

WHAT IS WELFARE?

Welfare is the social safety net of LAST RESORT in Canada.

**There are 13 DIFFERENT WELFARE SYSTEMS in Canada—
one in each province and territory.**

Social assistance or welfare is the social safety net of last resort in Canada. It provides money to meet the basic needs of individuals and families who have exhausted all other means of financial support.

There are 13 different welfare systems in Canada—one in each province and territory. Sometimes municipalities share responsibility with the province, such as in Ontario. First Nations people on and off reserve receive the same benefits as others, through the welfare program in the province or territory where they live.

INAC (Indian and Northern Affairs Canada) collects data about income assistance receipt on-reserve, but there is no readily available source of comparable data about social assistance receipt by non-reserve Aboriginal people in different provinces and territories. (*First Nations, Métis and Inuit Children and Youth*, 2007, page 27)

Refugees receive income support through another department, Citizenship and Immigration Canada (CIC) which administers the Resettlement Assistance Program (RAP).

The Resettlement Assistance Program (RAP) provides government-assisted

refugees with support services and financial support for the most basic needs. Financial support is provided under the RAP to eligible refugees who cannot pay for their own basic needs. Support can include a one-time household start-up allowance and a monthly income support payment. The level of financial support is based on provincial social assistance rates in the province where they settle. (<http://www.cic.gc.ca/english/information/faq/refugees/ref-support-faq03.asp> accessed on September 18, 2007)

Each welfare program has **complex rules** which regulate all aspects of the system, including:

- **eligibility for assistance;**
- **the rates of assistance;**
- **the amounts of other income recipients are allowed to keep;** and
- **the way in which applicants and recipients may question decisions regarding their cases.**

Over the last decade, welfare programs have been evolving due to new approaches to child benefits. In 1998, the federal government introduced the National Child Benefit Supplement (NCBS). This provides financial benefits to low-income families with children, regardless of their source of income. Most families on welfare, however, had their federal benefit clawed back from their welfare income. As of 2006, five provinces—Newfoundland and Labrador, Nova Scotia, Quebec, Saskatchewan and British Columbia—provide financial benefits for children through an income-tested program rather than welfare. These provincial child benefits are available to all low-income families. The interaction of these child benefit programs with welfare programs has made an already complicated system even more complex.

Welfare Incomes, 2006 and 2007 looks at the amount of income received in 2006 and in 2007 by **4 typical households** on welfare:

- **a single employable person;**
- **a single person with a disability;**
- **a lone parent with a child aged 2; and**
- **a couple with 2 children aged 10 and 15.**

These four household types multiplied by 13 welfare systems gives us 52 scenarios or cases. Recently we added a fifty-third case when we decided to look at the income of a second disability program in Alberta.

The report includes information on:

- **how people qualify for welfare;**
- the **different types of assets they may keep** while on welfare; and
- **how much they can earn** while on welfare.

Later chapters assess:

- the **adequacy of welfare incomes;** and
- **trends in welfare incomes dating back to 1986.**

ELIGIBILITY

Determining eligibility for welfare is a multi-step process. First, applicants must meet the administrative requirements. Then they undergo a needs test, which looks at their assets, income and basic needs.

**Administrative rules
VARY
throughout the country.**

In general, applicants must:

- be of a **certain age** (usually between 18 and 65);

- provide **written documentation** concerning their **financial situation**;
- **pursue** any **court-ordered maintenance support** to which they are entitled; and
- provide **medical certification** of **any disabling condition**.

They must also agree to:

- **report any future changes** in their **circumstances**; and,
- where applicable, **follow any employment plans** that have been negotiated.

In some jurisdictions, applicants are routinely diverted to other programs or services before they can apply for assistance.

Applicants who meet the administrative conditions then go through a needs test¹. The welfare department compares the budgetary needs of the household with its assets and income. Amounts for budgetary needs, covering items such as food, shelter, clothing, household expenses, transportation, personal grooming items and special needs items, are set by government regulation or policy directive. These amounts are set arbitrarily and do not necessarily reflect the actual cost of the necessities of life.

¹ From 1966 until 1996, the needs test was the central eligibility criterion under the Canada Assistance Plan (CAP), which provided federal funding towards the cost of provincial and territorial welfare programs. CAP was replaced in 1996 by the Canada Health and Social Transfer (CHST), and then by the Canada Social Transfer (CST) in 2004. Neither the CHST nor the CST include a needs test as a requirement for federal funding. To date, no province or territory has done away with the needs test outright.

First, the applicants' FIXED and LIQUID ASSETS are reviewed.

In **most** provinces and territories, **fixed assets are exempt**. Fixed assets include:

- the principal residence;
- household and personal effects;
- a vehicle (up to a certain limit); and
- the value of prepaid funerals.

Property and equipment required for employment are also generally considered exempt.

Applicants are usually required to convert any non-exempt fixed assets into cash to cover their ongoing needs before they can qualify for welfare.

Liquid assets include:

- cash on hand and in bank accounts; and
- stocks, bonds and securities that are readily convertible to cash.

Most jurisdictions now exempt Registered Education Savings Plans. Table 1.1 presents the maximum allowable liquid asset limits in effect in January 2006 for our four typical welfare households. These limits vary according to the size of the household and, in some jurisdictions, the client's classification. For example, most recipients with a disability have higher asset exemption levels in recognition of the additional costs related to a disability. Households whose assets exceed these limits are not eligible for welfare.

Next, the welfare department identifies ALL the SOURCES OF INCOME for the household.

Each province and territory determines how income from various sources is treated—it may be **fully exempt**, **partially exempt** or **not exempt at all**. Exempt income is not taken into account when determining a household's entitlement. Examples include the Canada Child Tax Benefit Basic Benefit, provincial and territorial child welfare payments, the federal GST credit and many compensation payments (e.g., HIV, Hepatitis C). Income that is not exempt is deducted dollar for dollar from the welfare entitlement. Most pensions, Employment Insurance benefits, Workers' Compensation payments, training allowances and student assistance are considered non-exempt income. Most provinces and territories exempt a portion of a household's earnings—this is referred to as "earnings exemptions". Some have different earnings exemption provisions for those applying for welfare compared to those already receiving welfare. Earnings exemptions support welfare clients' personal efforts to join or return to the labour force by allowing them to retain a portion of their earnings.

Tables 1.3-a and 1.3-b at the end of this chapter provide a summary of earnings exemption provisions as of January 1, 2006 and as January 1, 2007 for our four household types

Finally, the welfare department subtracts all non-exempt income from the budgetary needs of the

household. Applicants qualify for welfare if their household's assessed needs are greater than their non-exempted resources.

All in all, qualifying for welfare is a COMPLICATED, CUMBERSOME and STIGMATIZING process.

As welfare programs evolve—for example, providing financial assistance for children through separate income-tested child benefit programs—eligibility criteria are changing. Despite its shortcomings, the needs test provides benefits based on family size and is responsive to sudden changes in a family's circumstances. By contrast, income-tested programs are much less intrusive or stigmatizing, since they are based on the household's taxable income. Assets are not considered and there is not the ongoing monitoring or the requirement to report to authorities. However, because many income-tested programs are based on past income, they are not as responsive to rapid changes in a family's circumstances, such as significant income loss or a change in family size.

LIQUID ASSET EXEMPTION LEVELS

Table 1.1-a presents liquid asset exemption levels as of January 2006 and Table 1.1-b as of January 1, 2007. **These tables focus on provisions for our four household types only.** They also show, where applicable, the different provisions for those applying for assistance as opposed to those already receiving assistance.

There were **very few changes** between **January 2005 and January 2007**, mainly in:

- Quebec;
- Ontario;
- Alberta; and
- British Columbia.

**Table 1.1-a: LIQUID ASSET EXEMPTION LEVELS AS OF JANUARY 2006
PROVISIONS FOR APPLICANTS AND RECIPIENTS¹**

	Single Employable	Single Person with a Disability	Lone Parent, One Child	Couple, Two Children
Newfoundland and Labrador	\$500	\$3,000 ²	\$1,500	\$1,500
Prince Edward Island	\$50 to \$200 ³	\$900	\$50 to \$1,200 ³	\$50 to \$1,800 ³
Nova Scotia	\$500	\$500	\$1,000	\$1,000
New Brunswick	\$1,000	\$3,000	\$2,000	\$2,000
Quebec	Applicants: \$836 ⁴ Recipients: \$1,500	Applicants: \$836 ⁴ Recipients: \$2,500	Applicants: \$1,195 ⁴ Recipients: \$2,859 ⁵	Applicants: \$1,701 ⁴ Recipients: \$2,960 ⁶
Ontario ⁷	\$536	\$5,000 ⁸	\$1,487	\$2,062
Manitoba ⁹	Applicants: \$0 Recipients: \$400	\$2,000	\$2,000	Applicants: \$0 Recipients: \$1,600
Saskatchewan	\$1,500	\$1,500	\$3,000	\$4,000

¹ Unless otherwise noted, the asset exemption provisions apply to both those applying for and receiving social assistance.

² This applies to a single person with a disability requiring supportive services.

³ Applicants requiring short-term assistance (four months or less) could not have assets in excess of \$50. The higher asset exemption levels applied to those requiring long-term assistance.

⁴ Single persons and families had to divest themselves of part of their liquid assets to qualify for welfare if their assets exceeded an amount set according to family size. At the time of application, applicant's liquid asset may not exceed the allowable limits. The determination of a household's assets excluded income received during the month of application which was to cover the cost of rent, heating and public utilities. Higher asset exemption levels applied after the first month on assistance.

⁵ Once an application for assistance has been approved, client's liquid asset may not exceed the allowable limits: the exemption for a lone parent was \$2,500 plus \$359 for the child.

⁶ Once an application for assistance has been approved, client's liquid asset may not exceed the allowable limits: the exemption for a couple was \$2,500 plus \$460 for the two children.

⁷ Asset levels were increased for Ontario Works clients in December 2006. The new limits were \$548 for a single person, \$1,508 for a lone parent and \$2,084 for a couple with two children.

⁸ This represents the liquid asset exemption level for a single person on the Ontario Disability Supports Program.

⁹ Under the General Assistance provisions of the Employment and Income Assistance program, employable singles, childless couples and two-parent families are not eligible for any liquid asset exemption at application.

**Table 1.1-a: LIQUID ASSET EXEMPTION LEVELS AS OF JANUARY 2006
PROVISIONS FOR APPLICANTS AND RECIPIENTS¹**

	Single Employable	Single Person with a Disability	Lone Parent, One Child	Couple, Two Children
Alberta ¹⁰	\$402	\$1,270 ¹¹ \$3,000	\$876	\$1,352
British Columbia ¹²	Applicants: \$660 Recipients: \$1,500	\$3,000	Applicants: \$1,096 Recipients: \$2,500	Applicants: \$1,241 Recipients: \$2,500
Yukon	\$500	\$1,500	\$1,000	\$1,600
Northwest Territories ¹³	\$0	\$5,000	\$0	\$0
Nunavut ¹⁴	\$0	\$5,000	\$0	\$0

¹⁰ The maximum allowable liquid assets for those in the “expected to work” category of Income Support were equivalent to one month’s core benefit for the applicable household unit. The maximum applicable National Child Benefit Supplement is included for families with children. As of January 1, 2006, asset exemption levels were \$876 for a lone parent with one child and \$1,352 for a couple with two children. Effective August 2006, the asset exemption levels were increased to \$895 for a lone parent and \$1,389 for a couple with two children as a result of the increase to the NCB Supplemente.

¹¹ This represented the amount for an Income Support client in the “Not Expected to Work” category. For those in the “not expected to work” category, the maximum allowable liquid asset were equivalent to two months’ core benefits. As of January 1, 2006, asset exemption levels for clients in the “not expected to work” category included the Personal Needs Supplement (effective August 2005). Consequently, the asset exemption level increased to \$1,270. In May 2006, core essentials for clients in the “not expected to work” increased which resulted in the new asset exemption level of \$1,334.

Most people with severe and permanent disabilities received assistance under the Alberta Assured Income for the Severely Handicapped Program (AISH). AISH has an asset limit of \$100,000, not including the primary residence, personal belongings, or a vehicle (includes a specially-adapted vehicle). Effective October 1, 2005, personal income support benefits were available for AISH clients with \$3,000 or less in assets.

¹² The maximum allowable cash assets for applicants (other than persons with a disability) were equivalent to one month’s benefit, plus \$150 for a single person and \$250 for a family.

