

PETERBOROUGH CO-OPERATIVE HOMES INC.
Subsidy Procedures

Schedule A

Calculation of Housing Charge Subsidy

1. Peterborough Co-operative Homes Inc. will use a percentage approved by the Board of Directors to determine the amount of housing charges subsidy a member will be entitled to receive.

When the total amount of the housing charges cannot be calculated until a further date, members will be required to pay a flat rate fee. The flat rate fee will be due and payable on the first day of the month.

2. The monthly housing charge for member households receiving subsidy will be the monthly housing charge for "fully serviced accommodation" determined in accordance with the co-op's Operating Agreement with CMHC. The Agreement defines fully serviced accommodation as being supplied with heat and hot water. Accordingly, an allowance for utilities as determined from time to time by the Board and agreed to by CMHC, will be deducted from the gross income.
3. In determining a member household's reduced monthly housing charge, there will be deducted from the amount, the sum of \$2.00 per dependent child under the age of 18 years forming a part of the household.
4. Members who receive Social Assistance will have their subsidy calculated according to the Operating Agreement which specifies that the housing charge shall be:

The Lesser of A and B :

- A The shelter allowance as shown on the Social Assistance stub and 32% of the total income from all other sources, or
- B Full market housing charges as set by the members annually.

Schedule B

Guidelines for Determining Income

1. PREAMBLE:

This Schedule is intended to provide definitions and guidelines for the purpose of determining "adjusted monthly household income", which is to be used in calculating the level of Subsidy to be granted to a member household.

The general intention of this Schedule is that "income" will have the same meaning as "total income" under the Income Tax Act (Canada) subject to such changes as are contemplated below.

It is understood that the purpose of this Schedule is to enable the member, the co-op's Subsidy Committee, the co-ordinator and the Board, where necessary, to determine the member's level of income. This level of income is then used to determine the amount of subsidy that will be awarded to reduce the member household's monthly housing charge during the period for which subsidy is granted.

2. DETERMINATION OF INCOME:

Income from Employment -

Includes salary and wages including overtime, seasonal and irregular pay, taxable allowances and benefits, total commissions, tips gratuities and bonuses, training allowances and benefits, total grants, termination allowances, payments or settlements and all amounts included as income from employment under the Income Tax Act.

Employment Insurance Payments, strike pay and other similar payments will be included as income.

Accident and Sickness Compensation

Worker's compensation payments, insurance compensation payments and disability insurance payments will be included as income.

Alimony, Maintenance or Support -

All alimony, maintenance, child support or other payments paid or due to a member of a household or to a third party for the benefit of any member of the household, whether pursuant to a judicial order, separation agreement, or other arrangement or paid voluntarily, are to be included as income whether or not such amounts are included as income under the Income Tax Act.

Lump sum payments will be considered an asset and will be included as income. In addition, monies or assets received or due by way of division of assets or equalization of family property will be considered an asset and will not be included as income. The co-op recognizes, however,

that the member may have difficulty collecting these amounts even though payment is legally required. In such cases, if it is evident that the payments are not being received, the Subsidy Committee may, after assessing the situation, determine not to include the amount or to include a lesser amount as income.

Where a member is entitled to the amounts mentioned in the above clause, and in particular when a member makes a request for a deduction or exclusion of the amount of these payments to be considered as income, the co-op may require the member to provide copies of all relevant separation agreements or other agreements, judicial decrees, judicial proceedings, cheques and receipts and other any other documentation as may be requested.

Pension Income -

All pensions and allowances will be included as income.

Deferred Income Plans -

All payments received from deferred income plans including registered retirement savings plans (RRSP's), registered pension plans (RPP's), registered retirement income funds (RRIF's) and deferred profit sharing plans (DPSP's), are to be included as income.

Income from Self-Employment -

All income from self-employment including income from business, professional and other services income should be included under this category.

In the case of business income, this is "net" income from the business after deduction of all proper business expenses, determined in accordance with the provisions of the Income Tax Act.

In addition, where a self-employed person is receiving withdrawals in the form of salary or bonus that is not already included as net income from the business, this amount should be included under "income from employment". Also, any dividends received should be included under that category.

Social Assistance -

Social assistance (Ontario Works) receipts such as income supplement (gains), family benefit allowances, gains "d" or general welfare assistance are to be included as income.

