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Dependent Condition

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This policy replaces the following PPM policy: Article 3(1) - Dependent Condition.

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Purpose

The purpose of this policy is to provide guidance for determining if an applicant is in a dependent condition and therefore eligible for a discretionary award.

Policy

General

1. The Minister takes into account all assets, with the exception of $4000 per year and the premises in which the person resides.
2. The annual depletion of the assets will be determined by dividing the capital sum by the number of years of life expectancy of the applicant, as predicted by the Canada Life tables. This figure, reduced to a monthly amount, then becomes the depletion factor to be computed with income from all sources. Interest received or anticipated is not to be considered.
3. In cases where there are two people involved, the assets shall be considered as joint property and the computation of depletion shall be made on the basis of the age of the younger.

4. Where properties are given over by a parent to a child without any evaluation being provided, a fair value will be determined either through the application of the assessment rolls and their stated ratio to value, or by determining a fair market value through appraisal.
5. When cash or negotiable assets are disposed of in such a manner that it appears the pensioner is dispossessing himself/herself of them for no justifiable reason, the Department may deem such assets as still in his/her possession and account for them accordingly.
6. When a pensioner, whose pension depends on being in a dependent condition, sells the home in which he or she resides, the Minister will consider the net amount of money received as an asset unless the pensioner uses that money to purchase another home to reside in within a reasonable amount of time.
7. The Minister may regularly enquire into the financial standing of a pensioner whose pension depends on being in a dependent condition. As circumstances dictate, an enquiry into the pensioner's financial standing may include a detailed examination of income, assets, and expenses.

Income

8. To assist the Minister in determining whether an applicant or pensioner has sufficient income or assets to maintain him/herself, the following amounts of income are used as guidelines.
    a. Individual (whether survivor or parent): $2,593.32
    b. Individual plus 1 dependent (whether survivor and child, or 2 parents): $3241.65
    c. Individual plus 2 dependents: $3,578.77
    d. Individual plus 3 dependents: $3,825.15
    e. Each additional dependent: $194.50
9. An applicant may be considered to be in a dependent condition if the aggregate of monthly income from all sources, including reported income derived from an asset, plus the monthly depletion, does not exceed the appropriate income level set out in paragraphs 8. a) through e). However, the mere fact that the applicant's aggregate income exceeds the relevant amount in paragraphs 8. a) through e) shall not necessarily mean the applicant is not in a dependent condition.

Income from Boarders

10. The Minister will only consider 10% of the amount of money received by a pensioner/applicant from a roomer or boarder as income.
11. Where no amount is indicated on an application or financial report, all boarders living with a pensioner or applicant will be deemed to be paying $255.00 per month when the boarder has income from any source. Where the boarder rents a room only, he will be deemed to be paying $135.00 per month.

Income from Children

12. Income from children will not be considered except in certain cases where a discretionary pension has been awarded under subsections 52(1), (3) or (4) of the *Pension Act*. In such cases, subsection 52(6) of the *Pension Act* shall be applied.
13. The Minister will apply the provisions of subsection 52(6) if the child is eighteen years of age or older unless:
    a. the child is incapacitated by physical or mental incapacity; or
    b. the child is under the age of twenty-five but is following and making satisfactory progress in a course of instruction approved by the Minister; or
    c. evidence exists that the child is unemployed.

14. In those cases where legislation indicates that income from children must be considered, the policy as set forth in paragraphs 10 and 11 (Income from Boarders) will apply.

Income from Old Age Security (OAS)/ Guaranteed Income Supplement (GIS)

15. The full amount of OAS and GIS, as supplemented by any provincial payments to old age pensioners, will be computed as income.

Income from Social Assistance

16. All applicants or recipients of discretionary awards will be deemed to be in receipt of all social benefits for which they may be eligible, including War Veterans Allowance, even if they choose not to apply for them.
17. No reduction shall take place in discretionary award until three months after the recipient has been advised that he or she has been deemed to be in receipt of such social benefits.

Expenses

18. When calculating the amount of an applicant's/pensioner's expenses, the Minister will allow a cushion based on the number of persons, as indicated in paragraph 19. h).

Controllable Expenses

19. To assist the Minister in determining what could be considered to be a reasonable amount claimed as a "controllable" expense, the following monthly expenses are used as a guideline:
    a. Food (not applicable to Room and Board)
        i. One person: $550.00
        ii. Two people: $880.00
    b. Clothing: $225.00
    c. Comforts: $210.00
    d. Church/Charities: $90.00
    e. Medical/Dental: $130.00
    f. Transportation: $155.00
    g. Household Operations (not applicable to Room Only, and Room and Board):
        i. Home owner: $195.00
        ii. Home Renter: $155.00
    h. Cushion:
        i. One person: $105.00
            - Room Only or Room and Board pensioner who is ill: up to $155
        ii. Two people: $140.00
        iii. Three people or more: $155.00
    i. Total:
        i. One person:
            - Home Owner: $1,660.00
            - Home Renter: $1,620.00
            - Room Only: $1,465.00
            - Room and Board: $915.00
        ii. Two people:
            - Home Owner: $2,025.00

- Home Renter: $1,985.
- Room Only: $1,830.00
- Room and Board: $950.00

Uncontrollable Fixed Expenses

20. The following are considered to be monthly expenses over which the applicant or pensioner has no control:
    a. Rent (including Room and Board, and Room Only)
    b. Mortgage
    c. Property Tax
    d. Water Tax
    e. Property Insurance (fire, etc.)
    f. Life insurance premiums (for policies not in excess of $10,000.00)
    g. Telephone (not including long distance charges)
    h. Heating (pro-rated over 12 months)
    i. Miscellaneous (up to $50 per month for snow removal, groundskeeping, etc.)

Debts

21. Debts will not normally be considered as part of a pensioner's or an applicant's expenses.

Amount of Discretionary Award

22. In determining the amount of a discretionary award, the Minister is normally concerned with current circumstances and in such cases the amount determined in the decision is the amount to be paid at the date of the decision.
23. Where the amount of a discretionary award is not dictated by legislation, the amount of award authorized shall be rounded up to the nearest dollar.
24. Where the award is retroactive, the amount of the pension awarded is to be adjusted each year of the retroactive period in accordance with changes in the Consumer Price Index.

References

Pension Act, sections 52 and 53; subsections 3(1), 22(2), 42(5), 47(2), 47(3)