

Chapter 3: Assessment of Income

(i) Exempt Income

(c) Compensation Payments for Claims of Abuse or Harm Done

Intent:	To identify sources of income and the incurred liquid assets from these sources of income, that are not considered when determining eligibility for Income Support
Act: (if applicable)	N/A
Regulations:	<p>8. In this Part</p> <p>(a) "exempt income" means income received by an applicant or recipient which is not considered in determining eligibility for income support, provided that the income is obtained by means of</p> <p style="padding-left: 40px;">(xxiii) a payment made under a court order or a settlement agreement by the federal government, a provincial or territorial government, a church organization, or another organization having responsibility for individuals in a position of trust, care or authority in respect of other individuals, as compensation for</p> <p style="padding-left: 80px;">(A) a claim of abuse, or</p> <p style="padding-left: 80px;">(B) a harm done, where the payment is received by the applicant or recipient as a member of a class in a class action;</p>
Overview: (if applicable)	N/A
Policy:	<ul style="list-style-type: none"> • Compensation payments are considered fully exempt, if made under a court order or settlement agreement by either: <ul style="list-style-type: none"> ○ A government: federal, provincial or territorial; or ○ A church organization; or ○ An organization having responsibility for individuals in a position of trust, care or authority <p>If the payment is for:</p> <ul style="list-style-type: none"> ○ A claim of abuse, or ○ Harm done, where the payment is received by the applicant/recipient as a member of a class in a class action

Policy and Procedure Manual

	<ul style="list-style-type: none">• There is no limit on the compensation payment amount; payments that are included under this category are fully exempt.<ul style="list-style-type: none">○ Examples of the types of exempt compensation payments include such things as (but are not limited to):<ul style="list-style-type: none">▪ Settlements by government for claims of abuse or harm, such as: former residents of group homes or foster care arrangements as children; former residents of institutional settings as adults with intellectual disabilities▪ Settlements by church organizations for claims of abuse or harm, such as: former residents of Mount Cashel Orphanage▪ Settlements by another organization where the organization has responsibility for individuals in a position of trust, care or authority, such as: former youth involved in Hockey Canada or Boy Scouts of Canada○ Examples of the types of payments that are not included and are considered non exempt income and assets include such things as (see Insurance Settlements):<ul style="list-style-type: none">▪ Motor vehicle accident insurance payments▪ Slip and fall accident insurance payments
Procedure:	<ul style="list-style-type: none">• Applicants/recipients who declare that they have received or will receive a compensation payment must:<ul style="list-style-type: none">▪ provide documentation specifying the type and source of the compensation payment, to determine whether it is considered exempt income.▪ provide confirmation of the amount of the compensation payment, so that this information is on file for future assessment of assets.• Client Services Officers should ensure that all legal and banking information is added to the applicant's/recipient's electronic file.
Authority Level:	Client Services Officer
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