

CALCULATION OF ASSETS *(Updated July 20, 2011)*

Applicants are expected to use their assets for the purposes of personal independence.

Assets are only assets if they can be converted to cash.

Once the *market value* is determined on an asset (i.e. vehicle), money owed on that asset (i.e. vehicle loan) must be deducted from the value to determine the *equity*. If the *equity* in an asset is above the specified exemption levels, the applicant is deemed to be ineligible due to assets in excess of the prescribed limit.

Applicants and recipients may not sell an asset for an amount that is less than its fair market value. Doing so may result in a period of ineligibility or rate reduction. This rule applies to disposal of assets within two years prior to application or while the recipient is in receipt of assistance.

ASSET LEVEL CALCULATION

STEP	ACTION	CLARIFICATION
1	Refer to definition of an asset in Section 1 of the EA and EAPWD Regulation	Ensure each asset meets the definition of an asset: <ul style="list-style-type: none"> Equity in the asset that may be converted to cash, Beneficial interest in an asset held in trust, OR Cash
2	List all assets	Include all assets
3	Note the value of all assets	The value of the asset is the equity that is available, so deduct any money owed on that asset from the market value of the asset to determine the equity / value
4	Refer to Section 11(1) of the EA Regulation or Section 10(1) of the EAPWD Regulation	Cross-off any types of assets listed as exempt from the applicants' list of assets
5	Refer to Section 11(3) of the EA Regulation or Section 10(3) of the EAPWD Regulation	Cross-off uncashed life insurance policies from the list of assets if the applicant is PWD, PPMB or 65 years or older Cross-off saleable acreage and buildings (not occupied by the applicant) from the list of assets if the sale is impeded due to circumstances beyond applicants' control such as joint ownership <ul style="list-style-type: none"> Requires Supervisor authorization at 6 month intervals up to a maximum of 2 years
6	Add the value of the remaining assets	The sum is the total value of the applicants' assets
7	Refer to Section 11(2) of the EA Regulation or Section 10(2) of the EAPWD Regulation	Determine the maximum allowable asset level based on the size and category of the family unit
8	Determine eligibility	Is the value of the assets less than the maximum allowable limit?

DISPOSAL OF ASSETS GUIDELINES FOR TREATMENT OF ASSETS

GUIDELINE	CLARIFICATION
1) The applicant must demonstrate that he/she has made all reasonable attempts to dispose of non-exempt assets.	<p>Reasonable attempts include:</p> <ul style="list-style-type: none"> The applicant has reasonably determined the value of assets and provides verification of value on request. The applicant utilized multiple methods to attempt to sell the asset (e.g., online, newspaper ads, informal contacts, etc.). The attempt to find a buyer is not limited to one geographic area. After the applicant has made all reasonable attempts to sell the asset and if the asset still has not sold, it is the responsibility of the applicant to provide reasonable documented evidence that the asset could not be sold. Applicants cannot decrease the value of their assets by giving them to family or others with the intent of reducing their assets to make themselves eligible for assistance.
2) An asset's value for the purposes of determining eligibility is the <i>equity</i> the applicant has in the asset (market value minus debt).	It is the responsibility of the applicant to provide verification of the asset's value on request.
3) The applicant must pursue all assets and cannot refuse to accept available assets.	
4) Applicants must pursue all other income including funds contributed to an RRSP offered through an employer.	<ul style="list-style-type: none"> Clients are obligated to pursue pension funds, and provide confirmation of their status. Only pension funds that fall under the Pension Benefit Standards Regulations Section 2.(2) are exempt. Other RRSPs managed by private companies may be accessible and must be pursued.
5) A motor vehicle is exempt for the purposes of determining eligibility if the motor vehicle is used for day-to-day transportation needs and the <i>equity</i> (market value minus vehicle loan debt) in the motor vehicle does not exceed \$5,000. Note: There is no limit on the value of a vehicle owned by recipients with the <i>Persons with Disabilities designation</i> .	<ul style="list-style-type: none"> It is the responsibility of the client to provide documentation on the equity in their vehicle. The <i>Canadian Red Book</i> may be used to verify a vehicle's market value. A leased vehicle is not considered an asset. A work/business vehicle that is not used for day-to-day transportation is not exempt. If a vehicle is purchased through an unassigned loan (e.g., line of credit, credit card, consolidated loan) where there is no supporting documentation, the vehicle is not exempt.
6) Business tools (excluding vehicles) required for the applicant's job are exempt.	
7) Clients who fail to dispose of assets or fail to pursue or accept assets may be ineligible for assistance or may have a rate reduction applied to the family unit's assistance.	

ASSET LIMIT TABLE

	Client Group	Maximum Amount
ASSET LEVELS	SINGLE PERSON	\$1,500.00 \$150.00 CASH ASSETS
	COUPLES OR ONE OR TWO PARENT FAMILIES	\$2,500 \$250.00 CASH ASSETS

ASSET LEVELS (continued)	SINGLE PERSON: a. applying for PWD designation, b. with confirmed PWD designation, or c. residing in special care facility	\$3,000.00
	COUPLES OR ONE- OR TWO-PARENT FAMILIES, WHERE ONE PERSON: a. is applying for PWD designation, b. has confirmed PWD designation, or c. is residing in special care facility	\$5,000.00
ASSET EXEMPTIONS	Cash surrender value for an un-cashed life insurance policy	\$1,500
	Motor vehicle (<i>limit does not apply to persons with PWD designation</i>)	\$5,000
	Reserve account established to meet anticipated future business	\$5,000
	Lifetime maximum for non-discretionary trust fund	\$100,000