¹³ In the Northwest Territories there was no exemption on liquid assets other than for persons with a disability and persons 60 years of age or older.

¹⁴ In Nunavut, there was no exemption on liquid assets other than for persons with a disability and persons 60 years of age or older.

**Table 1.1-b: LIQUID ASSET EXEMPTION LEVELS AS OF JANUARY 2007
PROVISIONS FOR APPLICANTS AND RECIPIENTS¹**

	Single Employable	Single Person with a Disability	Lone Parent, One Child	Couple, Two Children
Newfoundland and Labrador	\$500	\$3,000 ²	\$1,500	\$1,500
Prince Edward Island	\$50 to \$200 ³	\$900	\$50 to \$1,200 ³	\$50 to \$1,800 ³
Nova Scotia	\$500	\$500 ⁴	\$1,000	\$1,000
New Brunswick	\$1,000	\$3,000	\$2,000	\$2,000
Quebec ⁵	Applicants: \$852 Recipients: \$1,500	Applicants: \$852 Recipients: \$2,500	Applicants: \$1,218 Recipients: \$2,866 ⁶	Applicants: \$1,736 Recipients: \$2,969 ⁷
Ontario ⁸	\$548	\$5,000 ⁹	\$1,508	\$2,084
Manitoba ¹⁰	Applicants: \$0 Recipients: \$400	\$2,000	\$2,000	Applicants: \$0 Recipients: \$1,600
Saskatchewan	\$1,500	\$1,500	\$3,000	\$4,000

**Table 1.1-b: LIQUID ASSET EXEMPTION LEVELS AS OF JANUARY 2007
PROVISIONS FOR APPLICANTS AND RECIPIENTS¹**

	Single Employable	Single Person with a Disability	Lone Parent, One Child	Couple, Two Children
Alberta ¹¹	\$402	\$1,334 ¹²	\$895	\$1,389
British Columbia ¹³	Applicants: \$150 Recipients: \$1,500	\$3,000	Applicants: \$250 Recipients: \$2,500	Applicants: \$250 Recipients: \$2,500
Yukon	\$500	\$1,500	\$1,000	\$1,600
Northwest Territories ¹⁴	\$0	\$5,000	\$0	\$0
Nunavut ¹⁵	\$0	\$5,000	\$0	\$0

¹ Unless otherwise noted, the asset exemption provisions apply to both those applying for and receiving social assistance.

² This applies to a single person with a disability requiring supportive services.

³ Applicants requiring short-term assistance (four months or less) could not have assets in excess of \$50. The higher asset exemption levels applied to those requiring long-term assistance.

⁴ A single person in the Services for Persons with Disabilities Program requiring supportive services or care needs would qualify for a \$3,000 exemption. An adult in a family on SPD requiring supportive services or care needs would qualify for a \$5,000 exemption.

⁵ Single persons and families had to divest themselves of part of their liquid assets to qualify for welfare if their assets exceeded an amount set according to family size. At the time of application, applicant's liquid asset may not exceed the allowable limits. The determination of a household's assets excluded income received during the month of application which was to cover the cost of rent, heating and public utilities. Higher asset exemption levels applied after the first month on assistance. Starting September 1, 2007, value of donations in goods or services (clothes, furniture, food, meals served by community organisations for example) associated with no charge at all are excluded from income calculations, gains and benefits of welfare recipients.

⁶ Once an application for assistance has been approved, client's liquid asset may not exceed the allowable limits: the exemption for a lone parent was \$2,500 plus \$366 for the child.

⁷ Once an application for assistance has been approved, client's liquid asset may not exceed the allowable limits: the exemption for a couple was \$2,500 plus \$469 for the two children.

⁸ Asset levels were increased for Ontario Works clients in December 1, 2007. The new limits were \$560 for a single person, \$1,529 for a lone parent and \$2,107 for a couple with two children.

⁹ This represents the liquid asset exemption level for a single person on the Ontario Disability Supports Program.

¹⁰ Under the General Assistance provisions of the Employment and Income Assistance program, employable singles, childless couples and two-parent families are not eligible for any liquid asset exemption at application. As of April 1, 2007, the allowable exempted cash assets for persons with disabilities doubled to \$4,000 for a single adult; up to \$6,000 for a person with one dependant; \$1,000 for the second and each additional dependant to a maximum of \$8,000.

¹¹ The maximum allowable liquid assets for those in the "expected to work" category of Income Support were equivalent to one month's core benefit for the applicable household unit. The maximum applicable National Child Benefit Supplement is included for families with children. As of January 1, 2007, asset exemption levels were \$895 for a lone parent with one child and \$1,389 for a couple with two children. Effective August 2007, the asset exemption levels were increased to \$898 for a lone parent and \$1,396 for a couple with two children as a result of the increase to the NCB Supplement.

¹² This represented the amount for an Income Support client in the "Not Expected to Work" category. For those in the "not expected to work" category, the maximum allowable liquid asset were equivalent to two months' core benefits. Asset exemption levels for January 1, 2007, for clients in the "not expected to work" category included the Personal Needs Supplement (effective August 2005). In July 2007, core essentials for clients in the "not expected to work" increased which resulted in the new asset exemption level of \$1,400.

Most people with severe and permanent disabilities received assistance under the Alberta Assured Income for the Severely Handicapped Program (AISH). AISH has an asset limit of \$100,000, not including the primary residence, personal belongings, or a vehicle (includes a specially-adapted vehicle). Effective October 1, 2005, personal income support benefits were available for AISH clients with \$3,000 or less in assets.

¹³ The maximum exempt cash assets for applicants (other than persons with a disability) were \$150 for a single person and \$250 for a family. The maximum allowable cash assets for applicants (other than persons with a disability) were equivalent to one month's benefit, plus \$150 for a single person and \$250 for a family.

¹⁴ Beginning April 1, 2007, Northwest Territories exempted liquid assets of \$300 for a single employable, \$380 for a lone parent with one child and \$560 for a couple with two children. Persons with a disability and persons 60 years of age or older still had an exemption of \$5,000.

¹⁵ In Nunavut, there was no exemption on liquid assets other than for persons with a disability and persons 60 years of age or older.

Alberta's liquid asset exemption levels for parents increased in July 2005 and again in August 2006 following the increase to the NCB Supplement; however exemptions were still at a much lower level than they were prior to the May 2004 level when the Alberta Works program was introduced. The level for a lone parent with one child increased from \$858 to \$876 and then to \$895, compared to \$2,500 under the former Supports to Independence program, and a family with two children had its level increased to \$1,352 (\$35 more) and then to \$1,389 compared to \$2,500 prior to May 2004. The single person level stayed the same at only \$402, as compared to \$1,500 prior to May 2004. In August 2005, asset exemption levels for clients in the "not expected to work" category were increased when the Personal Needs Supplement was included as a supplement to core benefits. As a result, the asset exemption level increased to \$1,270. Then in July 2006 it increased to \$1,334 when core essentials benefits increased. Effective October 1, 2005, the liquid asset limit applying to people with severe and permanent disabilities receiving assistance under the Assured Income for the Severely Handicapped (AISH) program was set at \$3,000.

Asset levels were increased for Ontario Works clients in March 2005 and in December 2006. The new limits were \$536 then \$548 for a single person, \$1,487 then \$1,508 for a lone parent with one child; and; \$2,062 then \$2,084 for a couple with two children, representing increases of \$16 in 2005 and \$12 in 2006 for the single person, \$30 and \$21 for the lone parent with one child and \$32 and \$22 for the couple with two children.

Between January 2005 and January 2006, and again between January 2006 and January 2007, Quebec is the only province where liquid asset levels increased for all households as applicants,

however not by much: only \$20 the first year and \$16 the second for single persons, \$29 the first year and \$23 the second for the lone parent with one child and \$40 the first year and \$35 the second for the couple with two children. Liquid asset exemption levels also increased for parents as recipients, but again by only around \$10 the first year and \$7 the second.

None of the asset exemption levels is generous, but some are non-existent.

Having LOW OR NO EXEMPTIONS for some applicants means that they HAVE TO SPEND THEIR LAST DOLLAR before they can qualify for assistance.

This is the case for employable households in Prince Edward Island and Manitoba. In the Northwest Territories until April 1, 2007 and Nunavut, neither applicants nor recipients are allowed any liquid assets.

Having higher liquid asset levels for recipients than for applicants is hard to comprehend, because welfare incomes in all provinces and territories are so low **that it is unreasonable to expect recipients to save any money without taking away from basic needs.**

Having low or no exemptions on liquid assets appears highly problematic as well. It means that **households have no cushion against unforeseen**

emergencies and it makes it more difficult for them to cover additional costs as they try to move into the labour force.

Ensuring that people are destitute when they come onto welfare could very well help TRAP THEM IN A WEB OF DEPENDENCY by making exit from welfare that much more difficult.

TOTAL WELFARE INCOMES

Tables 1.2-a and 1.2-b present a cross-Canada summary of the estimated total welfare income of four households on welfare in 2006 and in 2007: a single employable person, a single person with a long-term disability, a lone-parent family with a 2-year-old child, and a two-parent family with two children aged 10 and 15. Total welfare income comprises provincial and territorial welfare benefits, child benefit and tax credit programs, plus federal child benefits and the GST rebate.

The incomes in Tables 1.2-a and 1.2-b are based on the **assumption** that the typical households are **receiving the maximum basic welfare benefit**. These amounts could vary depending on the household's situation. Some households might get less if they had non-exempt income or did not follow a prescribed employment plan as

a condition of eligibility. Other households might get more if they had regularly recurring special needs.

To ensure the comparability of the data as much as possible, we **made a number of assumptions in calculating the levels of assistance**. These assumptions include:

- where welfare households lived;
- the ages of the children;
- the employability of the household head;
- the type of housing;
- case history; and
- entitlement to additional assistance.

A. RESIDENCE

The welfare rates shown for each province or territory assume the household is living in the **largest urban area in the province or territory**. Some provinces and territories offer supplements to compensate welfare households living in remote areas for higher living costs.

B. AGES OF CHILDREN

Rates for families with children in this report are based on the assumption that **the child in the lone-parent family is 2 years old and the children in the two-parent family are 10 and 15 years old**. Some provinces and territories vary a family's benefit with the age of each child in the household.

C. EMPLOYABILITY OF THE HOUSEHOLD HEAD

We considered **the single person and couple with two children to be employable. The single person with a disability** is considered to have a **medically certified, long-term disability**.

The rates for lone parents are based on the employability classifications in each province and territory. In most jurisdictions, a lone parent with a two-year-old child would be considered unemployable or temporarily unavailable for work.

D. TYPE OF HOUSING

We assumed that the **welfare households** in this report are **tenants in the private rental market** rather than homeowners or social housing tenants. We also assumed that they did not share their accommodation. Most provinces and the three territories reduce welfare entitlements when households live in subsidized housing or share their housing.

Where shelter allowances do not include the cost of heat and utilities, we added these costs to the shelter rates. We used maximum shelter rates in all jurisdictions and we excluded any additional shelter amounts that are discretionary.

E. CASE HISTORY

In order to calculate the rates for the full year for this report, we assumed that these four typical households **started receiving welfare**

on January 1, 2006 or on January 1, 2007 and remained on assistance until the last day of the calendar year.

We calculated basic social assistance and applicable child benefits month by month for each category of household in each province and territory, taking into account increases or decreases in rates as of their effective dates during the year. We also assumed that welfare households did not have any income from paid work during the time they were on assistance.

BASIC SOCIAL ASSISTANCE

The column called Basic Social Assistance in Tables 1.2-a and 1.2-b shows the maximum amount that eligible households could receive from welfare to meet their basic needs. This includes amounts for food, clothing, shelter, and utilities, personal and household needs. This column also reflects any reduction in social assistance caused by the clawback of the National Child Benefit Supplement.

ADDITIONAL BENEFITS

Welfare departments also provide additional assistance for special needs, such as transportation allowances, child care, drug benefits and non-insured medical services. These may be provided in the form of cash or services. Eligibility is assessed on a case-by-case basis, depending on the household's circumstances.

Certain groups, such as persons with a disability or parents with school-age children, may receive special assistance automatically. Examples include supplementary allowances for persons with disabilities, back to school allowances and winter clothing allowances. In several provinces, special assistance also includes additional benefits to cover high shelter costs. The amounts in **Column 2** of Table 1.2 include additional benefits that are paid automatically to welfare households.

