

Ontario Disability Support Program - Income Support Directives

5.11 - Post-Secondary Education

Summary of Policy

The portion of a personal loan, student or trainee grant or award approved by the Director for training or post-secondary education costs is exempt as income and assets, so long as the person is attending or will be attending the program or training for which the loan was taken or the payment was intended.

A loan received from the Ontario Student Assistance Program (OSAP) or Canada Student Loan Program (CSLP), or an award or grant made to a student enrolled in a post-secondary school which is used for "education costs", transportation costs and child care where applicable) is exempt as income under the ODSP.

A dependent adult in full-time attendance at a post-secondary school is required to apply for an OSAP and Canada Student Loan.

An OSAP or Canada Student Loan, which is provided to a part-time student, a dependent adult who is not a spouse included in the benefit unit is exempt as income.

A Registered Education Savings Plan (RESP) held by an applicant/recipient for a beneficiary related by blood, marriage or adoption is exempt as an asset. The following income exemptions apply to such an RESP:

- a Canada Education Savings Grant;
- interest earned and reinvested in the RESP;
- a gift or voluntary payment received for the purpose of making a contribution to the RESP;
- payments received from the RESP that will be applied by the beneficiary to the cost of tuition, other compulsory fees, books, instructional supplies and equipment, transportation and post-secondary education expenses related to the person's disability approved by the Director.

Legislative Authority

[Sections 2\(2\)b; 11\(2\)\(b\); 28\(1\)12, 26; 42\(5\), \(6\), \(7\), \(11\); 43\(1\)1.v, vi, 2, 2.1, 7, 9.1, 13, 15, 15.1, 15.2, and 15.3 of the ODSP Regulation](#)

Summary of Directive

This directive describes eligibility requirements for ODSP income support recipients upon receipt of RESP-related payments, student loans, grants, awards, or bursaries for post-secondary education or training.

Intent of Policy

To encourage a member of the ODSP benefit unit to complete or further his/her education or training by exempting certain funds and payments as income and assets while the person attends post-secondary education or training.

Application of Policy

Ontario Student Assistance Program (OSAP)

OSAP is available to persons who require financial assistance to participate in post-secondary education. This assistance is provided in the form of student loans, grants or bursaries for educational and living expenses.

OSAP consists of two main components:

OSAP Allowable Education Costs

OSAP provides funding for allowable education costs up to a maximum amount. OSAP allowable education costs include: tuition and compulsory fees; books and instructional supplies. In addition, OSAP also provides funds for transportation and, where applicable, funds for child care.

Non-educational Funding (Personal Living Allowances)

OSAP may also provide an amount that is intended to cover the costs of shelter, food, amounts for dependent children, and miscellaneous expenses.

OSAP Assessment for ODSP Applicants/Recipients or Spouses

When applying for a student loan, an ODSP recipient must identify on the OSAP application that they (or their spouse) will be an ODSP recipient during the study period and/or pre-study period and, his/her family's estimated income from ODSP

during the study period. The amount of ODSP is used by OSAP solely for income verification purposes and does not impact the amount of OSAP the ODSP recipient is eligible to receive.

OSAP is assessed based on a student's actual educational costs, child care costs, if any, and local travel expenses. Recipients attending post-secondary school can continue to receive funds to help with their living costs from ODSP. Therefore, OSAP does not automatically assess ODSP recipients for non-educational funding and living costs are not generally included in the assessment. As a result, in most cases, the OSAP Assessment Summary will not show any non-educational funding.

However, in a small number of cases, the OSAP Assessment Summary will show an amount of OSAP funding that is more than the student's actual education costs. This is because some Canada Student Grants are provided as a flat-rate amount and in some cases may exceed the student's direct educational costs. Since these are flat-rate grants, MTCU must issue the full amount of the grant and students cannot decline a portion of this grant. If the student has even \$1 of eligibility they are issued the full flat-rate grant.

Eligibility for ODSP

OSAP Assessment Summary forms are produced for all full-time OSAP applicants who indicate on their OSAP applications that they, their spouse, or their parents are in receipt of Ontario Works or ODSP.

