

Ontario Disability Support Program - Income Support Directives

5.18 - Exemption of earnings of post-secondary students

Summary of Policy

The employment earnings (including self-employment and farm income) and amounts paid under a training program of persons attending full-time post-secondary school are exempt as income and assets.

Legislative Authority

Sections 28(1) 32.3; 38 (7)

Summary of Directive

The treatment of employment and training income for persons attending full-time post secondary school is explained.

Intent of Policy

To encourage a member of the ODSP benefit unit to complete or further his/her education or training by exempting employment earnings and amounts paid under a training program as income and assets while the person attends post-secondary education or training.

Application of Policy

Treatment of Employment Earnings and Training Income

The employment earnings of (including self-employment and farm income) and amounts paid under a training program to persons attending full-time post-secondary school are exempt as income and assets.

This exemption applies to income earned or paid both during the study period and during the pre-study period, defined as the 16 weeks prior to the start of the study period.

The exemption applies to any member of a benefit unit.

Work Related Benefit, Child Care Expenses and Disability-Related Employment Expenses

Since employment and training earnings are fully exempt as income for persons attending post-secondary education full-time these individuals are not eligible for the Work-Related Benefit nor may they claim child care expenses or disability-related employment expenses.

Treatment of Assets

The asset exemption will apply only to earnings or training income earned or paid while the student is in receipt of social assistance and that are used for post-secondary education costs. The assets will continue to be exempt as long as the student continues to be enrolled in, and is attending, post-secondary school.

Requirements for Exemption Eligibility

In order to be eligible for the exemption benefit unit members must:

1. Be enrolled in an eligible program of study; and
2. Be taking at least 60% of a full course load, or 40% of a full course load for persons with disabilities on ODSP who meet the definition of persons with a disability or who are members of a prescribed class. (Note: The post-secondary institution determines the number of courses or credits that constitute a full course load and this may vary with the program of study. For example: If five courses are considered a full course load over the academic year, then 60% would be three courses and 40% would be two courses. If 30 credits are considered a full course load over the academic year, then 18 credits would be 60% 12 credits would be 40 %.)

Eligible Programs of Study

Eligible programs of study include:

1. 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
2. A program that prepares the student to practice a regulated profession that is taught at an institution that is approved for the purposes of federal or provincial student loans. 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 (e.g., college, university, private career college). (Note: regulated professions are those identified in Schedule 1 of the Fair Access to Regulated Professions Act, 2006, and Schedule 1 of the Regulated Health Professions Act, 1991).

Verification Requirements

In order to qualify for the exemption, recipients will need to provide proof of enrollment.

Examples of acceptable forms of verification include a letter from the institution confirming admission or a letter from OSAP confirming receipt of application for OSAP funding. Verification of school attendance should occur on a yearly basis at the beginning of the 16 week pre-study period. This will enable staff to determine if the person continues to qualify for the earnings exemption.

Non-Attendance, Withdrawal or Completion of Post-Secondary Education

Overpayments are to be established in situations where earnings have been exempted during the pre-study period (based on a person's enrollment in post-secondary school) but where the person does not attend. Under exceptional circumstances, the Director may determine that an overpayment should not be established if the circumstances leading to the non-attendance were beyond the person's control (e.g., an illness that prevents attendance, family crisis, etc).

A person who enrolls and attends post-secondary school has demonstrated intent to pursue a post-secondary education. If the person later withdraws from the program, no overpayments will be applied for the period he/she attended the program or to the pre-study period. In cases where the student withdraws from the program but their earnings continue to be exempted (e.g., because they did not report their withdrawal), overpayments will be applied as of the date of withdrawal.

Where a recipient does not attend the program of study as planned, withdraws from or completes the program, the usual asset limits will apply. The assets are then taken into consideration when determining the recipient's or benefit unit's ongoing eligibility. Recipients should be informed of the treatment of the assets if they are not used for post-secondary costs.

Arrears Payments

In situations where a member of the benefit unit attends post-secondary school, but the income exemption was not applied as he/she had not indicated his/her intent to do, retroactive calculations will be made and any funds to which the benefit unit member would have been entitled will be issued.

Hyperlinks associated with this Policy Directive

Related Directives:

[4.1 Definition and Treatment of Assets](#)

[5.1 Definition and Treatment of Income](#)

[5.11 Post-Secondary Education](#)