

Employment Assistance

The Employment-Assistance Program and Liquid assets

(cash and negotiable assets)

- When you apply for employment assistance
- When you are an employment-assistance recipient
- When you save into an individual development account

Your liquid assets are a resource

When you apply for financial assistance under the Employment-Assistance Program, the Ministère de l'Emploi et de la Solidarité sociale evaluates your resources, including your cash and the value of your assets. These are referred to as your "liquid assets".

Liquid assets are any sums of money or assets negotiable in the short-term (savings bonds, securities, debts due, term deposits, etc.) owned by you or your family. Your liquid assets are considered in the Department's decision to approve or reject your application for assistance and to calculate your benefit, if applicable.

Some liquid assets, however, are excluded from the calculation of employment-assistance benefits. Under the *Regulation respecting income support*, these amounts may be fully or partially excluded for a limited or unlimited period.

Your liquid assets:

- determine your eligibility for the Employment-Assistance Program;
- are considered in calculating the amount of the benefit you will be granted for the month in which you apply (month of application);
- are considered in calculating the amount of your benefit for subsequent months, if you are eligible for the Employment-Assistance Program;
- enable you, under certain conditions, to save a given amount of liquid assets into an individual development account, without your benefits being reduced, further to the amendments to the *Regulation respecting income support* made in January 1, 2006.

When you apply for employment assistance

How liquid assets are considered in determining your eligibility for the Employment-Assistance Program

When you apply for employment-assistance benefits, the Department evaluates your eligibility for last-resort assistance for the month of application. One of the first steps in evaluating your eligibility is to check your liquid assets on the date your application is submitted. This is known as the “eligibility test”.

The amounts you possess on that date are compared with an amount determined by Regulation (see Table 1) that varies according to your family make-up or your personal status.

However, any outstanding cheques and preauthorized payments intended to pay rent, electricity or heating are deducted from your liquid assets, provided they are cashable in the month in which you apply.

Some exclusions provided for under the Regulation may also apply. For example, some amounts resulting from a class-action lawsuit are not included in the calculation of liquid assets.

Table 1

Maximum liquid assets allowed on the application date

Adults	Minor dependent children ¹	Maximum allowed
1	0	\$836
1	1	\$1,195
1	2	\$1,416 ²
2	0	\$1,241
2	1	\$1,480
2	2	\$1,701 ²
Spouse of student		\$836 ³
A sheltered or detained adult, or a minor sheltered with his/her child		\$836 ⁴

1. An amount of \$162 is added to the basic exclusions for each dependent child who receives a supplement for handicapped children from the Régie des rentes du Québec.
2. An amount of \$221 is added for a third dependent child and for each subsequent child.
3. An amount of \$239 is added for a first dependent child and \$221 is added for each subsequent child.
4. If you are sheltered and your last resort financial assistance has been cancelled due to surplus liquid assets in the last 6 months, you may be eligible for additional amounts if you meet certain criteria.

If you only receive claim slips granted for a limited period in order to encourage a return to work and you submit another application for employment-assistance benefits, other amounts are provided for. To be entitled to these amounts, you must meet certain criteria.

If your total liquid assets exceed the amount stipulated in the Regulation, you are not eligible for financial assistance for the month of application and the assistance for the following month will not be determined. This means you must submit a new application. However, this application can be filed only as of the first working day of the month following your first application.

For example, a person who submitted an application for assistance on February 1 and who is declared ineligible for this month due to surplus liquid assets can re-apply only as of the first working day in March.

If the sum of your liquid assets is equal to or less than the amount indicated in the table, your eligibility for the month of application and for the following month is evaluated according to your specific circumstances and your resources.

Example 1

Family of two adults and one child who possesses liquid assets of \$800 on the application date

Liquid assets	\$800
Minus outstanding cheques (rent, electricity, heating)	-\$500
Liquid assets considered for eligibility test	<hr/> \$300

This family's liquid assets are less than the maximum provided for under the Regulation (\$1480); the application will therefore be analyzed. Next, the applicant's eligibility under the Employment-Assistance Program is verified for the month of application and for the following month.

After establishing that your liquid assets do not prevent you from qualifying for the Employment-Assistance Program, the Department then considers them in determining the benefit for the month in which you apply.

When you are an employment-assistance recipient

How liquid assets are considered in calculating your benefit for the month of application

The Department considers the amount of the benefit that corresponds to your circumstances (based on the number of days remaining in the month of application) minus your resources, that is, your liquid assets and various sources of income (work income, Commission de la santé et de la sécurité du travail benefits) and relevant benefits for the month. However, the Department subtracts from your liquid assets any income already considered, if applicable. The value of some property may also affect the benefit calculation.

It is therefore possible that an adult or a family admitted to the Employment-Assistance Program might not receive employment-assistance benefits for the month of application. This occurs when the total resources (liquid assets, property, income and benefits) are higher than the basic employment-assistance benefit for the adult or family for the month, taking into account the number of days eligible and exclusions applicable to income, property, and liquid assets.