- Upon receipt of a student loan, a person receiving income support must provide a copy of their student loan assessment and/or any other documentation to ODSP staff so that ongoing eligibility may be determined.
- Documentation includes, but is not limited to:
 - OSAP Notice of Assessment/Reassessment; and
 - Official letters/notices from the provincial government, the federal government or an educational institution communicating information about a student loan grant, bursary or award a student has been assessed to receive.

A copy of the OSAP Assessment Summary form and any other relevant documentation should be retained on the recipient's file.

Treatment of OSAP Loans for ODSP Applicants/Recipients or Spouses

Loans, grants, bursaries and awards received under the MTCU Act and CSFA Act for direct educational expenses (i.e., tuition, other compulsory fees, books,

instructional supplies and transportation and/or childcare) are exempt as income and assets so long as the participant remains in attendance in the program of study or training for which the funding is intended.

A complete list of OSAP loans, grants, bursaries and awards is available at: <https://osap.gov.on.ca/OSAPPortal/en/A-ZListofAid/index.htm>.

In addition, Administrators may exempt the portion of any other loans, grants bursaries and awards that will be applied within a reasonable period to direct educational expenses as income and assets.

Although, most ODSP recipients/spouses will not receive funds for personal living costs (personal living allowance), for the small number that do, these funds are not exempt as income or assets.

Calculating Assistance

In the majority of cases where the OSAP Assessment Summary shows that only education, transportation and child care funds have been issued, no adjustments are required to income support as a result of OSAP funding, and no additional calculation is required by the caseworker. However, the amount of OSAP educational funding is still recorded in the recipient/student's file, i.e. in the computer system.)

In the small number of cases where the the OSAP Assessment Summary shows an amount of OSAP funding that is more than the student's actual education costs the following calculation should be completed:

Total OSAP loans/grants/bursaries/awards - actual education costs = personal living allowance (chargeable income).

Example:

Grant = \$3,500

Loan = \$6,500

Total funding = \$10,000

Actual education costs = \$5,000

Calculation of Personal Living Allowance:

$\$10,000 - \$5,000 = \$5,000$ (chargeable income)

This amount is pro-rated over the course of the study period and deducted from the student's income support dollar-for-dollar.

***Special Purpose Payments for Crown Wards**

OSAP provides specific special purpose payments that are not considered in the usual OSAP assessment. These funds are not intended to reduce the amount of OSAP funding that the student is eligible to receive. These are additional payments from OSAP for these students and are fully exempt under ODSP. These grants include:

- The Living and Learning Grant
- The 100% Tuition aid for Youth Leaving Care Program

For the purposes of social assistance, special purpose payments are not included in the calculation of personal living allowance (chargeable income). The personal living allowance would be calculated in the following manner for students who are in receipt of a specific special purpose payment.

Total OSAP loans/grants/bursaries/awards (excluding special purpose grants*) - actual education costs = personal living allowance (chargeable income).

Example:

Grant = \$3,500

Loan = \$6,500

*Living and Learning Grant = \$2,000

Total funding = \$12,000

Actual education costs = \$5,000

Calculation of Personal Living Allowance

Total funding not including special purpose grants: $\$12,000 - \$2,000^* = \$10,000$

Loan and Grant = \$10,000 (\$3,500 Grant + \$6,500 Loan) - \$5,000 actual education costs = \$5,000 chargeable income

This amount of chargeable income is pro-rated over the course of the study period and deducted from the student's income support dollar-for-dollar.

Treatment of OSAP Loans to Dependent Adults under the ODSP

A dependent adult is required to apply to OSAP for financial assistance if he/she is in full-time attendance at post-secondary school.

All OSAP loans provided to dependent adults are exempt as income and assets in their entirety. OSAP loans to dependent adults may include a living allowance, but do not include a shelter component.

If the dependent adult leaves home to attend school, he/she is no longer considered a dependent adult and should be removed from the benefit unit.

Treatment of OSAP Loans for Part-Time Study

A person with a disability is considered to be a part time student if he or she is taking less than 40% of a full course load. His/her student loan will only provide for direct school costs and miscellaneous support for the student plus local transportation. Child care costs will be considered within the loan, subject to student loan maximums.

OSAP provides a part-time applicant with a form letter indicating the results of his/her application. ODSP staff may use this letter to confirm that the student attends on a part-time basis.

