

<i>Act/Regulations</i> <i>Social Assistance Act Reg.</i> <i>13(3) – 13(5.1)</i> <i>Supports for Persons with</i> <i>Disabilities Act Gen. Reg.</i> <i>36(5) – 36(8)</i>	Program	Social Assistance, AccessAbility Supports	
	Subject	Income Exemptions	Policy # SA 4.4 AAS 3.10
Effective Date: SA July 1, 1994 AAS March 26, 2019 Revised Date: April 1, 2022		Authorized by: Deputy Minister Jamie MacDonald	

1.0 PURPOSE

1.1 To exempt specific types of income from the financial eligibility calculation for Social Assistance (SA) and Assured Income (AI).

2.0 DEFINITIONS

2.1 **Applicant:** a person who applies for or on whose behalf an application is made for SA or AI.

2.2 **Assured Income:** a component of AccessAbility Supports (AAS) that provides monthly financial supports to eligible applicants with disabilities to use towards securing basic needs.

2.3 **Co-Applicant:** the spouse of an applicant, and includes a person who, although not married to the applicant, lives with the applicant as if they were married.

2.4 **Dependent:** a child of either an applicant or co-applicant who is either under 18 years of age and living with the applicant, or 18 years of age or over, but under 25 years of age and attending a full-time education program and is not receiving SA or AI.

2.5 **Earnings:** wages, salaries, bonuses, commissions, tips, training allowances, stipends, and self-employed earnings.

2.6 **Recipient:** a person who is provided SA or AI and includes a person whose SA or AI has been suspended, but not cancelled.

2.7 **Supports Coordinator:** a staff member that provides direction and case management support in delivering a range of social benefits and services to applicants eligible for Social Programs.

2.8 **Windfall(s):** a large, often unexpected, financial gain, including but not limited to gifts, inheritances, lottery winnings, and/or insurance settlements.

3.0 POLICY STATEMENTS

- 3.1 For the purposes of this policy use of the word applicant is inclusive of recipient.
- 3.2 Voluntary deductions, including but not limited to profit-sharing plans, additional tax deductions, savings bonds, or accessible savings plan contributions are not exempt from the calculation of financial resources.
- 3.3 Involuntary deductions, including but not limited to garnishes, support payments, federal benefit overpayments or income tax recoveries, are not exempt from an applicant's financial eligibility calculation. Where involuntary deductions cause the applicant financial hardship, the applicant is expected to seek relief from the agency who set the deduction.

Exemptions from Income:

- 3.4 The following types of income are exempt from consideration as income for the purpose of determining an applicant's eligibility for SA or AI:
- a) involuntary deductions from earned income made pursuant to federal taxation laws;
 - b) deductible expenses from income earned from self-employment;
 - c) an allowance for room and board expenses provided under a federal, provincial or employer-sponsored employment training program, provided that the applicant is living in a place other than their principal residence and the allowance is used for the intended purposes;
 - d) all or part of a training allowance as determined by the Department;
 - e) monies received as financial aid for the purpose of attending a post-secondary educational program, and applied to the costs of tuition, books and educational supplies;
 - f) monies withdrawn from a registered education savings plan (RESP) when used for educational purposes;
 - g) monies withdrawn from a registered disability savings plan (RDSP);
 - h) monies received from a government or a social service agency for providing foster care to a child;
 - i) child support received under the Family Law Act, or the Divorce Act (Canada) or similar legislation in another jurisdiction;
 - j) a child tax benefit paid under the Income Tax Act (Canada);
 - k) a goods and services tax (GST) or harmonized sales tax (HST) rebate;
 - l) monies received from a non-profit group or organization or a community fundraiser for the purchase of items of basic or special need, not exceeding the value of the items to be purchased;
 - m) insurance monies received for the replacement or repair of items, provided that the monies are used for that purpose within six months from the date of receipt;
 - n) general damages or a similar type of compensation received by award or settlement in a judicial or quasi-judicial matter;
 - o) a payment received as a member of a class of persons from the Government of Canada or the government of a province or territory as compensation for a harm done;