FEDERAL CHILD BENEFITS

Child benefit programs provide financial support to low-income families with children, based on an income test. **Column 3** shows the money paid by the federal government under the Canada Child Tax Benefit (CCTB), which includes both the CCTB Basic Benefit and the National Child Benefit Supplement (NCBS) and since July 2006, the Universal Child Care Benefit (UCCB).

In all jurisdictions except Alberta, the lone parent with a two-year-old received \$3,796 and the couple with two older children received \$5,928 during the 2006 calendar year. Alberta varies the payments according to the ages of the children, so the two welfare families in Alberta received \$3,694 and \$6,015 respectively in 2006.

In 2007, the lone parent received \$4,435 and the couple received \$6,244. The revised payments in Alberta were \$4,327 for the lone parent and \$6,332 for the couple.

The federal government pays the child benefits every month to low- to middle-income families with children under 18. The amounts increase every year in July. Details on the way benefits are calculated are contained in Appendix C and Appendix D at the end of this report.

PROVINCIAL AND TERRITORIAL CHILD BENEFITS

Column 4 gives the amounts of provincial or territorial child benefits paid to welfare families. Child benefit programs exist in six provinces and the three territories. With the exception of Quebec, these benefits are administered by the federal government on behalf of the provinces and territories and are included in the monthly Canada Child Tax Benefit payment.

The **child benefit** now pays **basic benefits for children outside of the welfare system** in 5 provinces:

- Newfoundland and Labrador;
- Nova Scotia;
- Quebec;
- Saskatchewan; and
- British Columbia.

It has replaced the money that was once paid through the welfare system. Some of these provinces claw back all or part of the NCB Supplement from their child benefit program;

others pass it on. Any reduction in child benefits as a result of the clawback of the NCBS is reflected in this column.

The **welfare programs still pay basic benefits for children** in:

- New Brunswick;
- Yukon;
- Northwest Territories; and
- Nunavut.

The provincial or territorial child benefit is paid in addition to their welfare benefits.

The province of Ontario announced in its budget of March 22, 2007, the Ontario Child Benefit (OCB) program, to financially assist lower-income families with children. The OCB will provide a one-time payment in July 2007 and starting in July 2008 will be paid monthly. We understand that the clawback will be eliminated gradually over the next five years until the end of the restructuring of the income security system.

GST CREDIT

Column 5 shows the federal refundable credit for the Goods and Services Tax or the federal portion of the Harmonized Sales Tax in Newfoundland and Labrador, Nova Scotia and New Brunswick. The GST credit is paid quarterly to lower-income individuals and families based on net household income during the previous two tax years. Amounts change in July of each year.

In 2006, the quarterly payments amounted to \$229.50 for an adult or the first child in a lone-parent family (\$234.50 in 2007) and \$120 for each other child (\$123.50 in 2007). Single adults, including lone parents, qualified for a supplement to the GST credit if their incomes were higher than \$7,377 in 2004 or \$7,539 in 2005 or \$7,705 in 2006. The maximum supplement in 2006 was \$122 and in 2007 it was \$125. All lone parents automatically receive the maximum supplement.

PROVINCIAL TAX CREDITS

The tax credits in **Column 6** are the Harmonized Sales Tax Credit in Newfoundland and Labrador, the Sales and Property Tax Credits in Ontario, the Sales Tax Rebate in Saskatchewan and the Sales Tax Credit in British Columbia. The value of the Quebec Sales Tax Credit is included in Quebec's basic social assistance rate.

ENERGY COST BENEFIT (effective in 2006 only)

Column 7 in Table 1.2-a gives the amounts of the federal energy cost benefit. **Column 8** gives the amount of the Alberta Resource Rebate.

Table 1.2-a: ESTIMATED 2006 ANNUAL WELFARE INCOMES BY TYPE OF HOUSEHOLD

*	Column 1 Basic Social Assistance (SA)	Column 2 Additional SA Program Benefits	Column 3 Federal Child Tax Benefit ¹	Column 4 Provincial Child Benefit	Column 5 GST Credit ²	Column 6 Provincial Tax Credits	Column 7 Federal Energy Cost Benefit ³	Column 8 Provincial Resource Rebate	Total Income
NEWFOUNDLAND AND LABRADOR ^{4,5}									
1 ⁶	\$7,662	\$966			\$238	\$40			\$8,906
2 ⁶	\$7,662	\$2,466			\$268	\$40			\$10,436
3 ^{7,8}	\$11,904	\$966	\$3,796	\$253 ⁹	\$580	\$100	\$250		\$17,850
4 ^{7,8}	\$12,396	\$966	\$5,928	\$584 ⁹	\$701	\$200	\$250		\$21,024
PRINCE EDWARD ISLAND ¹⁰									
1 ¹¹	\$6,138				\$230				\$6,368
2 ¹²	\$8,070				\$237				\$8,307
3 ^{13, 14}	\$10,340		\$3,796		\$580		\$250		\$14,966
4 ^{13, 14}	\$15,064	\$350	\$5,928		\$701		\$250		\$22,292
NOVA SCOTIA ^{15, 16}									
1 ¹⁷	\$5,775				\$230				\$6,005
2	\$8,730				\$253				\$8,983
3 ^{18, 20}	\$8,970		\$3,796	\$445 ²¹	\$580		\$250		\$14,041
4 ^{19, 20}	\$11,880	\$150	\$5,928	\$1,090 ²¹	\$701		\$250		\$19,999
NEW BRUNSWICK ^{22, 23, 24}									
1	\$3,258				\$230				\$3,488
2	\$6,876	\$1,000 ²⁵			\$235				\$8,111
3 ²⁶	\$9,009	\$900	\$3,796	\$250 ²⁷	\$580		\$250		\$14,785
4 ²⁶	\$10,095	\$1,000	\$5,928	\$500 ²⁷	\$701		\$250		\$18,474
QUEBEC ^{28, 29}									
1	\$6,800				\$230				\$7,030
2	\$10,028				\$269				\$10,297
3 ³⁰	\$8,180	\$960	\$3,796	\$2,766 ³¹	\$580		\$250		\$16,533
4 ³⁰	\$10,533	\$1,159	\$5,928	\$3,073 ³¹	\$701		\$250		\$21,644

* 1= Single Employable / 2= Person with a Disability / 3= Lone Parent, One Child / 4= Couple, Two Children

Table 1.2-a: ESTIMATED 2006 ANNUAL WELFARE INCOMES BY TYPE OF HOUSEHOLD

*	Column 1 Basic Social Assistance (SA)	Column 2 Additional SA Program Benefits	Column 3 Federal Child Tax Benefit ¹	Column 4 Provincial Child Benefit	Column 5 GST Credit ²	Column 6 Provincial Tax Credits	Column 7 Federal Energy Cost Benefit ³	Column 8 Provincial Resource Rebate	Total Income
ONTARIO ^{32, 33}									
1	\$6,444				\$230	\$382			\$7,056
2	\$11,548				\$309	\$303			\$12,160
3 ³⁴	\$10,402	\$108	\$3,796		\$580	\$397	\$250		\$15,534
4 ³⁴	\$12,333	\$418	\$5,928		\$701	\$526	\$250		\$20,155
MANITOBA ³⁵									
1	\$5,592				\$230				\$5,822
2	\$7,397	\$1,170			\$247				\$8,814
3 ³⁶	\$9,636		\$3,796		\$580		\$250		\$14,262
4 ³⁶	\$14,057	\$160	\$5,928		\$701		\$250		\$21,096
SASKATCHEWAN ^{37, 38, 39, 40}									
1	\$8,140	\$80			\$230	\$92			\$8,542
2 ⁴¹	\$8,072	\$920			\$253	\$103			\$9,348
3 ⁴²	\$10,692	\$80	\$3,796	\$105 ⁴³	\$580	\$206	\$250		\$15,709
4 ⁴²	\$14,096	\$295	\$5,928	\$3 ⁴⁴	\$701	\$360	\$250		\$21,633
ALBERTA ^{45, 46}									
1	\$4,824				\$230			\$400	\$5,454
2 ⁴⁷	\$6,940	\$936			\$233			\$400	\$8,509
2-b ⁴⁷	\$11,850				\$293			\$400	\$12,543
3 ⁴⁸	\$8,784		\$3,694		\$580		\$250	\$800	\$14,108
4 ⁴⁸	\$12,996	\$275	\$6,015		\$701		\$250	\$1,600	\$21,837
BRITISH COLUMBIA ^{49, 50}									
1	\$6,120	\$35			\$230	\$75			\$6,460
2	\$10,277	\$35			\$278	\$75			\$10,665
3	\$10,147	\$80	\$3,796	\$0 ⁵¹	\$580	\$75	\$250		\$14,928
4	\$11,893	\$290	\$5,928	\$0 ⁵²	\$701	\$150	\$250		\$19,212

* 1= Single Employable / 2= Person with a Disability / 2-b= Person with a Disability/AISH / 3= Lone Parent, One Child / 4= Couple, Two Children

Table 1.2-a: ESTIMATED 2006 ANNUAL WELFARE INCOMES BY TYPE OF HOUSEHOLD

*	Column 1 Basic Social Assistance (SA)	Column 2 Additional SA Program Benefits	Column 3 Federal Child Tax Benefit ¹	Column 4 Provincial Child Benefit	Column 5 GST Credit ²	Column 6 Provincial Tax Credits	Column 7 Federal Energy Cost Benefit ³	Column 8 Provincial Resource Rebate	Total Income
YUKON ⁵³									
1	\$11,990	\$155			\$323				\$12,468
2	\$11,990	\$3,155			\$351				\$15,496
3 ⁵⁴	\$15,257	\$260	\$3,796	\$450 ⁵⁵	\$580		\$250		\$20,593
4 ⁵⁴	\$21,056	\$685	\$5,657	\$900 ⁵⁵	\$696		\$250		\$29,244
NORTHWEST TERRITORIES ^{56, 57}									
1	\$13,280				\$339				\$13,619
2 ⁵⁸	\$13,330	\$3,600			\$351				\$17,281
3 ⁵⁹	\$18,455		\$3,796	\$330 ⁶⁰	\$580		\$250		\$23,411
4 ⁵⁹	\$25,162		\$5,169	\$660 ⁶⁰	\$701		\$250		\$31,942
NUNAVUT ^{61, 62, 63}									
1	\$10,728				\$292				\$11,020
2	\$10,868	\$2,100			\$336				\$13,304
3 ⁶⁴	\$18,039		\$3,796	\$330 ⁶⁵	\$580		\$250		\$22,995
4 ⁶⁴	\$31,640		\$3,579	\$660 ⁶⁵	\$637		\$250		\$36,766

* **1**= Single Employable / **2**= Person with a Disability / **3**= Lone Parent, One Child / **4**= Couple, Two Children

¹ Refers to the Canada Child Tax Benefit (CCTB), which includes the CCTB Basic Benefit and the National Child Benefit Supplement (NCBS), received between January 1 and December 31, 2006. The CCTB Basic Benefit is passed on in full to all welfare families.

² The federal GST includes the quarterly payments received between January 1 and December 31, 2006.

³ The Energy Cost Benefit is a one-time federal tax exempt payment intended to help low income families with children and low-income seniors with the effects of high energy costs. Families eligible for the National Child Benefit Supplement in January 2006 (based on 2004 income) qualified for the Energy Cost Benefit payment.

NEWFOUNDLAND AND LABRADOR

⁴ In December 2005, the Fuel Supplement was increased from \$25 to \$50 per month.

⁵ Additional benefits include a supplementary shelter benefit of \$61 per month for January-June 2006 (\$366 for 6 months) and of \$100 per month for July-December (\$600 for 6 months) for all households and the Flat Rate Allowance for the Disabled of \$125 per month. The additional shelter benefit is automatically paid to households in St. John's since rental costs exceed the basic shelter rate.

⁶ The Family Benefit rate for singles and childless couples was increased by 1% in January 2006. A further increase of five percent came into effect in July 2006.

⁷ The Family Benefit rate for lone parent and couple with children was increased by five percent in July 2006.

⁸ Newfoundland and Labrador does not deduct the NCB Supplement or the Newfoundland and Labrador Child Benefit when calculating eligibility for Income Support.

⁹ The Newfoundland and Labrador Child Benefit increased in July 2006 from \$20.83 to \$21.41 for the first child and from \$27.16 to \$27.91 for the second child.

PRINCE EDWARD ISLAND

¹⁰ Additional benefits include the School Allowance, issued in August and December. The allowance is \$75 for the 10-year old and \$100 for the 15-year old.

