

**Chapter 3: Assessment of Income**

**(i) Exempt Income**

**(d) Compensation Payments for Claims of Abuse or Harm Done**

<b>Intent:</b>	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
<b>Act:</b> (if applicable)	N/A
<b>Regulations:</b>	<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: 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>
<b>Overview:</b> (if applicable)	N/A
<b>Policy:</b>	<ul style="list-style-type: none"> <li>• Compensation payments are considered fully exempt, if made under a court order or settlement agreement by either: <ul style="list-style-type: none"> <li>○ A government: federal, provincial or territorial; or</li> <li>○ A church organization; or</li> <li>○ An organization having responsibility for individuals in a position of trust, care or authority</li> </ul> <p>If the payment is for:</p> <ul style="list-style-type: none"> <li>○ A claim of abuse, or</li> <li>○ Harm done, where the payment is received by the applicant/recipient as a member of a class in a class action</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>• 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"> <li>○ Examples of the types of <b>exempt</b> compensation payments include such things as (but are not limited to): <ul style="list-style-type: none"> <li>▪ 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</li> <li>▪ Settlements by church organizations for claims of abuse or harm, such as: former residents of Mount Cashel Orphanage</li> <li>▪ 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</li> </ul> </li> <li>○ Examples of the types of payments that are not included and are considered <b>non exempt</b> income and assets include such things as (see <a href="#">Insurance Settlements</a>): <ul style="list-style-type: none"> <li>▪ Motor vehicle accident insurance payments</li> <li>▪ Slip and fall accident insurance payments</li> </ul> </li> </ul> </li> </ul>
<p><b>Procedure:</b></p>	<ul style="list-style-type: none"> <li>• Applicants/recipients who declare that they have received or will receive a compensation payment must: <ul style="list-style-type: none"> <li>▪ provide documentation specifying the type and source of the compensation payment, to determine whether it is considered exempt income.</li> <li>▪ provide confirmation of the amount of the compensation payment, so that this information is on file for future assessment of assets.</li> </ul> </li> <li>• Client Services Officers should ensure that all legal and banking information is added to the applicant's/recipient's electronic file.</li> </ul>
<p><b>Authority Level:</b></p>	<p>Client Services Officer</p>
<p><b>Date revised:</b></p>	<p>October 30, 2023</p>