CASH ASSETS AT APPLICATION	<p>Cash assets are defined in the regulation as money on hand, money in bank accounts, money orders, or cheques that may be immediately cashed.</p> <p>If an applicant has cash over the maximum allowable cash limit but would otherwise be eligible for assistance, the amount of the cash over the limit is deducted from the amount of shelter/support allowances issued in the first month of assistance.</p> <p>Cash asset limits do not apply to applicants with PWD status.</p> <p>Asset limits do apply to applicants and recipients with Persons With Disabilities status. Any cash assets they may have are included in the overall calculation of asset limits.</p> <p>Any amount of cash over the allowable limit is treated as <u>unearned income</u>.</p> <p>Unearned income is deducted from monthly allowances. If amount of income exceeds monthly shelter/support allowances, the client is not eligible for assistance.</p>
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ASSET EXEMPTIONS	<p>The following are some of the assets that are exempt for the purposes of determining the assets of an applicant or recipient:</p> <ul style="list-style-type: none"> • clothing and necessary household equipment • one motor vehicle where the equity does not exceed \$5,000 and the vehicle is generally used for day-to-day transportation needs (no limit on vehicle owned by recipients with the Persons with Disabilities designation) • a <i>family unit's</i> place of residence • money received or to be received from a mortgage on, or an agreement for sale of, the family unit's previous place of residence if the money is either applied to the amount owing on the family unit's current place of residence or used to pay rent for the family unit's current place of residence • business tools • seed required by a farmer for the next crop year • basic breeding stock held by a farmer at the date of application for income assistance, and female stock held for stock replacement • essential equipment and supplies for farming and commercial fishing • fishing craft and fishing gear owned and used by a commercial fisher • an uncashed life insurance policy with a cash surrender value of \$1,500 or less • assets exempt under the Self-Employment Program • assets held in asset development accounts • assets held in trust for persons in special care facility or for persons with PWD designation • eviction compensation payments are considered exempt up to the asset level of the family unit • funds held in a Registered Disability Savings Plan (RDSP)
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CALCULATION OF CASH ASSET LIMITS

STEP	ACTION	EXPLANATION
1	Refer to Section 11(4) of the EA Regulation	Determine the maximum allowable cash asset level for the size of the family unit
2	List all cash assets	Ensure each item meets the definition of a cash asset
3	Determine the amount of cash assets over the allowable limit	Deduct the amount of the maximum allowable cash assets from the total amount of all the applicants' cash assets The amount of the difference between the allowable limit and the amount the applicant has is treated like "unearned income"
4	Calculate the amount of assistance the applicant is eligible to receive	Deduct the amount of cash assets that is over the allowable limit from the amount of the applicants' income assistance: <ul style="list-style-type: none"> If the amount of the cash asset over the allowable limit is less than the amount of shelter/support allowances (not including amounts for any supplements), issue the balance If the amount of the cash assets over the allowable limit is more than the amount of shelter/support allowances (not including amounts for any supplements), the client is not eligible for income assistance due to "income in excess"

APPLICANTS INTENDING TO APPLY FOR PWD DESIGNATION

- Applicants intending to apply for PWD designation and who are in need of financial support may receive regular income assistance and retain their assets at the higher limits applicable to recipients of disability assistance, until the outcome of their PWD designation.
- **Assets that the applicant intends to transfer into a trust or RDSP are exempt for the purposes of determining eligibility for PWD or income assistance. The applicant has three months, from the date the PWD application is provided, to transfer the asset into a trust or RDSP.**
- To qualify for income assistance, these clients are required to meet all eligibility criteria under the Employment and Assistance (EA) Regulation, although their assets are to be tested at the higher limits allowed to recipients of disability assistance.
- Clients are expected to make every effort to collect the information necessary to determine their medical condition and to return the completed PWD Designation Application within a reasonable period of time of approximately three months after receiving a PWD Designation Application.
- Provide the applicant with PWD Designation Application (HSD2883) and template letter "Assets in Excess Pending PWD Designation Application" (HSD3259) and inform the client that the completed PWD Designation Application should be returned within three months.
- If the PWD Designation Application is not returned after two months, provide applicant with template letter "Assets in Excess Pending PWD Designation Application (60 days)" (HSD3260) to request that the completed PWD Designation Application be submitted to the ministry by the specified date.
- Clients who are found ineligible for the PWD Designation or have not returned the application within the specified time period are not required to repay income assistance already received, but can retain assets only at or below the asset limits under the EA Regulation.

OLR → Verification and Eligibility → Assets and Exemptions

Policy: (includes a complete list of asset exemptions)

Staff: https://qww.hsd.gov.bc.ca/intranet/meia/online_resource/verification_and_eligibility/assets/current/policy.html

Public: http://www.gov.bc.ca/meia/online_resource/verification_and_eligibility/assets/policy.html

Procedures:

Staff:

https://qww.hsd.gov.bc.ca/intranet/meia/online_resource/verification_and_eligibility/assets/current/procedures.html

Public: http://www.gov.bc.ca/meia/online_resource/verification_and_eligibility/assets/procedures.html

RELATED LINKS:

PWD Designation Application

Staff: https://gww.hsd.gov.bc.ca/intranet/meia/online_resource/persons_with_disabilities_designation/pwdapp/current/

Public: http://www.gov.bc.ca/meia/online_resource/persons_with_disabilities_designation/pwdapp/

Trusts

Staff: TBD

Public: TBD