

Deposits

Under the Yukon's *Residential Tenancies Act*, landlords can ask a tenant to pay two types of deposits.

Security deposit

A security deposit cannot be more than the first month's rent and a landlord can only ask for the security deposit at the beginning of the tenancy.

The only exception is weekly tenancies. In this case, the security deposit cannot exceed the first week's rent. Landlords cannot increase the amount of the security deposit later, even if they raise the rent.

A landlord can charge only one security deposit for each tenancy agreement, regardless of the number of tenants. The landlord cannot ask for another deposit if more people move in.

A security deposit may be used to cover money owed at the end of the tenancy. For example, a tenant may be responsible for damage caused by the tenant (or tenant's guests) beyond normal wear and tear, unpaid rent or unpaid utilities.

The landlord and the tenant must agree in writing before the security deposit can be applied towards the last month's rent.

Pet damage deposits

Under the Yukon's *Residential Tenancies Act*, if a tenant has a pet, the landlord can ask for a pet damage deposit.

Pets are important members of many families. Landlords can decide if they will allow pets and may set pet-related rules in the tenancy agreement.

They may restrict the size, kind and number of pets that can live in a rental unit. Any prohibition, restriction or requirement related to animals in the rental unit is subject to the *Human Rights Act*.

A landlord can give notice to end tenancy if the tenant does not pay the security deposit within 30 days of the start of tenancy.

Limits on pet damage deposits

A landlord can only ask for a pet damage deposit if the tenant has a pet when they enter into the tenancy agreement, or when the tenant gets a pet during the tenancy.

A landlord cannot ask for a pet damage deposit if they have already allowed the tenant to have a pet. Only one (1) pet damage deposit can be collected, no matter how many pets the tenant may have.

A landlord cannot include a term in the tenancy agreement that allows them to automatically keep all or part of the pet damage deposit when the tenancy ends

If a landlord accepts a larger pet damage deposit than permitted, the tenant can deduct the overpaid amount from rent or recover it some other way.

Limits on amount

There are limits on what a landlord can accept for a pet damage deposit:

- For a weekly tenancy, a deposit cannot be more than one (1) week's rent payable under the tenancy agreement, or
- For any other tenancy, a deposit cannot be more than half of one (1) month's rent payable under the tenancy agreement.

Service animals

Any ban, restriction or other rules in a tenancy agreement about keeping animals in the residential property, including deposits, are subject to the *Human Rights Act*.

Deposit prohibitions

A landlord is prohibited from requiring or including a term in a tenancy agreement that says the landlord automatically keeps all or part of the deposit at the end of the tenancy.

Return of deposits

How to return deposits

At the end of a tenancy, a tenant must leave the rental unit and give their landlord their forwarding address or electronic transfer information (e-transfer), in writing.

The landlord must do one (1) of the following within fifteen (15) days:

- return any deposit, with interest, to the tenant;
- obtain the tenant's consent, in writing, to any deductions from the deposit and return the difference to the tenant; or
- if the tenant does not agree to the deductions, apply for dispute resolution at the Residential Tenancies Office (RTO).

Electronic funds transfers (e-transfers) are an accepted way of transferring the deposits.

Tenants must have their landlord's written consent to use a security deposit as last month's rent.

Calculating interest on a deposit

Landlords must calculate the interest owing on the full deposit regardless of any deductions they wish to make (i.e. security deposit, pet damage deposit or fuel deposit).

The interest rate is two (2) per cent below the Bank of Canada's prime rate (set January 1 and July 1 of each year).

For a complete list of interest rates, please visit www.yukon.ca/en/security-deposit-interest-rates or contact the RTO at (867) 667-5944.

You can also calculate interest by using the online security deposit interest rate calculator at Yukon.ca/calculate-interest-on-a-security-deposit.

Reasons to keep deposits

A landlord may want to keep all or some of a deposit to cover:

- damage the tenant, their guests or pets caused to the rental unit beyond normal wear and tear;
- unpaid rent, utilities or fuel;
- changing the locks or cutting new keys if the keys were not returned; or
- reasonable costs caused by the tenant moving out without giving proper notice.

Claiming damages against deposits (deductions)

If a landlord wishes to make a claim against the deposit for damage to a rental unit, they must have completed condition inspections at move-in **and** move-out. Failure to do so will prevent a landlord from claiming any compensation for damage.

Refer to the **Condition inspections (move-in and move-out)** information sheet for more requirements related to the return of deposits.

Disputes related to deposits

When a tenant and landlord cannot agree on deductions to a deposit, either party can apply for dispute resolution to have the matter settled.

The landlord must apply within fifteen (15) days of the tenancy ending and receiving the tenant's forwarding address or their e-transfer information (whichever is later).

If the landlord does not return the security deposit or makes deductions without the tenant's written approval, the tenant has up to one (1) year from the end of the tenancy to apply for dispute resolution.

However, the tenant loses the right to the deposit if they do not give their landlord a forwarding address or e-transfer information in writing within six (6) months of the tenancy ending.

Reasons deposits will be forfeited

Landlords and tenants can forfeit their claims to the deposit if they do not meet their obligations under the Residential Tenancies Act.

A **landlord** will extinguish their ability to claim any amount of the deposit if they:

- do not meet the requirements related to condition inspections and reports; or
- they do not apply to the RTO within fifteen (15) days of the tenancy ending.

A **tenant** will extinguish their right to have the deposit returned if they:

- do not meet the requirements related to completed condition inspections at move-in **and** move-out; or
- do not provide the landlord with their forwarding address or their information for e-transfers in writing within six months of the tenancy ending.