



Residential Tenancies Program

Policy and Procedure Guide

Policy Number: 10-002
Subject: Interest Rates for Security Deposits
Chapter: Security Deposit

Legislation	s. 14.(7), Security Deposit Interest Regulations
Definitions	N/A
Purpose	The purpose of this policy is to outline how interest is calculated on a security deposit.
Policy	<p>The Security Deposit Interest Regulations state that the annual rate of interest to be paid for the period between January 1 and December 31 of a year by a landlord to a tenant on a security deposit is the rate obtained by subtracting 4% from the average Bank of Canada rate for the 12 month period ending November 30 in the immediately preceding year, rounded to the next higher whole number where the average rate includes a fraction.</p> <p>The Schedule of Security Deposit Interest Rates is updated annually.</p> <p>To calculate interest on a security deposit, landlords and tenants may use the Security Deposit Interest Calculator.</p> <p>Where an Order is issued in relation to a security deposit, the security deposit plus interest is calculated by the adjudicator up the date the Order is issued.</p>
Procedure Overview	N/A
Forms & Form Letters	N/A
X-Reference	See Costs, Section 12-001 of this manual.
Policy Developed	September, 2000
Last Revision	January, 2002 April, 2024
Other Resources	Security Deposit Interest Calculator



Residential Tenancies Program

Policy and Procedure Guide