

Ontario Works Directives

6.3: Shelter

Legislative Authority

Section 5 of the Act.

Section 42 of Regulation 134/98.

Audit Requirements

Adequate documentation is on file to support the level of shelter benefits issued.

Shelter amount is paid based on actual expenses.

There is no duplication in the issuance of assistance, and calculations of income assistance are fair and consistent.

Application of Policy

An amount for shelter costs is provided to persons who satisfy all conditions of eligibility.

Shelter means the cost for a dwelling place used as a principal residence. Shelter costs for applicants and recipients who rent or own their accommodation may include:

- rent;
- loan and mortgage payments (principal and interest);
- occupancy costs paid under an agreement to purchase;
- taxes;
- insurance premiums for the dwelling and contents;
- payments for home repairs approved by the Administrator;
- maintenance fees for a condominium or co-operative housing unit;
- utilities;
- heating costs;
- security deposits required for reconnection or connection of an energy source or heating; and/or
- payment of rent, utility or heating arrears.

For applicants or recipients who reside in private market rental accommodation, their own home or public housing, the shelter amount issued is the sum of the

actual verified costs of shelter ,up to the maximum amount for shelter (i.e., if actual shelter costs are less than the established maximum, then the lesser actual costs are paid).

The maximum amount for shelter is based on the number of members in a benefit unit, in accordance with the following table:

Benefit Unit Size	Maximum Monthly Shelter
1	\$376
2	609
3	662
4	718
5	774
6 or more	801

Rent

Rent is defined as the monthly amount charged by an owner or landlord who holds legal title to the property (i.e., private or public) or a First Nation (i.e., Canada Mortgage and Housing Corporation or First Nations funded housing program) for use of a house, apartment or a room for living purposes. Rent does not include the cost of parking or cable if these items are billed as unique and separate items from the rent. In cases where basic cable or telephone services are billed separately, but are required for the operation of the building security or entry system, these items may be included as shelter costs.

When it is unclear if an applicant or recipient is renting a room or living in a board and lodging situation, their food preparation practices are reviewed. If the applicant or recipient purchases and prepares their own food, he/she is considered a renter. If the landlord purchases and prepares the food, the applicant or recipient is considered a boarder ([see Directive 6.4: Board and Lodging](#) for more information).

Rent-Geared-to-Income Housing

Applicants or recipients may be residing in private, non-profit or co-operative housing. Service managers can enter into rent supplement agreements with private landlords, non-profit or co-operative housing providers to help bridge the gap between the full market rent for a rental unit and the amount of rent a household can pay based on its income (i.e., Rent-Geared-to-Income (RGI)). When a benefit unit is living in RGI housing, the amount of rent payable is

determined by the local housing service manager. The amount of rent for an RGI housing unit is determined using a social assistance rent scale or 30% of the benefit unit's gross monthly income.

Rent scales are used to determine the amount of rent payable for benefit units receiving financial assistance and living in an RGI housing unit when:

- financial assistance is a benefit unit's only source of income; or
- the gross amount of sources of income other than financial assistance is within the set income limit (i.e., the "non-benefit income limit" in Column 3 of the rent scales).

The rent scales are not used if the gross amount of sources of income other than financial assistance is greater than the set income limit in the appropriate rent scale. In this case, RGI is equal to approximately 30% of non-benefit income.

Ontario Works Rent Scale for a benefit unit consisting of
a recipient with no spouse, but with one or more other dependents

Column 1 Benefit unit size (number of individuals)	Column 2 Rent attributable to benefit unit (monthly)	Column 3 Non-benefit income limit (monthly)
2	\$191	\$791
3	226	907
4	269	1,051
5	311	1,191
6	353	1,331
7	396	1,474
8	438	1,614
9	480	1,754
10	523	1,897
11	565	2,037
12 or more	607	2,117

Source: **Housing Services Act**, 2011; O. Reg. 298/01, Table 3

Ontario Works Rent Scale for a benefit unit consisting of
(A) a recipient with no spouse and no other dependents,
(B) a recipient with a spouse but no other dependents, or
(C) a recipient with a spouse and one or more other dependents

Column 1 Benefit unit size (number of individuals)	Column 2 Rent attributable to benefit unit (monthly)	Column 3 Non-benefit income limit (monthly)
1	\$ 85	\$ 360
2	175	737
3	212	861
4	254	1,001

Ontario Works Rent Scale for a benefit unit consisting of
 (A) a recipient with no spouse and no other dependents,
 (B) a recipient with a spouse but no other dependents, or
 (C) a recipient with a spouse and one or more other dependents

5	296	1,141
6	339	1,284
7	381	1,424
8	423	1,564
9	466	1,707
10	508	1,847
11	550	1,987
12 or more	593	2,131

Source: **Housing Services Act**, 2011; O. Reg. 298/01, Table 4

Rent Rebates or Repayments

A rent rebate or repayment is the result of a Landlord and Tenant Board decision which sets the legal rent for the premises and requires the landlord to return to the tenant any rent paid in excess of the determined legal rent. Under the **Residential Tenancies Act, 2007**, the tenant may legally offset the rebate amount against future rent payable if the landlord fails to reimburse the tenant.