¹¹ The shelter ceiling is \$300 for single employable individuals and in certain situations such as an existing mortgage or a housing challenge, clients can receive up to \$435 until June 2006 and \$467 after July 1, 2006.

¹² Many disabled social assistance clients receive additional financial support through the Disability Support Program (DSP). Clients who are not eligible for the DSP may receive the Personal Care Allowance (\$53 per month), the Special Care Allowance (\$40 per month) and the Disability Allowance (up to \$150 per month) through the Social Assistance Program. These amounts are not included in the above table.

¹³ The Healthy Child Allowance was increased in August 2006 from \$76 to \$95 per child per month. This mirrors the increase in the National Child Benefit Supplement.

¹⁴ PEI reduces the maximum benefit payable to families with children by the full amount of the NCB Supplement.

NOVA SCOTIA

¹⁵ In October 2006, personal allowances increased from \$190 to \$200 per month.

¹⁶ Additional benefits include the annual School Supplies Supplement of \$50 for the 10-year old and \$100 for the 15-year old. Additional assistance for special needs, for example child care to a maximum of \$400 monthly and transportation to a maximum of \$150 are assessed on a case by case basis and are not included in this report.

¹⁷ In October 2006, the basic shelter rate for a single employable person increased from \$285 to \$300 per month.

¹⁸ In October 2006, the basic shelter rate for a lone parent with one child increased from \$550 to \$570 per month.

¹⁹ In October 2006, the basic shelter rate for a couple with two children increased from \$600 to \$620 per month.

²⁰ Nova Scotia passes on the full amount of the NCB Supplement.

²¹ The Nova Scotia Child Benefit is \$37.08 for the first child and \$53.75 for the second child.

NEW BRUNSWICK

²² Rates for the Interim Assistance, Transitional Assistance and Extended Benefit Program were increased by 2% in October 2006. Further increase is set for October 2007.

²³ New Brunswick increased the monthly Fuel Supplement from \$90 to \$110 on November 1, 2005. Eligibility is determined on a case-by-case basis. It is paid in addition to basic assistance and is designed to help offset high heating costs for clients who pay for heat separately. It may be paid either monthly, from November to April, or as a one-time payment. It is not included in the above table.

²⁴ Additional benefits include the Income Supplement Benefit for families with children to offset high shelter costs (\$900 yearly), the School Supplement of \$50 per child per year, and the Disability Supplement (\$1,000 yearly).

²⁵ Certified disabled clients who are in receipt of assistance on October 1 automatically receive the Disability Supplement. This benefit was introduced in October 2000 and originally set at \$250. It was increased to \$500 in October 2001, \$750 in October 2002 and \$1,000 in October 2003.

²⁶ New Brunswick passes on the full amount of the NCB Supplement.

²⁷ The New Brunswick Child Benefit is \$250 per child per year (\$20.83 per month).

QUEBEC

²⁸ Employment Assistance rates increased in January 2006 for all client types. Basic assistance rates include the amount of the Quebec Sales Tax rebate.

²⁹ Additional benefits include the monthly Housing Allowance of \$80 for families with children and an annual school allowance of \$76 for the 10-year old and \$123 for the 15-year old.

³⁰ The NCB Supplement is passed on in full to all social assistance families.

³¹ The new Child Assistance measure was implemented in January 2005. It replaces the former Family Allowance, the tax credit for dependent children and the tax reduction for families. The maximum annual benefit, as of January 1, 2006, for a one-child family is \$2,049 (\$170.75 per month) and \$3,073 (\$256.08 per month) for a two-child family. Lone-parent families receive an additional annual supplement of \$717 (\$59.75 per month).

ONTARIO

³² Ontario Works rates were increased by two percent in December 2006 and the Ontario Disability Support Program (ODSP) rates were increased by 2% in November 2006.

- ³³ Additional benefits include the Winter Clothing Allowance for children (\$108 per child per year) and the annual Back to School Allowance of \$71 for the 10-year old and \$131 for the 15-year old.
- ³⁴ In July 2004, 2005 and 2006, Ontario did not deduct the increase to the NCB Supplement. Starting in July 2007, the Ontario Child Benefit (OCB) program provides a non-taxable, one-time, OCB payment of up to \$250 for each dependent child under the age of 18. Starting in July 2008, the OCB will be paid monthly.

MANITOBA

- ³⁵ Additional benefits include the Income Assistance for Persons with Disabilities (IAPD) benefit of \$80 per month plus the annual School supplies allowance of \$60 for the 10-year old and \$100 for the 15-year old. Since July 2006, it also includes the new Manitoba Shelter Benefit of \$35 per month for income assistance participants who are enrolled under the disability category and reside in private rental accommodation.
- ³⁶ Manitoba no longer claws back the NCB Supplement for families on income assistance.

SASKATCHEWAN

- ³⁷ In May 2006, were increased both the Saskatchewan Assistance Plan (SAP) basic allowance rates applying for the person with a disability and the General Living Allowance rates under the Transitional Employment Allowance (TEA) program applying for the single employable person, the lone parent with one child and the couple with two children.
- ³⁸ Under SAP, Saskatchewan pays actual utility costs to persons with a disability. Amounts used are based on averages for the different household types during the 2006 calendar year. TEA utility rates for power and energy were increased effective May 2006.
- ³⁹ Additional benefits include the Temporary Energy Cost Allowance of \$20 for all households, the Disabled Persons Allowance of \$50 per month, the Special Transportation Allowance for the disabled of \$20 per month, and the annual Education Expenses Allowance of \$85 for the 10-year old and \$130 for the 15-year old. The Temporary Energy Cost Allowance is in effect from December 2005 to April 2006 only.
- ⁴⁰ The Saskatchewan Sales Tax Credit was implemented in 2000 to help low-income residents offset the cost of the provincial sales tax. It increased to \$104 per person effective July 2006.
- ⁴¹ Clients with a disability may also be eligible for the Disability Rental Housing Supplement, introduced in April 2005. The amount paid depends on family size, family income and the local rental market. As of April 2006, the maximum monthly amount is \$150 for a single person. The supplement is not included in the above table.
- ⁴² Families with children may also be eligible for the Family Rental Housing Supplement, introduced in April 2005. The amount paid depends on family size, family income and the local rental market. As of April 2006, the maximum monthly amount for one- and two-child families is \$119. The supplement is not included in the above table.
- ⁴³ The Saskatchewan Child benefit (SCB) was designed to be a transitional benefit and is reduced as the NCB Supplement increases. In July 2004, the SCB was enhanced through the addition of a \$35 a month supplement for lone parents. Without this enhancement, the SCB would have been zero for a lone parent with one child. The SCB for a lone parent with one child was reduced to \$17.42 a month effective July 2005 and reduced to zero in July 2006.
- ⁴⁴ The SCB was designed to be a transitional benefit and is reduced as the NCB Supplement increases. As of July 2004, the SCB for two-parent families was reduced to zero for the first child and was \$17.83 a month for the second child. In July 2005 the amount for the second child was reduced to \$0.58 month (paid as a lump sum). In July 2006, the amount was reduced to zero.

ALBERTA

- ⁴⁵ An Albertan was eligible for the Alberta 2005 Resource Rebate of \$400 per person if they met the following criteria: be 18 years of age by December 2005, be residents of Alberta as of September 1, 2005, and have filed a 2004 income tax return or do so by December 31, 2006. The rebate was paid in early 2006.
- ⁴⁶ Additional benefits include \$78 per month for Personal Needs for the person with a disability and the annual school expense allowance of \$100 for the 10-year old and \$175 for the 15-year old.
- ⁴⁷ Beginning this year, this report features both the most basic disability benefit under the Alberta Works program and the Assured Income for the Severely Handicapped (AISH) program. Most single people with severe and permanent disabilities receive assistance under the AISH program. In April 2006, the maximum AISH benefit increased to \$1,000 a month.
- ⁴⁸ Since August 2003, Alberta has passed on the full amount of the increase to the NCB Supplement.

BRITISH COLUMBIA

- ⁴⁹ A rate increase has taken effect in April 2007.
- ⁵⁰ Additional benefits include the annual Christmas Supplement (\$35 for singles, \$70 for a family with children and \$10 for each child) and the annual School Start-up Supplement of \$84 for the 10-year old and \$116 for the 15-year old.
- ⁵¹ The BC Family Bonus is reduced as the NCB Supplement increases. As of July 2004, the BC Family Bonus for a one-child family was reduced to zero.
- ⁵² The BC Family Bonus is reduced as the NCB Supplement increases. In July 2004, the BC Family Bonus for a two-child family was \$11.91 per month. Effective July 2005, it was reduced to zero.

YUKON

- ⁵³ Additional benefits include the annual Christmas Allowance of \$30 per person, the Winter Clothing Allowance (\$75 for persons under 14 years and \$125 for persons 14 years or over), the annual School Supply Allowance of \$50 for children in grades 1-5 and \$65 for those in grades 6-12, and the monthly Territorial Supplementary Allowance of \$250 for persons with a disability.
- ⁵⁴ Yukon reduces basic assistance by the full amount of the NCB Supplement.
- ⁵⁵ In July 2004, Yukon increased the maximum Yukon Child Benefit from \$25 to \$37.50 per child per month. At the same time, the threshold for the maximum benefit increased from \$16,700 to \$25,000.

NORTHWEST TERRITORIES

- ⁵⁶ The Northwest Territories Income Assistance Program generally pays actual costs of shelter, fuel and utilities. For a single person, the maximum shelter allowance is \$750 per month. For lone parents and a couple with two children, the average costs in Yellowknife were used. All clients other than those with a disability and seniors must participate in a "productive choice" in order to receive income assistance.
- ⁵⁷ Additional benefits include the Disability Allowance of \$300 a month.
- ⁵⁸ The rate for a person with a disability may vary. A number of disabled persons received a room and board rate of approximately \$850 a month.
- ⁵⁹ NWT reduces basic assistance by the full amount of the NCB Supplement.
- ⁶⁰ The NWT Child Benefit is \$27.50 per child per month.

NUNAVUT

- ⁶¹ The majority of Income Support households in Nunavut reside in public housing. Applicants living in private accommodation must apply for public housing before being approved for rent payments. Private rents range from \$1,000 to \$2,800. The amounts used in this report are the maximum amounts as stated in policy and guidelines for the household types reported: \$450 for a single person, \$900 for a lone parent and \$1,500 for a couple with two children.
- ⁶² All clients other than the persons with a disability must be in receipt of assistance for two months before the regular clothing allowance is paid. Clients may only receive the seasonal clothing allowance after they have been on assistance for six consecutive months.
- ⁶³ Additional benefits include the Disability Allowance of \$175 a month.
- ⁶⁴ Nunavut reduces basic assistance by the amount of the NCB Supplement.
- ⁶⁵ The Nunavut Child Benefit is \$27.50 per child per month.

