

## Assets

### General Principle

Applicants and recipients (including adult dependants without residency status) are expected to use their assets for personal independence purposes if the value of the assets exceeds specified exemption levels.

Applicants and recipients are required to reasonably determine the value of all assets and provide verification of the value on request. If they do not, they may be determined ineligible for assistance.

In all circumstances the onus rests with the applicant or recipient to provide reasonable documented evidence of any attempt to dispose of assets that exceed the specified exemption limit that could not be sold. If they fail to do so, they may be determined ineligible for income assistance.

### Definitions

**Applicant** means the person in a family unit who applies for income assistance, persons with disabilities benefits, hardship assistance or a supplement on behalf of the family unit, and includes:

- (a) the person's spouse, if the spouse is a dependant, and
- (b) the person's adult dependants.

**Assets** means:

- (a) equity in any real or personal property that can be converted to cash,
- (b) a beneficial interest in real or personal property held in trust, or
- (c) cash assets.

**Cash Assets** in relation to a person means:

- (a) money in the possession of the person or the person's dependant,
- (b) money standing to the credit of the person or the dependant with
  - (i) a savings institution, or
  - (ii) a third party

that must pay it to the applicant or dependant on demand,

- (c) the amount of a money order payable to the applicant or the dependant, or

- (d) the amount of an immediately negotiable cheque payable to the person or the dependant.

**Recipient** means the person in a family unit to or for whom income assistance, persons with disabilities benefits, hardship assistance or a supplement is provided for the use or benefit of someone in the family unit, and includes:

- (a) the person's spouse, if the spouse is a dependant, and  
 (b) the person's adult dependants.

## Exempt Assets

The following are exempt assets and not to be included in calculating the amount of assets of an applicant or a recipient for the purposes of applying the policy on *Allowable Assets Limits*:

- clothing and necessary household equipment
- one motor vehicle generally used for day to day transportation needs for persons with disabilities,  
 or  
 for applicants and recipients who are not persons with disabilities, one motor vehicle generally used for day-to-day transportation needs if
  - (i) the equity in the motor vehicle does not exceed \$5,000,
  - (ii) the motor vehicle has been significantly adapted to accommodate the disability of a recipient in the family unit;
  - (iii) the motor vehicle is used to transport a disabled dependent child, or
  - (iv) the motor vehicle is used to transport
    - (A) a disabled child in receipt of Children Out of the Parental Home (COPH) Assistance, or
    - (B) a disabled foster child,
 if the child is in the care of an adult of the family unit
- a family unit's 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
  - (i) applied to the amount owing on the family unit's current place of residence, or
  - (ii) used to pay rent for the family unit's current place of residence
- a child tax benefit under the Income Tax Act (Canada)
- a goods and services tax credit under the Income Tax Act (Canada)

