SOCIAL ASSISTANCE REFORM

Overview

Reducing, preventing and alleviating poverty is a commitment of the provincial government.

As work continues to rebuild New Brunswick, the goal is to ensure that all New Brunswickers have the opportunity to take part in strengthening our quality of life and communities together.

New Brunswick has a unique model for poverty reduction that contains many commitments and actions in the areas of literacy, housing and transportation that, in addition to many social programs and services, will help lift people out of poverty.

The poverty reduction plan involves government, businesses, community non-profit organizations, and people who have experienced poverty, working in partnership on the actions to improve the quality of life for people who are experiencing life in a state of poverty.

Excellent progress has been made to address the issue of poverty in New Brunswick: creation of the Healthy Smiles, Clear Vision program for children of low-income families; an increase of 20 per cent to the disability supplement; an increase to the school supplement for low-income families; and a seven per cent increase to the social assistance rate.

One of the priority actions in the province’s poverty reduction plan was to reform the social assistance system.

In January 2011, an Advisory Committee on Social Assistance Reform was established to provide advice and feedback on the reform of the social assistance system. Through the work of the Advisory Committee, significant reforms to the social assistance program were introduced in October 2013. These reforms represented the broadest number of policy changes to the program since the 1990’s.

The changes, outlined below, are part of the ongoing work to reform social assistance and are expected to have a positive impact on our clients.

Changes effective October 1, 2014 include:

- New wage exemption policy for persons with disabilities
- Increase in allowable asset limits for persons with disabilities
- Increase in allowable asset amounts for applicants and clients
- New youth services programs
New wage exemption policy for persons with disabilities

Changes will be made to assist persons with disabilities keep money earned from either part-time, full-time or self-employment when calculating income for social assistance.

The fixed portion amount of the wage exemption for persons who are certified as disabled will increase from $250 to $500 monthly, while continuing to allow individuals with a disability to keep 30 per cent of every dollar earned beyond $500.

The chart below outlines the wage exemptions increase based on the household types:

<table>
<thead>
<tr>
<th>Household Type</th>
<th>Wage Exemption Amounts Before October 1, 2014</th>
<th>Wage Exemption Amounts After October 1, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Disabled</td>
<td>$250 fix portion amount + (30% of the balance of the earnings)</td>
<td>$500 fix portion amount + (30% of the balance of earnings)</td>
</tr>
<tr>
<td>Two person unit (one or both disabled)</td>
<td>$300 fixed portion + (30% of the balance of the earnings)</td>
<td>$500 fix portion amount + (30% of the balance of earnings)</td>
</tr>
</tbody>
</table>

Increase in allowable asset limits for persons with disabilities

Persons with disabilities will benefit from a liquid asset exemption of $10,000 per unit, an increase from the current $3,000 for single disabled and $4,000 for family disabled units. An exemption of $50,000 in RRSPs will also be offered to persons with disabilities to allow those requiring assistance to qualify without liquidating accumulated assets and incurring a penalty.
Increase in allowable asset amounts for applicants and clients

Life insurance and prepaid funeral amounts for clients and applicants will no longer be restricted, allowing them to qualify for income assistance without needing to liquidate these assets. Self-employed clients or applicants will also see the existing business asset exemption period increase up to a maximum of a full year from the existing 90 days.

The chart below outlines the specific assets changes including which client groups will benefit:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Current Exemption</th>
<th>October 1, 2014 Exemption amounts</th>
<th>Client Group that Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life Insurance</td>
<td>$2,000</td>
<td>Unlimited</td>
<td>All clients and applicants which includes persons with a disability</td>
</tr>
<tr>
<td>Prepaid Funerals</td>
<td>$4,280</td>
<td>Unlimited</td>
<td>All clients and applicants which includes persons with a disability</td>
</tr>
<tr>
<td>Business Assets</td>
<td>Exempt for 90 days upon becoming eligible</td>
<td>Extend exemption for up to a maximum of 12 months</td>
<td>All previously self-employed clients and applicants which includes persons with a disability</td>
</tr>
<tr>
<td>RRSP</td>
<td>No exemption ($0.00)</td>
<td>$50,000 but only for disabled clients</td>
<td>Disabled clients/applicants</td>
</tr>
<tr>
<td>Liquid Assets</td>
<td>$1,000 non-disabled singles</td>
<td>$1,000 non-disabled singles</td>
<td>Disabled clients/applicants</td>
</tr>
<tr>
<td></td>
<td>$2,000 non-disabled families</td>
<td>$2,000 non-disabled families</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$3,000 single disabled</td>
<td>$10,000 only for disabled clients (family and single units)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$4,000 family disabled</td>
<td>$10,000 only for disabled clients (family and single units)</td>
<td></td>
</tr>
</tbody>
</table>
New youth services programs

16-18 years old

A new service delivery model outside of the social assistance system will be in place to better serve the specific needs of youth 16-18 years of age who are receiving social assistance. These youth will benefit from a new service delivery model focused on developing self-reliance and independence while also providing services and benefits available under other child welfare programs. Through this program, case management will be expanded to include connections to family and/or community as well as provide support and services to minimize factors that prevent a successful transition to adulthood.

19 & 20 year old

Young adults 19 and 20 years of age will no longer be served under the Social Assistance Youth Policy. They will be served under the department’s existing Transitional Assistance or Extended Benefits Programs. This change will result in an increase to the rate of assistance for this group. For example, a single individual aged 19 or 20 will receive a monthly increase in their rate of social assistance from $358 to $537.

