

Chapter 3: Assessment of Income

(i) Exempt Income

(a) Overview

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> <ul style="list-style-type: none"> (i) a federal compensation payment where an applicant or recipient or an applicant's or recipient's dependent has contracted AIDS through a blood transfusion, (ii) income from interest from cash in a bank, stocks, bonds, or dividends from a corporation or from a support trust, (iii) a payment under the 1986-1990 Hepatitis C Settlement Agreements, unless the payment is compensation for loss of income or loss of support under section 4.02 or 6.01 of the Transfused HCV or Hemophiliac HCV Plans, (iii.1) a payment under the Pre-1986/Post-1990 Hepatitis C Compensation Agreement unless the payment is compensation for past loss of net income or past loss of services in the home as set out in section 2.05, 2.06 or 4.04 of that Agreement, (iv) federal and provincial refundable tax credits received by an applicant or recipient, (iv.1) income tax refunds for the year 2010 or later, (v) one or more of the following sources: <ul style="list-style-type: none"> (A) payments for children in care, (B) special child welfare allowances, (C) child welfare allowances, (D) payments for alternate family care, (E) payments under a Youth Services Agreement, (F) government funded disability related supports, (G) payments received from the Voluntary Student Work and Services Program, (H) earnings of dependents, or

(I) payments received from the Newfoundland and Labrador Housing Corporation Educational Incentive Allowance;

(vi) a payment received from the capital transfer under the Labrador Inuit Land Claims Agreement from December 1, 2005 to August 31, 2008 ,

(vii) a payment received from the Hebron Community Commemorative Fund,

(viii) [Rep. by 14/18 s2]

(ix) payments received by an applicant or recipient with dependents under the Canada-Newfoundland and Labrador Student Loan Program or successor program,

(x) a "Common Experience Payment" and an "Additional Compensation Payment" made by the Government of Canada to former students of Indian Residential Schools,

(xi) funds received from or accumulated in a Registered Disability Savings Plan as referred to in the *Canada Disabilities Savings Act* ,

(xii) a "General Compensation Payment" and an "Abuse Compensation Payment" made by the Government of Canada to former students of schools located in St. Anthony, Nain, Makkovik , North West River and Cartwright,

(xiii) a child support payment made by a person who has an obligation under the *Family Law Act* , the *Divorce Act* (Canada) or similar legislation in another jurisdiction to support an applicant, a recipient or a dependent of an applicant or recipient,

(xiv) a disabled contributor's child's benefit under the *Canada Pension Plan* ,

(xv) a surviving child's benefit under the *Canada Pension Plan* ,

(xvi) a payment under the federal Memorial Grant Program for First Responders,

(xvii) a payment received from the estate of a first responder where the estate has received a grant under the federal Memorial Grant Program for First Responders, but only the amount by which the payment from the estate exceeds the amount that the applicant or recipient would have received if the estate had not received a grant from the Memorial Grant Program for First Responder,

(xviii) a payment under the Newfoundland and Labrador Essential Worker Support Program,

(xix) a payment made by the Government of Canada to persons with disabilities for reasons related to COVID-19,

	<p>(xx) a transitional payment received from the Government of Canada by a person who is in Canada under the Canada-Ukraine Authorization for Emergency Travel ,</p> <p>(xxi) the one-time rental housing benefit of \$500 received from the Government of Canada under the <i>Rental Housing Benefit Act</i> (Canada),</p> <p>(xxii) scholarships or bursaries,</p> <p>(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: 40px;">(A) a claim of abuse , or</p> <p style="padding-left: 40px;">(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> <p>(xxiv) income received for board and lodging,</p> <p>(xxv) a disability benefit under the <i>Disability Benefit Regulations</i> ,</p> <p>(xxvi) a Canada disability benefit under the <i>Canada Disability Benefit Act</i> , or</p> <p>(xxvii) the one-time payment of \$500 received by volunteer firefighters and ground search and rescue members who responded to the August 2025 Kingston, Holyrood, Paddy's Pond or Martin Lake wildfires.</p>
Overview: (if applicable)	N/A
Policy:	<ul style="list-style-type: none"> • Please refer to Section 8 of the Income and Employment Support Regulations above for a full listing of exempt income. • Effective July 2025, two new benefits will be provided to qualifying individuals with disabilities: the <u>Newfoundland and Labrador Disability Benefit</u>; and the <u>Canada Disability Benefit</u>. Both benefits are considered exempt income for applicants and recipients. • Effective June 1, 2019, child support is exempt income and is not deducted when determining eligibility for Income Support. Child support payments with a covering period prior to June 1, 2019 must be considered non-exempt income. Payments provided with a covering period of June 1, 2019 and onward are exempt.

- The following are examples of federal and provincial benefits and refundable tax credits which are considered exempt income:
 - [The Canada Child Benefit \(CCB\)](#) including the Canada Child Benefit Youth Child Supplement (CCBYCS) and the former Canada Child Tax Benefit (CCTB)
 - [Newfoundland and Labrador Child Benefit \(NLCB\)](#)
 - [Prenatal Infant Nutrition Supplement](#)
 - [Income Tax Refunds](#) (for taxation year 2010 onward)
 - Income tax refunds for the taxation year 2010 onward are assessed as exempt income and will not affect income support eligibility.
 - [Rebates of the Harmonized Sales Tax \(H.S.T.\), Goods and Services Tax \(G.S.T.\)](#)
 - The GST/HST credit is a tax-free quarterly payment that helps individuals and families with low and modest incomes offset all or part of the GST or HST that they pay.
 - [The Federal Fuel Tax](#)
 - The Federal Fuel Tax provides individuals with a rebate of a portion of the federal sales tax paid on gasoline and diesel fuel purchased for off highway use in activities specified by the Excise Tax Act.
 - [Disability Tax Credit and the Child Disability Tax Credit](#)
 - The Disability Tax Credit is a credit that reduces the income tax that a person with a disability has to pay.
 - [The Newfoundland and Labrador Low Income Seniors' Benefit](#)
 - The Newfoundland and Labrador Seniors' Benefit is a refundable tax credit for low income seniors (65+ years) paid in October on the same cheque as the GST/HST credit. The Low Income Seniors' Benefit is indexed on an annual basis utilizing the Consumer Price Index. Effective for 2009, whether single or as a couple, seniors with net income of up to \$25,983, are eligible to receive a maximum benefit of \$798. The amount of the benefit will be phased out as net income increases between \$25,983 and \$32,827.

