

DIRECTIVE #4.1: SUMMARY OF ASSETS

LEGISLATIVE AUTHORITY

Section 7 (3) of the Act.

Sections 14 (1), 15.1, 17 (2), 38, and 39 of Regulation 134/98.

AUDIT REQUIREMENTS

Random file reviews are completed to ensure that:

- All assets and exemptions to asset limits are documented and on file and any transfers or disposals of assets are documented and reviewed for adequacy.
- Asset limits are adhered to and transfer/disposal of assets rules are applied consistently and fairly in accordance with provincial standards.

SUMMARY OF ASSETS

The following directive provides an overview of the asset rules used to determine initial and ongoing eligibility for assistance. Staff will need to refer to the appropriate directives for legislative references and detailed information.

Asset Limits

No person is eligible for income assistance if his/her non-exempt assets, and the non-exempt assets of his/her dependents, exceed the allowable asset limits.

Asset limits are the same across the province and are based on the number and type of dependents in the benefit unit (see Directive #4.2: Asset Limits for more information).

The asset limit for determining eligibility for Temporary Care Assistance (TCA) is based on the assets of the child in temporary care and not the adult caregiver (see Directive #3.10: Temporary Care Assistance for more information).

Assets may include cash, as well as bonds, debentures, stocks, certificates, the cash surrender value of a life insurance policy, interest in property, a beneficial interest in assets held in trust and other property which can be readily converted into cash, even if a financial penalty must be incurred to do so. Unless otherwise

exempt, all assets are included in the determination of eligibility for income assistance.

Exempt Assets

The following are not included as assets for the purpose of determining eligibility for assistance:

Real Property (see Directive #4.3: Real Property for more information)

- The principal residence for the benefit unit.
- The portion of the sale price of an applicant or recipient's property that is applied or will be applied to the purchase price of a principal residence for the benefit unit.
- Interest in property of a dependent child or a child on whose behalf TCA is being paid.

Business Assets (see Directive #4.4: Business Assets for more information)

- Tools of the trade essential to the employment of a member of the benefit unit.
- For self-employed applicants or participants, business assets that are necessary to the operation of their business, up to the appropriate maximum.

Motor Vehicles (see Directive #4.5: Motor Vehicles for more information)

- One motor vehicle up to a maximum value of \$10,000.
- Additional motor vehicles, up to a maximum value of \$10,000 each, necessary to enable other members of the benefit unit to participate in employment assistance activities or to maintain employment.
- The portion of a loan that is used, or will be used within a reasonable period, for the purchase of a first motor vehicle or additional motor vehicle(s) necessary to enable other members of the benefit unit to participate in employment assistance activities or to maintain employment.

Compensation under Settlement Agreements and Other Awards (see Directive #4.6: Settlement Agreements and Other Awards for more information)

- Compensation for pain and suffering up to a maximum of \$25,000.
- Payments received under exempted settlement agreements (e.g., the Indian Residential Schools Settlement Agreement).

Financial Savings Plans (see Directive #4.7: Pensions, RRSPs, RESPs and RDSPs for more information)

- A Registered Education Savings Plan (RESP) held by a member of the benefit unit (as the “subscriber”) who is related to the beneficiary by blood, marriage or adoption.
- A locked-in Registered Retirement Savings Plan (RRSP) and/or pension.
- Funds held in a Registered Disability Savings Plan (RDSP) as defined in subsection 146.4 (1) of the *Income Tax Act* (Canada).
- A payment received from Human Resources and Skills Development Canada under the Opportunities Fund for Persons with Disabilities if the payment is applied or will be applied to costs incurred as a result of participation in employment-related activities that have been approved by the Administrator.

Life Insurance Policies (see Directive #4.8: Life Insurance Policies for more information)

- Money paid under a contract of insurance for loss of or damage to real or personal property of a member of the benefit unit if the money, in the opinion of the Administrator, will be applied within a reasonable period for a prescribed purpose.

Pre-paid Funerals (see Directive #4.9: Pre-paid Funerals for more information)

- A pre-paid funeral plan of any value.

Funds Held in Trust (see Directive #4.10: Funds Held in Trust for more information)

- Funds held in trust if they are not accessible to members of the benefit unit, and depending on the type of trust fund.

Earnings (see Directive #5.3: Earnings Exemptions for more information)

- Earnings of a dependent child or the amount paid to a dependent child under a training program.