Table 1.2-b: ESTIMATED 2007 ANNUAL WELFARE INCOMES BY TYPE OF HOUSEHOLD

*	Column 1 Basic Social Assistance (SA)	Column 2 Additional SA Program Benefits	Column 3 Federal Child Tax Benefit ¹	Column 4 Provincial Child Benefit	Column 5 Federal GST Credit ²	Column 6 Provincial Tax Credits	Total Income
NEWFOUNDLAND AND LABRADOR ^{3,4}							
1	\$7,860	\$1,200			\$248	\$40	\$9,348
2	\$7,860	\$2,700			\$278	\$40	\$10,878
3 ^{5,6}	\$12,171	\$1,200	\$4,435	\$289	\$593	\$100	\$18,788
4 ^{5,6}	\$12,675	\$1,200	\$6,244	\$628	\$716	\$200	\$21,662
PRINCE EDWARD ISLAND							
1 ⁷	\$6,342				\$235		\$6,577
2 ⁸	\$8,382				\$241		\$8,623
3 ^{9,10}	\$10,754		\$4,435		\$593		\$15,781
4 ^{9,10}	\$15,597	\$350 ¹¹	\$6,244		\$716		\$22,906
NOVA SCOTIA ¹²							
1	\$6,012				\$235		\$6,247
2	\$8,832				\$256		\$9,088
3 ^{13,14}	\$9,252		\$4,435	\$445	\$593		\$14,725
4 ^{13,14}	\$12,264	\$150 ¹⁵	\$6,244	\$1,090	\$716		\$20,464
NEW BRUNSWICK ^{16, 17, 18}							
1	\$3,339				\$235		\$3,574
2 ¹⁹	\$7,038	\$1,000			\$237		\$8,275
3 ^{20,21}	\$9,213	\$960	\$4,435	\$250	\$593		\$15,451
4 ^{20,21}	\$10,329	\$1,060	\$6,244	\$500	\$716		\$18,849
QUEBEC ^{22, 23}							
1 ²⁴	\$6,865				\$235		\$7,099
2 ²⁵	\$10,225				\$275		\$10,500
3 ^{24, 27, 28}	\$8,257	\$960 ²⁶	\$4,435	\$2,823	\$593		\$17,068
4 ^{27, 28}	\$10,635	\$1,159 ²⁶	\$6,244	\$3,136	\$716		\$21,890

* 1= Single Employable / 2= Person with a Disability / 3= Lone Parent, One Child / 4= Couple, Two Children

Table 1.2-b: ESTIMATED 2007 ANNUAL WELFARE INCOMES BY TYPE OF HOUSEHOLD

*	Column 1 Basic Social Assistance (SA)	Column 2 Additional SA Program Benefits	Column 3 Federal Child Tax Benefit ¹	Column 4 Provincial Child Benefit	Column 5 Federal GST Credit ²	Column 6 Provincial Tax Credits	Total Income
ONTARIO ^{29, 30}							
1	\$6,587				\$235	\$382	\$7,204
2	\$11,768				\$312	\$302	\$12,382
3	\$10,654	\$111	\$4,435	\$250	\$593	\$397	\$16,439
4	\$12,645	\$429	\$6,244	\$500	\$716	\$524	\$21,058
MANITOBA ^{33, 34}							
1	\$5,592				\$235		\$5,827
2	\$7,397	\$1,380			\$249		\$9,026
3	\$9,636		\$4,435		\$593		\$14,664
4	\$14,057	\$160	\$6,244		\$716		\$21,177
SASKATCHEWAN ^{36, 37, 38, 39}							
1	\$8,765	\$0			\$240	\$101	\$9,105
2	\$8,570	\$840			\$257	\$105	\$9,772
3	\$11,307	\$0	\$4,435	\$0	\$593	\$210	\$16,545
4	\$15,001	\$215	\$6,244	\$0	\$716	\$368	\$22,544
ALBERTA ^{44, 45}							
1	\$4,824				\$235		\$5,059
2	\$7,266	\$936			\$238		\$8,440
2-b	\$12,450				\$312		\$12,762
3	\$8,784		\$4,327		\$593		\$13,703
4	\$12,996	\$275	\$6,332		\$716		\$20,319
BRITISH COLUMBIA ^{48, 49}							
1	\$7,020	\$35			\$235	\$75	\$7,365
2	\$10,727	\$35			\$288	\$75	\$11,125
3	\$11,047	\$80	\$4,435	\$0	\$593	\$75	\$16,230
4	\$12,883	\$290	\$6,244	\$0	\$716	\$150	\$20,283

* 1= Single Employable / 2= Person with a Disability / 2-b= Person with a Disability/AISH / 3= Lone Parent, One Child / 4= Couple, Two Children

Table 1.2-b: ESTIMATED 2007 ANNUAL WELFARE INCOMES BY TYPE OF HOUSEHOLD

*	Column 1 Basic Social Assistance (SA)	Column 2 Additional SA Program Benefits	Column 3 Federal Child Tax Benefit ¹	Column 4 Provincial Child Benefit	Column 5 Federal GST Credit ²	Column 6 Provincial Tax Credits	Total Income
YUKON ⁵²							
1	\$11,990	\$155			\$325		\$12,470
2	\$11,990	\$3,155			\$358		\$15,503
3 ^{53, 54}	\$15,124	\$260	\$4,435	\$450	\$593		\$20,861
4 ^{53, 54}	\$20,801	\$685	\$5,967	\$900	\$716		\$29,069
NORTHWEST TERRITORIES ⁵⁵							
1	\$14,540				\$348		\$14,888
2 ^{56, 57}	\$14,540	\$4,044			\$358		\$18,942
3 ^{58, 59}	\$15,068		\$4,435	\$330	\$593		\$20,425
4 ^{58, 59}	\$24,967		\$5,217	\$660	\$716		\$31,560
NUNAVUT ^{60, 61, 62}							
1	\$12,343				\$296		\$12,639
2 ⁶³	\$12,483	\$2,100			\$341		\$14,924
3 ^{64, 65}	\$19,041		\$4,435	\$330	\$593		\$24,399
4 ^{64, 65}	\$32,673		\$3,736	\$660	\$667		\$37,736

* **1**= Single Employable / **2**= Person with a Disability / **3**= Lone Parent, One Child / **4**= Couple, Two Children

¹ Refers to the Canada Child Tax Benefit (CCTB), which includes the CCTB Basic Benefit and the National Child Benefit Supplement (NCBS), received between January 1 and December 31, 2007.

² The federal GST credit includes the quarterly payments received between January 1 and December 31, 2007.

NEWFOUNDLAND AND LABRADOR

³ Over 90% of households living in the largest urban centre have rental costs that exceed the basic shelter rate and so automatically receive an additional \$100.

⁴ Effective April 1, 2007 the basic income support rate was increased by 1.8%, being tied to the provincial consumer price index (CPI). Indexing basic income support is planned for the next 5 years.

⁵ Newfoundland and Labrador does not deduct the NCBS or the Newfoundland and Labrador Child Benefit when calculating eligibility for Income Support.

⁶ The Newfoundland and Labrador Child Benefit increased in July 2005 from \$19.50 to \$20.83 for the first child and from \$26.75 to \$27.16 for the second child.

PRINCE EDWARD ISLAND

- ⁷ The shelter ceiling is \$309 for single employable individuals and in certain situations such as an existing mortgage or a housing challenge, clients can receive up to \$467 until June 2007 and \$482 after July, 2007.
- ⁸ According to PEI officials, flexibility exists within the shelter allowance, as many disabled persons are unable to find suitable housing within this allowance.
- Most disabled social assistance clients receive additional financial support through the Disability Support Program (DSP). Clients who are not eligible for the DSP may receive the Personal Care Allowance (\$53 per month) and the Special Care Allowance (\$40 per month) through the Social Assistance Program. These amounts are not included in the above table
- ⁹ The Healthy Child Allowance was increased in July 2007 from \$95 to \$99 per child per month. This mirrors the increase in the National Child Benefit Supplement.
- ¹⁰ PEI reduces the maximum benefit payable to families with children by the full amount of the NCB Supplement.
- ¹¹ Additional benefits include the School Allowance, issued in August and December. The allowance is \$75 for the 10-year-old and \$100 for the 15-year-old.

NOVA SCOTIA

- ¹² In October 2007, personal allowances increased from \$200 to \$204 per month.
- ¹³ Nova Scotia passes on the full amount of the NCB Supplement.
- ¹⁴ The Nova Scotia Child Benefit is \$37.08 per month for the first child and \$53.75 per month for the second child.
- ¹⁵ Additional benefits include the annual School Supplies Supplement of \$50 for the 10-year-old and \$100 for the 15-year-old.

NEW BRUNSWICK

- ¹⁶ Rates for the Interim Assistance, Transitional Assistance and Extended Benefits Program were increased in October 2007.
- ¹⁷ New Brunswick increased the monthly Fuel Supplement for households heating with electricity from \$110 to \$130 on November 1, 2007. Eligibility is determined on a case-by-case basis. It is paid in addition to basic assistance and is designed to help offset high heating costs for clients who pay for heat separately. It may be paid either monthly, from November to April, or as a one-time payment. This is not included in the above table.
- The Emergency Fuel Benefit has also been enhanced to recognize the increase in electrical rates and that these increases inherently placed households in an emergency. Therefore, these households do not have to demonstrate an 'emergency' situation
- ¹⁸ Additional benefits include the Income Supplement Benefit for families with children to offset high shelter costs (\$969 in 2007), the School Supplement of \$50 per child per year, and the Disability Supplement (\$1,000 yearly).
- ¹⁹ Certified disabled clients who are in receipt of assistance on October 1 automatically receive the Disability Supplement. This annual benefit was introduced in October 2000 and originally set at \$250. It was increased to \$500 in October 2001, \$750 in October 2002 and \$1,000 in October 2003
- ²⁰ New Brunswick passes on the full amount of the NCB Supplement.
- ²¹ The New Brunswick Child Benefit is \$250 per child per year (\$20.83 per month).

QUEBEC

- ²² The Individual and Family Assistance Act, adopted on June 15, 2005, came into effect on January 1, 2007. The Social Assistance Program and the Social solidarity Program replace the Employment-Assistance Program. The Social Solidarity is aimed at people with a severely limited capacity for employment.
- ²³ Basic assistance rates include the amount of the Quebec Sales Tax credit.
- ²⁴ Social Assistance rates are higher in January 2007 than previous Employment Assistance rate for these households.
- ²⁵ Social Solidarity rates are higher in January 2007 than previous Employment Assistance rate for this household.
- ²⁶ Additional benefits include the monthly Housing Allowance of \$80 for families with children and an annual school allowance of \$76 for the 10-year-old and \$123 for the 15-year-old.
- ²⁷ The NCB Supplement is passed on in full to all social assistance families.
- ²⁸ The new Child Assistance measure was implemented in January 2005. It replaced the former Family Allowance, the tax credit for dependent children and the tax reduction for families. The maximum annual benefit as of January 1, 2007, for a one child family is \$2,091 (\$174.25 per month) and \$3,136 (\$261.33 per month) for a two-child family. Lone-parent families received an additional annual supplement of \$732 (\$61 per month).

ONTARIO

- ²⁹ Ontario Works basic needs and maximum shelter rates were increased by 2% effective December 1, 2007.
- ³⁰ ODSP basic needs and maximum shelter rates were increased by 2% effective November 30, 2007

- ³¹ Additional benefits include the Winter Clothing Allowance for children (\$111 per child per year) and the annual Back to School Allowance of \$73 for the 10-year-old and \$134 for the 15-year-old. Both were increased by 2% in 2007. These allowances are paid once a year.
- ³² The Ontario Child Benefit (OCB) is a non-taxable amount paid to qualified families with children under 18 years of age. Families with family net incomes of \$20,000 or less in 2006 received a one-time July 2007 OCB payment of \$250 for each child under 18 years of age. The payment was reduced by 3.4% of the amount of family net income that was more than \$20,000. Ontario did not deduct the July 2004 to July 2007 increases to the National Child Benefit Supplement from social assistance payments.

MANITOBA

- ³³ Additional benefits include the Income Assistance for Persons with Disabilities (IAPD) benefit of \$80 per month plus the annual School supplies allowance of \$60 for the 10-year-old and \$100 for the 15-year-old.
- ³⁴ The new Manitoba Shelter Benefit, effective July 2006, includes a component for income assistance participants who are enrolled under the disability category and reside in private rental accommodation or a board and room situation. The monthly benefit is a flat rate of \$35 per month for those in private rental accommodation and \$15 per month for those in room and board. Effective July 2008, employable singles and childless couples will be eligible for the same flat rate benefits (\$35 and \$15).
- ³⁵ Manitoba no longer claws back the NCB Supplement for families on income assistance.

SASKATCHEWAN

- ³⁶ The Saskatchewan Assistance Plan (SAP) basic allowance was increased in May 2005. At the same time, the shelter allowance was restructured, resulting in an increase for the single employable and lone parent and a decrease for the couple with two children. The shelter allowance for a person with a disability did not change.
- ³⁷ Saskatchewan pays actual utility costs. Amounts used are based on averages for the different household types during the 2007 calendar year.
- ³⁸ Additional benefits include the Temporary Energy Cost Allowance of \$20 for all households, the Disabled Persons Allowance of \$50 per month, the Special Transportation Allowance for the disabled of \$20 per month, and the annual Education Expenses Allowance of \$85 for the 10-year-old and \$130 for the 15-year-old. The Temporary Energy Cost Allowance is in effect from December 2005 to April 2006 only.
- ³⁹ The Saskatchewan Sales Tax Credit was implemented in 2000 to help low-income residents offset the cost of the provincial sales tax.
- ⁴⁰ Clients with a disability may also be eligible for the Disability Rental Housing Supplement, introduced in April 2005. The amount paid depends on family size, family income and the local rental market. The maximum monthly amount is \$93 for a single person and \$151 for a family (combined Family Housing Supplement and Disability Housing Supplement). The supplement is not included in the above table.
- ⁴¹ Families with children may also be eligible for the Family Rental Housing Supplement, introduced in April 2005. The amount paid depends on family size, family income and the local rental market. The maximum monthly amount for one- and two-child families is \$89. The supplement is not included in the above table.
- ⁴² The Saskatchewan Child Benefit (SCB) was designed to be a transitional benefit and is reduced as the NCB Supplement increases. In July 2004, the SCB was enhanced through the addition of a \$35 a month supplement for single parents. Without this enhancement, the SCB would have been zero for a lone parent with one child. Effective July 2005, the SCB for a lone parent with one child was reduced to \$17.42 a month.
- ⁴³ The SCB was designed to be a transitional benefit and is reduced as the NCB Supplement increases. As of July 2004, the SCB for two-parent families was reduced to zero for the first child and was \$17.83 a month for the second child. In July 2005 the amount for the second child was reduced to \$0.58 month (paid as a lump sum).

