

### **Chapter 3: Assessment of Income**

#### **(ii) Non-Exempt Income**

##### **(b) Employment Insurance Benefits**

<b>Intent:</b>	To identify how the receipt of Employment Insurance (EI) benefits impacts individuals who are in receipt of or who are applying for Income Support benefits
<b>Act:</b> (if applicable)	N/A
<b>Regulations:</b>	<p>8 (c) "non-exempt income" means income received by an applicant or recipient for which no exemption applies and which is used in determining eligibility but does not include partially exempt income, and which may be obtained by means of</p> <ul style="list-style-type: none"> <li>(i) payments under the Canada Pension Plan, Old Age Security benefits, Veterans' Allowance, compensation under the Workplace Health, Safety and Compensation Act , <b>employment insurance benefits</b>, and pensions to the applicant or recipient or to his or her dependent from other sources,</li> <li>(ii) income received from a support trust by a person requiring supportive services according to section 25 ,</li> <li>(iii) income received from federal training allowances,</li> <li>(iv) an assessment based on 50% of the receipts from rental of rooms on property which is used by the applicant or recipient as a residence,</li> <li>(v) an assessment of rental income based on 50 % of that income after the deduction of municipal property taxes for rented real property in which the applicant or recipient does not reside,</li> <li>(vi) payments which are monetary in nature or which are quantifiable in monetary terms including payments which are by way of arrears and which are received as spousal maintenance or support by the applicant or recipient under a private agreement, a domestic contract or a court order,</li> <li>(vii) payments received by an applicant or recipient without dependents under the Canada-Newfoundland and Labrador Student Loan Program or successor program;</li> </ul>

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	<p>(viii) net income received from a severance package which an applicant or recipient receives upon permanently severing from his or her employer for the period of time that the severance package is payable,</p> <p>(ix) income resulting from the sale of property or the sale of a fishing licence,</p> <p>(x) payments received as a result of an inheritance or from an estate, and</p> <p>(xi) income from an insurance claim whether it is paid in monthly instalments or by a lump sum payment; in the month that the payment, income, or inheritance is received;</p>
<p><b>Overview:</b> (if applicable)</p>	<ul style="list-style-type: none"><li>• The Employment Insurance (EI) Program is offered through Service Canada and provides a temporary source of income to individuals who are no longer employed or have reduced earnings. Individuals who have contributed EI premiums while employed are eligible to apply. The following is a list of available benefits:<ul style="list-style-type: none"><li>○ regular benefits</li><li>○ sickness benefits</li><li>○ maternity benefits</li><li>○ fishing benefits</li><li>○ parental benefits</li><li>○ compassionate care benefits</li></ul></li><li>• A combination of sickness, maternity and parental benefits can be received up to a combined maximum of 50 weeks.</li><li>• Workers and/or residents outside Canada may receive EI benefits where their job is insured under Canada's Employment Insurance program.</li><li>• Information on EI eligibility can be found on-line at: <a href="http://Employment Insurance benefits - Canada.ca">Employment Insurance benefits - Canada.ca</a>, by telephoning 1-800-206-7218 or by visiting a local service centre.</li></ul>

**Policy: (100) General:**

- When individuals complete an application for Income Support benefits, their eligibility for EI benefits has to be determined. This information can be verified by approved Departmental staff accessing a secure web link to Service Canada which provides EI information on applicants and recipients.
- Applicants/recipients may be eligible for Income Support while awaiting receipt of EI or as a supplement to EI benefits.
- If an Income Support applicant/recipient is notified that they are disqualified from receiving EI benefits, they should be encouraged to appeal the decision, assuming there is a legitimate reason to do so (i.e. allegation of wrongful dismissal, harassment or quit for valid reasons). Not all cases are required to appeal; for example, those with insufficient hours. The Department continue to assist with Income Support benefits on an “Assignment of Benefit” during this process.
- 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.
- There are occasions when individuals are both employed and in receipt of EI benefits. Claimants are permitted to work while in receipt of EI benefits (regular or parental). The Department will consider both sources of income when determining eligibility for Income Support benefits.
- Employed clients who have sufficient hours and have a seven day break in earnings can request an ROE from their employer and open a new EI claim. This does not mean their employment is ending; however, they can possibly receive EI benefits for weeks where they have little or no employment.
- Employment and Social Development Canada conducts a match of mutual clients using the Social Insurance Number. Once the information is received, it is entered on the interface tab in CAPS for review by the Eligibility Assurance Unit. Staff