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- Pre 1986/Post 1990 Hepatitis C Compensation Agreements
 - These compensation agreements were designed for individuals infected with Hepatitis C from the Canadian blood system before January 1, 1986, and after July 1, 1990. When an applicant/recipient identifies having received a payment under this agreement, the worker should determine the actual benefit received. Where the compensation is for other than loss of past income or services, the payment will not be considered as an asset or income in determining eligibility for Income Support benefits.
 - [Registered Disability Savings Plans \(RDSP\)](#)
 - A Registered Disability Savings Plan is a trust arrangement between a holder and a Canadian trust company. It provides for the long term needs of an individual with a prolonged and severe physical or mental impairment. Monetary payments can be placed in the Plan by the beneficiary themselves, a family member or any other authorized individual. In addition, these beneficiaries may be eligible for payments under the Disability Savings Grant program. Any documentation provided to indicate that an applicant/recipient has such a fund would need to clearly show that the money is housed in an official Registered Disability Savings Plan.
 - It is possible that applicants/recipients may have money in both an RDSP as well as a Support Trust.
 - Starting July 2025, individuals who qualify for the Canada Disability Benefit and the NL Disability Benefit will also receive a \$1200 annual contribution towards their RDSP from the Province of NL.
 - Support Trusts
 - A Support Trust is a trust fund where the capital and interest are considered exempt when determining eligibility for Income Support benefits and other disability-related support services, i.e. Home Support Services, Special
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- Assistance Program, etc., provided the beneficiary is a person requiring supportive services to aid independent living. Please see [Support Trusts](#) policy for more details.
- [Working Income Tax Benefit \(WITB\)](#)
 - The Working Income Tax Benefit is a refundable tax credit for eligible working low-income individuals and families. The WITB includes an additional disability supplement for eligible recipients.
 - [Universal Child Care Benefit \(UCCB\)](#)
 - The Universal Child Care Benefit is designed to help Canadian families by supporting their child care choices through direct financial support. Effective July 2016, the UCCB is incorporated into the Canada Child Benefit (CCB).
 - The General Compensation Payment and an Abuse Compensation Payment
 - A payment made by the Government of Canada in compensation to former students of schools located in St. Anthony, Nain, Makkovik, North West River and Cartwright.
 - [Canada Pension Plan \(CPP\) Children's Benefits](#)
 - Effective June 1, 2019 CPP Children's Benefits including the Disabled Contributor's Child Benefit and the Surviving Child's Benefit are exempt income and are not deducted when determining eligibility for Income Support. CPP Children's Benefits with a covering period prior to June 1, 2019 are non-exempt and must be considered when determining eligibility.
 - Monthly benefits are provided for dependent children if the contributor becomes disabled or dies. Dependent children are the birth children, legally adopted children, or children in the custody and control of the contributor. The children must be under eighteen years, or between eighteen and twenty-five years and in full time attendance at school or university.
 - The benefit is a flat monthly amount for each child. A child may receive up to two flat rate benefits if both parents were contributing to the CPP and are deceased and/or disabled, and all

conditions of eligibility are met with respect to both benefits.

- A child between the ages of eighteen and twenty-five years will be eligible for benefits while attending full time school or university, paid directly to him/her. If the child is under age eighteen, the benefit is paid directly to the parent.
- [Canada Dental Benefit](#)
 - A benefit provided to lower dental costs for eligible families earning less than \$90,000 per year. Parents and guardians without access to a private dental insurance can apply for children under age 12.
 - Although the Province of NL provides universal coverage for most dental services for children under 12, the Canada Dental Benefit may provide additional coverage for services not provided under the provincial program.
 - This is a financial reimbursement for medical services and is therefore considered exempt.
- [Compensation Payments for Claims of Abuse or Harm Done](#)
 - Compensation payments are considered fully exempt, if made under a court order or settlement agreement by either:
 - 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
 - If the payment is for:
 - A claim of abuse, or
 - Harm done, where the payment is received by the applicant or recipient as a member of a class in a class action

Procedure:	<ul style="list-style-type: none"> • Applicants/recipients should be encouraged to: <ul style="list-style-type: none"> ▪ pursue all sources of exempt income that may be available such as child support, ▪ apply for all appropriate benefits, such as the Canada Child Benefit and CPP Children's Benefits to supplement their Income Support benefits, ▪ file their income tax refunds prior to May of each calendar year in order to receive all appropriate benefits such as income tax refunds and GST/HST rebates. • Client Services Officers should inform single parents who are recently separated that they should advise CRA of their separation in order to have the amount of their child benefits reassessed. • In instances whereby recipients are eligible for the Working Income Tax Benefit (WITB) and/or Income Tax refunds (2010 taxation year and onward) Client Services Officers should: <ul style="list-style-type: none"> ▪ ensure that these payments are considered as exempt income and do not impact upon recipients eligibility for Income Support benefits.
Authority Level:	Client Services Officer
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