Example 2

Independent adult without a limited capacity for employment

Basic benefit (if the application is submitted on the 1st of the month)		\$566,67
Minus income and property	- \$100,00	<u>\$466,67</u>
Liquid assets on the application date	\$400	
Minus outstanding cheques (rent, electricity, heating)	- \$300	
Minus income already considered	- \$50	
Liquid assets considered	\$50	<u>-\$50,00</u>
Benefit for the month of application		\$416,67

If you are a family with minor dependent children, another amount is subtracted from the liquid assets you possess on the application date to offset the Régie des rentes du Québec's family allowance and the Canada Revenue Agency's National Child Benefit Supplement (NCBS) that you receive for your minor dependent children (see Example 3). This reduction does not apply for minors sheltered with their children.

Table 2

Amount subtracted from liquid assets

Adults	Minor dependent children ¹	Maximum allowed
1	1	\$359
1	2	\$580 ²
2	1	\$239
2	2	\$460 ²
Spouse of student	1	\$239
Spouse of student	2	\$460 ²

1. An amount of \$162 is added to the basic exclusions for each dependent child who receives a supplement for handicapped children from the Régie des rentes du Québec.
2. An amount of \$221 is added to the exclusions for each additional minor dependent child.

Example 3

Family of two adults without a limited capacity for employment with one minor dependent child

Basic benefit (if the application is submitted on the 1st of the month)		\$869,17
Minus income and property		<u>\$0,00</u>
		\$869,17
Liquid assets on the application date	\$800	
Minus outstanding cheques (rent, electricity, heating)	- \$500	
Minus amount for minor dependent child	- \$239	
Liquid assets considered	<u>\$61</u>	- \$61,00
Benefit for month of application		<u>\$808,17</u>

For the months following your admission to the Employment-Assistance Program, what is the maximum amount of liquid assets allowed before your benefit is reduced?

For the months following your admission to the Employment-Assistance Program, you may possess a certain amount of liquid assets, depending on your circumstances, and still receive the full benefit applicable. The amounts of liquid assets, called basic exclusions, allowed under the Regulation are as follows:

If no adult has a severely limited capacity for employment:

\$1,500 for an independent adult¹

\$2,500 for a family

If at least one adult has a severely limited capacity for employment:

\$2,500 for an independent adult¹

\$5,000 for a family

1. This amount also applies to minors sheltered with their child and to the spouses of students.

Furthermore, if you are a family with minor dependent children, an additional basic exclusion also applies. This amount does not apply for minors sheltered with their child.

Table 3

Additional basic exclusions applicable to liquid assets

Adults	Minor dependent children ¹	Maximum exclusion
1	1	\$359
1	2	\$580 ²
2	1	\$239
2	2	\$460 ²
Spouse of student	1	\$239
Spouse of student	2	\$460 ²

1. An amount of \$162 is added to the basic exclusions for each dependent child who receives a supplement for handicapped children from the Régie des rentes du Québec. Another \$147 is excluded for each dependent child of full age who is studying the regular curriculum in a general education secondary school.
2. An amount of \$221 is excluded for each additional minor dependent child.

Saving into an individual development account

A new exemption to help you save up for a special project

Since **January 1, 2006**, you can, under certain conditions, be entitled to a new exemption in the calculation of your liquid assets. This exemption, called the **individual development account**, allows you to deposit certain amounts earmarked for a specific project into an account at a financial institution.

What is an individual development account?

It's an account opened at a financial institution whose accrued amounts must be used **exclusively** for carrying out a specific project that involves one or more of the following:

- acquiring training recognized by the Ministère de l'Éducation, du Loisir et du Sport;
- purchasing tools or equipment necessary to hold employment;
- creating self-employment or starting up a business;
- purchasing or repairing a residence;
- purchasing an automobile;
- providing for training of a dependent child.

You can save up for more than one of the above projects.

The individual development account may be a savings account, a term deposit or an investment. For all options, the account must be clearly identified as an individual development account.

These amounts may be built up gradually or deposited in bigger quantities, for example, a gift or an inheritance.

Who can open an individual development account?

- Any adult who is a recipient under the Employment-Assistance Program.
- Claim slip holders, provided they open the account while they are employment-assistance recipients.

An individual development account can be registered under the name of one adult only.

How can you save into an individual development account?

There are two options: an individual savings plan or an institutional savings plan.

- *Individual savings plan*
With an individual savings plan, only the employment-assistance recipient deposits amounts into the account.
- *Institutional savings plan*
With an institutional savings plan, an organization contributes financially to the account savings of a recipient, who pledges to deposit amounts into the account.

What is the maximum amount that can be saved into an individual development account?

You can accumulate up to \$5,000. In the case of a family made up of two adult recipients, each recipient can contribute up to \$5,000. Dependent children cannot have an individual development account opened under their name.