ALBERTA

- ⁴⁴ In May 2004, Alberta implemented the Alberta Works program. This is a single support program for Albertans requiring financial assistance. It replaced the former Supports for Independence (social assistance) program, Widow's Pension program (former beneficiaries will continue to receive their Widow's Pension until they reach age 65), and, as of August 2004, the Skills Development program's living allowance for students.
- ⁴⁵ Additional benefits include \$78 per month for Personal Needs for the person with a disability and the annual school expense allowance of \$100 for the 10-year-old and \$175 for the 15-year-old.
- ⁴⁶ This report features the most basic disability benefit under the Alberta Works program. Most single people with severe and permanent disabilities receive assistance under the Assured Income for the Severely Handicapped (AISH) program. In January 2005, the maximum AISH benefit was \$850 a month. This increased to \$950 a month in April 2005; to \$1,000 per month in April 2006; and to \$1,050 in April 2007. In addition, as of October 1, 2005, AISH clients with \$3,000 or less in assets could also be eligible to receive personal income support benefits for a variety of needs such as special diets and medical transportation.
- ⁴⁷ Since August 2003, Alberta has passed on the full amount of the increase to the NCB Supplement.

BRITISH COLUMBIA

- ⁴⁸ A rate increase has taken effect in British Columbia on April 1, 2007.

- ⁴⁹ Additional benefits include the annual Christmas Supplement (\$35 for singles, \$70 for a family with children and \$10 for each child) and the annual School Start-up Supplement of \$84 for the 10-year-old and \$116 for the 15-year-old.
- ⁵⁰ Additional benefits include the annual Christmas Supplement (\$35 for singles, \$70 for a family with children and \$10 for each child) and the annual School Start-up Supplement of \$84 for the 10-year old and \$116 for the 15-year old.
- ⁵¹ In July 2004, the BC Family Bonus for a one-child family was fully offset by the NCB Supplement. Families with one child no longer receive any BC Family Bonus.

YUKON

- ⁵² Additional benefits include the annual Christmas Allowance of \$30 per person, the Winter Clothing Allowance (\$75 for persons under 14 years and \$125 for persons 14 years or over), the annual School Supply Allowance of \$50 for children in grades 1-5 and \$65 for those in grades 6-12, and the monthly Territorial Supplementary Allowance for persons with a disability (\$250 monthly).
- ⁵³ Yukon reduces social assistance by the full amount of the NCB Supplement.
- ⁵⁴ In July 2004, Yukon increased the maximum Yukon Child Benefit from \$25 to \$37.50 per child per month. At the same time, the threshold for the maximum benefit increased from \$16,700 to \$25,000.

NORTHWEST TERRITORIES

- ⁵⁵ The Northwest Territories Income Assistance Program generally pays actual costs of shelter, fuel and utilities. Increases in maximum food and shelter allowances have taken effect in Northwest Territories on September 1, 2007. All clients other than those with a disability and seniors must participate in a "productive choice" in order to receive income assistance.
- ⁵⁶ Additional benefits include the Disability Allowance of \$300 per month.
- ⁵⁷ The rate for a person with a disability may vary. A number of persons with a disability received a room and board rate of approximately \$850 a month.
- ⁵⁸ NWT reduces social assistance by the full amount of the NCB Supplement.
- ⁵⁹ The NWT Child Benefit is \$27.50 per child per month.

NUNAVUT

- ⁶⁰ For the first time, we included average monthly fuel payment of \$343 provided to family in private rentals over and above electricity.
- ⁶¹ The majority of Income Support households in Nunavut reside in public housing where rents range from as low as \$60 a month up to \$1,800 per month depending on the number of family members living in the household earning income. Clients in public housing do not pay fuel, water, sewage, garbage and/or municipal needs. Costs are subsidized by the Nunavut Housing Corporation. Clients receive invoices for their electricity at a subsidized rate which may be included on the assessment.
- Applicants living in private accommodation must apply for public housing before being approved for rent payments. Private rents range from \$1,000 to \$3,000 per month. High level approval is required prior to approving any rent amounts over \$2,500 per month. This situation is due to the Housing shortage in Nunavut. The amounts used in this report are the legislated shelter maximums: \$450 for a single person, \$900 for a lone parent and \$1,500 for a couple with two children.
- ⁶² All clients other than the persons with a disability must be in receipt of assistance for two months before the regular clothing allowance is paid. Clients may only receive the seasonal clothing allowance after they have been on assistance for six consecutive months.
- ⁶³ Additional benefits include the Disability Allowance of \$175 a month.
- ⁶⁴ Nunavut reduces social assistance by the amount of the NCB Supplement.
- ⁶⁵ The Nunavut Child Benefit is \$27.50 per child per month.

HIGHEST AND LOWEST 2006 AND 2007 WELFARE INCOMES

Tables 1.2-a and 1.2-b show all 3 territories had the highest welfare incomes for the 4 household types in 2006 and 2007. However, this is largely a reflection of the high costs of living in northern Canada.

At the provincial level, the 4 household types continued to subsist on meagre levels of support.

For a single employable person, welfare incomes ranged from a low of \$3,488 (2006) and \$3,574 (2007) in New Brunswick to a high of \$8,906 (2006) and \$9,348 (2007) in Newfoundland and Labrador. The lowest welfare income for a single person with a disability was \$8,111 (2006) and \$8,275 (2007) in New Brunswick and the highest was in Alberta at \$12,543 (2006) and \$12,762 (2007) under the Assured Income for the Severely Handicapped (AISH) program. A lone parent with one child in Alberta, however, had the lowest welfare income at \$14,108 (2006) and \$13,703 (in 2007), compared to Newfoundland and Labrador, the highest at \$17,850 (2006) and \$18,788 (2007). And finally, the welfare income of a couple with two children ranged from a low of \$18,474 (2006) or \$18,849 (2007) in New Brunswick to a high of \$22,292 (2006) or \$22,906 (2007) in Prince Edward Island.

EARNINGS EXEMPTION LEVELS

The figures that appear in the tables in this report do not take into account the fact that welfare incomes may be higher if recipients have income from employment.

Earnings exemptions are an important bridge from welfare to paid employment. They not only allow recipients to increase their overall income, but they also encourage recipients to gain work experience and make the transition to the labour market.

Most provinces and territories allow welfare recipients to retain a certain amount of earned income—either a flat-rate amount, a percentage of earnings, or both—without a reduction in their welfare cheques.

Other income is treated differently. Lone parents who receive welfare are generally required to seek child support from the other parent as a condition of assistance. These payments, however, are often deducted dollar for dollar from that family's welfare payment. A known exception is Quebec, where, as of January 1, 2006, parents on welfare can keep the first \$100 of child support for a minor child regardless of his or her age, while the remainder is completely deducted from the welfare cheque. Between June 1, 1998 and January 1, 2006, only those parents with children under 5 years of age could keep the first \$100.

Tables 1.3-a and 1.3-b show the earnings exemption provisions in each province and territory as of January 2006 and as of January 2007 for the four typical households on welfare. It also shows, where applicable, the different levels for applicants versus recipients. The format of this table has changed from earlier reports and now focuses on provisions for our four household types only.

A number of provinces **do not allow** employable persons applying for assistance **any exemption on earnings**.

This means that earnings are **deducted in full** when determining the applicant's welfare entitlement.

In Nova Scotia and New Brunswick, this applies to the first month on assistance. In Ontario and Saskatchewan, it applies to the first three months on assistance for all clients other than those with a disability. In British Columbia there is no earnings exemption for applicants or recipients, other than for recipients with a disability.

Then, we present for the first time, three graphs illustrating as a snapshot all the information contained in Table 1.3 for three of the four household types receiving welfare for more than three months.

The RATIONALE behind the earnings exemption policies in some provinces is NOT WELL EXPLAINED and results are difficult to find.

If governments want welfare recipients to get jobs and to move off welfare as quickly as possible, it does not seem logical to have no exemptions for the first month or the first three months on assistance. These exemption limits act as clear disincentives to employment. Improving earnings exemption policies so that they provide real supports for labour force participation would be much more productive. Paying adequate welfare rates to meet basic needs would also better enable recipients to take advantage of employment opportunities.

WORKING INCOME TAX BENEFIT (WITB)

Another potential piece to the puzzle of welfare benefits and earnings is the recently introduced federal Working Income Tax Benefit or WITB. WITB took effect in the 2007 tax year and is intended for low-income individuals and families who have working income earned from employment or business¹.

The **WITB** is calculated using information including:

- **marital status;**
- **province or territory of residence;**
- **working income;**
- **net income;**
- **number of eligible dependants; and**
- **eligibility for the WITB Disability Supplement.**

¹ Canada Revenue Agency Web site accessed on July 14, 2008

Because social assistance payments are considered in the net income calculation (as well as Employment Insurance, Canada Pension Plan or Quebec Pension Plan benefits), the National Council of Welfare is interested in the WITB's impact in future years.

For single individuals without children, the maximum amount of WITB is paid if working income is between \$5,550 and \$9,681 for 2008. For families, the maximum amount of WITB is paid if the family's working income is between \$8,095 and \$14,776 for 2008. The WITB payment is gradually reduced when net income is more than \$9,681 for single individuals or when family net income is more than \$14,776. No WITB is paid when net income exceeds \$13,081 for individuals or family net income exceeds \$21,569. These amounts vary slightly for residents of Quebec, Nunavut and British Columbia. For single individuals and families who are eligible and entitled to a WITB disability supplement, the income thresholds will be slightly higher.

In March 2007, the Council, in its *Response to the 2007 Federal Budget*, welcomed a measure like the Working Income Tax Benefit which,

(...) though very modest, is a step in the direction of alleviating some of the hardship low-income workers experience. It reflects the fact that the federal government has a role to play in solving poverty. But it is not clear that the measures targeted to low-income Canadians will, in fact, have much of an impact.

At this point, the Council has not been able to study in detail the interaction among social assistance, employment and the WITB. The Council did, however, undertake a preliminary review when the WITB was proposed.

According to the NCW's review, the WITB has potential as it will increase modestly the annual incomes of qualifying households with earnings.

Little impact can be expected on the poverty rate because beneficiaries will remain significantly below most poverty lines, but we could expect some welcome reduction of the poverty gap. We were unable to estimate its impact in encouraging employment, and we do have some concerns that those eligible include adult children living in higher income households which could confound the results. **The Council hopes that the federal government will make more detail available to the public as the WITB takes effect so we can see its impacts more precisely.**

**Table 1.3-a: MONTHLY EARNINGS EXEMPTION LEVELS AS OF JANUARY 2006
PROVISIONS FOR APPLICANTS AND RECIPIENTS¹**

	Single Employable	Single Person with a Disability	Lone Parent, One Child	Couple, Two Children
Newfoundland and Labrador ²	\$75 of partially exempt income plus 10% of the excess to maximum of \$150	\$95 of partially exempt income plus 10% of the excess to maximum of \$150 ³	\$150 of partially exempt income plus 10% of the excess to a maximum exemption of \$275	\$150 of partially exempt income plus 10% of the excess to a maximum exemption of \$275
Prince Edward Island	\$75 of net earned income plus 10% of the balance	\$75 of net earned income plus 10% of the balance	\$125 of net earned income plus 10% of the balance	\$125 of net earned income plus 10% of the balance
Nova Scotia	Applicants: no exemption Recipients: 30% of net wages	Applicants: no exemption Recipients: \$150 plus 30% of net surplus ⁴	Applicants: no exemption Recipients: 30% of net wages	Applicants: no exemption Recipients: 30% of net family wages
New Brunswick ⁵	Applicants: no exemption Recipients: \$300 ⁶	Applicants: no exemption Recipients: \$250 ⁷	Applicants: no exemption Recipients: \$200 ⁸	Applicants: no exemption Recipients: \$200 ⁸
Quebec	\$200 ⁹	\$100 ¹⁰	\$200 ¹¹	\$300 ¹²
Ontario ¹³	Applicants: no exemption for first 3 months on assistance Recipients: 50% of gross earnings	\$160 basic exemption plus 25% of net earnings ¹⁴	Applicants: no exemption for first 3 months on assistance Recipients: 50% of gross earnings	Applicants: no exemption for first 3 months on assistance Recipients: 50% of gross earnings

¹ Unless otherwise noted, the earnings exemptions levels apply to both those applying for and receiving social assistance.

