

Manitoulin-Sudbury District Services Board POLICY & PROCEDURES MANUAL	
Section: H. Ontario Works	Effective Date: July 2009
Topic: 4.Assets	Replaces: November 2004
Subject: 4.2.RRSP/RESP/RDSP's	
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POLICY

Authority **OW Act: Sec. 7(3)**
 OW Directives: Dir. 4.7

See Directive listed above.

The only RRSP that is considered “locked-in” for the purposes of the Child Care or OW programs is one that is derived from an employment source pursuant to the Pension Benefits Act, 1987 and is non-redeemable until the participant reaches the age of 65. (In some cases the minimum age of 55 may apply. It will appear directly on the “locked-in” agreement between the employer and the financial institution).

Other RRSPs purchased at a financial institution may utilize the terminology “locked-in” but in fact these funds can be access at any time. Regardless of the penalty involved, the participant will be expected to access these funds. The value of the RRSP funds will be treated as liquid assets and the person may then be deemed ineligible because of assets above the allowable limit. RRSPs may be in any form (i.e. GIC, mutual fund or other type of investment).

PROCEDURE

1. The applicant is required to obtain written verification from the financial institution in question confirming that the funds are in fact **not** accessible as they are “locked-in” pursuant to the Pension Benefits Act, 1987.
2. If the applicant is unwilling or has not obtained this information, they become ineligible due to missing information.
3. If the applicant is unable to obtain the information **and** is in dire need, grant two weeks emergency assistance. Indicate to the applicant no further assistance will be available until written verification is obtained from the financial institution.
4. If the RRSPs are not locked-in, the applicant is expected to access these funds. The value of the RRSP funds will be treated as liquid assets and the person may then be deemed ineligible because of assets above the allowable limit.

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5. Explain CRA rules for withdrawing. Where an applicant or participant has chosen to access these funds, the income received is exempt as income if used for the purpose it was intended. If not used for the purpose intended, any funds accessed will be included as income in the month they are received and as an asset in the following month.

The following items are exempt from income when calculating Financial Assistance:

- Registered Education Savings Plan
 - Interest earning from an RESP that has been re-invested into the RESP
 - Gifts and voluntary payments received
 - Payments from an RESP used for post-secondary education

- Registered Disability Savings Plan
 - Interest earned and reinvested into a RDSP
 - Contributions made to RDSPs by family members, other third parties, or the federal government
 - All payments/withdrawals from an RDSP for any purpose