

## YOUTH WITH INCOME

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**Policy no.:** 5.7

**Effective Date:** June 30, 2011

**Date Revised:** February 8, 2017

**Policy Cross References:** Financial Services for Youth

**Legislative References:** s.67 Youth services agreements

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**PURPOSE:** To outline when deductions from a youth's income shall be made.

### **POLICY:**

1. Youth approved for *Residential Services* shall be advised that where their monthly income exceeds the basic monthly exemption, their monthly allowances will be reduced.
2. Providing a basic exemption to youth who earn income provides an incentive to seek employment opportunities by encouraging a youth to develop financial independence.

### **PROCEDURES:**

#### **Providing a Basic Exemption**

1. When a youth is not enrolled in a post-secondary education program, a basic exemption of \$200 per month will be applied to the youth's net income. The remaining net earnings will be deducted dollar for dollar from the youth's monthly allowances.
2. When a youth is enrolled in a post-secondary education program, a basic exemption of \$100 per week will be applied to the youth's net income. The remaining net earnings will be deducted dollar for dollar from the youth's monthly allowances.
3. *Unearned income* will be deducted, dollar for dollar, from the youth's monthly allowances. Refer to examples outlined below for direction on applying the basic exemption formula. These exemptions will be calculated prior to the completion of the financial request.
4. A social worker shall request a monthly copy of a youth's pay stubs to calculate the deductions to the youth's monthly allowance.

#### **Summer Employment**

5. A social worker shall advise the youth that he/she may be expected to demonstrate that they are saving for post-secondary education. The social worker may request to view a

youth's bank statement to confirm that the youth is saving money from their employment.

**The following deduction examples are included as a guide for staff:**

**Example #1**

Jane resides in a board and lodging arrangement with her aunt and receives a monthly housing and personal allowance totaling \$680. Jane works part-time and her monthly net pay is \$425. The deduction formula is as follows:

**Step 1** – Apply \$200 exemption and deduct remaining amount from monthly allowances.

$\$425 - \$200 = \$225$  is the deduction amount.

**Step 2** – Determine Jane's monthly allowances and deduct \$225.

$\$680 - \$225 = \$455$

**Step 3** - Determine and advise Jane of monthly allowance remaining once deductions are made.

\$455 monthly allowance paid to Jane to supplement \$ 425 employment earnings.

**Example #2**

John resides in a board and lodging arrangement with his aunt and receives a monthly housing and personal allowance totaling \$680. John receives a \$200 dependent's pension monthly.

**Step 1** – deduct pension amount, dollar for dollar, from the monthly allowance amount

$\$680 - \$200 = \$480$  is the remaining amount

**Step 2**- Determine and advise John of monthly allowance remaining once deductions are made.

\$480 monthly allowance paid to John to supplement his \$200 pension income.

**EXCEPTIONS TO POLICY:**

1. *Summer employment* will be exempt from deductions if the youth is returning to high school or is enrolled in a post-secondary program beginning in the fall.
2. Scholarships awarded to a youth will be exempt from deductions.

**RELEVANT DOCUMENTS:** None