

Appendix 2: Earnings exemptions

Income tests in all jurisdictions allow for the exemption of some earnings from employment. This allows people receiving social assistance to earn a certain amount of money without impacting their benefits. Each social assistance program has its own way of calculating earnings exemptions but there are generally three approaches:

- A *flat-rate amount* permits a recipient to earn a certain amount after which social assistance benefits are reduced dollar for dollar;
- A *percentage of earnings* approach means that social assistance benefits are reduced by a certain percentage. For example, a 25 per cent exemption means that welfare benefits are reduced by 75 cents for every dollar earned;
- A *combination of flat-rate and percentage* means that once the flat-rate amount is exceeded, benefits are reduced by a percentage amount.

In most cases earnings exemptions are based on monthly earnings (for example, a household could earn \$200 each month before their benefits are reduced) and therefore benefit amounts and eligibility are calculated monthly. A minority of social assistance programs calculate exemptions based on annual earnings.

The table below shows the earnings exemption levels in effect in each jurisdiction as of January 1, 2019. The amounts given in the table below are monthly, unless otherwise indicated. Any changes that occurred during the year are described in the footnotes to the table. Earning exemptions are for both those applying for and receiving social assistance unless otherwise stated.

Monthly earnings exemption levels as of January 2019

	Single person considered employable	Single person with a disability	Single parent, one child	Couple, two children
AB ¹	Applicants: support is reduced dollar for dollar on all earned income Recipients: The first \$230 of net earnings is exempt; a 25% exemption applies thereafter	Applicants: support is reduced dollar for dollar on all earned income Recipients: The first \$230 of net earnings is exempt; a 25% exemption applies thereafter	Applicants: support is reduced dollar for dollar on all earned income Recipients: The first \$230 of net earnings is exempt; a 25% exemption applies thereafter	Applicants: support is reduced dollar for dollar on all earned income Recipients: For each earner, the first \$115 of net earnings is exempt; a 25% exemption applies thereafter
AB, AISH ²	Not applicable	The first \$1,072 of net earnings is exempt; a 50% exemption applies to amounts in excess of \$1,072 up to \$2,009	The first \$2,612 of net earnings is exempt; a 50% exemption applies to amounts in excess of \$2,612 up to \$3,349	The first \$2,612 of net earnings is exempt; a 50% exemption applies to amounts in excess of \$2,612 up to \$3,349
BC ³	Applicants: support is reduced dollar for dollar on all earned income Recipients: The first \$400 of net earnings is exempt; support is reduced dollar for dollar thereafter	Applicants: support is reduced dollar for dollar on all earned income Recipients: The first \$12,000 of net <i>annual</i> earnings is exempt; support is reduced dollar for dollar thereafter	Applicants: support is reduced dollar for dollar on all earned income Recipients: The first \$600 of net earnings is exempt; support is reduced dollar for dollar thereafter	Applicants: support is reduced dollar for dollar on all earned income Recipients: The first \$600 of net earnings is exempt; support is reduced dollar for dollar thereafter

- 1 Exemptions are for those in “Expected to Work” and “Barriers to Full Employment” categories of social assistance. They apply to employment or self-employment income the household can access. If a dependent is attending school, their income is fully exempt. If a dependent is not in school the first \$350 of net earnings is exempt and a 25% exemption applies thereafter.
- 2 AISH refers to the Assured Income for the Severely Handicapped program in Alberta. Effective January 1, 2019, employment and self-employment income exemptions increased at the same rate as the provincial minimum wage.
- 3 In BC, recipients must be in receipt of assistance for at least one month before the earned income exemption amount applies.

	Single person considered employable	Single person with a disability	Single parent, one child	Couple, two children
MB ^{4,5}	Applicants: The first \$200 of net earnings is exempt; support is reduced dollar for dollar thereafter Recipients: The first \$200 of net earnings is exempt; a 30% exemption applies thereafter	Applicants: The first \$200 of net earnings is exempt; support is reduced dollar for dollar thereafter Recipients: The first \$200 of net earnings is exempt; a 30% exemption applies thereafter	Applicants: The first \$200 of net earnings is exempt; support is reduced dollar for dollar thereafter Recipients: The first \$200 of net earnings is exempt; a 30% exemption applies thereafter	Applicants: The first \$200 of net earnings is exempt; support is reduced dollar for dollar thereafter Recipients: For each earner, the first \$200 of net earnings is exempt; a 30% exemption applies thereafter
NB ⁶	Applicants: support is reduced dollar for dollar on all earned income Recipients: The first \$150 of net earnings is exempt; a 30% exemption applies thereafter	Applicants: support is reduced dollar for dollar on all earned income Recipients: The first \$500 of net earnings is exempt; a 30% exemption applies thereafter	Applicants: support is reduced dollar for dollar on all earned income Recipients: The first \$200 of net earnings is exempt; a 30% exemption applies thereafter	Applicants: support is reduced dollar for dollar on all earned income Recipients: The first \$200 of net earnings is exempt; a 30% exemption applies thereafter
NL	The first \$75 of net earnings is exempt; a 20% exemption applies thereafter	The first \$150 of net earnings is exempt; a 20% exemption applies thereafter ⁷	The first \$150 of net earnings is exempt; a 20% exemption applies thereafter	The first \$150 of net earnings is exempt; a 20% exemption applies thereafter

