

## Ontario Works Directives

### **4.11: Assignment and Transfer of Assets**

#### **Legislative Authority**

Section 7(3) of the Act.

Sections 14(1), 15.1, 17(2), 32, 38, 39, 62(3) and 85 of Regulation 134/98.

#### **Audit Requirements**

Documentation is on file to support decisions made.

#### **Application of Policy**

Where an applicant or recipient disposes of assets, or has done so prior to application, the Administrator undertakes a determination regarding both the adequacy and the intent of the disposal. If the Administrator determines that the assets were disposed of inadequately (i.e., for less than fair market value) or for the purpose of qualifying for assistance, the Administrator must make the applicant/recipient ineligible for assistance or reduce the amount of assistance the applicant/recipient is eligible to receive.

Fair market value means the money that would have been received if the asset(s) were sold in a competitive situation, taking into consideration the conditions of the market and the attributes of the asset, such as age, condition (e.g., operational status), demand for and location of the asset.

When an improper transfer of assets to a dependent child has occurred, the transferred assets may be considered non-exempt.

The period of one year preceding the date of application is reviewed unless the Administrator has reason to believe that a three-year period of review is more appropriate.

Each case must be assessed individually and all factors are considered, including:

- fair market value of the disposed asset;
- verification of debts owing;
- repetitive history of disposing of assets inadequately;
- situation of the applicant or recipient at the time of disposal (e.g., family crisis);

- disposal of the asset close to the time of application (i.e., may indicate intent to qualify);
- time that has elapsed since disposal of the asset; and
- applicant's or recipient's current income and expenses.

Some applicants or recipients may choose to use their savings or the proceeds from the sale of an asset to pay off a formal debt (e.g., a bank loan, a student loan). So long as the asset was not sold for below fair market value, and the applicant / recipient can verify the particulars of the debt repayment, they should not be deemed to have disposed of assets in order to qualify for assistance, and no penalty should be applied.