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- a sales tax credit under the Income Tax Act (British Columbia)
  - an uncashed life insurance policy with a cash surrender value of \$1 500 or less
  - business tools
  - seed required by a farmer for the next crop-year
  - basic breeding-stock held by a farmer at the date of the applicant's submission of the application for income assistance form, 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
  - prepaid funeral costs
  - individual redress payments granted by the government of Canada to a person of Japanese ancestry
  - individual payments granted by the government of Canada under the Extraordinary Assistance Plan to a person infected by the human immunodeficiency virus
  - individual payments granted by the government of British Columbia to a person infected by the human immunodeficiency virus
  - individual payments granted by the government of Canada under the Extraordinary Assistance Plan to thalidomide victims
  - money that is
    - (i) paid or payable to a person if the money is awarded to the person by an adjudicative panel in respect of claims of abuse at Jericho Hill School for the Deaf and drawn from a lump sum settlement paid by the government of British Columbia, or
    - (ii) paid or payable to or for a person if the payment is in accordance with the settlement agreement approved by the Supreme Court in Action No. C980463, Vancouver Registry
  - money paid under the 1986-1990 Hepatitis C Settlement Agreement made June 15, 1999, except money paid under section 4.02 or 6.01 of Schedule A or of Schedule B of that agreement
  - an income tax refund, or part of an income tax refund, that arises by reason of a payment made by the government of British Columbia to the government of Canada on behalf of a person who incurred a tax liability due to income received under the Forest Worker Transition Program
  - money received from the Common Experience Payment or through the Independent Assessment Process under the Indian Residential Schools Settlement Agreement
  - money paid to a person in settlement of a claim of abuse at an Indian residential school, except money paid as income replacement in the settlement
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- post adoption assistance payments provided under section 28 (1) or 30.1 of the Adoption Regulation,
- assets exempted under assets held in trust for person with disabilities or special care facility recipients
- payments granted by the government of British Columbia as Interim Early Intensive Intervention Funding
- payments granted by the government of British Columbia under section 8 of the Child, Family and Community Service Act [agreement with child's kin and others]
- payments granted by the government of British Columbia under the Ministry of Children and Family Development's At Home Program
- payments granted by the Government of British Columbia under the Ministry of Children and Family Development's Extended Autism Intervention Program
- payments granted by the Government of British Columbia under an agreement referred to in section 93 (1) (g) (ii) of the Child, Family and Community Service Act, for contributions to the support of a child to a person other than a parent of that child
- payments granted by the government of British Columbia under the Ministry of Children and Family Development's
  - (i) Autism Funding: Under Age 6 Program, or
  - (ii) Autism Funding: Ages 6 - 18 Program
- funds held in a registered education savings plan (RESP) for which a recipient or a dependent child in a *family unit* is either a named beneficiary of the RESP, the subscriber to the RESP or both
- payments provided by Community Living BC to assist with travel expenses for a recipient in the family unit to attend a self-help skills program, or a supported work placement program, approved by Community Living BC
- a Universal Child Care Benefit provided under the Universal Child Care Benefit Act (Canada)
- money paid by the government of Canada, under a settlement agreement, to persons who contracted Hepatitis C by receiving blood or blood products in Canada prior to 1986 or after July 1, 1990, except money paid under that agreement as income replacement
- funds held in a registered disability savings plan
- individual payments dispersed from the BC Institutional Legacy Trust Fund
- a working income tax benefit provided under the Income Tax Act (Canada)

## How Assets Affect Eligibility

### ***Allowable Assets Limits***

The following persons are *not* eligible for income assistance:

- (a) an applicant who is not a person with disabilities, has no dependants and
  - i. whose assets amount is more than \$1,500, or
  - ii. whose cash assets amount is more than the sum of the amount the applicant would otherwise be eligible for income assistance and \$150;
- (b) a recipient who is not a person with disabilities, has no dependants and whose assets amount to more than \$1,500;
- (c) an applicant who has one or more dependants and
  - i. whose family's assets amount to more than \$2,500, or
  - ii. whose cash assets amount to more than the sum of the amount the applicant would otherwise be eligible for social assistance and \$250;
- (d) a recipient who is not a person with disabilities, has one or more dependants and whose family's assets amount to more than \$2,500;
- (e) an applicant or a recipient who is not a person with disabilities, and who
  - i. receives accommodation and care in a private hospital or a special care facility as defined in Chapter 11.4, other than an alcohol or drug treatment centre, or who is admitted to a hospital for extended care, and
  - ii. has assets amounting to more than \$3,000 for a person who has no dependants or \$5,000 for a person who has one or more dependants;
- (f) an applicant or a recipient who is a person with disabilities who has assets amounting to more than \$3,000 for a person who has no dependants or \$5,000 for a person who has one or more dependants.

### ***Cash Assets Limits for Applicants who are not Persons with Disabilities***

The following amounts must be treated as unearned income for the first month for which income assistance or hardship assistance is provided to or for a family unit:

- (a) for a sole applicant with no dependent children, the amount by which his or her cash assets exceed \$150;
- (b) for an applicant with one or more dependants, the amount by which his or her cash assets exceed \$250.