Student loans for part-time study and the above noted grants are exempt as income and assets. OSAP loans for part-time study do not include a shelter component.

Students Attending a Post-secondary Institution Out-Of-Province

An ODSP recipient attending a post-secondary institution out-of-province may remain eligible for income support for the duration of the study period. Prior approval of the absence from Ontario for the purpose of attending a post-secondary institution is required. (Also see Directive [2.4 Absent from Ontario](#))

Treatment of Indian and Northern Affairs Canada (INAC) Funds for Post-secondary School

A First Nations person is not required to seek OSAP funds to support post-secondary study. If he/she does however, then the funds are treated as per the OSAP policy. Indian and Northern Affairs Canada (INAC) provide funds for post-secondary study for First Nation persons through the Post-secondary School Support Program (PSSSP). The PSSSP funds can be provided for both direct school costs (tuition, books and instructional supplies) and child care and personal living costs for the student and his/her family.

A member of the benefit unit who is provided with INAC funding for personal living costs, should be advised that they have the option of declining this funding. If they choose not to accept the personal living funding, recipients must request a

reassessment of funding by INAC. There is no impact on a recipient's income support if he/she declines the personal living funding. If a recipient chooses to accept the personal living funding, it is treated as income under the ODSP and deducted dollar for dollar from the income support on a pro-rated basis for the duration of the study period.

Funds for direct school costs, child care, and transportation are exempt as income for ODSP purposes.

Exemption for Personal Loans, Grants and Awards Used for Education Purposes

The portion of a personal loan, student or trainee grant or award for training or education costs is exempt as income and assets, so long as the person is attending the program or training for which the loan was taken or the payment was intended. In addition, a recipient is required to apply the funds to education costs or training within a reasonable period of time.

Education costs include tuition, other compulsory fees, books, instructional supplies and equipment, transportation and education expenses related to the person's disability.

Applicants and recipients will be required to verify the amount of the loan, grant or award. In addition, verification of the education or training costs paid from the loan, grant or award will be required.

Exemption for Registered Education Savings Plans (RESPs)

The following income and asset exemptions relate to RESPs:

- RESPs held by any member of the benefit unit for persons related to them by blood, marriage or adoption (e.g. son, daughter, nephew, grandchild, etc.) are exempt as assets. The person who owns the RESP is known as the subscriber. A beneficiary of an RESP does not own or have control over the RESP.
- Gifts and voluntary payments received (above the \$6,000 exemption limit) and paid into such RESPs are exempt as income.
- Under the Canada Education Savings Grant (CESG), the Federal government matches a certain percentage of a person's contributions to an RESP. Amounts contributed to an RESP through the CESG are exempt.
- Payments from an RESP, intended and used for education costs, received by a recipient or any other member of a benefit unit are exempt as income, (e.g., funds received by a dependent adult who accesses funds in

an RESP established by her grandmother to pay for post-secondary tuition would be exempt as income). For this purpose, education costs consist of tuition fees, other compulsory fees, books, instructional supplies and equipment, transportation, and education expenses related to the person's disability. In addition, a recipient is required to apply the funds within a reasonable period of time to education costs.

Verification will be required of RESP payments that are used for education costs. Funds withdrawn from an RESP, in any form, and not used for education costs are subject to income and asset rules.

In a family type RESP, the beneficiary can be changed from the originally named person to another relative, (e.g., RESP purchased for son who does not attend post secondary school can be transferred to a daughter who does). These RESPs continue to be exempt as long as they are intended for and will be used for education costs.

Treatment of Assistance for Children with Severe Disabilities

A recipient of both income support and Assistance for Children with Severe Disabilities (ACSD) will continue to be eligible for ACSD through a change in case class, if determined to be eligible. ACSD should not be identified as income when applying for an OSAP loan.

Hyperlinks Associated with this Policy Directive

Related Directives:

[2.1 Dependent Adults](#)

[2.2 Dependent Children](#)

[2.4 Absent from Ontario](#)

[4.1 Definition and Treatment of Assets](#)

[5.1 Definition and Treatment of Income](#)

[5.8 Gifts and Voluntary Payments](#)

[5.9 Disability Related Items and Services](#)

[5.10 Loans](#)

Bulletins

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