Rebates or repayments are not treated as income or assets in the month received. Instead, assistance is recalculated for the time period covering the rebate using the legal rent amount for that time period.

Example 1	<p>Rent is adjusted downwards below the maximum shelter amount.</p> <p>The file is reviewed for the months the rebate covers. An overpayment is calculated for the months in question. The recipient pays the overpayment from the rebate. However, if the rebate is received and spent, a collectible overpayment is established.</p>
Example 2	<p>Rent is adjusted downwards but still remains above the maximum shelter amount.</p> <p>The rebate the recipient receives is not treated as income.</p>
Example 3	<p>Rent is adjusted upwards leaving the recipient owing money to the landlord. However, the rent remains below the maximum shelter amount.</p> <p>The worker reviews the case and pays any rent arrears and then tops up the shelter amount to the amount of the rent adjustment for the recipient.</p>
Example 4	<p>Rent is adjusted upwards leaving the recipient owing money to the landlord. The adjusted amount of rent exceeds the maximum shelter amount.</p> <p>Staff will review the case and pay any rent arrears and then top up</p>

	the shelter amount to the amount of the rent adjustment for the recipient. The balance of the rent remains the responsibility of the recipient. Any interest owing to the landlord on rent arrears is treated as a debt of the tenant. It is not included as shelter costs.
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Interest owing to recipients on a rent rebate is treated as income if it exceeds the \$30 per year interest/dividends exemption ([see Directive 5.8: Interest and Dividends](#) for more information). In some instances rent is directed to a trust account pending resolution of a tenant or landlord dispute. There is no change to the rent used to calculate the recipient's assistance until the matter is resolved.

Rent Abatements

The Landlord and Tenant Board may order an abatement of rent under the **Residential Tenancies Act, 2007** when a landlord has acted wrongfully (e.g., the landlord may not have kept the premises in good repair, illegally entered the premises, harassed the tenant, etc.).

An abatement is a monetary award expressed in terms of past or future rent. It may be a lump sum payment from the landlord to the tenant or an order to allow the tenant to pay less rent (i.e., by a certain amount or percentage) or no rent for a specified time period. The abatement order may apply until necessary repairs are performed or to a previous period of time in the case of other wrongful actions.

When abatement is received, assistance is recalculated for the time period covering the abatement order using the corrected rental amount in the shelter calculation.

Loans and Mortgage Payments

Shelter costs for applicants or recipients who reside in premises they own are based on the monthly mortgage payment, including the principal and interest, owed to a recognized private or public financial institution or creditor (e.g., a bank). Payments for loans borrowed against a mortgage for other purposes are not to be considered shelter costs unless approved by the Administrator as necessary to support home repairs.

If there is more than one mortgage on the primary dwelling place, the principal and interest on all mortgages is taken into account when calculating a shelter amount.

In cases where an applicant or recipient needs to use a loan (e.g., credit card) to pay advance rent for a period of time due to poor credit history, the loan (excluding interest) can be included as a shelter cost in the appropriate month(s).

The requirement for the advance payment to secure the accommodation must be verified to ensure that the applicant or recipient is not making an advance payment in order to meet initial or ongoing eligibility criteria.

Agreement to Purchase

This is an agreement whereby a person purchases a dwelling place directly from a homeowner and agrees to make monthly payments towards the cost of the purchase price. Occupancy costs paid under an agreement to purchase can be included in the shelter amount for applicants or recipients.

Taxes/User Fees

Municipal property taxes for a primary dwelling place are included in the calculation of shelter costs. These annual costs are divided by 12 to give a monthly amount that is included in shelter costs.

Some municipalities may include user fees for some services (e.g., garbage collection, snow removal, road maintenance, etc.) in municipal property taxes. Some First Nations and municipalities may charge separate user fees for these services. These amounts can be adjusted, where necessary, to give a monthly amount that can be included in the monthly shelter costs. An amount for arrears for user fees is not included in the calculation.

For the purposes of relieving financial hardship, municipalities in Ontario are required by law to offer property tax deferrals, cancellations, or other tax assistance programs to low-income seniors and low-income persons with disabilities who own their homes. Some municipalities may also offer these programs to other low-income homeowners including those in receipt of social assistance.

When shelter costs are being verified for budgetary requirements, the amount of the tax assistance/deferral should be reflected on the property tax bill. The new amount of the property tax (minus the deferred/cancelled amount) should be entered into the system reflecting the actual shelter costs. Therefore, there are no implications for social assistance recipients who participate in any of the tax assistance programs that are offered by local municipalities.