Windfalls -

Where a member has a financial windfall in excess of \$1000.00, such income must be declared and a rate of investment income based on current market interest rates will be considered to be earned

on it.

Income of Students -

Income will not include earnings of children in regular attendance at recognized institutions of learning and funds for tuition, such as scholarships, bursaries and contributions from non-resident family members. Income will include contributions from any other source received on a regular basis.

Contributions of Guests -

In the case of casual guests, their income will not be included. In the case of long-term guests, as permitted under the Occupancy By-law, their income will be included.

Losses and RRSP Contributions -

Any loss experienced by a member on any investment, business or otherwise, will not reduce the household income for the year.

Payments made by a member into an RRSP or other pension or similar plan will not reduce the member's income, even though such payments may be deductible for certain purposes under the Income Tax Act.

3. DETERMINATION OF ADJUSTED HOUSEHOLD INCOME:

As per the 56.1 Agreement (Section 95), "income" means total gross income, in whatever form received, of all of the family, or of an individual EXCLUDING:

- * Earnings of children in regular attendance at recognized institutions of learning, funds for tuition such as scholarships, bursaries and contributions from non-resident family members;
- * Living out or travelling allowances of a family head;
- * Earnings of a working spouse up to \$900. per year;
- * Income from any other source than social assistance payments of a one parent family up to \$900. per year;
- * Earnings in excess of \$75. per month of all members of the family, other than of the family head or spouse. (This will include persons related by blood, marriage or adoption,

or other persons who may reasonably be assumed to form part of the family). The family head will be deemed to be the member of the household with the highest income.

- * Capital gains and funds received from such sources as insurance settlements, inheritances, disability awards, sales of effects. However interest earned from such sources is included as income.
- * Family allowances.

Schedule C

Verification of Income

Income verification must be submitted by all household members receiving income in any form.

Members are required to submit the documentation referred to in each of the categories below which are relevant to the income of household members.

IF YOU ARE REGULARLY EMPLOYED, submit the following:

- a letter from your employer stating your current gross wages or annual salary and any overtime pay or bonuses; or
- original copies of three consecutive recent pay stubs.

IF YOU ARE SELF-EMPLOYED OR A MEMBER OF A PARTNERSHIP, submit a financial statement, prepared by a chartered accountant, concerning your most recent fiscal period indicating:

- the gross and net profits from your business;
- total payments from your business to you or members of your household as personal salary, bonus, dividends, loans or otherwise in the last year; and
- original copies of three consecutive recent pay stubs.

Your net income from the business as determined for income tax purposes (subject to the co-op's "Guidelines for Determining Income" in Schedule B of the Housing Charge Subsidy Policy) will normally be considered your income.

If your business does not normally prepare financial statements, a letter from a chartered accountant will be acceptable. If a financial statement or letter from a chartered accountant is not available, submit a statutory declaration, accompanied by proper receipts, setting out your current earnings.

An accountant's letter of this declaration must include as much of the detail that would have been included in a financial statement as is readily available.

IF YOU ARE RECEIVING SOCIAL ASSISTANCE (ONTARIO WORKS), submit copies of your entitlement stub.

IF YOU ARE RECEIVING A PENSION OR ANNUITY, submit the slip attached to your cheque.

IF YOU ARE IRREGULARLY OR SEASONALLY EMPLOYED OR IN RECEIPT OF VARIABLE INCOME, submit a confirmation letter from your current

employer stating your gross wages, overtime pay and bonuses or original copies of three consecutive recent pay stubs.

IF YOU ARE CURRENTLY UNEMPLOYED, submit copies of three consecutive Employment Insurance cheque stubs.

IN ADDITION, submit any other evidence required to document all or part of your income including tips, gratuities, interest income and investment income.

IN ADDITION, if you have any other kind of income, submit notarized evidence of it.

IN ALL CASES, submit evidence as to your assets and any income from your assets (for example, income from real estate). In the event that you have assets without income or reasonable level of income, the co-op may impute income to these assets.

In addition to the verification of income requested above, the co-op may require additional documentation.

NOTE: Housing charge subsidy is calculated on gross household income before taxes and all other deductions, not on net take-home pay.

Recommended by the Subsidy Committee: April 21, 1999

Approved by the Board of Directors: July 13, 1999

Reviewed by the Board of Directors August 15, 2011 no changes made