

# Ontario Disability Support Program - Income Support Directives

## 4.5 - Motor Vehicles

### Summary of Policy

The value of a person's interest in a motor vehicle is exempt as an asset. If a second motor vehicle is required to permit a dependant to maintain employment outside the home, the value of the second motor vehicle is exempt up to a value of \$15,000.

### Legislative Authority

[Sections 28 \(1\) 6, and 7 of the ODSP Regulation](#)

### Summary of Directive

The value of a person's interest in one motor vehicle is exempt as an asset.

If a second motor vehicle is required to permit a dependant to maintain employment outside the home, the value of the second motor vehicle is exempt up to a value of \$15,000.

### Intent of Policy

To exempt as an asset one motor vehicle per benefit unit and to exclude from assets the value of a second vehicle that is required by a dependant to work outside the home, up to \$15,000.

### Application of Policy

#### Standard

The value of a second motor vehicle that is owned by a dependant who works outside the home must be determined.

The ownership and car insurance policies related to an additional motor vehicle must be checked to verify ownership and the year, make and model of the vehicle.

A case narrative is necessary when the value of a second vehicle exceeds the threshold level.

Under ODSP, there is no limit on the value of one motor vehicle per benefit unit. Any member of the benefit unit may own the vehicle.

The value of a second vehicle that is required by a dependant to work outside the home is exempt up to \$15,000.

The total value of a second vehicle that is **not** required by a dependant to work outside the home is treated as an asset.

The total value of any additional vehicle owned by a member of the benefit unit, whether or not that vehicle is required for work, is treated as an asset.

### **Determining the Necessity of a Second Vehicle**

The determination of whether a second vehicle is required by a working dependant should be based on the following criteria:

- how frequently the person needs to use the additional vehicle for work;
- availability of the primary vehicle;
- availability, convenience and accessibility of public transit;
- whether the person receives remuneration for work;
- safety, e.g. a woman who works late hours may not feel safe utilizing public transit; and
- whether specialized vehicles are necessary for transportation in remote areas (e.g. snowmobiles).

Other appropriate circumstances which are not outlined above should also be considered on a case-by-case basis in determining the need for a second vehicle to maintain employment.

Once the determination of necessity has been made, the vehicle's total value must be determined.

### **Determining the Value of Second and Non-Exempt Vehicles**

The Canadian Redbook should be used as a guide to determine the value of an additional vehicle. The Redbook, which is updated monthly, contains a comprehensive list of all cars and light duty trucks (1986 to present). The wholesale value listed in the Redbook is the amount which should be used to determine value. The Canadian Redbook is published by Canadian Redbook Inc. and can be ordered through the company's website at [www.canadianredbook.com](http://www.canadianredbook.com).

## Second vehicles - Calculating the Asset Amount

If the value of a second vehicle required by a dependant for work is more than \$15,000, any loans or encumbrances against the vehicle should be deducted from its value.

As the value of a vehicle may depreciate considerably over time, an additional deduction of \$500 should be applied to reflect the depreciation. After deducting any loans and encumbrances, and taking into account the depreciation, any portion of the value of a vehicle required by a working dependant which is over the threshold level of \$15,000 should be considered an asset.

### Example

The second vehicle used by a dependant is determined to be a necessity.

car value (wholesale value in Redbook)	\$ 17,000
less loan balance	\$ (1,200)
sub-total	\$ 15,800
less depreciation	\$ (500)
net value	15,300
less threshold	\$ 15,000
<b>amount of asset</b>	<b>\$ 300</b>

### Non-Exempt Vehicles

If it is determined that the second vehicle is not a necessity or if a member of the benefit unit owns any additional vehicles(s), the asset amount should be calculated as follows:

car value (wholesale value in Redbook)	\$ 17,000
less loan balance	\$ (1,200)
sub-total	\$ 15,800
less depreciation	\$ (500)
net value	15,300
<b>amount of asset</b>	<b>\$ 15,300</b>

### Treatment of the Asset Amount

Where the asset amount attributed for the vehicle is above the asset limit (combined with the value of other assets the recipient may have), the recipient will have six months to sell the vehicle.

When non-exempt vehicles are sold, the income charge is the net value of the vehicle (selling price less loan repayment).

## **Hyperlinks associated with this Policy Directive**

### **Related Directives:**

[4.1 Definition and Treatment of Assets](#)

[4.2 Real Property](#)

[4.4 Transfer of Assets for Inadequate Consideration](#)

[5.4 Self-Employment Incomes](#)