Insurance

Shelter costs include the yearly cost of premiums paid by an applicant or recipient for insurance coverage for a dwelling place (e.g., house, apartment, condominium, coverage for contents, etc.). These costs are divided by 12 to give the monthly amount and are included in the monthly shelter costs.

Home Repairs

Payments for necessary repairs for the preservation, maintenance and use of a dwelling place may be approved by the Administrator as a shelter cost, where not providing them would be detrimental to the health and well being of the recipient and other members of the benefit unit.

Payments for home repairs may be included as a shelter cost if shelter costs are below the maximum shelter amount.

Common Expenses

In many condominium and co-operative housing units a monthly payment of common expenses (i.e., condominium or maintenance fee) is required for the use and maintenance of property.

Common expenses are included in the calculation of shelter costs. Common expenses can include costs for building maintenance, building insurance, grounds keeping, garbage collection, utilities, heating costs and/or cable costs.

Utilities

Monthly utility costs are recognized as shelter costs for the purposes of calculating assistance. Utility costs may be included in rent or common expenses. Alternatively, these costs may be billed separately as the direct responsibility of the applicant or recipient who rents or owns their residence. Utility costs may also be a shared responsibility where an applicant or recipient resides with another individual who is not in the benefit unit.

Utility costs include:

- costs for an energy source (e.g., hydro, gas, propane, kerosene, wood, etc.) used for household purposes (e.g., lighting, cooking, hot water, etc.) other than heat;
- water and sewage costs as levied or charged by a municipality or First Nation, including the cost of bottled or transported water if the local water supply is unhealthy and the costs are otherwise not covered;
- rental of furnaces and water heaters; and
- hook-up or reconnection charges for a utility.

Utility costs do not include:

- heating costs for the dwelling place;
- refundable utility deposits; or

- hook-up or monthly charges for telephone or cable television (unless these costs are folded into rent or common expenses).

With the exception of the electricity bill that contains the Ontario Electricity Support Program credit (see below), the applicant or recipient's actual verifiable monthly cost of the utility is used to determine the calculation for shelter. Documentation such as statements or bills are visually verified by staff and noted in the SDMT or First Nations file system.

The Ontario Electricity Support Program (OESP) Credit

The OESP, which was implemented in January 2016, provides a monthly credit of up to \$50 on eligible low-income families' monthly electricity bill. The maximum monthly credit can be increased to \$75 for those ratepayers who have unique needs and special electricity requirements (e.g. First Nations, people using medical equipment).

For those social assistance clients who receive the OESP credit, utility costs include the amount of the recipient's electricity bill, prior to the application of the OESP credit. The shelter allowance is not to be reduced as a result of the credit.

Heating Costs

Heating costs are the actual costs to heat the principal residence. Heating costs include oil, gas, propane, kerosene, electricity and wood.

If wood is the source of heat, recipients may cut their own wood to minimize cost. The "Self-Procured Wood Chart", established as per local policy and approved by the ministry's regional office, is used to determine the cost.

If heating costs are below the maximum shelter amount, but the combination of other shelter costs and heating costs exceeds the maximum, only the maximum shelter amount is paid.

If a person's heating costs exceed the maximum shelter amount, the shelter amount payable is the actual heating costs.

In cases where heating costs have been established and are consistent, or a reasonable increase is reported, actual heating bills do not need to be reviewed. However, if the monthly amount reported is considerably increased over the previous reported amount or appears to be unreasonable, a review of actual heating costs should be conducted.

Example 1: Two Person Family

Shelter	\$400
Heat	<u>100</u>
Shelter costs	\$500

The maximum shelter amount is \$609. In this example, the couple would receive actual shelter costs of \$500.

Example 2: Two Person Family	
Shelter	\$500
Heat	<u>160</u>
Shelter costs	\$660

The maximum shelter amount is \$609. In this example, the benefit unit would receive \$609.

Example 3: Two Person Family	
Shelter	\$300
Heat	<u>650</u>
Shelter costs	\$950

The maximum shelter amount is \$609. In this example, the benefit unit would receive \$650 , which is the amount issued to cover heating costs.*

***Note:** If the shelter amount is the actual heating costs, the shelter amount should be reviewed and adjusted when the cost for heat is reduced (i.e., spring/summer).

Security Deposits for an Energy Source or Heating

Security deposits required for reconnection or connection of an energy source or heating may be included as a shelter cost if the monthly shelter amount issued is below the maximum shelter amount. Otherwise, the payment of security deposits for an energy source or heating may be covered as a health-related discretionary benefit where approved by the Administrator ([see Directive 7.2: Health Benefits](#) for more information).

