

Chapter 4: Assets

(i) Liquid Assets

Intent:	To identify how assets impact eligibility for Income Support benefits
Act: (if applicable)	N/A
Regulations:	N/A
Overview: (if applicable)	N/A
Policy:	<ul style="list-style-type: none"> • If liquid assets are above the amounts listed in the Regulations, applicants/recipients are not eligible for Income Support. In these situations, the applicant/recipient is not eligible to be reconsidered for Income Support until his/her asset amounts are below the prescribed limits. • Exempt liquid assets are liquid assets that are not considered a resource when calculating eligibility for Income Support. This includes assets derived from sources of income which are considered as exempt income (please refer to policy on Exempt Income). Liquid assets accumulated as a result of child support or Canada Pension Plan Children's Benefits including lump sum payments with a covering period prior to June 1, 2019, are considered exempt. • When considering requests for burial expenses of a deceased recipient with no surviving immediate family (spouse and/or dependent children/student) no exemption can be applied to the liquid asset as the full amount of the liquid assets is considered as a resource when determining eligibility for burial expenses. • Liquid assets which are a result of receipt of a severance package are considered exempt liquid assets but non-exempt income for the covering period of the severance (e.g. an applicant/recipient who receives severance pay of \$4,000 which was equivalent to 10 weeks work at \$400 per week: an assessment would not be made for liquid assets of \$4000, but the applicant/recipient would be deemed to have non-

exempt income of \$400 per week for the 10 week period. Any Income Support eligibility would be considered only as a supplement to the severance, regardless if they exhausted the income prior to the end of the 10 weeks).

(A) Verification of Assets

- If an applicant/recipient has liquid assets in a bank or other institution, verification of the current balance is required with the [Application for Income Support form 14-857](#).
 - Upon application, if the applicant's liquid assets indicate that the applicant is ineligible, but the statement is dated back more than a week, the applicant should be provided the opportunity to obtain a more recent verification of the current balance. However, where the banking statement provided shows significant withdrawals or deposits within the 30 day time frame being assessed for income, staff should ensure all income for the case has been reported and that withdrawals were legitimate, as opposed to disposing of assets in order to be eligible for Income Support benefits.
 - Updated bank statements, online banking records or a print out from a financial institution can be utilized to verify liquid assets. A receipt from an automated banking machine is not an acceptable form of verification as it does not confirm the account number and name.
 - The cash surrender value of life insurance, bonds, RRSPs, mutual funds, etc., is required. Any liquid asset which can be converted to cash is to be assessed.
 - Applicants who have their liquid assets in the possession/custody of another person must also have these liquid assets verified.
 - For applicants with a joint bank account, the full amount is to be considered the liquid asset of the applicant, unless the Client Services Officer receives verification/sworn statement from the person(s) named on the account indicating how much they have contributed to this bank account. Client Services Manager approval is required to exempt the portion of the funds allotted to the other person.
 - Any cost incurred to obtain the required documentation is the responsibility of the applicant/recipient.
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- Applicants who are victims of violence may have, at the discretion of the Client Services Officer, up to 90 days to verify their assets.
- Consideration must always be given to the ability of the applicant to access these assets legally or safely.
- In these situations, the Client Services Officer should discuss the circumstances with their Client Services Manager.
- The Client Services Officer can assist in this process through the 'Release of Information' which can be sent to the appropriate financial institution(s).

(B) Registered Retirement Savings Plans

- Registered Retirement Savings Plans (RRSPs) (may include more than one RRSP), up to the maximum permissible limit of \$20,000, are exempt, as long as the money remains in the RRSP(s).
- If RRSP(s) are cashed, the amount is considered a liquid asset.
- RRSP amounts over \$20,000 are subject to the permissible liquid asset limits and must be considered along with the applicant's/recipient's current bank account balance(s), readily marketable securities and investments. If the combined liquid asset amount is more than the permissible limit, the applicant/recipient is not eligible for Income Support. In these situations, the applicant/recipient is not eligible to be reconsidered for Income Support until their asset amount is below the permissible limits.
- RRSPs that have been verified as "locked in", are exempt.
- Some RRSPs can be accessed under a "hardship" clause. If any funds are accessible, then applicants/recipients may be required to withdraw a portion of the money (over the \$20,000 exemption), even if a penalty applies.
- Applicants/recipients cannot use non-exempt lump sum payments to purchase RESPs/RRSPs while completing an application for or in receipt of income support.

