

**Policy: RT-3620-011**

Policy and Procedure

Security Deposits and Setoffs

This policy provides guidance to staff at the Employment Standards and Residential Tenancies Branch and the public in understanding our internal processes. This policy is not law. To the extent that this policy conflicts with any federal or territorial legislation, the legislation prevails. This policy may be amended or revised by the Director of Employment Standards and Residential Tenancies. If you have questions about the policy, please contact the Employment Standards and Residential Tenancies branch by phone at (867) 667-5944 or email at eso@yukon.ca or rto@yukon.ca.

Purpose

To describe how the Residential Tenancies Office (“RTO”) handles concurrent claims against a security deposit and for financial compensation.

For general information about security deposits, see Policy RT-3620-010 “Security Deposits”.

Background

Both landlord and tenant must follow the requirements described in Policy RT-3620-010 “Security Deposits”, to maintain their claim to the security deposit. If the landlord incurs costs due to the tenant’s actions, they can agree to deduct these costs from the deposit before returning the balance to the tenant. Otherwise, the landlord must either return the full deposit + interest to the tenant or apply to the RTO to bring a claim to keep all or part of the deposit.

Additionally, either party can bring a claim for financial compensation for damage or losses caused by the other party’s non-compliance with the *Residential Landlord and Tenant Act* (the “Act”) or tenancy agreement, as per section 9 of the Act.

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The adjudicator assigned to hear the dispute will order the return of the security deposit, or the remaining balance less any deductions permitted under the Act, unless the tenant extinguished their claim to the deposit.

If both the landlord and tenant bring claims for financial compensation and both are entitled to recover amounts from the other, the adjudicator will setoff the awards and issue a single order for the remaining balance owed to one of the parties. The breakdown of the amounts owed will be included in the adjudicator's decision.

Per subsection 76(3)(ii) of the Act, if the adjudicator orders the tenant to compensate the landlord, the amount awarded may be deducted from the security deposit. For instance, if the landlord extinguishes their claim to the security deposit but is entitled to compensation under section 9, the adjudicator may allow the landlord to deduct the compensation owing from the security deposit and return the balance to the tenant.

Policy history

Date	Version number	Description
June 17, 2024	1	Policy approved