² Newfoundland and Labrador amended its earnings exemptions policy in July 2005. Single employable persons had the first \$75 exempt, then 10% of the excess to a maximum exemption of \$150. A single person with a disability had the first \$95 exempt, then 10% of the excess to a maximum exemption of \$150. Units of two or more persons had the first \$150 exempt, plus 10% of the excess to a maximum exemption of \$275.

³ A person with a disability is one who requires supportive services.

⁴ Nova Scotia's provision applied to persons with a disability participating in supported employment. Additional special needs such as transportation, child care and clothing were included in the client's basic entitlement before the exemption was applied.

⁵ New Brunswick has two types of wage exemptions. The regular Wage Exemption amounts are shown in the above table. The Extended Wage Exemption (EWE) provides higher exemptions to clients during their transition to self sufficiency. A client may only receive one type of exemption at any time. The EWE, which is limited to a maximum of 2 years, exempts a percentage of net income based on the household type. Singles and families with no children may receive an exemption of up to 30% of net earned income for the first 6 months, 25% of net income for the next 6 months, then the appropriate flat rate wage exemption for the remaining 12 months. Families with children may receive an exemption of up to 35% of income for the first 6 months, 30% of income for the next 6 months, then the regular flat rate wage exemption for the remaining 12 months.

⁶ This was for a single person receiving Interim Assistance.

⁷ This was for a single person with a disability receiving Extended Benefits.

⁸ This was for a family receiving Transitional Assistance.

⁹ This was for a person with no limitations to employment.

¹⁰ This was for a person with severe limitations to employment.

¹¹ This was for a person with temporary limitations to employment.

¹² This was for a couple regardless of the type of limitations to employment.

¹³ New earnings exemption provisions were introduced in November 2006 for Ontario Disability Support Program (ODSP) clients. The flat rate and variable exemptions were discontinued and replaced by an across-the-board exemption of 50% of gross earnings combined with a new \$100 monthly work-related benefit for each adult family member who is working.

¹⁴ Disability-related work expenses up to a maximum of \$140 per month could be deducted. This amount was increased to \$300 in November 1, 2006.

**Table 1.3-a: MONTHLY EARNINGS EXEMPTION LEVELS AS OF JANUARY 2006
PROVISIONS FOR APPLICANTS AND RECIPIENTS¹**

	Single Employable	Single Person with a Disability	Lone Parent, One Child	Couple, Two Children
Manitoba	Applicants: \$100 of net earnings Recipients: after 1 month, \$100 of net earnings plus 25% of net earnings over \$100	Applicants: \$100 of net earnings Recipients: after 1 month, \$100 of net earnings plus 30% of net earnings over \$100	Applicants: \$115 of net earnings Recipients: after 1 month, \$115 of net earnings plus 25% of net earnings over \$115	Applicants: \$100 of net earnings for each earner Recipients: after 1 month, \$100 of net earnings plus 25% of net earnings over \$100, for each earner
Saskatchewan ¹⁵	Applicants: no exemption for first 3 months Recipients: \$25 plus 20% of next \$375	\$100 plus 25% of the next \$500	Applicants: no exemption for first 3 months Recipients: \$125 Clients with earnings over \$125 are eligible for the Saskatchewan Employment Supplement ¹⁶	Applicants: no exemption for first 3 months Recipients: \$125 Clients with earnings over \$125 are eligible for the Saskatchewan Employment Supplement ^{16, 17}
Alberta	\$115 of net income plus 25% of the remaining net income	\$115 of net income plus 25% of the remaining net income AISH ¹⁸ : \$400 plus 50% of next \$600	\$230 of net income plus 25% of the remaining net income	\$115 of net income plus 25% of the remaining net income (for each working adult)
British Columbia	No earnings exemption	Applicants: no exemption for first 3 months Recipients: \$400 ¹⁹	No earnings exemption	No earnings exemption
Yukon	Applicants: \$100 Recipients: \$100 plus additional 25% of surplus after 3 rd consecutive month on assistance	Applicants: \$100 Recipients: \$100 plus additional 25% of surplus after 3 rd consecutive month on assistance ²⁰	Applicants: \$150 Recipients: \$150 plus additional 25% of surplus after 3 rd consecutive month on assistance	Applicants: \$150 Recipients: \$150 plus additional 25% of surplus after 3 rd consecutive month on assistance
Northwest Territories	\$200	\$200	\$400	\$400
Nunavut	\$200	\$200	\$400	\$400

¹⁵ Fully employable persons were not entitled to an earnings exemption until they had been on assistance for three months. On July 1, 2006, single employable persons had the first \$50 exempt, plus \$25 of the next \$600, for a maximum of \$200. A single person with a disability had the first \$100 exempt plus 25% of the next \$500, for a maximum of \$225.

¹⁶ The Saskatchewan Employment Supplement (SES) is a monthly payment to low-income parents who worked for pay, were self-employed or received child or spousal support. The supplement is paid at the rate of 25 to 45% of income and depends on the size of the family and the ages of the children. In January 2006, the maximum monthly benefit for lone parent with one child aged 2 was \$248. A couple with two children aged 10 and 15 could receive a maximum of \$288. SES rates were increased in May 2006 to \$275 (1 child age two) and \$319 (2 children aged 10 and 15). The SES is fully exempted income in determining entitlement to SAP benefits.

¹⁷ The earnings exemption for a dependent child in a household unit who is working and not attending school is \$350 per month plus 25% of the remaining net employment income. Employment income earned by a dependent child in a household that is attending school is 100% exempt.

¹⁸ Persons who qualified for Assured Income for the Severely Handicapped (AISH) had higher earnings exemptions. An eligible single person had a flat rate exemption of \$400 a month plus 50% of the surplus, to a total maximum exemption of \$700. In addition, AISH clients were also able to receive a partial exemption for other types of income, such as investment income, of \$200 a month plus 25% of the surplus.

¹⁹ This increased to \$500 in March 2006.

²⁰ Effective July 2005, persons who qualified for the Territorial Supplementary Allowance (payable to persons with a disability and the elderly) were eligible for an additional annual earned income exemption of \$3,900.

**Table 1.3-b: MONTHLY EARNINGS EXEMPTION LEVELS AS OF JANUARY 2007
PROVISIONS FOR APPLICANTS AND RECIPIENTS¹**

	Single Employable	Single Person with a Disability	Lone Parent, One Child	Couple, Two Children
Newfoundland and Labrador	\$75 of partially exempt income plus 10% of the excess to maximum of \$150	\$95 of partially exempt income plus 10% of the excess to maximum of \$150 ²	\$150 of partially exempt income plus 10% of the excess to a maximum exemption of \$275	\$150 of partially exempt income plus 10% of the excess to a maximum exemption of \$275
Prince Edward Island	\$75 of net earned income plus 10% of the balance	\$75 of net earned income plus 10% of the balance	\$125 of net earned income plus 10% of the balance	\$125 of net earned income plus 10% of the balance
Nova Scotia	Applicants: no exemption Recipients: 30% of net wages	Applicants: no exemption Recipients: \$150 from supported employment plus 30% of net wages remaining ³	Applicants: no exemption Recipients: 30% of net wages	Applicants: no exemption Recipients: 30% of net family wages
New Brunswick ⁵	Applicants: no exemption Recipients: \$300 ⁵	Applicants: no exemption Recipients: \$250 ⁶	Applicants: no exemption Recipients: \$200 ⁷	Applicants: no exemption Recipients: \$200 ⁷
Quebec	\$200 ⁸	\$100 ⁹	\$200 ¹⁰	\$300 ¹¹
Ontario	Applicants: no exemption for first 3 months on assistance Recipients: 50% of net earnings	50% of net earnings ¹²	Applicants: no exemption for the first 3 months on assistance Recipients: 50% of net earnings	Applicants: no exemption for first 3 months on assistance Recipients: 50% of net earnings ¹³

¹ Unless otherwise noted, the earnings exemptions levels apply to both those applying for and receiving social assistance.

² A person with a disability is one who requires supportive services.

³ Nova Scotia's provision applies to persons with a disability participating in supported employment. Additional special needs such as transportation, child care and clothing may be provided based on need.

⁴ New Brunswick has 2 types of wage exemptions. The regular Wage Exemption amounts are shown in the above table. The Extended Wage Exemption (EWE) provides higher exemptions to clients during their transition to self sufficiency. A client may only receive 1 type of exemption at any time. The EWE, which is limited to a maximum of 2 years, exempts a percentage of net income based on the household type. Singles and families with no children may receive an exemption of up to 30% of net earned income for the first 6 months, 25% of net income for the next 6 months, then the appropriate flat rate wage exemption for the remaining 12 months. Families with children may receive an exemption of up to 35% of income for the first 6 months, 30% of income for the next 6 months, then the regular flat rate wage exemption for the remaining 12 months.

⁵ This was for a single person receiving Interim Assistance.

⁶ This was for a single person with a disability receiving Extended Benefits.

⁷ This was for a family receiving Transitional Assistance.

⁸ This was for a person in the Social assistance program with no limitations to employment.

⁹ This was for a person in the Social solidarity program.

¹⁰ This was for a person in the Social assistance program with temporary limitations to employment.

¹¹ This was for a couple in the Social assistance program regardless of the type of limitations to employment.

¹² Since November 1, 2006, disability-related work expenses up to a maximum of \$300 per month can be deducted, as well as up to \$600 per child for informal childcare costs, and the entire amount of licensed childcare costs.

¹³ Since August 1, 2005 up to \$600 per child for informal childcare costs and the entire amount of licensed childcare costs can be deducted. Note that the 3 month qualifying rule for earnings exemptions does not apply to child care deductions.

**Table 1.3-b: MONTHLY EARNINGS EXEMPTION LEVELS AS OF JANUARY 2007
PROVISIONS FOR APPLICANTS AND RECIPIENTS¹**

	Single Employable	Single Person with a Disability	Lone Parent, One Child	Couple, Two Children
Manitoba	Applicants: \$100 of net earnings Recipients: after 1 month, \$100 of net earnings plus 25% of net earnings over \$100	Applicants: \$100 of net earnings Recipients: after 1 month, \$100 of net earnings plus 30% of net earnings over \$100	Applicants: \$115 of net earnings Recipients: after 1 month, \$115 of net earnings plus 25% of net earnings over \$115	Applicants: \$100 of net earnings for each earner Recipients: after 1 month, \$100 of net earnings plus 25% of net earnings over \$100, for each earner
Saskatchewan	Applicants: no exemption for first 3 months Recipients: \$50 plus 25% of next \$600 for a maximum of \$200	\$100 plus 25% of the next \$500 for a maximum of \$225	Applicants: no exemption for first 3 months Recipients: \$125 Clients with earnings over \$125 are eligible for the Saskatchewan Employment Supplement ¹⁵	Applicants: no exemption for first 3 months Recipients: \$125 Clients with earnings over \$125 are eligible for the Saskatchewan Employment Supplement ^{15, 16}
Alberta	\$115 of net income plus 25% of the remaining net income	\$115 of net income plus 25% of the remaining net income ¹⁷	\$230 of net income plus 25% of the remaining net income	\$115 of net income plus 25% of the remaining net income (for each working adult)
British Columbia	No earnings exemption	Applicants: no exemption for first 3 months Recipients: \$500	No earnings exemption	No earnings exemption
Yukon ¹⁸	Applicants: \$100 Recipients: \$100 plus additional 25% of surplus after 3 rd consecutive month on assistance	Applicants: \$100 Recipients: \$100 plus additional 25% of surplus after 3 rd consecutive month on assistance ¹⁹	Applicants: \$150 Recipients: \$150 plus additional 25% of surplus after 3 rd consecutive month on assistance	Applicants: \$150 Recipients: \$150 plus additional 25% of surplus after 3 rd consecutive month on assistance
Northwest Territories ²⁰	\$200	\$200	\$400	\$400
Nunavut	\$200	\$200	\$400	\$400

¹⁴ As of January 2008, (for February benefit month) earning exemption levels increased for all case categories to \$200 of net monthly earnings plus 30% of net monthly earnings over \$200. Clients enrolled less than 1 month are eligible for an exemption of up to \$200 of net earnings.

