

**DIRECTIVE**

**EFFECTIVE DATE:** November 22, 2005

**NUMBER:** 2005-08

The policies, procedures and County requirements in this Directive are to be implemented by housing providers that are funded under the following Programs, which are administered by the County:

Please note if your program is not checked, this Directive is not applicable to your project(s), and is for information purposes only.

<input checked="" type="checkbox"/>	Federal/Provincial Non-Profit Housing Program	<input type="checkbox"/>	Federal Programs
<input checked="" type="checkbox"/>	Ontario Non-Profit Housing Programs	<input type="checkbox"/>	Urban Native Programs
<input checked="" type="checkbox"/>	Federal/Provincial & Ontario Co-operative Housing Programs	<input checked="" type="checkbox"/>	Municipal Non-Profit Program
<input checked="" type="checkbox"/>	Simcoe County Housing Corporation	<input checked="" type="checkbox"/>	Rent Supplement Programs

**SUBJECT: IMPUTED RATE OF RETURN FOR NON-INCOME PRODUCING ASSETS**

**Background:** For the purpose of determining the rent charge of a subsidized unit, an imputed income is added to the gross income of a member in a subsidized unit in order to account for non-income producing assets, investments or holdings that are intended to increase in value and which do not normally generate income. Some examples of non-income producing assets included investments in precious metals, gems, art, financial holdings and assets transferred outside the family unit.

**Procedure:** The annual imputed income is determined by multiplying the value of the non-income producing assets by the imputed rate of return. The result is an approximation of the income a member of a subsidized unit could reasonably expect to receive if their assets were converted into standard, risk-free financial investments.

**Rate:** Effective April 1, 2006, the imputed rate of return is two percent (2%). This imputed rate of return is the same as the interest rate on the most recently issued series of Canada Savings Bonds rounded down to the nearest whole percent. The most recent interest rate on Canada Savings Bonds may also be obtained from the Bank of Canada's website at [www.csb.gc.ca](http://www.csb.gc.ca).

Please contact your Program Supervisor if you have any questions.

**LEGISLATIVE REFERENCES**

Ontario Regulation (O.Reg.) 298/01, s. 50(9)