



Housing Services Notice

Date: May 21, 2026

HSN#: 2026-02

This applicable legislation/policy is to be implemented effective this date by the housing provider(s) under the following programs:

Please note that if your program is **not checked**, this change does not apply to your project.

- Federal Section 95 Non-Profit Housing Program
- Federal Section 26/27 Housing Program
- Federal Urban Native Non-Profit Housing Program
- Private Non-Profit Housing Program (Provincial Reformed)
- Municipal Non-Profit Housing Program (Pre-1986)
- Local Housing Corporation
- Rent Supplement Programs
- Affordable Housing Program (AHP)/Investment in Affordable Housing Program (IAH)/Social Infrastructure Fund (SIF)
Housing Access (Centralized Waiting List Services)

Subject: Treatment of Canada Disability Benefit Payments under rent-geared to income assistance

Background:

The purpose of this notification is to provide information and guidance to Service Managers on the treatment of Canada Disability Benefit (CDB) payments under rent-geared-to-income (RGI) assistance rules under the Housing Services Act 2011 (HSA).

The CDB is a new federal income-tested benefit. The CDB offers up to \$200.00 per month

(2,400 per year) for people with disabilities who are between 18 and 64 years old. At this time, the federal government has not exempted the CDB from taxation under the Income Tax Act, meaning CDB payments would be included in RGI assistance income determinations.

This notification provides information and guidance to Service Managers to help prevent geared-to-income rent increases and/or loss of eligibility that could result from receipt of CDB.

Ontario continues to call on the federal government to amend the Income Tax Act to exclude the CDB from taxation.

Impact of CDB Payments on Adjusted Family Net Income (AFNI)

Under the HSA, geared-to-income rent is typically calculated based on 30% of a household's annual AFNI. AFNI is typically determined using tax-based net income reflected on line 23600 of an individual's notice of assessment issued by the Canada Revenue Agency, less any Registered Disability Savings Plan Income and plus any Registered Disability Savings Plan income and plus any Registered Disability Savings amounts repaid.

In general, household income and rent calculation are based on a household's previous year's tax data. This means that increases to household income resulting from CDB payments would generally not impact RGI eligibility or rent-geared-to-income until tax data for 2025 is used for annual reviews and eligibility determinations (typically as of July 1, 2026).

However, there are situations where a Service Manager or designated housing provider could project a household's income for the upcoming year rather than use tax data from the previous year, and in those situations, CDB payments could be considered income (unless and until the Income Tax Act is amended). Situations in which households could face rent increases as a result of receiving the CDB may include, for example:

1. When an RGI household has an initial calculation of their geared- to- income rent, an annual review of rent payable, or an in-year review of rent payable, and the Service Manager uses the household's projected income for the coming year as the basis for rent calculation.
2. When an RGI household is also a recipient of Ontario Works(OW) or the Ontario Disability Support Program(ODSP) and has an in-year review of rent payable because they have exceeded the non-benefit income limit.

Receiving the CDB will not impact an applicant's eligibility for RGI assistance, as income (when assessed against local income limits) is based on the previous year's tax data (i.e.,2024).
(Section 32.4(2), O.Reg. 367/11)

Service Managers are strongly encouraged to use their flexibility and/or authority under the HAS to prevent households from experiencing rent increases resulting from CDB payments. For example:

1. While Service Managers are required to conduct annual rent reviews, the rule Does not require the review to occur on a specific date within the required 12-month period
2. While Service Managers may conduct in-year rent reviews, in-year reviews are at the sole discretion of the Service Manager and are not required to take place (Section 11,O, Reg 316/19). MMAH encourages Service Managers to postpone or not conduct in-year reviews when doing so would increase rent for RGI Households due to receiving CDB payments.
3. The period of time that a household has to notify the Service Manager of increases to non-benefit income may be extended beyond the minimum 30-day period of time (Section 28, O.Reg. 367/11). The Service Manager may extend this time period for recipients of the CDB.
4. Section 51 of the HSA provides Service Managers with the authority to forgive all or part of the rent payable by a household.

MMAH strongly encourages Service Managers to use the most appropriate mitigation strategy or combination of strategies listed above to help ensure that households do not experience negative impacts from receiving the CDB. MMAH requests that Service Managers share this information and guidance with all housing providers in their service areas to ensure consistent treatment of the CDB regarding RGI assistance across the province.

Action:

Housing Providers must ensure that the Canada Disability Benefit is exempt when completing RGI calculations.

If you have any questions or concerns regarding this or any other Housing Services Notice, please contact the Housing Program Administrator assigned to your project.

Tana Corbeil
Supervisor Housing Services, DNSSAB