

Self-Employment Benefit

Guidelines

September 2017

Self-Employment Benefit

DEPARTMENT OF POST-SECONDARY EDUCATION, TRAINING AND LABOUR

OVERVIEW

The Self-Employment Benefit Program helps unemployed individuals create a job for themselves by starting a new business. The program provides various types of support during the initial development phase of the business including financial assistance, coaching and ongoing technical advice. Coaching is tailored to meet individual needs and can include subjects such as business plan development, accounting, and marketing.

The Self-Employment Benefit Program is delivered in partnership with non-profit, private and/or public organizations. Services with these organizations are purchased in accordance with the *New Brunswick Public Purchasing Act*, Regulation 94-157.

DESCRIPTION

To access the Self-Employment Benefit Program, the applicant must meet with the Self-Employment Benefit Coordinator in their area. The Self-Employment Benefit Coordinator will analyze the applicant's strengths and needs, and recommend whether or not self-employment is an option.

If this is an option, the applicant submits an application and, with the assistance of the Self-Employment Benefit Coordinator, prepares a business plan. The application and business plan will be presented to a Committee and evaluated according to provincially established program criteria.

Applicant must not start his/her business until approval for the Self-Employment Benefit Program has been granted and the applicant has signed a contract. The successful applicant will be officially made aware of his/her acceptance into the Self-Employment Benefit Program by receipt of a Letter of Offer from the Department of Post-Secondary Education, Training and Labour.

ELIGIBILITY

Applicant:

To be eligible for Self-Employment Benefit, individuals must meet the following criteria:

- Must be legally entitled to work in Canada.
- Must reside in New Brunswick, or be willing to establish residency in New Brunswick.
- Must not be a full-time student.
- Must be unemployed and EI eligible.
- Must present a business plan.
- Must work full-time at the business (at least 35 hours per week).
- Must have decision-making control over the business operation.
- Must have 50% or more ownership.

- Situations where the individual and/or family members (spouse, parent, child, brother or sister) own similar businesses must be reviewed for eligibility on a case-by-case basis.
- Must agree to and have an acceptable credit review.
- Must be able to provide additional capital to the business in form of cash or in-kind contributions at a minimum of 5% of total start-up costs.
- Must not have started the business prior to being approved and signing a contract for the Self-Employment Benefit program.
- Must not have received funding under the Self-Employment Benefit Program within the last five years.

Business:

A business started under the Self-Employment Benefit Program must meet the following general criteria:

- The business must be a for-profit venture.
- The business must operate on a full-time basis for a minimum of 44 weeks per year.
- Businesses deemed to be in undue competition with existing ventures will not be eligible for funding.
- The business must be established in New Brunswick and begin operation within ten weeks of signing a Self-Employment Benefit contract.
- 50/50 Partnership businesses will be considered if a formal written agreement is provided, which details the business partners' relationships. Both partners can apply to the program.
- Businesses with a franchise fee of \$50,000 or less are eligible.
- Businesses which are based on commission sales, pyramid-type selling, network marketing, and 1-900 numbers are not eligible.
- A business which is not in the public interest is not eligible.
- A business which exploits sex, religion or politics is not eligible.
- A business which exploits vulnerable groups is not eligible (ex .pay day loans).
- The business must demonstrate viability.

FUNDING

- Under the Self-Employment Benefit Program, if the individual is receiving or is eligible to receive Employment Insurance benefits, they will continue to receive these benefits until their claim ends. At that time, they will receive support at a provincially established rate for the duration of time remaining on the program.
- If the individual is approved for the Self-Employment Benefit Program but not receiving Employment Insurance benefits, they will receive a weekly allowance at a provincially established rate. The Self-Employment Benefit Coordinator in their area can provide them with additional information on what other support may be available to them.
- Revenue from the business will not be deducted from their benefits while they are participating in the Self-Employment Benefit Program.

Note: If they earn over a certain amount in a tax year (as determined by Revenue Canada), benefits may be clawed back when they file their income tax return for the year. They must check with Revenue Canada if they have any questions concerning this matter.

PROGRAM ADMINISTRATION

The Department of Post-Secondary Education, Training and Labour has full discretion in the administration of its programs and in the application of these guidelines to ensure funding is provided to those projects that contribute to the fulfillment of its mandate. In applying the program guidelines, the Department of Post-Secondary Education, Training and Labour may take into consideration the following factors:

- Budget Allocation
- Provincial/Regional Priorities
- Geographical Consideration and Population
- Number of applications and/or maximum amount approved per proponent per fiscal year
- Priority Groups

CONTACTS

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