

Earning Exemptions

The New \$200 Earnings Exemption



Example: Single person

Robert is a single person with no children and has been receiving Ontario Works for one year. He earns \$150 per month, less \$10 in payroll deductions for a net employment income of \$140. He is eligible for \$626 per month from Ontario Works. Since Robert has been receiving Ontario Works for more than three months, he is eligible for the new \$200 Earnings Exemption.

STEP 1

EARNINGS EXEMPTION

With the new changes, Robert will see no reduction to his Ontario Works payment for the first \$200 he earns. Since Robert's net income is \$140 per month, all of his earnings are exempt.

Robert's net income \$140
 Subtract \$200 Earnings Exemption -\$200

Employment income after \$200 Earnings Exemption ... = \$0
 Exempt 50% of remaining income = \$0

Robert's chargeable income = \$0

STEP 2

CALCULATE ONTARIO WORKS PAYMENT

Robert's caseworker subtracts his chargeable income – that is, the amount that would reduce his Ontario Works payment from the Ontario Works amount he is eligible for. This will determine his Ontario Works payment.

Robert's eligible Ontario Works amount \$626
 Robert's chargeable income -\$0
 Robert's Ontario Works payment = \$626

Robert benefits from the new Earnings Exemption. He earns \$140 a month from employment and receives \$626 from Ontario Works. That's a total of \$766 each month.

Ontario is strengthening support by **removing barriers** and **increasing opportunities** for people on social assistance to work.

Find out how these changes can benefit you:
www.ontario.ca/socialassistance

The New \$200 Earnings Exemption



Example: Single parent

Priya is a single parent with a four year old child. She has been receiving Ontario Works for six months, and she works part time. Priya earns \$815 per month at her job, less \$30 in payroll deductions for a net employment income of \$585. She has \$240 in child care expenses. She is eligible for \$940 per month from Ontario Works. Since she has been receiving Ontario Works for more than three months, she is eligible for the new \$200 Earnings Exemption.

STEP 1

EARNINGS EXEMPTION

With the changes to Ontario Works, Priya will see no reduction to her Ontario Works payment for the first \$200 she earns. After that, every dollar she earns reduces her Ontario Works payment by 50 cents.

Priya's net employment income \$585
 Subtract \$200 Earnings Exemption -\$200

Employment income after \$200 Earnings Exemption = \$385

Exempt 50% of remaining income ... = \$192.50

Priya's chargeable income before deductions = \$192.50

STEP 2

CHILD CARE EXPENSES

Priya's caseworker deducts her allowable child care costs – up to \$600. This determines her net chargeable income – that is, the amount that would reduce her Ontario Works payment.

Priya's chargeable income before deductions \$192.50

Priya's child care costs -\$240

Priya's net chargeable income = \$0

STEP 3

CALCULATE ONTARIO WORKS PAYMENT

Priya's caseworker subtracts her net chargeable income from the Ontario Works amount she is eligible for. This will determine her Ontario Works payment.

Priya's eligible Ontario Works amount \$940
 Priya's chargeable income -\$0
 Priya's Ontario Works payment = \$940

Priya benefits from the new Earnings Exemption. She has \$585 in income from her job and \$940 from Ontario Works. That's a total of \$1,525 each month.

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