



ANNUAL EARNING EXEMPTION

Revised: November 2016

Annual Earnings Exemption for Person with Disability (PWD)

Persons with Disability clients are eligible for an annual earnings exemption (AEE). The AEE allows individuals on disability assistance to use their earnings exemption on an **annual**, instead of monthly basis, and without a monthly maximum. The intent of AEE is to better assist individuals whose ability to earn fluctuates during the year, for example, due to medical conditions.

A family unit's annual exemption limit is based on family unit size, composition and number of *qualifying months* in the calendar year. The annual earnings exemption can only be applied to *qualifying income*.

Qualifying income is either of the following:

- Earned income, meaning:
 - ✓ any money or value received in exchange for work or the provision of a service,
 - ✓ pension plan contributions that are refunded because of insufficient contributions to create a pension,
 - ✓ money or value received from providing room and board at a person's place of residence,
 - ✓ money or value received from renting rooms that are common to and part of a person's place of residence; and
- Unearned income that is compensation paid under section 29 or 30 of the Workers Compensation Act (WCB temporary wage loss replacement benefits)

Each calendar year is a new exemption year. AEE covers qualifying income received from January 1 to December 31. The disability assistance cheque issued at the end of February for March benefits will be the first cheque to reflect the expanded AEE.

Any remaining exemption from the previous year does not carry over into the new exemption year.

First time disability assistance recipients are required to serve a **one month waiting period** before being eligible for the exemption, unless they received income assistance in the previous month. Family units who were in receipt of either income assistance or disability assistance for the previous month or returning PWD designated clients who have previously received disability assistance, **have no wait period**.

AEE Limits

A family unit's AEE limit is established in the initial qualifying month for the family unit and calculated using the *base amount* for the family unit multiplied by the number of qualifying months remaining in the calendar year.

Under the AEE, there is only an **annual exemption limit** – there is no monthly maximum. Once the family unit is eligible for earnings exemptions, the amount of a family unit's disability assistance is not impacted by earnings received up to the family unit's AEE limit. Once a family unit's AEE limit is reached, any additional earnings received will be deducted dollar for dollar from their disability assistance.



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DISABILITY ASSISTANCE		
Eligible Clients	Base amount (multiplied by the # of qualifying months in the calendar year)	Maximum Annual Earnings Exemption (full calendar year)
A family unit with one adult recipient who has the PWD designation	\$800	\$9,600
A family unit with two adult recipients where only one recipient has the PWD designation	\$1,000	\$12,000
A family unit where both individuals have the PWD designation	\$1,600	\$19,200

Combined Income

In a family unit containing two recipients, both recipients do not have to be employed to be eligible for the maximum exemption. As long as there are two recipients in the family unit, they are eligible for the full exemption, regardless of who earns the income.

Some family units may receive a combination of income where there are two types of qualifying income.

For example: A PWD recipient receives \$700 in WCB temporary wage loss replacement benefits and their spouse earns \$500 in employment income. The total combined qualifying income is \$1,200. As long as the family unit has enough limit remaining in their annual earning exemption, they would be eligible for a total exemption of \$1,200. Any non-qualifying income would be deducted from their disability assistance.

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