

## Guidelines: Applying Earnings Exemptions

A guideline to assist staff in applying earnings exemptions in cases where overpayments occurred under a former Act.

LEGISLATION	DUTY TO REPORT	EXEMPTIONS	
		Prior to Oct 1, 2004	Post Oct 1, 2004
EA Act and Regs. Sep. 2002 - current	<b>Reg IA and PPMB</b> Required to report all income and assets each month.	Deductions and Exemptions listed in Schedule B apply to income in the month it is received, and only if it is declared at the time.	Deductions and Exemptions listed in Schedule B apply to income in the month it is received regardless of whether it is reported to the ministry.
EAPWD Acts and Regs. December 2007 - current	<b>PWD</b> Required to report any changes in income or circumstances	If income exceeds exemptions then it must be reported at that time in order to apply exemptions.	
EAPWD Act and Regs. Sep. 2002 – December 2007	<b>PWD</b> Only required to report income and assets that exceed exemptions.		
BC Benefits IA Act and Youth Works Act, and Regs Jan. 1996 – Sep. 2002	<b>Reg IA and DB1</b> Required to report all income and assets each month.	Deductions and Exemptions listed in Sched B apply to income in the month it is received, and only if it is declared at the time.	
Disability Benefits Program Act and Regs. Oct. 1997 – Sep 2002	<b>DB2</b> Only required to report income and assets that exceeds exemptions	If income exceeds exemptions then it must be reported, at that time, in order to apply exemptions. If income does not exceed exemptions it need not be reported.	
GAIN Act and Regs. Oct 1976 – Dec. 1995	<b>Reg IA and Handicapped</b> Required to report all income and assets each month.	Deductions and Exemptions listed in Sched B apply to income in the month it is received, and only if it is declared at the time.	

**Note:** The current interpretation on the duty to report changes came into effect in November 2003 and applies to all similar sections of the previous legislation back to but not including the GAIN Act and Regs. However, the change in retroactive exemptions is a result of a Reg change and only applies to exemptions as of October 1, 2004. If there is no duty to report income, do not include the income when calculating an overpayment.

### Examples:

Please note that the principles applied in these examples indicating “prior to Oct 1, 2004” are also applicable to similar cases after Dec 1, 2007.

- 1) **Prior to Oct 1, 2004, a person designated as PPMB** was in receipt of assistance under the EA Act and Regs. They had earned income of \$250 in a month but fail to declare it. The amount of the overpayment is \$250. Although the income is under their earned income exemption, they did not report the income and therefore do not get the exemption.
- 2) **After Oct 1, 2004 a person designated as PPMB** in receipt of assistance had earned income of \$250 but failed to declare it. They are entitled to the exemption of \$300 so there is no overpayment. Effective March 2006, earnings exemption is \$500.
- 3) **Prior to Oct 1, 2004 a person designated as PWD** in receipt of assistance under the EAPWD Act and Regs had earned income of \$350 but failed to report it. The income did not exceed their earned income exemption of \$400 so there was no duty to report the income and therefore no overpayment.
- 4) **Prior to Oct 1, 2004 a person designated as PWD** is in receipt of assistance under the EAPWD Act and Regs had earned income of \$500 but failed to report it. The income exceeded their exemption of \$400 therefore they were required to report it. They are not entitled to the exemption because they did not declare the income and the overpayment is \$500.
- 5) **Between Oct 1, 2004 and December 2007 a person designated as PWD** in receipt of assistance had earned income of \$500 but failed to report it. The income exceeds their exemption of \$400 therefore they were required to report it. However, the regulation change on Oct 1, 2004 does not require the income to be reported, in order to apply the exemption. They are entitled to the exemption and the overpayment is \$100. Effective March 2006, earnings exemptions is \$500.
- 6) **After December 2007 a person designated as PWD** in receipt of assistance under the EAPWD Act and Regs is required to report any changes in income or circumstances. The client has an earnings exemption of \$500. For example, if a client has an earned income of \$700, the clients is to report the entire amount and not just the amount of income received over the earnings exemption. If the client only reported \$200, a review would identify this as a \$200 overpayment which the client would repay.

- 7) **A person in receipt of assistance between October 1997 and September 2002 under Disability Benefits Program Act and Regs** had income of \$250 but failed to report it. The income did not exceed their earned income exemption of \$300 therefore they were not required to report it and there is no overpayment.
- 8) **A person in receipt of assistance between October 1997 and September 2002 under Disability Benefits Program Act and Regs** had income of \$350 but failed to report it. The income exceeded their earned income exemption of \$300 therefore they were required to report it. They are not entitled to the exemption because they did not declare the income and the overpayment is \$350.
- 9) **A person in receipt of assistance prior to 1995 under the GAIN Act designated as Handicapped** had income of \$200 but failed to report it. The income did not exceed their exemption of \$200 plus 25% but they were still required to report it. They are not entitled to the exemption as they did not report the income and the overpayment is \$200.