review these matches to ensure that all EI income of clients is being declared and deducted.

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**Procedure: (200) Awaiting EI**

- When initially applying for EI benefits, the “Benefit Period Commencement (BPC) Date” needs to be determined. Income Support benefits can be issued for a period up to but not exceeding the end of the third week from the BPC date. This allowable three week period consists of the one week waiting period which starts on the Sunday in the week that the applicant applied for EI, and an additional two weeks which follow the waiting period. Although the overlapping of EI and Income Support benefits starts at the beginning of the second week, no overpayment exists unless the overlapping extends beyond the end of the third week. The two week overlap is permitted to assist clients up to the receipt of their first EI cheque.
- If a claimant is disqualified or disentitled to EI benefits, the length of this disentitlement will be added to the above three weeks. Therefore, the overlap of Income Support and Employment Insurance would not start until the Sunday following the second week that Employment Insurance is actually issued.
- There is an exception to the normal one week waiting period. If a claimant applies for EI sick benefits but received sick leave pay from their employer, after their last day worked, the one week waiting period may be waived. This may be determined through completing an EI check, or from EI stubs. In this case, the allowable overlap will only be permitted for 14 days. Beyond that, the EI will be assessed as non-exempt income.
- If a claimant can reopen a previous EI benefit claim, then he/she does not have to serve another one week waiting period. This needs to be determined when consideration is

given to overlapping Income Support benefits. Only a one week overlap of benefits will be permitted in this case.

### **(300) Assignment of Benefits (AOB)**

- When Income Support benefits have to be issued beyond the allowable three week overlap period, an AOB form must be completed. This form is completed by the Department and sent to Service Canada so that the Department can recoup funds issued to a client while he/she is pending receipt of EI benefits. The AOB form can only be issued for up to 28 days and the overlapping period starts on the first Sunday in the fourth week following the three week overlapped period. These forms are generated through CAPS and require a signature from both a Client Service Officer and the client to be valid.
- There will be circumstances where simply issuing 28 days AOB will be insufficient, particularly upon intake. Clients are often assisted retroactively during intake as there may be a significant delay between the time they apply and when they are assisted. In situations like this, assuming that an EI check has confirmed that there has been no decision made on the claim, an AOB can be completed for the retroactive period and 28 days in advance. This will ensure that the client has sufficient time to complete the mail-back and return it for processing before they are due to be assisted again.
- The AOB form provides sufficient space to include up to eight weeks; however, this should be rare and only happen in situations such as that mentioned above.
- Once the completed form is received and reviewed by the Client Service Officer, it is printed from the client's electronic file, and sent to the following address:

Service Canada – EI / AE  
ATT: IPOC / COPA  
P.O. Box / C.P. boîte 5050  
Moncton NB  
E1C 8R8

