,050	
Average Gas 'n Sip earnings (\$160 + \$210 = \$370 divided by 2 weeks times 4.333)	+ \$801.61	
- employment deduction	- <u>\$150</u>	
Total gross income	\$1,701.61	
RGI	30% of \$1,701.61	\$511
Effective date (change in Dec)		Feb 1



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Verification

- Pay stubs
- Employer letter
- Verification of start or end of income
 - e.g. Record of Employment (ROE)
- Other items that will clarify circumstances
- Income that does not change from month to month is not re-verified



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Averaging Monthly Income

- Total gross income in quarter divided by 3
 - ONPHA recommends as best practice
- Total gross income in quarter:
 - divided by number of pay weeks in quarter
 - times 4.333



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Considering Impacts

	Quarter 1	Quarter 2
Pay stub amounts	\$ 585	\$ 680
	\$ 590	\$ 710
	\$ 540	\$ 740
	\$ 580	\$ 690
	\$ 620	\$ 715
	\$ 600	\$ 690
	\$ 680	
Total Income	\$ 4,215	\$ 4,215
Total Weeks	14 weeks	12 weeks



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Considering Impacts

	Quarter 1	Quarter 2
Total Income	\$ 4,215	\$ 4,215
Total Weeks	14 weeks	12 weeks
Average - divide by 3	\$ 1,405	\$ 1,405
Average - weekly times 4.333	\$1,304.54	\$ 1,521.97
RGI – average divide by 3	\$ 399	\$ 399
RGI – average weekly x 4.333	\$ 369	\$ 434
Total RGI (Q1 + Q2)		
RGI – average divide by 3	\$ 798	
RGI – average weekly x 4.333	\$ 803	



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Implementing RGI Changes

- Must determine “date of change”
 - ONPHA recommends first day of the month following due date for verification
- RGI decreases take effect the first day of the month following “date of change”
- RGI increases take effect the first day of the second month following “date of change”
- RGI increases of less than \$10 may not be implemented



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First Quarter

Coffee Coffee		Gas ‘n Sip	
Nov 9	\$ 580	Dec 7	\$ 160
Nov 23	\$ 600	Dec 14	\$ 210
Dec 7	\$ 610	Dec 21	\$ 200
Dec 21	\$ 650	Dec 28	\$ 180
Jan 4	\$ 590	Jan 4	\$ 180
Jan 18	\$ 600	Jan 11	\$ 170
		Jan 18	\$ 210
		Jan 25	\$ 200
Total	\$3,630		\$ 1,510



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First Quarter

	Calculation	RGI
Average Coffee earnings (\$3,630/2 months)	\$1,210	
Average Gas 'n Sip earnings (\$1,510/2 months)	+ \$755	
- employment deduction	- <u>\$150</u>	
Total gross income	\$1,815	
RGI	30% of \$1,815	\$545
Effective date (increase)		Apr 1
Next quarter		Feb Mar Apr
Next quarter due		May 1



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Notice to Tenant

- Must give written notice of any RGI change
 - New RGI and effective date
 - statement of new average income
 - right to request review
- Request income verification for next quarter
 - due date for information



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Recap

- ONPHA best practice:
 - Quarterly reporting
 - Annual reporting after 4 quarters
 - Some exceptions
- Service manager may have local rule
- Average income should lead to stable and predictable RGI and reasonably reflect future income
- Remember it's just an average – so keep it simple!



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Questions?



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How can ONPHA help you?

- ONPHA website www.onpha.on.ca
 - sample letters, forms, other downloadable material
- ONPHA Member Support Hotline
 - 1-800-297-6660
- ONPHA Resource Centre
 - Handbooks and Guides
 - sample policies
- The Knowledge Advantage
 - ONPHA Education Program
 - RGI, RTA, Finance, Governance
 - webinars
- ONPHA Conference
 - Toronto – October 15 - 18, 2015



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ONPHA values your opinion

Please complete a workshop evaluation.



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