## Policy

### *Vehicles*

If equity in the first vehicle is above \$5,000 the applicant/recipient is deemed to be ineligible due to assets in excess. Equity over \$5,000 may not be added to the total family asset calculation.

The onus rests with the recipient/applicant to provide documentation as to the value of their vehicle.

The *Canadian Red Book* may be used to verify a vehicle's market value. If the vehicle is older than the most current *Canadian Red Book* listing and the value of a listed vehicle of similar make is less than \$5,000, the vehicle is not considered an asset.

Once the market value is determined, money owed on the vehicle must be deducted from the value to determine the equity.

A leased vehicle is not considered an asset.

Vehicle equity limits do not apply to persons with disabilities or their dependants, parents of disabled dependent children, relative caregivers of disabled children in **COPH Assistance program** or foster parents of disabled foster children in either Ministry of Children and Family Development (MCFD) or First Nations Child and Family Services Foster Care program.

For caregivers of disabled children, the Band Social Development Worker (BSDW) BSDW must be satisfied that the dependent child has a disability and a need for transportation that only the applicant or recipient can provide and for which there are no reasonable alternatives. The BSDW may request written or verbal confirmation from a health care worker confirming these conditions exists. Proof of the child's enrollment in a program is also acceptable as proof of disability.

Vehicle that has been disability modified is not considered an asset if:

- (a) the client has a disability and the vehicle modifications are necessitated by the disability; and
- (b) the client or a family member is unable to use the vehicle without the modifications; and
- (c) the modifications cannot reasonably be transferred to another vehicle.

***Cash Assets for Applicants who are not Persons with Disabilities***

Cash assets limits apply to applicants for basic income assistance only. They do not apply to persons with disabilities or their dependants.

- (a) for an applicant who is applying with no dependents the cash assets limit is \$150; and
- (b) for an applicant with one or more dependants, the cash assets limit is \$250.

If an applicant has cash assets over the maximum limit at the time of application, but would otherwise be eligible for assistance, the amount of cash over the limit is considered unearned income and is to be deducted from the amount of assistance paid in the first month.

***Disposing of Property or Assets for Inadequate Consideration***

Applicants or recipients may not sell an asset for a value that is less than its intrinsic value. This rule applies to disposal of assets within one year prior to application or while the applicant is on income assistance.

The period of ineligibility begins on the date the person is declared ineligible.

The period of ineligibility lasts for 30 days for each \$2,000 the asset was undervalued.

***Disposing of Property or Assets to Make Oneself Eligible for Income assistance***

Applicants or recipients may not decrease the value of their assets by giving them to family, or to others with the intent of reducing their assets to make themselves eligible for income assistance. This rule applies to disposal of assets within one year prior to application, or while the applicant is on assistance.

The period of ineligibility lasts for 30 days for each \$2,000 inappropriately disposed of. The period of ineligibility does not apply to money that was converted to an exempt asset.

***Failing to Accept or Pursue Assets***

Applicants or recipients who fail to accept or pursue assets may be ineligible for income assistance. This rule applies one year prior to application or while the recipient is on assistance.

The period of ineligibility lasts 30 days for each \$2,000 of the value of the assets not accepted or pursued.

***Joint Ownership/Unavailable Asset***

When the BSDW is able to determine that the asset of joint ownership cannot be disposed of because the other owner or owners will not cooperate, the BSDW may deem the item not an available asset. This decision is valid for a 6-month period and may be extended for a maximum of 2 years.

***Sale of Property***

Money received from sale of personal property is classed as unearned income for the month in which it is received.

***Registered Retirement Savings Plan and Registered Home Ownership Plans***

The federal Home Ownership Savings Plan (HOSP) and Registered Retirement Savings Plan (RRSP) are considered to be assets for the determination of eligibility for income assistance.

Only locked-in pensions are not considered convertible to cash as government regulations and employer/employee contracts do not allow access to these funds. These are therefore not considered assets for eligibility purposes.

