

How to Calculate Rent Supplement Amount

Before beginning this process, make sure all the necessary information is collected. Most importantly, a copy of the **lease agreement** and **proof of income**. These documents are crucial to calculating a rent supplement amount.

Special priority for this amount is given to participants in the Housing First program at Giwetashkad.

The following steps will be used to determine the rent supplement amount and necessary processes that follow for each situation.

Step 1: Calculate the Gross Monthly Income/Shelter Amount

Make sure to gather all the necessary information regarding an applicant's income for the month. This is extremely important to figure out as it pertains to 35% of income paid to the rent portion of the full rent supplement calculation. Without any proof of income, the applicant is ineligible to acquire a rent supplement amount.

Examples of proof of income include: pay stubs, payroll schedule/documents, signed letter from the employer, W-2s, tax returns, direct deposit statements, retirement income statements, Ontario Works (OW) documents, Ontario Disability Support Program (ODSP) documents. Any sort of document that displays an applicant is earning some type of income is eligible.

For households with an applicant and co-applicant, calculate the gross monthly income for the household; meaning that both monthly incomes will be totaled to figure out the total monthly income for the house. 35% of this income will still be calculated for the rent portion.

Step 2: Calculate 35% of the Gross Monthly Income

To be eligible for the rent supplement, the applicant should be in housing need which is paying 35% or more of the monthly income on rent. For this step, we calculate 35% of the income. This calculation is used to determine how much the applicant should be paying for rent.

Example 1: An applicant has a gross monthly income of \$1,400.00.

$\$1400 \times 0.35$ (35%) = \$490.00; therefore, this applicant should be paying \$490.00 for rent.

Example 2: An applicant has a gross monthly income of \$1,200.00. The co-applicant has a gross monthly income of \$800.00.

$\$1200 + \$800 = \$2,000.00$; this is the gross household's monthly income.

$\$2000 \times 0.35$ (35%) = \$700.00; therefore, this household should be paying \$700.00 for rent.

Step 3: Review the Applicant's Monthly Rent/Lease Agreement

The applicant must submit a copy of the lease agreement with the application. More specifically, any form of document showing the applicant paid rent between April 1, 2021 to March 31, 2022. This can include bank statements or a letter from previous landlord(s) confirming payments were made between the months noted above. Anything before or after those dates is ineligible.

The information needed for this step is extremely important to calculate the rent supplement amount because it shows whether or not the individual was in housing need and paying rent before the introduction of this program.

Step 4: Compare the Applicant's 35% of income to their Monthly Rent(s)

After obtaining the applicant's monthly rent (which should be from April 1, 2021 through March 31, 2022), the next step in the process is to compare the 35% of the applicant's income to the rent amount.

If the applicant is paying more than 35% of their monthly income on rent, they are eligible for a supplement amount.

Step 5: Determine the Gap Between 35% Monthly Income and the Amount Remaining for Rent

The applicant is paying more than 35% of their income on monthly rent; therefore, the next stage of this process is to calculate the gap between 35% of the applicant's income and the monthly rent. This is to determine the supplement amount the applicant is eligible for.

Example 1: An applicant has a gross monthly income of \$1,750.00. They live in a studio apartment located in downtown London, Ontario where rent is \$1,000.00 a month plus \$75.00 a month for utilities.

$\$1750 \times 0.35$ (35%) = \$612.50.

$\$1000 + \$75 = \$1075$.

$\$1075$ (Rent) – 612.50 (35% of Applicant's Income) = \$462.50; therefore, the gap between 35% of the applicant's income and the monthly rent is \$462.50. This is the amount the applicant is eligible for.

Example 2: A family of three have a gross monthly income of \$3,500. They live in a two-bedroom condo in London, Ontario where rent is \$2,200.00 all inclusive per month.

$\$3500 \times 0.35$ (35%) = \$1,225.00

$\$2,200$ (Rent) – 1225.00 (35% of Gross Household Income) = \$974.70; therefore, this is the amount the household is eligible for.

5.1. For applicants receiving shelter amounts from OW and ODSP

Due to the low amount for shelter allowance, the rent supplement program will cover the gap that is needed to cover the portion of the monthly rent. For example, for 1 OW recipient they only receive \$390 as a maximum shelter allowance. This rent supplement program will cover the gap needed to cover the remaining portion of rent.

Example: An OW recipient is staying in a studio apartment in London for \$950.00 all inclusive per month.

$\$950$ (Rent) – \$390 (Shelter Allowance) = \$560.00; therefore, this is the amount the applicant is eligible for.

Step 6: Allocate the Eligible Amount to the Months in the Lease Agreement(s)

For this step, the amount the applicant is eligible for will be allocated to the eligible months (from April 1, 2021 to March 31, 2022) in the lease agreement.

Example 1: An applicant has a gross monthly income of \$2,000.00. They live in a one-bedroom apartment in London, Ontario where rent is \$1,200.00 all inclusive. They have a signed 6-month lease agreement that started September 1, 2021 and ends February 28, 2022. They joined the Rent Supplement Program February 14, 2022.

$\$2000 \times 0.35$ (35%) = \$700.00.

$\$1200$ (Rent) - \$700 (35% of Applicant's Income) = \$500.00; rent supplement amount.

6 (Months in Lease Agreement – SEPT 2021 to FEB 2022) \times \$500 (Rent Supplement Amount) = \$3,000.00; therefore, this is the lump sum the applicant is eligible to receive.



Example 2: An applicant has a gross monthly income of \$1,250.00. They just signed a 6-month lease agreement in January 2022 to live in a studio apartment in London, Ontario where rent is \$900.00 plus utilities. Utilities come in at \$60.00 a month.

$\$1250 \times 0.35$ (35%) = \$437.50.

$\$900$ (Rent) + $\$60$ (Utilities) = \$960.00

$\$960$ (Rent) - $\$437.50$ (35% of Applicant's Income) = \$394.00.

3 (Months Eligible in Lease Agreement – JAN 2022 to MAR 2022) x \$394 (Rent Supplement Amount) = \$1,182.00; therefore, this is the total lump sum amount this applicant is eligible to receive.

Example 3: A household of four has a gross monthly income of \$3,250.00. They lived in a two-bedroom condo in London, Ontario where rent is \$2,290 all inclusive from September 1, 2020 to August 31, 2021. They currently live in a different two-bedroom condo in London, Ontario for \$2,350 all inclusive and signed a one-year lease agreement from September 1, 2021 to August 31, 2022.

$\$3250 \times 0.35$ (35%) = \$1,137.50.

House 1

$\$2290$ (Rent – House 1) - $\$1137.50$ (35% of Household Income) = \$1,152.50.

5 (Months Eligible in Lease Agreement – APR 2021 to AUG 2021) x \$1,152.50 (Rent Supplement Amount) = \$5,762.50.

House 2

$\$2350$ (Rent – House 2) - $\$1137.50$ (35% of Household's Income) = \$1,212.50

7 (Months Eligible in Lease Agreement – SEPT 2021 to MAR 2022) x \$1,212.50 (Rent Supplement Amount) = \$8,487.50

$\$5,762.50$ (House 1 Rent Supplement Amount) + $\$8,487.50$ (House 2 Rent Supplement Amount) = \$14,250; therefore, this is the total lump sum amount that this household of four is eligible for.