

**Manitoulin-Sudbury District Services Board
POLICY & PROCEDURES MANUAL**

Section: H. Ontario Works	Effective Date: July 2009
Topic: 5.Income and Exemptions	Replaces: November 2004
Subject: 5.1.Treatment of Income	
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POLICY

Authority **OW Act: Sec. 7(1), 7(2), 7(3), 16(1) and 19(2)**
OW Directives: Dir. 5.1

INITIAL CHEQUE

- Ongoing income declared at time of application must be deducted from the initial cheque. When the amount of the income is irregular (i.e. part-time earnings), the actual income for the period of eligibility must be input and ongoing income declared thereafter by means of the Statement of Income. Actual earnings may be verified by pay stubs upon receipt of first Income Statement.
- Income received in the month prior to the date of grant will not be deducted; however it will be considered as an asset. (i.e. last pay). If it has been disposed of before the application, the Case Manager should be satisfied that the asset was disposed of appropriately and not for the purpose of qualifying for assistance.
- Income including earnings received during the current month must be deducted but the rent will be included as an expense, even if it has been paid.

Note: If there is no income and the rent/mortgage has been paid, that portion of the shelter costs will not be allowed as an expense unless the participant has borrowed money to pay the rent/mortgage.

ONGOING ASSISTANCE

The Income Statement is a document to be used as a guideline for the participant to report income. All income **received** must be reported on the income statement.

PROCEDURE

- Income will be input based on **actual earnings/monies received**, e.g. participant reports income of \$400.00 on Income Statement received for the period September 16-October 15. This income will determine the amount of assistance for November.

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PAYROLL DEDUCTIONS

Utilize the “Federal Income Tax Tables” program on your desktop.

1. The following claim codes may be appropriate for selected situations:

<u>Participant Situation:</u>	<u>Claim Code</u>
Single	1
Sole Support parent with children under 18 years.....	5
Sole Support parent with children 18 years and over	1
Couple Both Employed	1
Couple Both Unemployed..	1
Couple/Applicant Employed, Spouse Unemployed	6
Couple/Applicant Unemployed, Spouse Employed	0
Dependent Adult	1
Children	E

Note: Most cases fall under codes 1 and 5.

- 2..... The deduction amounts will be indicated on the Tax Tables according to code. If there is a discrepancy, the amount shown in the Tax Table should be deducted and the participant should be encouraged to discuss their claim code with their employer.
- 3..... When income terminates while a participant is in receipt of ongoing assistance, income shall continue to be deducted according to the Income Statement reporting period unless the monies has been deducted “up front”.

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TREATMENT OF INCOME WHEN STARTING EMPLOYMENT/TRAINING

Income from employment/training programs must be deducted from a participants' financial assistance in order to prevent overpayments.

The following procedure applies to a participant who begins employment/training and has received his/her full OW assistance for the month:

1. If the first pay is in the current month, i.e., the month the income statement is being processed, the Case Manager is to multiply the weekly earnings or training allowance by four to determine the next month's entitlement.
2. If the first pay is in the next calendar month, the Case Manager is to project the actual earnings for that month.
3. If the participant neglects to report his/her employment and earnings until he/she submits the Income Statement, an overpayment is to be determined by the Case Manager and input on the computer.
4. Case Manager to note details in SDMT notes.
5. In situations where there may be undue hardship, the Case Manager should discuss options with the Ontario Works Supervisor.

LEARNING EARNING AND PARENTING (LEAP)

The Ministry Directive **list sources that shall not** be included as income. The incentive payment received from LEAP is exempt as income. This refers to the \$500 received from LEAP participants for completing school.