

Chapter 3: Assessment of Income

(ii) Non-exempt Income

(f) Income Support and the Old Age Security Program

Intent:	To outline the resources that may be available to individuals under the Old Age Security Program and the effects on eligibility for Income Support.
Act: (if applicable)	N/A
Regulations:	<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"> (i) payments under the Canada Pension Plan, Old Age Security benefits, Veterans' Allowance, compensation under the Workplace Health, Safety and Compensation Act, employment insurance benefits, and pensions to the applicant or recipient or to his or her dependent from other sources, (ii) income received from a support trust by a person requiring supportive services according to section 25, (iii) income received from federal training allowances, (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, (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, (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, (vii) payments received by an applicant or recipient without dependents under the Canada-

	<p>Newfoundland and Labrador Student Loan Program or successor program;</p> <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;</p> <p>in the month that the payment, income, or inheritance is received;</p>
<p>Overview: (if applicable)</p>	<p>The Federal Old Age Security Program:</p> <ul style="list-style-type: none"> • The Old Age Security Pension is based solely on age and residence in Canada. A person aged 65 years and over, who has met the necessary Canadian residence and legal residence status requirements, is eligible. • Individuals who have an additional source of income will need to provide verification, as it is used in determining eligibility for the Guaranteed Income Supplement. The amount of the Guaranteed Income Supplement that is approved will be based on the marital status of the individual and whether or not the applicant or his/her spouse has an additional source of income. • The Allowance (formerly called the Spouse's Allowance) is available to spouses aged 60 - 64 years of age whose spouse is already in receipt of an Old Age Security Pension. However, any additional sources of income and the spouse's residential status would be considered in determining eligibility for this allowance. • The Allowance for the Survivor is available to low income widowed persons aged 60 – 64, who meet residence requirements. In addition, individuals who have lived

	<p>common – law for at least one year in duration and whose spouse is deceased are also eligible.</p>
<p>Policy:</p>	<ul style="list-style-type: none"> • The first Old Age Security payment is not received until the end of the month following the month in which the individual turns 65 years of age. It is therefore permissible to provide Income Support benefits for one additional month following the month in which the individual has their 65th birthday. • While Service Canada permits residents to defer an application for OAS for up to five years after becoming eligible (usually 65 years of age), the Income Support Program requires that clients access the pension as soon as they are eligible. • Old Age Security benefits are non-exempt income and would have to be deducted from Income Support requirements if eligibility still exists.
<p>Procedure:</p>	<ul style="list-style-type: none"> • Income Support payments will automatically be suspended by CAPS on the 1st of the month following the month that the first Old Age Security Benefit is received. Please refer to CAPS report XI5140 “Age Based System Reassessments.” • Rent/mortgage is paid in advance for Income Support benefits. A change has to be initiated and actioned for the recurring pay run in CAPS by the Client Service Officer to remove that requirement on the 16th of the month, in the month that the first Old Age Security Benefit is received. • In the case where clients had incorrect birth dates and turn 65 earlier than anticipated, they may be eligible to receive a retroactive payment of Old Age Security benefits. In the case that this is an individual receiving Income Support benefits, an Assignment of Benefits must be completed so the Department can be reimbursed for the overlap of benefits. The original form will be sent to: <p style="text-align: center;"> The Regional Director Income Security Programs Human Resources Development Canada P. O. Box 9430 St. John’s, NL. A1A 2Y5 </p>

	<ul style="list-style-type: none"> • A copy will also be forwarded to the Document Processing Unit for scanning into the client's electronic file. • There may also be situations when clients are not eligible to receive Old Age Security benefits, one of which may be a result of not yet meeting residency requirements. As a result, the Department would continue to provide Income Support benefits. However, it is important that the client's records in CAPS reflect their ineligibility for OAS under the employment availability field (screen CR 3006 refers). These individuals need to be given the status "not available – over 65/not eligible OAS." A KIV is then required to review these individuals who will later meet the residency requirement and as a result, would require suspension. Cases where there is no eligibility for OAS and where this employment availability is not selected will be suspended the month after the client turns 65 as a result of Report X15140.
Authority Level:	Client Services Officer
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