How are individual development account amounts considered in calculating your liquid assets?

Individual development account amounts of up to \$5,000 are excluded from the calculation of employment-assistance benefits. However, the maximum liquid asset amount excluded from the calculation of employment-assistance benefits is \$60,000 per family.

For example, a registered retirement savings plan (RRSP), a grant or a loan earmarked for creating a job are considered liquid assets in the same standing as amounts deposited into individual development accounts.

Example 4

Independent adult without a severely limited capacity for employment with the following liquid assets:

Calculation of liquid assets

Overall exemption	\$60,000	
Basic exclusion	\$1,500	
Total exemption		\$61,500
Minus liquid assets:		
•RRSP	\$50,000	
•Other types of liquid assets	\$1,000	
Total liquid assets	\$51,000	- \$51,000
Remaining exemption		\$10,500

Maximum amount a person may deposit into his/her individual development account

\$5,000

However, if the person deposits an amount that exceeds the maximum allowed, the surplus liquid assets will be considered in calculating his/her employment-assistance benefit.

Example 5

Independent adult without a severely limited capacity for employment with the following liquid assets:

Calculation of liquid assets

Overall exemption	\$60,000	
Basic exclusion	\$1,500	
Total exemption	\$61,500	
Minus liquid assets:		
•RRSP	\$56,000	
•Other types of liquid assets	\$1,000	
Total liquid assets	\$57,000	-\$57,000
Remaining exemption:	\$4,500	
Maximum amount a person may deposit into his/her individual development account	\$4,500	

However, if the person deposits more than \$4,500 into an individual development account, the difference will be considered in calculating his/her employment-assistance benefit.

Example 6

Family of two adults without a severely limited capacity for employment with the following liquid assets:

Calculation of liquid assets

Overall exemption for the family	\$60,000	
Basic exclusion	\$2,500	
Total exemption in calculating liquid assets	\$62,500	
Minus liquid assets:		
•RRSP	\$54,000	
•Other types of liquid assets	\$1,500	
Total liquid assets	\$55,500	-\$55,500
Remaining exemption:	\$7,000	

If one of these two people has \$4,000 in an individual development account, the other person may save \$3,000 into his/her account. \$7,000

However, if their combined savings into the account exceed \$7,000, the difference will be considered in calculating their employment-assistance benefit.

What happens if you re-apply for assistance after you have stopped receiving employment assistance for a certain time?

If, when you re-apply for assistance, you already have an individual development account, the amounts saved into the account in the five years preceding the new application will be exempted from the calculation of your liquid assets.

Are there certain obligations when you have an individual development account?

Yes. When you open an individual development account, you must inform your local employment centre (CLE) in writing:

- at the latest on the last day of the month during which the deposit was made for an individual savings plan;
- as soon as possible, for an institutional savings plan.

Can you make withdrawals from an individual development account?

You can make withdrawals from your individual development account. However, the amounts withdrawn must be used **exclusively** for the project(s) you have committed to carrying out, as approved by the Ministère de l'Emploi et de la Solidarité sociale.

If you use these amounts for any other purpose, they will be considered in full in the calculation of your monthly benefit and the basic exclusions will not apply.

You could be asked to provide the Department with the monthly statements for your individual development account.

If your liquid assets exceed the maximum allowable exclusions

Liquid assets that exceed the maximum excluded under the Regulation are considered surplus liquid assets. If you have any surplus liquid assets on the last day of the month, your benefit for the following month may be affected.

Keeping or spending surplus liquid assets

If you have surplus liquid assets (the amount that exceeds the maximum to which you are entitled) on the last day of the month, they will be included in the calculation of your employment-assistance benefit for the following month. Your benefit will therefore be reduced by the amount of your surplus liquid assets. In some cases, your benefit may even be cancelled.

It is critical that you inform your officer of any surplus liquid assets, otherwise a claim could be issued for the repayment of benefits overpaid. Note that you must not squander or cede your liquid assets and you must dispose of them reasonably and responsibly, otherwise your benefit may be refused, reclaimed, reduced or cancelled.

Inform your officer and keep your receipts

If you have or foresee having surplus liquid assets, it is important to inform your CLE officer as quickly as possible. The officer will give you the relevant information required.

It is also important to save or give to your officer all documents indicating the source of any amounts received other than employment-assistance benefits, such as your bankbook or caisse populaire passbook, the sales contract for an item, or a statement from a financial institution indicating withdrawals from an RRSP.

Keep your receipts and other documents showing how you spent your surplus liquid assets, since your officer may ask for them.

For further information

You can contact your CLE or the Bureau des renseignements et plaintes of the Ministère de l'Emploi et de la Solidarité sociale at the following numbers:

- If you live in the Québec City area
418 643-4721
- Elsewhere in Québec, toll-free
1 888 643-4721

www.mess.gouv.qc.ca

Note

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