Payment of Rent, Utility or Heating Arrears

Payment of arrears related to rent, utilities or heating may be included as a shelter cost if shelter costs are below the maximum shelter amount. Otherwise, payment of arrears related to rent, utilities or heating may be covered as a health-related discretionary benefit where approved by the Administrator ([see](#)

[Directive 7.7: Other Benefits](#) for more information). When providing funds to cover the cost of arrears, the Administrator may choose to direct payment to a third party ([see Directive 3.7: Pay Direct](#) for more information).

Calculating Shelter Costs

The following is an example of how to calculate shelter costs:

Three Person Family		
Sole support parent with two dependants, with shelter costs including:		
Mortgage:	350 monthly	\$350 monthly
Fire Insurance:	120 yearly divided by 12	10 monthly
Property Taxes:	1200 yearly divided by 12	100 monthly
Heating Costs:	80 monthly	80 monthly
Total shelter costs:		\$540 monthly
The maximum shelter amount for three members in the benefit unit is \$662. In this example, the benefit unit would receive \$540.		

Shared Accommodation

When an applicant or recipient is sharing accommodation with another person(s) who is not a member of the benefit unit, the shelter amount issued is the actual share of the total monthly shelter cost paid by the applicant/recipient, up to the maximum shelter amount for the benefit unit. For example, if a single Ontario Works recipient lives with a roommate and pays \$300 of the total monthly shelter cost of \$500, the shelter amount issued would be \$300.

The shelter allowance paid to the recipient cannot exceed the existing shelter maximum for their benefit unit. For example, if a single recipient paid \$400 of the total monthly rent, they would receive only \$376 in shelter allowance, the maximum amount for a single person on Ontario Works.

The recipient must provide documentation of the total shelter costs and their share (e.g., rent receipt, a signed agreement between all roommates, etc.). If the recipient is sharing accommodation with another recipient(s), the total amount of shelter allowances issued to all benefit units in the residence cannot exceed the total monthly shelter costs for the residence. For example, if two recipients are sharing accommodation and the total monthly shelter cost is \$500, the sum of the shelter allowances issued to the recipients cannot exceed \$500.

Failure to Pay Accommodation Costs

In a situation where a recipient does not use their shelter amount to pay for accommodation costs, an overpayment cannot be established. However, Administrators may pay certain items directly on behalf of the benefit unit or require the appointment of a trustee ([see Directive 3.6: Trusteeship](#) and [Directive 3.7: Pay Direct](#) for more information).

Investment in Affordable Housing for Ontario - Operating Components (Housing Allowance/Rent Supplement)

The Investment in Affordable Housing for Ontario (IAH) is a four-year, federal-provincial program, administered by the Ministry of Municipal Affairs and Housing. The IAH operating components (Housing Allowance and Rent Supplement) provide monthly housing support payments to help low-income Ontarians with their rental costs. These payments are paid either directly to eligible low-income Ontario families (i.e. the Housing Allowance) or to their housing provider (i.e. the Rent Supplement). IAH is only available in municipalities.

In cases where the applicant or recipient is in receipt of a payment under the IAH operating components, that portion of the payment which exceeds the actual maximum social assistance shelter allowance will be exempt as income up to the actual shelter costs.

Rent Support payments by a Service Manager

Payments made by a service manager designated under the *Housing Services Act, 2011* to be used as a rent supplement or housing allowance, where approved by the Director, are exempt as income. The exemption will apply to the portion of the payment that exceeds the maximum shelter allowance up to the actual shelter costs.

MOHLTC-funded Rent Supplement for Permanent Supportive Rental Housing

The Ministry of Health and Long-Term Care (MOHLTC) funded rent supplement aims to provide permanent supportive rental housing to persons with a mental illness who are homeless or at risk of becoming homeless. The program is also available to other client groups as determined by MOHLTC such as people with mental illness who come in contact with the criminal justice system or those with a physical disability.

Where an applicant/recipient is in receipt of the MOHLTC-funded rent supplement payment, the portion of the payment that exceeds the maximum social assistance shelter allowance is exempt as income up to the actual shelter costs.

Transplant Patient Expense Reimbursement (TPER) Program

The Transplant Patient Expense Reimbursement (TPER) program provides up-front payments or reimbursement of temporary accommodation costs incurred by eligible patients while awaiting heart, heart-lung and lung transplant.

If the TPER participant keeps their principal residence while living in a temporary residence for which they receive assistance under TPER, the Ontario Works shelter allowance will be paid for the principal residence only. No shelter allowance may be paid for the second residence even if the recipient is not receiving the maximum shelter allowance for their principal residence.

If the TPER participant gives up their principal residence while living in a temporary residence for which they receive assistance under TPER, the temporary residence would then become the principal residence for social assistance purposes. The shelter allowance may continue to be paid based on the recipients actual shelter costs at the temporary principal residence – that is, any costs that exceed the TPER payment up to the approved maximum for the benefit unit.