- p) a payment received as a member of a First Nation from the Government of Canada or the government of a province or territory in respect of a land claim;
- q) cash transfers on the sale of a family home or vehicle arising from spousal separation or divorce, for a period of 90 days to facilitate the purchase of another home or vehicle. Where these funds are not used for the purchase of another home or vehicle within 90 days, they will be considered a ‘windfall’;
- r) child benefits received from the Canada Pension Plan (CPP) for dependent children of disabled or deceased CPP contributors.

Earned Income:

- 3.5 Earned income exemptions are intended to incentivize applicants to attach to employment and enable applicants to provide for their basic needs.
- 3.6 Income exemptions on earned monthly income do not apply at application and/or when determining an applicant’s initial eligibility for SA or AI.
- 3.7 Where an applicant is deemed eligible for SA, earned monthly income is exempt from consideration as income where:
 - a) the applicant has no spouse or dependents, up to \$250 per month of the applicant’s earned monthly income plus 30% of the amount exceeding \$250;
 - b) the applicant has dependents but no spouse, up to \$400 per month of the applicant’s earned monthly income plus 30% of the amount exceeding \$400;
 - c) an applicant has a spouse, with or without dependents, up to \$400 per month of the total earned monthly income of the applicant and the applicant’s spouse, plus 30% of the amount exceeding \$400.
- 3.8 Where an applicant is deemed eligible for AI, earned monthly income of an applicant and/or a co-applicant is exempt from consideration as income up to \$500 per month plus 30% of the amount exceeding \$500.
- 3.9 Income earned by dependents is exempt from an applicant’s eligibility calculation.
- 3.10 Earned income exemptions do not apply to federal benefits, including but not limited to, employment insurance and Canada Pension Plan (CPP) benefits.

Income Tax Refunds:

- 3.11 Income tax refunds are exempt from consideration as income where:
 - a) an applicant has no spouse or dependents, up to \$5,000 of income tax refunded to the applicant;
 - b) an applicant has dependents but no spouse, up to \$6,000 plus \$500 for each dependent, to a maximum of \$8,500, of income tax refunded to the applicant;
 - c) an applicant has a spouse, up to \$10,000 plus \$500 for each dependent, if applicable, to a maximum of \$12,500, of the total income tax refunded to the applicant and the applicant’s spouse.

Windfalls or Lump Sum Payments:

- 3.12 Windfalls or lump sum payments are exempt from consideration as income
- a) where an applicant has no spouse or dependents, up to \$5,000 of windfalls or lump sum payments received by the applicant;
 - b) where an applicant has dependents but no spouse, up to \$6,000 plus \$500 for each dependent, to a maximum of \$8,500, of windfalls or lump sum payments received by the applicant;
 - c) where an applicant has a spouse, up to \$10,000 plus \$500 for each dependent, if applicable, to a maximum of \$12,500, of the total windfalls or lump fall payments received by the applicant and the applicant's spouse.

4.0 PROCEDURE STATEMENTS

- 4.1 Supports Coordinators are responsible to review and assess an applicant's financial situation, including all sources of income, at the time of application, when a significant change in the applicant's circumstances occurs, and at minimum once every 12 months as part of the applicant's annual review.
- 4.2 Applicants are responsible to disclose sources of income and provide documentation, information, and other evidence necessary to ensure the Department can accurately assess the applicant's financial eligibility for SA or AI. Documentation may include, but it not limited to bank statements, income tax returns, notice of assessments (NOA), verification of earnings, verification of insurance settlements and/or windfalls, etc.
- 4.3 Supports Coordinators will assess the applicant's income against all income exemptions and eligibility criteria to determine if an applicant is eligible for SA or AI.

HISTORY:

April 1, 2022: Editorial, content, and format changes. Earned income exemptions have increased. Additional income exemptions have been added.