

Frequently Asked Questions: Earnings Exemption

1. What is the No-Limit Earnings Exemption?

The no-limit earnings exemption means that employment income will no longer be a factor in determining financial need under Agreements with Young Adults (AYA) and future youth transitions support programs.

Beginning in Summer 2022 young adults will not see a reduction in their monthly income supplement through the AYA due to employment income.

This change is intended to provide financial stability for young adults, while encouraging employment and participation in paid training programs.

2. Why is a No Limit Earnings Exemption needed?

Through engagement with youth and young adults and those who support them, the ministry learned that considering income in determining the amount of monthly support a young adult may receive serves as a disincentive to work.

The earnings exemption aims to increase stable employment outcomes for young adults and facilitate attachment to the labour market, increase their overall financial stability, and provide greater financial resilience.

The intention is that opportunities for learning about budgeting and saving would remain, to help build financial literacy (e.g., through life skills or working with their transition worker) – without factoring income into their monthly support calculation.

3. What is considered ‘income’?

The ministry’s Agreements with Young Adults Policy & Procedures now defines ‘employment income’ as: any salary, wages, commissions and other remuneration, including gratuities, allowances, and bonuses received by the young adult in exchange for the provision of goods or services. This is inclusive of, but not limited to, income earned through self-employment opportunities or wage replacements, such as Employment Insurance or Worker’s Compensation Benefits.