- Earnings of a dependent adult in full-time attendance at secondary school or the amount paid to a dependent adult under a training program while he/she is attending school or a training program.
- Earnings of a dependent adult made while they were in full-time attendance at a secondary school or a training program if they are being used, or will be used within a reasonable time determined by the Administrator, for training or post-secondary education costs.
- Earnings of, and amounts paid under a training program to, persons in full-time attendance in an approved program of post-secondary study. This includes earnings and training amounts paid in the pre-study period (i.e., the 16 weeks immediately preceding the start of full-time attendance) but does not include earnings and training amounts paid during periods where the person was not in receipt of assistance. Where the student completes or withdraws from the approved program of study, the earnings cease to be exempt as assets.

For the purposes of this exemption:

- Full-time attendance means the student is enrolled in at least 60% of a full course load as defined by the post-secondary institution; and
- Approved programs of post-secondary study include:
 - A program that is approved for the purpose of federal or provincial student loans (e.g., an Ontario student loan under the Ontario Student Assistance Program (OSAP)); or
 - A program that prepares the student to practice a regulated profession. These programs may be bridge training programs for foreign-trained professionals (e.g., nurses, engineers) and may not be eligible for student loans. However, they must take place at an approved post-secondary institution (i.e., college, university or private career college).

Note: Regulated professions are those identified in Schedule 1 of the *Fair Access to Regulated Professions Act, 2006*, or Schedule 1 of the *Regulated Health Professions Act, 1991*, which are available on e-laws. A list of approved post-secondary institutions is available on the OSAP website at <http://osap.gov.on.ca>.

Loans (see Directive #5.9: Loans for more information)

- The portion of a personal loan, grant or award for education or training costs, approved by the Administrator, as long as the student remains in attendance in the program of study for which the financial support is intended.
- The portion of a loan used for first and last month's rent, which can include start-up costs for utilities.
- Personal loans used for the purchase of necessary household items such as groceries, clothing, furniture and appliances.

Other Payments & Items

- The portion of a payment received under Learning, Earning and Parenting (LEAP) to be used for the person's post-secondary education within a reasonable timeframe or placed in an RESP for the participant's dependent(s). This includes a Canada Education Savings Grant paid into the RESP and the portion of interest earned from and reinvested into the RESP as part of LEAP (see Directive #8.2: LEAP for more information).
- Payments made pursuant to the Ontario Disaster Relief Assistance Program (ODRAP) if, in the opinion of the Administrator, the payment will be used within a reasonable period for the purpose for which it was made.
- Financial grants, items or services that are issued for energy conservation in homes through Conservation and Demand Management programs offered by Local Distribution Companies (LDCs).
- Payments made through the Residential Rehabilitation Assistance Program (RRAP) and the Home and Vehicle Modification Program (HVMVP).
- Assets that are considered necessary for personal use such as furniture, clothing or a stove.
- Insurance payments made to participants for loss of, or damage to, an asset or for temporary living expenses.
- Ontario Skills Development Benefit Program payments.
- The value of grants, items or services provided by gas distribution utilities, local distribution companies as well as municipal, provincial (including the Ontario Power Authority) and federal levels of government for the purposes of energy efficiency and conservation.
- All financial assistance received through the Quest for Gold – Ontario Athlete Assistance Program (OAAP).

Asset Limits for Ontario Disability Support Program (ODSP) Applicants

Ontario Works applicants and recipients who intend to apply for the ODSP can have ODSP asset limits and exemptions applied for the purposes of determining eligibility for Ontario Works if their non-exempt assets exceed Ontario Works asset limits.

Where ODSP asset limits are applied, persons must agree to reimburse financial assistance if they are found to be ineligible for the ODSP.

ODSP asset limits can only be applied once in a person's lifetime. Re-applicants for ODSP who previously used ODSP asset limits and exemptions must now be within Ontario Works asset limits in order to be eligible for Ontario Works (see Directive #2.4: Referrals to the ODSP for more information).

Sale or Disposition of Assets

Any funds received from the sale or disposition of an asset are treated as income unless otherwise exempt (see Directive #5.1: Income & Exemptions for more information).

Assignment or Transfer of Assets

Applicants or recipients who dispose of assets inadequately (i.e. for less than fair market value) or dispose of assets solely to qualify for assistance within one year preceding the application may be ineligible for assistance, or may receive reduced assistance. A review period of up to three years prior to the date of the application may be used where the Administrator has reason to deem it appropriate in situations of inadequate disposal of assets (see Directive #4.11: Assignment and Transfer of Assets for more information).