- 4 Manitoba also provides the Rewarding Work Allowance (RWA) to all employed adults without disabilities on income assistance. The RWA is \$100 for people working more than 80 hours or 10 days in a month, or \$50 for those working less. Employed persons with disabilities receive similar benefits.
- 5 In Manitoba, recipients must be in receipt of assistance for at least one month before the earned income exemption amount applies.
- 6 All amounts refer to the Transitional Assistance program except in the case of the single person with a disability; in that case, they refer to the Extended Benefits program.
- 7 This applies to a single person with a disability requiring supportive services.

	Single person considered employable	Single person with a disability	Single parent, one child	Couple, two children
NS ⁸	Applicants: support is reduced dollar for dollar on all earned income Recipients: The first \$250 of net earnings is exempt; a 75% exemption applies to amounts between \$250.01 and \$500; a 50% exemption applies to amounts between \$500.01 and \$750; a 25% exemption applies thereafter	Applicants: support is reduced dollar for dollar on all earned income Recipients: The first \$350 of net earnings is exempt; a 75% exemption applies to amounts between \$350.01 and \$500; a 50% exemption applies to amounts between \$500.01 and \$750; a 25% exemption applies thereafter ⁹	Applicants: support is reduced dollar for dollar on all earned income Recipients: The first \$250 of net earnings is exempt; a 75% exemption applies to amounts between \$250.01 and \$500; a 50% exemption applies to amounts between \$500.01 and \$750; a 25% exemption applies thereafter	Applicants: support is reduced dollar for dollar on all earned income Recipients: The first \$250 of net earnings is exempt; a 75% exemption applies to amounts between \$250.01 and \$500; a 50% exemption applies to amounts between \$500.01 and \$750; a 25% exemption applies thereafter
NT	The first \$200 of net earnings is exempt; a 15% exemption applies thereafter	The first \$200 of net earnings is exempt; a 15% exemption applies thereafter	The first \$400 of net earnings is exempt; a 15% exemption applies thereafter	The first \$400 of net earnings is exempt; a 15% exemption applies thereafter
NU	The first \$200 of net earnings is exempt; a 50% exemption is applied to the next \$600	The first \$200 of net earnings is exempt; a 50% exemption is applied to the next \$600	The first \$400 of net earnings is exempt; a 50% exemption is applied to the next \$600	The first \$400 of net earnings is exempt; a 50% exemption is applied to the next \$600

8 In Nova Scotia, families already in receipt of assistance may also earn up to \$3,000 annually through the Harvest Connection program without affecting their basic Income Assistance payment.

9 This applies to persons with disabilities participating in supported employment.

	Single person considered employable	Single person with a disability	Single parent, one child	Couple, two children
ON ^{10,11}	Applicants: support is reduced dollar for dollar on all earned income Recipients: The first \$200 of net earnings is exempt; a 50% exemption applies thereafter	The first \$200 of net earnings is exempt; a 50% exemption applies thereafter ¹²	Applicants: support is reduced dollar for dollar on all earned income Recipients: The first \$200 of net earnings is exempt; a 50% exemption applies thereafter	Applicants: support is reduced dollar for dollar on all earned income Recipients: For each adult, the first \$200 of net earnings is exempt; a 50% exemption applies thereafter
PE ¹³	Applicants: support is reduced dollar for dollar on all earned income Recipients: The first \$250 of net earnings is exempt; a 30% exemption applies thereafter	Applicants: support is reduced dollar for dollar on all earned income Recipients: The first \$500 of net earnings is exempt; a 30% exemption applies thereafter	Applicants: support is reduced dollar for dollar on all earned income Recipients: The first \$400 of net earnings is exempt; a 30% exemption applies thereafter	Applicants: support is reduced dollar for dollar on all earned income Recipients: The first \$400 of net earnings is exempt; a 30% exemption applies thereafter

10 All amounts refer to the Ontario Works (OW) program except in the case of the single person with a disability; in that case, the amount refers to the Ontario Disability Support Program (ODSP).