***Discretionary Trusts***

Discretionary Trusts are trusts where absolute or sole discretion respecting the trust and disbursements from the trust to the beneficiary (recipient), is held by the trustee (a person other than the recipient).

Discretionary trusts are *not* considered to be assets because they are not available to the client.

Disbursements from a discretionary trust are to be considered unearned income in the month received. This type of trust fund must be included in accordance with unearned income exemptions as outlined in Chapter 4.9, Income and Exemption Eligibility.

Due to the complexity of the wording, copies of the trust document must be examined carefully to confirm that the trust is, in fact, a discretionary trust fund.

### ***Non-discretionary Trusts***

Non-discretionary trusts are trusts where the beneficiary (income assistance applicant or recipient) has partial or complete control over management of, and disbursements from, the trust.

A non-discretionary trust is considered an asset because the beneficiary has control over the funds in the trust.

Disbursements from the capital portion of a trust fund are considered as unearned income in the month received. Interest and income earned by the capital of the trust is also considered unearned income, regardless of whether that interest or income is disbursed to the recipient. This type of trust fund must be included in accordance with unearned income exemptions as outlined in Chapter 4.8, Unearned Income.

### ***Assets Held in Trust for Persons with Disabilities or Special Care Facility Recipients***

For income assistance applicants or recipients who have been designated as Persons with Disabilities (PWD), or former Income assistance for Handicapped Persons (SAHP), a non-discretionary trust with a capital value of \$100,000 or less is exempt from consideration when calculating the asset level of this person. This is a lifetime limit. This type of trust fund must be included in accordance with unearned income exemptions as outlined Chapter 4.8, Unearned Income.

## **Procedures**

The BSDW shall determine if the value of the assets exceeds specified exemption levels as follows:

1. request an applicant or a recipient report all, including cash assets, family assets,
2. determine which assets are exempt for the purpose of calculating the amount of total assets,
3. determine the value of, and total the amount of all non-exempt assets, and
4. determine if the amount of total asset is in excess of the allowable assets limits for the classification and family unit of the applicant or the recipient by applying the policy outlined in subsections “*Allowable Assets Limits*” and “*Cash Assets Limits for Applicants who are not Persons with Disabilities*”.

If applicants or recipients have assets in excess of the allowable limit, they are not eligible for income assistance.

The BSDW must place all documentation and appropriate case notes on the client's file.

### ***Budget and Decision Form (901-25)***

The BSDW shall enter information regarding assets for applicants and recipients in the *Budget and Decision Form (901-25)* as follows:

- Comment section
  - Enter the following items under this section for all applicants and recipients:
    - Amount of total non-excluded assets,
    - Amount of assets in excess of allowable limits
    - If applicable, indicate that the applicant or recipient is not eligible for income assistance because the asset is over the allowable limits
  - In addition, enter the following items for new applicants who are not persons with disabilities:
    - Amount of cash assets
    - Amount of cash assets in excess of allowable limits
    - If applicable, indicate that the applicant is not eligible for income assistance because the cash asset is over the allowable limits
- Resources section

If an applicant has cash assets over the maximum limit at the time of application, but would otherwise be eligible for assistance:

  - calculate and enter the amount of the total value of cash assets in excess of the allowable assets limits under Other Income Total on line (3) and
  - include in calculating the Total Monthly Deduction on line (5)
- Monthly Requirements section
  - calculate and enter the amount of total monthly requirements in the Monthly Requirements box
  - enter the amount from line (5) in the Less Deductions (No 5) From Resources box
  - calculate the entitlement (Monthly Requirements minus Less Deductions) and enter the amount in the Entitlement box

The BSDW shall enter all other required information in the *Budget and Decision Form (901-25)* and ensure that the applicant (or recipient) and the BSDW have both signed and dated the completed form before giving the canary copy to the client.

The BSDW shall keep the white copy of the *Budget and Decision Form (901-25)* with original signatures on the client's file.