¹⁵ The Saskatchewan Employment Supplement (SES) is a monthly payment to low-income parents who worked for pay, were self-employed or received child or spousal support. The supplement is paid at the rate of 25 to 56% of income and depends on the size of the family and the ages of the children. In January 2007, the maximum monthly benefit for a single parent with one child aged 2 was \$275. A couple with two children aged 10 and 15 could receive a maximum of \$319. The SES is fully exempted income in determining entitlement to SAP benefits.

¹⁶ Employment income earned by a dependent child in a household that is attending school is 100% exempt.

¹⁷ Persons who qualified for Assured Income for the Severely Handicapped (AISH) had higher earnings exemptions. An eligible single person had a flat rate exemption of \$400 a month plus 50% of the surplus, to a total maximum exemption of \$700. In addition, AISH clients were also able to receive a partial exemption for other types of income, such as investment income, of \$200 a month plus 25% of the surplus.

¹⁸ Yukon has proposed a new structure that would eliminate the 3-month waiting period for the earned income exemption and will allow recipients to keep 50% of earned income.

¹⁹ Effective July 2005, persons who qualified for the Territorial Supplementary Allowance (payable to persons with a disability and the elderly) were eligible for an additional annual earned income exemption of \$3,900.

²⁰ As of April 1, 2007 Northwest Territories amended its earnings exemptions policy. In addition to the previous exemption levels, all types of household had an additional 15% of any earned income in excess of the applicable amount plus unearned income of the applicant and dependents if not exceeding \$1,200 yearly.

Figure 1.1: Single Employable: How much of your monthly earnings will your province or territory let you keep?

January 2007

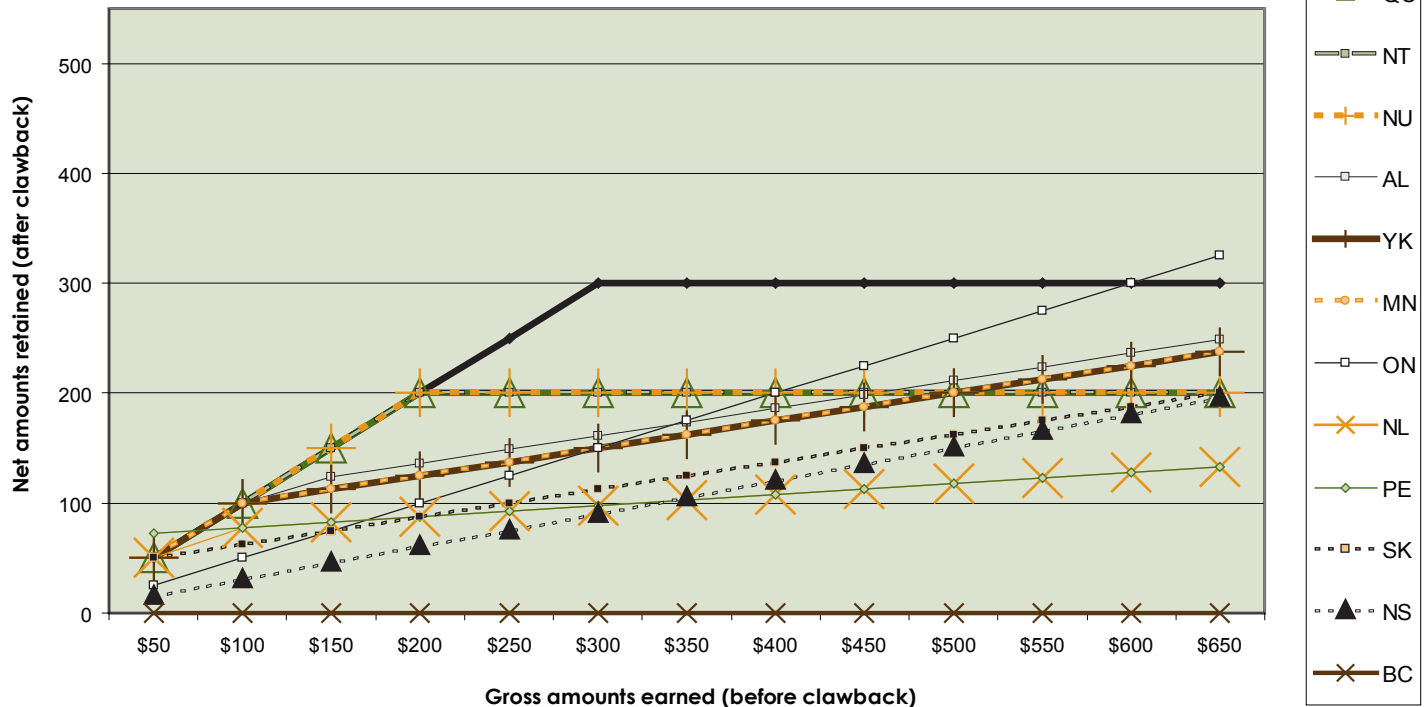


Figure 1.2: Single Person with a Disability: How much of your monthly earnings will your province or territory let you keep?

January 2007

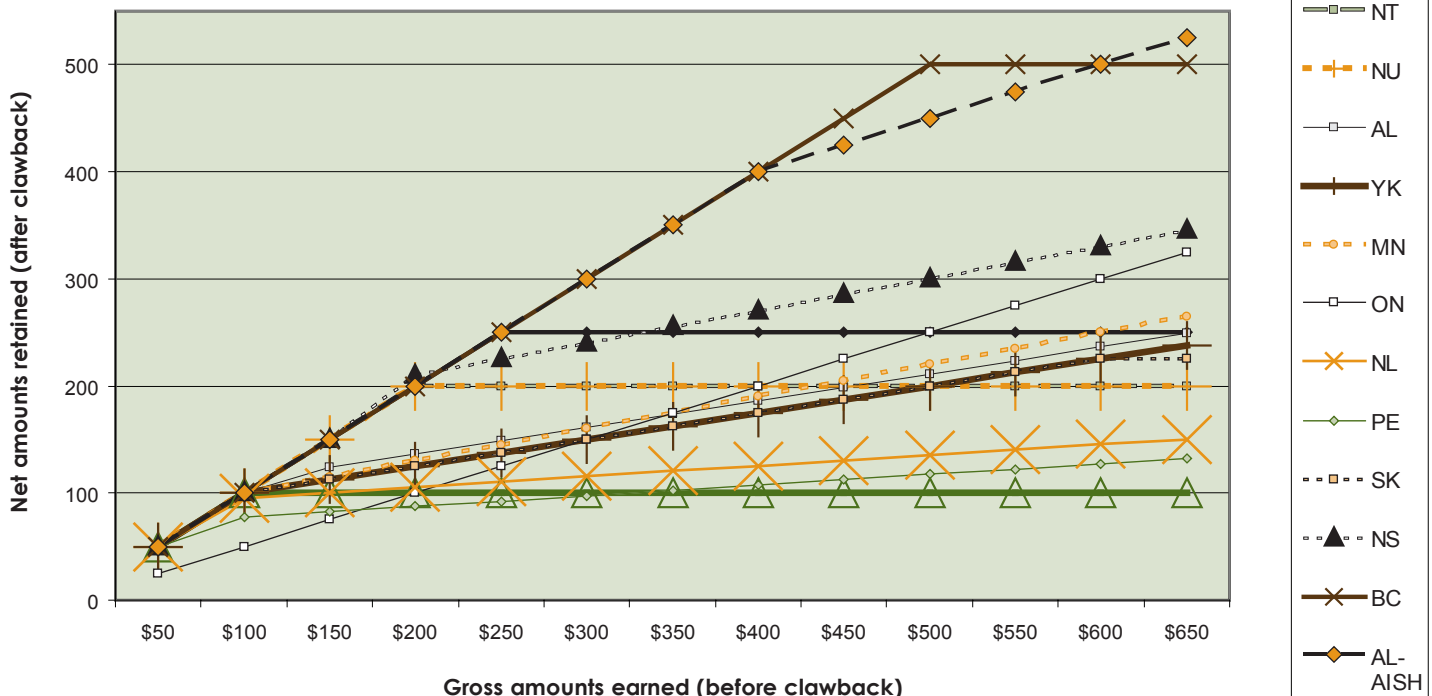
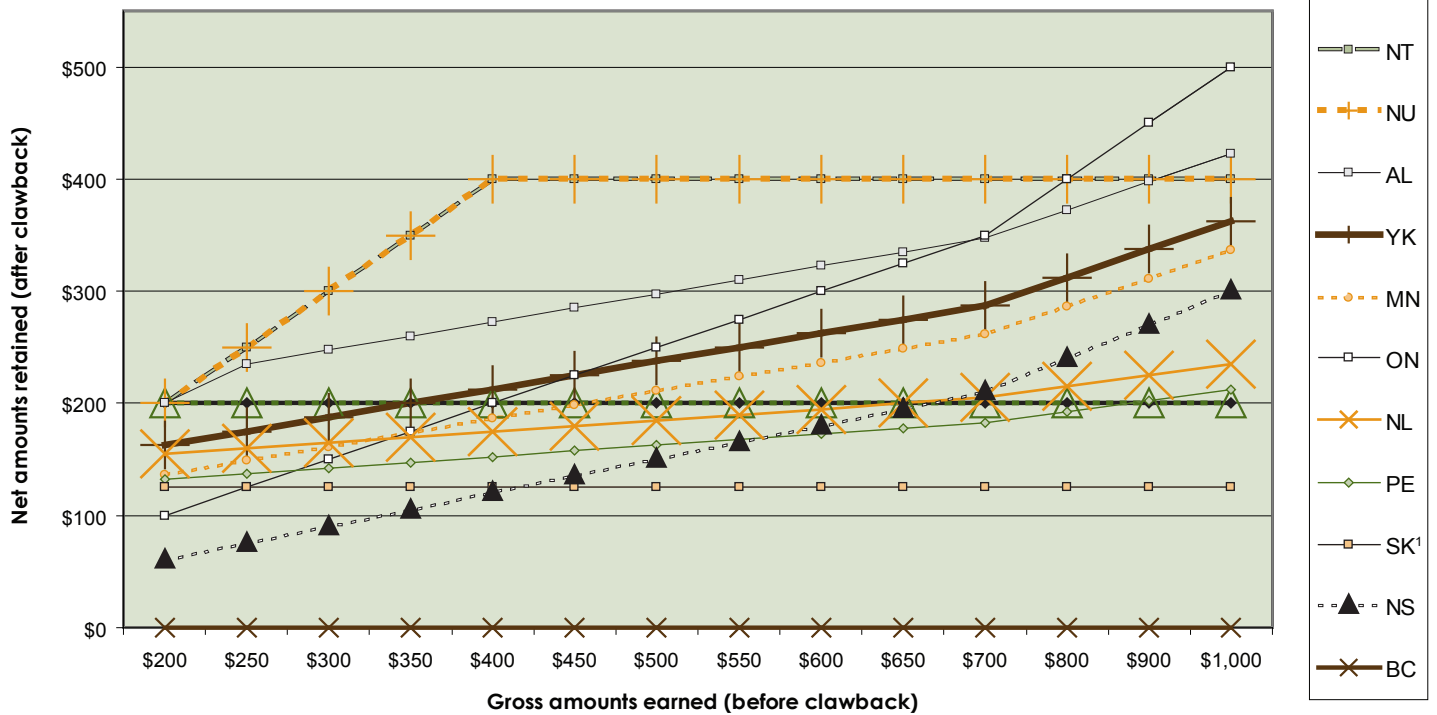


Figure 1.3: Lone Parent: How much of your monthly earnings will your province or territory let you keep?

January 2007



¹ Note that parents in Saskatchewan with earnings over \$125 were eligible in 2007 for the Saskatchewan Employment Supplement (SES). This SES amount is not included in our calculation. For more details, see note 15 of Table 1.3-b.