The reforms outlined below came into effect on October 1, 2013.

- Social Assistance Rate Increase
- Wage Exemption Policy
- Shelter Deductions for Disabled Clients
- Household Income Policy
- Income Supplement

Social Assistance Rate Increase

Social assistance provides financial support to people who have no other income to meet their basic needs of food, clothing and shelter.

The basic rate of social assistance was increased by seven per cent. In October 2013, all social assistance clients, except for single clients who are able to work, saw their basic rates increase by four per cent. The rate will increase by another three per cent in April 2014.

In 2010, single employable clients who are able to work received an 82 per cent increase, $294 to $537, in their monthly benefits when the interim assistance rate was eliminated.

In addition to receiving monthly social assistance payments, support and guidance is available to clients in their pursuit of employment.
The chart below outlines the basic rate of social assistance provided to four specific household types:

<table>
<thead>
<tr>
<th>Household Type</th>
<th>Rate as of April 2014</th>
<th>Present rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single parent with one child</td>
<td>$887</td>
<td>$827*</td>
</tr>
<tr>
<td>Two parents with two children</td>
<td>$995</td>
<td>$927*</td>
</tr>
<tr>
<td>Single Disabled</td>
<td>$663</td>
<td>$618</td>
</tr>
<tr>
<td>Single with Long term Needs designation or significant, multiple barriers to employment</td>
<td>$576</td>
<td>$537</td>
</tr>
</tbody>
</table>

*Families with high shelter costs will see a larger difference in the rate that they are receiving today and that as of April 2014 due to the merging of the rate schedules.

For further details on social assistance rates, reference one of these rate tables:

- Extended Benefits (Certified Disabled)
- Youth
- Transitional Assistance

In addition to the basic social assistance payments, there are many other benefits to help social assistance clients and low-income families:

- Benefits for transportation to medical appointments, employment and training programs.
- Extended health care coverage for clients exiting social assistance to employment.
- Disability supplement
- Income supplement
- Day care assistance
- Heating and energy supplements
- Dental and vision coverage
- School supply supplements

**Wage Exemption Policy**

The wage exemption policy exempts a portion of a client’s wages earned from either part-time, full-time or self-employment when calculating income for social assistance. This policy permits clients to earn a certain amount of income without affecting their social assistance benefits. As an example, a single client is able to earn a flat wage exemption of $150 with no deductions to their cheque. For every additional $1 in earnings their benefits are reduced by $1.

As of October 1, 2013, the fixed wage exemption was retained; however clients now keep 30 cents of every additional $1 earned.
The chart below outlines the wage exemptions for specific household types:

<table>
<thead>
<tr>
<th>Household Type</th>
<th>Wage Exemption Amounts Before October 1, 2013</th>
<th>Wage Exemption Amounts After October 1, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single parent with one child</td>
<td>$200</td>
<td>$200 fixed portion amount + (30% of the balance of the earnings)</td>
</tr>
<tr>
<td>Two parents with two children</td>
<td>$200</td>
<td>$200 fixed portion amount + (30% of the balance of the earnings)</td>
</tr>
<tr>
<td>Single Disabled</td>
<td>$250</td>
<td>$250 fixed portion amount + (30% of the balance of earnings)</td>
</tr>
<tr>
<td>Single Youth Participating</td>
<td>$150</td>
<td>$150 fixed amount + (30% of the balance of earnings)</td>
</tr>
</tbody>
</table>

Shelter Deductions for Disabled Clients

Prior to October 1, 2013, when a client with certified disabilities was living in their parents’ home, there could be a reduction in the client’s social assistance benefits of up to 25 per cent.

As of October 1, 2013, the shelter deduction was eliminated for clients with certified disabilities who are living in the parental home where the parental income is less than $50,000. In instances where the parental income is greater than $50,000, the shelter deduction was reduced to $100 for single clients and to $150 for two or more persons.

Household Income Policy

Social assistance benefits are based on the number of people living in each household and their available resources.

An Economic Unit is defined as two or more persons residing together in one household who share the responsibilities of the unit and benefit economically from the sharing of food, shelter and/or facilities.
When an Economic Unit is determined to exist, only one social assistance cheque is provided for that household.

It is recognized that there are often extenuating circumstances to be considered and that some people are more vulnerable than others. There are 14 exemptions to the Household Income Policy. They include:

- Youth under the age of 19
- Single parents
- Elderly parent(s) living with their adult child(ren)
- 16-18 year old single parents living in their parental home
- Adult Child With Income
- Extended Benefits Clients
- Blind, Deaf or Disabled
- Rental accommodations
- Boarding accommodations
- Student roommates
- Transitional Assistance clients (including single employable) living in their parental home
- Long-Term Need Clients
- Victim of abuse
- Single clients with multiple education, health, housing and social challenges that present chronic, significant barriers to employment

As of October 1, 2013, a new exemption to the Household Income Policy was created for single clients with multiple education, health, housing and social challenges that present chronic, significant barriers to employment.

This new exemption provides these clients with more options and choices for their living arrangements and allows them to reduce their shelter costs.

**Income Supplement**

The income supplement is an ongoing special benefit available to families with children who have high shelter costs.

In these situations, these families are paying more than 30 per cent of their basic social assistance to cover the cost of their rent.

Prior to October 1, 2013, the ongoing special benefit was $70 per month from May to October and $100 per month from November to April.

As of October 1, 2013, this special benefit was increased by 20 per cent to $84 per month from May to October and $120 per month from November to April.