



## Changes to asset exemptions

**Assets** are things you own — like cash, investments, or a car. You can have some assets and still be eligible for **welfare** (also known as income assistance or BC employment assistance). As of April 1, 2002, there are new rules about **asset exemptions** (things that you can have without this affecting your eligibility for welfare). These new rules affect how much cash you can have and still be eligible for welfare. They also affect how much you can have in total assets when you apply for and receive welfare or disability benefits.

As of April 1, 2002, people applying for welfare must meet two asset tests:

- a **cash asset** test, and
- a **general asset exemption limit** test

### **Cash asset test**

A cash asset is money you or your dependant has in your possession. It also includes money orders or cheques you can cash, money in a bank account, or money payable to you on demand. The Ministry of Human Resources (MHR) looks at your cash assets when you apply for welfare.

To pass the cash asset test, single people must have no more than \$150 in cash. Families can have no more than \$250 in cash. If you apply for welfare and you have more than the maximum cash limit but are otherwise eligible, the amount of extra cash you have will be taken off your first welfare cheque.

Note: The cash asset test does not apply to people with disability status who are applying for a disability allowance.

### **General asset exemption limit test**

The general asset exemption limit test is in effect both when you apply for and while you are on welfare. Under this test, the combined total of your non-exempt assets cannot exceed the following amount:

- |   |         |
|---|---------|
| • Single person   | \$1,500 |
| • Families  | \$2,500 |
| • Single person who is receiving Level 2 disability benefits (DB2) or who is in a special care facility or hospital for extended care               | \$3,000 |
| • Families who are receiving Level 2 disability benefits (DB2) or who have a family member in a special care facility or hospital for extended care | \$5,000 |

### **Vehicle**

If you receive Level 2 disability benefits (DB2), you do not have to include your car in your list of assets as long as you use this for day-to-day transportation only. If you receive Level 1 disability benefits (DB1) or are applying for regular welfare, you have to show that you have no more than \$5,000 equity in your vehicle. **Equity** is the market value of the vehicle minus any money you owe on it. The \$5,000 limit does not apply to a vehicle modified to accommodate a family member with a disability.

Note: If you are already on welfare or disability benefits in April 1, 2002, your assets and vehicle exemption levels will be assessed at your annual review. The new rules will apply. If your assets at the time of your review are over the levels allowed, your welfare cheque will be cut off.

## Changes to income and earnings exemptions

The following benefits will now be deducted from your welfare cheques:

- The Canada Pension Plan (CPP) Orphan's Benefit
- Maintenance payments from a spouse or the Family Maintenance Enforcement Program
- Workers' Compensation Board (WCB) payments
- any income you earn through employment (before the law changed, you used to be able to earn some money without having it taken off your welfare cheque)
- any lottery winnings
- any Child in the Home of a Relative (CIHR) benefits

Note: If you are on Level 2 disability benefits (DB2), you are allowed to earn \$300 a month without this affecting the welfare you receive. Anything over \$300 that you earn will be deducted from your welfare cheques.

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*This information comes from reliable sources. However, more information is coming out regularly. Please watch the LSS website (<http://www.lss.bc.ca>) or the PovNet website (<http://povnet.org>) for up-to-date information and new fact sheets.*



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