(C) Registered Education Savings Plans (Exempt Asset)

- Only Registered Education Savings Plans (RESP's) held by applicants/recipients and recognized by the Canada Revenue Agency are considered exempt liquid assets. Any other savings for educational purposes will not qualify for this exemption.

(D) Registered Disability Savings Plans (Exempt Asset)

- A [Registered Disability Savings Plan \(RDSP\)](#) is a trust arrangement between a holder and a trust company in Canada. The plan is meant to provide for the long-term needs of an individual who has a prolonged and severe physical or mental impairment. Money can be placed in the plan by the beneficiary themselves, a family member or any other authorized individual. In addition, these beneficiaries may be eligible for payments under the Disability Savings Grant program.
- Funds in this plan are considered as an exempt asset. Likewise, they are considered as exempt income in the event that an applicant/recipient withdraws funds from the plan. Any documentation provided to indicate that an applicant/recipient has such a fund needs to clearly show that the money is housed in an official Registered Disability Savings Plan.
- It is possible that applicants/recipients may have money in both an RDSP as well as a Support Trust.

(E) Prepaid Funerals (Exempt Asset)

- Funds held in trust by a funeral home under the [Prepaid Funeral Services Act](#) to offset the cost of a funeral will be considered an exempt liquid asset indefinitely and will not be considered a resource when calculating eligibility for Income Support benefits for the recipient. When considering assistance with burial expenses; however, the amount held in trust by the funeral home for the recipient (deceased) for the prepaid funeral must be deducted in full from the amount provided by the Department.

(F) Excess Liquid Assets

- If liquid assets are above the amounts listed in the Regulations, applicants/recipients are not eligible for Income
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Support benefits. However, an eligibility date when the individual/family can re-apply for Income Support benefits should be established, with the expectation that individuals/families are required to use these assets to meet their ongoing needs.

- The Client Services Officer should calculate a date of eligibility by dividing the basic Income Support requirements + 40% into the balance of liquid assets in excess of the permissible limit. Increasing the basic requirements by 40% essentially implies that individuals are not required to live at Income Support levels during the period they are not in receipt of Income Support benefits. When the individual/family re-applies for Income Support on that date, verification of liquid assets must again be obtained. If the amount is still above the exemption limit, then no eligibility exists.

(G) Fixed Assets

- Assets such as vehicles, land or residences are not considered as assets in relation to Income Support eligibility. Should these assets be sold; however, money received by the applicant/recipient will be considered as income in the month received.
- Verification is required to ensure property or other fixed assets have not been disposed of when reviews are completed.

(H) Property Transfers

- Applicants/recipients may indicate that they have transferred property without receiving compensation, have sold it at a nominal fee, or at an unrealistically low price. Any applicant/recipient who claims to have transferred or sold property in this manner should be assessed as receiving proceeds at a fair market value, and Income Support benefits must be adjusted in relation to eligibility and liquid assets as above. The market value may be determined through a municipal council, real estate agent or other person who would have the knowledge and ability to make such an assessment.
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(I) Subsidized Residents of Personal Care and Nursing Homes, and Home Support Clients

- Applicants/recipients who receive subsidized services from the Regional Health Authorities and who request supplementary benefits from this Department must abide by the liquid asset limits identified in the IES Regulations. These asset limits may be different from the limits the RHAs/Department of Health and Community Services uses in determining eligibility for their subsidies. Departmental staff must verify the asset amounts in relation to requests from these individuals.

(J) Support Trusts

- A Support Trust is a trust fund where the capital and interest are considered exempt when determining eligibility for Income Support benefits and other disability-related support services, i.e. Home Support Services, Special Assistance Program, etc., provided the beneficiary is a person requiring supportive services to aid independent living. Please see [Support Trusts](#) policy for more details.

Procedure: The Client Services Officer must:

- verify that all liquid assets, regardless of the source, are reported on the Application for Income Support;
- KIV all cases where the source of the liquid assets is severance pay; and
- where liquid assets (partially and/or non-exempt) are greater than the maximum permissible limit, advise the applicant they are not eligible for Income Support on the date of application and determine a date when the applicant can reapply using the calculation formula as outlined in the [Lump Sum Payments](#) policy.

Authority Level: Client Services Officer

Client Services Manager - may approve exemption of the portion of the funds allotted to the other person in situations of where there is a joint bank account.

Date revised:	June 19, 2023
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