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- A copy of the AOB form that is forwarded to Service Canada must also be sent to TRIM as a record for the client's file.
- There are occasions when a client's claim gets significantly delayed so there may have to be several AOB forms completed for recouping.
- The client should be advised that the total amount of Income Support benefits issued on the AOB may be recouped unless the client's weekly EI benefit rate is lower. The lesser of those two amounts will be recouped. This recovery of benefits may occur over several cheques dependent on the number of weeks assisted. As well, it is possible that the recovery might be made from a cheque for a different covering period than the one on which the overlap occurred. Clients who assign these payments to the Department will not be issued Income Support benefits to make up the difference when the payment is recouped from their EI.
- In most cases when completing an AOB, the worker will not know if the EI claim will be approved, nor the amount of EI to be issued. Thus the worker is unable to set up an overpayment until the EI is in effect, and a determination has been made if the AOB has been accepted and has been applied to the clients EI benefits. The Finance Division (accounts receivable section) receives a monthly report from Service Canada that identifies clients whose EI benefits will be reduced due to the recouping of the Income Support benefits that were overlapped. The report is sent to the Department, with the expectation to have the overpayment set up to offset the payment that will be received. The Finance Division receives the payment from Service Canada and generates a receipt on each client's file. As this may result in a credit balance on the file, CSO's must ensure that the subsequent overpayment is set up in a timely manner in order to offset the receipt.

### **(400) Supplements to EI**

- Once the client's EI benefit is in pay, it may be a lower amount than Income Support rates. In these cases, the client may be eligible for an Income Support supplement.

- Clients who have earnings while in receipt of EI benefits may have these benefits reduced based on this income. Client Service Officers must verify the amount of actual EI received, and assess this amount as well as the earnings received, in determining the amount of the Income Support supplement. The appropriate portion of both EI and earnings has to be projected depending on the covering period.
- There are occasions when a person's EI is reduced due to an EI overpayment which results in eligibility for Income Support benefits. Income Support benefits can be approved in these cases, but contact needs to be made with Service Canada to ensure that the recovery is based on the minimum amount permitted. It is the client's responsibility to contact Service Canada to have the EI recovery amount adjusted.

#### **(500) E.I. Terminates**

- Where clients are in receipt of EI benefits and also receiving an Income Support supplement (or applicants who were only assisted while awaiting EI and who reapply upon termination of their EI benefits), the following procedure is to be followed by the CSO once the EI terminates:
  - verify the covering period of the last EI cheque and the termination date and
  - review the client's file to determine if a two week overlap was provided pending initial receipt of EI. If an overlap was provided, then the Income Support benefits cannot be adjusted until two weeks past the covering period of the last cheque, regardless if the last cheque covered a one or two week period. If there was no overlap, then the Income Support benefits can be adjusted the day after the EI benefits terminated.
  - Once this two week period has elapsed, the EI income can be removed from the Income Support allowance resulting in an increase in benefits.
  - If EI is paid for an odd number of weeks, the last EI cheque is likely for one week. Therefore, all stubs should be entered as bi-weekly with the exception of the last one. The one week stub should be entered for the actual amount as a one-time payment.

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- Another option, in cases where the weeks are an odd number and the last stub is for one week, is to enter all the stubs as weekly and not bi-weekly.

### **(600) Fishing Claims**

- EI claims for fishing benefits are different from regular claims in that there is specific start and end dates for summer and winter claims. In some cases, fisherpersons may not exhaust their current EI claim as they return to fishing before the end date. When that fishing period ends, they may be faced with a choice of reopening their old claim, which may mean submitting their new insurable hours, or waiting to open a new claim for the next season, in which case they may apply for Income Support benefits in the interim. In some cases, it is to the detriment of the fisherperson to reopen the old claim (there may be only a few weeks of benefits remaining) as they would not then have sufficient insurable hours to open a new claim with significantly more weeks of benefits included. While the Department expects applicants to avail of all possible income sources before requesting Income Support benefits, in instances where it would mean forfeiting the new claim and is to the detriment of the client, Client Service Managers can make an exception and not require these applicants to reopen the existing fishing claim. Income Support benefits can be provided until the new claim is approved and thereafter as a supplement if the EI benefits are insufficient to support the client.
- More information on winter and summer claims can be found on the [Service Canada website](#).

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<b>Authority Level:</b>	Client Services Officer
	Client Services Manager - Income Support benefits for recipients of Fishing Benefits, when clients risk forfeiting a new claim
<b>Date revised:</b>	September 17, 2024

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