

Income Support Employment Stability Pilot Enhanced Earnings Exemptions and Overlap

Intent:	To clarify enhancements to Earnings Exemptions and Benefit Overlap, so that higher amounts of earned income can be retained and more support offered in the transition from full Income Support to earned income.
Act: (if applicable)	9.(2) In providing programs under subsection (1), the minister may provide for pilot projects, demonstration projects and innovations in income and employment support programs and services in all or part of the province.
Regulations:	N/A
Overview: (if applicable)	<p>The goal of the Income Support Employment Stability Pilot is to assist recipients to improve self-reliance through new and enhanced initiatives that support and encourage increased labour market attachment.</p> <p>Enhanced earnings exemptions allow higher amounts of earned income to be retained while in receipt of Income Support. The stepped formula allows recipients to keep more as they earn more to encourage increased hours of employment.</p> <p>Recipients will also have a continuation of full Income Support benefits for 60 days in order to provide income stability during the transition from benefit payments to wages.</p>
Policy:	<ul style="list-style-type: none"> Single individuals, couples/couples with children and self employed individuals/couples, will be assessed using the following enhanced earnings exemptions: <ul style="list-style-type: none"> \$0 to \$150 – fully exempt \$151 to \$225 – 75% exemption \$226 to \$300 – 50% exemption \$301 plus – 25% exemption Single parents are eligible to receive the Earned Income Supplement (EIS) and will be assessed using 30% of the projected net earnings (after deductions of income tax, EI premiums etc., but prior to applying the enhanced earning exemptions calculator) and then deducting \$75. See the Earned Income Supplement (EIS) policy for additional information.

	<ul style="list-style-type: none"> Families who have one or more individuals who require supportive services, will be assessed using the following enhanced earnings exemptions: <ul style="list-style-type: none"> \$0 to \$250 – fully exempt \$251 to \$300 – 50% exemption \$301 plus – 25% exemption Recipients who start work on or after December 1, 2023, will receive a 60 day overlap of employment income and Income Support benefits. A maximum of two 60 day overlap periods can be issued to a recipient in a 12 month period. Earnings of individuals who are 18-21 years old, who are still attending high school, are considered exempt income.
Procedure:	<p>As of December 1, 2023, when a recipient contacts the Department and advises that they have started work, the following procedure should be followed:</p> <ul style="list-style-type: none"> The CSO must suspend the file from recurring pay and issue a 30 day overlap of benefits based on the date that the recipient started work (with consideration given to any rent/mortgage overlap that may have already been provided). The CSO should also issue the mailback form for the next 30 day assessment period. The recipient should be advised that they may also be eligible for a Job Start Benefit (see Job Start Benefit Policy). When the initial mailback form is received (by the Mailback Unit), if the recipient is still working, the CSO must issue the second 30 day overlap of benefits. If the recipient has stopped working within the 60 day overlap period, the file is placed back on recurring pay, with no deductions or overpayments. If a recipient starts working and qualifies for EI benefits within the first 30 days of employment, they are eligible for the initial 30 day overlap of Income Support and employment benefits, and no overpayment is set up. However, after the initial 30 day overlap, Income Support eligibility needs to be assessed, with the EI income taken into account. An overpayment may be set

up for any Income Support benefits paid beyond 30 days if there is no entitlement.

- The initial job start benefit can be issued if the recipient has provided confirmation of the start date of employment.
- After the 60 day overlap period, earnings from the previous month will be used to project the recipient's income into the next 30 day assessment period to determine if there is eligibility for an Income Support supplement. The projected employment income amount should be entered under Declared Income on screen AM 5820 in CAPS.
- Applicable deductions, employment expenses and the basic employment exemption are applied first and then the enhanced earnings exemptions formula:
- Single individuals, couples/couples with children and self employed individuals/couples:

Monthly Earnings	Exempt Income
\$0 to \$150	100%
\$151 to \$225	\$150 + 75% of earnings between \$151 and \$225 (\$206.25 max)
\$226 to \$300	\$206.25 + 50% of earnings between \$226 and \$300 (\$243.75 max)
\$301 plus	\$243.75 + 25% of earnings over \$301

- Single parents are eligible to receive the Earned Income Supplement (EIS) and will be assessed using 30% of the projected net earnings (after deductions of income tax, EI premiums etc., but prior to applying the enhanced earning exemptions calculator) and then deducting \$75.
- Families who have one or more individuals who require supportive services:

Monthly Earnings	Exempt Income
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\$0 to \$250	100%
\$251 to \$300	\$250 + 50% of earnings between \$251 and \$300 (\$275 max)
\$301 plus	\$275 + 25% of earnings over \$301

- The amount remaining after all deductions and exemptions, is the net income that should be entered under the Approved Income section on screen AM 5820 in CAPS. If the income is less than the requirements, the recipient is eligible for a supplement to their earnings. If the income exceeds requirements, there is no entitlement to a supplement for that assessment period.
- CSOs must ensure that they include a copy of the enhanced earnings exemptions calculations (that were completed outside of CAPS) in case notes for each assessment. This will assist the Pay Authorization Unit (PAU) in confirming accuracy.
- Recipients whose employment income is higher than their Income Support requirements can continue to be assessed for 90 days (3 assessment periods). After 90 days, no additional mailback forms will be sent out and if employment ends or income decreases, the individual/family will need to re-apply for Income Support.
- Individuals/families who are not eligible for Income Support due to excess employment income, will receive an extended drug card for twelve months.
- Earnings of individuals who are 18-21 years old, who are still attending high school, are considered exempt income.

Authority Level: Client Services Officer

Date revised: August 2025

