



DIRECTIVE

DATE: February 10, 2004

NUMBER: 2004-02

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

Please note if your program is not checked, this Directive is not applicable to yours project(s).

<input checked="" type="checkbox"/>	Federal/Provincial Non-Profit Housing Program (MNP & PNP)
<input checked="" type="checkbox"/>	Ontario Non-Profit Housing Programs (MNP & PNP)
<input checked="" type="checkbox"/>	Federal/Provincial & Ontario Co-operative Housing Programs (Co-ops)
<input checked="" type="checkbox"/>	Rent Supplement – OCHAP & CSHP
<input checked="" type="checkbox"/>	Municipal Non-Profit Housing Program (Section 56.1 Pre – 1986)
<input checked="" type="checkbox"/>	Simcoe County Housing Corporation

SUBJECT: 2004 Imputed Rate of Return for Non-Income Producing Assets

Authority: S. 50(9) of Ontario Regulation 298/01

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 include 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, 2004, the imputed rate of return will be **one percent (1%)**. 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.

Please contact your Program Supervisor if you have any questions.

Pauline Luening
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