11 In Ontario, recipients must be in receipt of assistance continuously for at least three months before the earned income exemption amount applies.

12 In addition to earnings exemptions, ODSP provides a \$100 Work-Related Benefit to each eligible adult family member in any month he/she receives earnings.

13 These monthly earnings exemption levels changed effective July 2018.

	Single person considered employable	Single person with a disability	Single parent, one child	Couple, two children
QC	The first \$200 of net earnings is exempt; support is reduced dollar for dollar thereafter ¹⁴	The first \$200 of net earnings is exempt; support is reduced dollar for dollar thereafter ¹⁵	The first \$200 of net earnings is exempt; support is reduced dollar for dollar thereafter ¹⁶	The first \$300 of net earnings is exempt; support is reduced dollar for dollar thereafter ¹⁷
SK ¹⁸	TEA clients: Support is reduced dollar for dollar on all earned income	SAP clients: The first \$200 of net earnings is exempt; a 25% exemption is applied to the next \$500; support is reduced dollar for dollar thereafter	TEA clients: Support is reduced dollar for dollar on all earned income SAP clients: The first \$125 of net earnings is exempt; support is reduced dollar for dollar thereafter ¹⁹	TEA clients: Support is reduced dollar for dollar on all earned income SAP clients: The first \$125 of net earnings is exempt; support is reduced dollar for dollar thereafter ¹⁹

14 This exemption amount applies to a person with no severe limitations to employment in the Social Assistance program and to participants in the Aim to Employment Program (AEP). AEP participants also receive a supplement of 20% of any portion of their work income in excess of the applicable exemption amount.

15 This applies to a person with severe limitations to employment in the Social Solidarity program; this amount was increased from \$100 to \$200 per month on January 1, 2019.

16 This applies to a person in the Social Assistance program with temporary limitations to employment and to participants in Aim to Employment Program (AEP). AEP participants also receive a supplement of 20% of any portion of their work income in excess of the applicable exemption amount.

17 This applies to couples in the Social Assistance program, regardless of the type of limitations to employment, and to participants in Aim to Employment Program.

18 TEA refers to the Transitional Employment Allowance program; SAP refers to the Saskatchewan Assistance Program.

19 Families with children under age 13 with monthly earnings over \$125 (and under set limits) on either SAP or TEA are eligible for the Saskatchewan Employment Supplement (SES). The amount of SES received depends on number of children and the amount of monthly earned income, with benefit amounts increasing for monthly earning amounts between \$125 and \$1,125.

	Single person considered employable	Single person with a disability	Single parent, one child	Couple, two children
SK, SAID ^{20,21}	Not applicable	The first \$200 of net earnings is exempt; a 25% exemption is applied to the next \$500; support is reduced dollar for dollar thereafter	The first \$200 of net earnings is exempt; support is reduced dollar for dollar thereafter	The first \$200 of net earnings is exempt; support is reduced dollar for dollar thereafter
YT ²²	Applicants: The first \$100 of net earnings is exempt; support is reduced dollar for dollar thereafter Recipients: The first \$100 of net earnings is exempt; a 50% exemption is applied to any additional earnings for the first 36 months, after which then a 25% exemption is applied	Applicants: The first \$100 of net earnings is exempt; support is reduced dollar for dollar thereafter Recipients: The first \$100 of net earnings is exempt; a 50% exemption is applied to any additional earnings for the first 36 months, after which a 25% exemption is applied ²³	Applicants: The first \$150 of net earnings is exempt; support is reduced dollar for dollar thereafter Recipients: The first \$150 of net earnings is exempt; a 50% exemption is applied to any additional earnings for the first 36 months, after which a 25% exemption is applied	Applicants: The first \$150 of net earnings is exempt; support is reduced dollar for dollar thereafter Recipients: The first \$150 of net earnings is exempt; a 50% exemption is applied to any additional earnings for the first 36 months, after which a 25% exemption is applied

20 SAID refers to the Saskatchewan Assured Income for Disability Program.

21 As of July 2019, the earned income exemption under SAID moved from a monthly to an annual amount, and was increased to \$6,000 for the single adult with a disability and \$8,500 for the single parent and couple with two children households.

22 In Yukon, recipients must be in receipt of assistance for at least one month before the earned income exemption amount applies.

23 Persons who qualify for the Yukon Supplementary Allowance (payable to persons with disabilities and the elderly) are eligible for an additional annual earned income exemption of up to \$3,900.