

**Chapter 2: Eligibility**

**(iii) Determining Eligibility for Basic Income Support**

**(b) Calculating and Estimating Income**

<b>Intent:</b>	To provide direction in determining net income for various pay cycles.
<b>Act:</b> (if applicable)	
<b>Regulations:</b>	
<b>Overview:</b> (if applicable)	
<b>Policy:</b>	<p>Given the various payment of income options (i.e. weekly, bi-weekly, monthly etc.) it is necessary to calculate a client's income to match the covering period of income support benefits.</p> <p><b>(100) Non-recurring Pay Cases</b></p> <p>When Income Support benefits are issued through non-recurring pay, all net income is calculated on a daily basis. Daily income is then multiplied by the number of days in the covering period to determine the net income to consider when calculating income support eligibility.</p> <p>Staff are required to use one of the following formulas to calculate daily income based on their payment frequency:</p> <ul style="list-style-type: none"> <li>• Weekly income ÷ 7</li> <li>• Bi-weekly income ÷ 14</li> <li>• Monthly income x 12 ÷ 365</li> <li>• Semi-monthly income x 24 ÷ 365</li> </ul> <p><b>Total income to be considered = daily income X the number of days in the Income Support covering period.</b></p> <p><b>(200) Recurring Pay Cases</b></p>

- When Income Support benefits are paid through recurring pay, all net income must be calculated on a semi monthly basis. Semi-monthly income can be calculated in two ways;
  - Daily income, as calculated for non-recurring pay cases above, multiplied by 15.208 (i.e., 365 days ÷ 24 semi-months), or
  - Monthly income ÷ 2

### **(300) Estimating Income**

Client Services Officers (CSO's) are often required to estimate income of individuals in receipt of Income Support benefits such as fisherpersons and other seasonal workers. It is important to be as accurate as possible in these estimates in order to minimize an overpayment or underpayment. When an overpayment does occur, the CSO must set up the amount as an account receivable and recover through normal procedures. Furthermore, an adjustment may be granted in arrears, as per criteria for [underpayments](#).

### **Determining Eligibility for Cases with Income and Income Support Benefits During the Previous Assisted Period**

When a person in receipt of Income Support benefits makes a second consecutive request for benefits, any income received during the previous assisted period must be taken into consideration when determining the amount of assistance that will be granted for the next covering period.

#### **Example:**

Mr. Smith applied for and was given Income Support benefits for a thirty day period on September 1. He returns his Mailback for October 1 and reported he had a net income of \$400 in the previous assisted period.

How this income is assessed will depend upon the source of the income and if the income will continue.

- If the income is earnings, there is an allowable overlap of 30 days from the date employment started. The client would be eligible for full Income Support benefits for those 30 days which will cover some days in the October
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covering period. Where the earnings will continue, the income would be projected for the period after the 30 days have elapsed. The projection should be based on the normal hours that the client is expected to work in that covering period. (i.e. if the client initially only worked 20 hours per week but is now working 40 hours, the projection should be based on 40 hours). All relative deductions, expenses and earnings exemptions apply.

- Where the earnings were casual, were earned in a period of less than 30 days and have terminated, no income will be projected based on the allowable 30 day overlap.
  - Where the income consists of non-exempt income such as pensions, Employment Insurance benefits etc., that income should be projected into the next covering period. As well, given that eligibility for full Income Support benefits only extended to the receipt of the first payment of that income, there is a possibility that the client has been overpaid for the month of September. In these cases, it will be necessary to set up an overpayment on the client's file.
- When a client has been assisted with on-going earnings and that income terminates, it is unlikely that they will be immediately entitled to full Income Support benefits. There may still be a pay cheque that must be considered when assessing their next covering period. There may also be an adjustment owed for the income projected from the last period. For example:
    - Client begins work May 3 with bi-weekly payments (May 3-June 1, 30 day overlap). During the overlap they received pay on May 14 and May 28
    - Mailback June 2-July 1 (use paystubs for May 14 and May 28)
    - Mailback July 2-31 (use paystubs for June 11 and June 25)
    - Mailback August 1-30 (use paystubs for July 9 and July 23)
    - Mailback August 31- Sept 29 (use paystubs for Aug 6 and Aug 20)
    - Client is laid off Sept 24 with final paystub on October 1
    - Reassess previous Mailback, August 31-Sept 29 using pay Sept 3 and Sept 17 as this was the amount they actually received; not projected to receive. After
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assessment, clients are deemed not to be owed an adjustment based on the original supplement issued

- o No projection of income for the next 30 days
- o Client applies for EI effective Sept 26
- o Mailback Sept 30-Oct 16 only (17 days) as the client applied for EI with BPC to commence September 26. This assessment takes into consideration clients last pay stub which likely includes vacation pay.

- In the case of E.I. benefits, adjustments cannot be considered until 2 weeks after the last covering period of E.I. benefits, regardless of the date the cheque is received and whether or not the cheque is for 1 week or 2 weeks of benefits.

**(400) Child/Spousal Support Payments as Legitimate Deductions from Income**

In the case of an applicant or recipient who is required to make support payments on behalf of children or a former spouse, the amount of these payments can be considered as a legitimate deduction from income where the client can verify the existence of the court order/agreement and that the monthly payment has been made. This applies to current monthly payments as well as garnishments of income due to support arrears. Clients who find themselves in these situations must be encouraged to make arrangements to vary such agreements or orders while in receipt of Income Support benefits. The deduction of these expenses is meant only to be an interim measure until the orders can be varied.

**Procedure:** N/A

**Authority Level:** Client Services Officer

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