

GOVERNMENT AMENDMENT

AMENDMENTS TO BILL 26

**AN ACT TO COMBAT POVERTY AND FIGHT
FOR ALBERTANS WITH DISABILITIES**

A1 Agreed to November 28, 2018

The Bill is amended as follows:

A Section 2(3) is amended

- (a) in the proposed section 3.1(1)(d) by striking out “the Schedule” and substituting “Schedule 1”;
- (b) in the proposed section 3.1(2) by striking out “the Schedule” wherever it occurs and substituting “Schedule 1”;
- (c) in the proposed section 3.2(1)(c) by striking out “the regulations” and substituting “Schedule 2”;
- (d) in the proposed section 3.3(b)(i) by striking out “the regulations” and substituting “Schedule 2”.

B Section 2(5) is amended by adding the following after clause (a):

- (a.1) by repealing clause (c);

C Section 2(6) is amended

- (a) in the proposed schedule
 - (i) by renaming the proposed schedule as “Schedule 1”;

(ii) in section 6

(A) in clause (b) by striking out “the regulations” and substituting “Schedule 2”;

(B) in clause (c) by striking out “the regulations” and substituting “Schedule 2”;

(b) by adding the following after Schedule 1:

Schedule 2

Determination of Income

Total income

1(1) The following constitute income that is included in a determination of income:

- (a) income reportable under the *Income Tax Act* (Canada) that is not exempted under Table 1;
- (b) tax-exempt employment, self-employment or pension income of a treaty Indian;
- (c) the value of support, as determined by a director, received by a sponsored immigrant under an agreement under the *Immigration and Refugee Protection Act* (Canada);
- (d) trust income, as deemed by a director, payable to a beneficiary under a trust.

(2) The following are deducted from the related income under subsection (1) in a determination of income:

- (a) if the income is employment income,
 - (i) the deductions allowable under the *Income Tax Act* (Canada) for
 - (A) income tax,
 - (B) *Canada Pension Plan* (Canada) premiums,
 - (C) employment insurance premiums,
 - (D) union, professional and like dues, and

- (E) other employment expenses,
 - and
 - (ii) any deductions required by an employer as a condition of the employment;
 - (b) if the income is self-employment income, limited or non-active partnership income or rental income, the deductions allowable under the *Income Tax Act* (Canada) for
 - (i) determining net income,
 - (ii) *Canada Pension Plan* (Canada) contributions, and
 - (iii) union, professional and like dues;
 - (c) if the income is employment insurance income, income tax;
 - (d) if the income is tax-exempt employment income of a treaty Indian,
 - (i) the deductions that would have been allowable under clause (a)(i), had the income been taxable, and
 - (ii) any deductions allowable under clause (a)(ii);
 - (e) if the income is tax-exempt self-employment income of a treaty Indian, the deductions that would have been allowable under clause (b), had the income been taxable.
- (3)** Despite subsection (2), a director is not required to deduct the following under that subsection:
- (a) any amount referred to in subsection (2)(a)(i), (b), (c), (d)(i) or (e) that, in the director's opinion, would not be allowed under the *Income Tax Act* (Canada) or that artificially reduces net income;
 - (b) any amount referred to in subsection (2)(a)(ii) or (d)(ii) that the director is not satisfied is being deducted as a condition of the employment.

(4) After the items in subsection (2) have been deducted, the following are deducted from income, subject to subsection (5):

(a) if the applicant or client does not have a cohabiting partner or a dependent child,

(i) in respect of income that is listed in Table 2, the sum of

(A) 100% of the income up to \$300, plus

(B) 25% of the remainder,

and

(ii) in respect of self-employment and employment income, the sum of

(A) 100% of the income up to \$1072, plus

(B) 50% of the income in excess of \$1072 up to \$2009;

(b) if the applicant or client has a cohabiting partner or a dependent child,

(i) in respect of income that is listed in Table 2 and income of the cohabiting partner that is listed in Table 3, the sum of

(A) 100% of the income up to \$875, plus

(B) 25% of the remainder,

and

(ii) in respect of self-employment and employment income, the sum of

(A) 100% of the income up to \$2612, plus

(B) 50% of the income in excess of \$2612 up to \$3349.

(5) For the purposes of subsection (4), cohabiting partners who are both applicants or clients are treated as if

(a) they did not have a cohabiting partner, and

(b) only one has, if any, a dependent child.

(6) The remainder of the income is then prorated or applied to a specific month in accordance with section 2 of this Schedule to determine income for the purposes of sections 3.2(1)(c) and 3.3(b)(i) of this Act and section 6(b) and (c) of Schedule 1.

(7) If the hourly minimum wage established under the *Employment Standards Code* is increased, the maximum amounts referred to in subsection (4)(a)(ii) and (b)(ii) must be increased by a percentage, rounded to 3 decimal places, equal to the percentage increase in the minimum wage and rounded up to the nearest dollar.

Monthly income

2(1) Self-employment income is determined by taking the previous year's income and prorating it over 12 months.

(2) Income, excluding self-employment income, is determined, in the sole discretion of a director, by one of the following methods:

- (a) if income is reported monthly, based on the prior month's actual income;
- (b) if income is reported other than monthly,
 - (i) based on actual monthly income of the prior reporting period,
 - (ii) based on the prior reporting period's actual income prorated over the number of months in that period, or
 - (iii) a combination of (i) and (ii).

(3) Despite subsection (1), if, in a director's opinion, there is a significant change in the present year's self-employment income, the director may prorate the previous year's self-employment income over a different period.

(4) Despite subsections (1) and (3), if, in a director's opinion, income is reported that relates to a different or longer period, the director may apply or prorate the income to that period.

Amending this Schedule

3 The Lieutenant Governor in Council may by regulation amend this Schedule as follows:

- (a) by adding additional types of deductions from income under section 1(2);
- (b) by adding additional amounts not required to be deducted from income under section 1(3);
- (c) by increasing the amounts referred to in section 1(4);
- (d) by adding additional sources of income to be exempted under Table 1, 2 or 3.

Table 1
100% Income Exemptions

1 The following income reportable under the *Income Tax Act* (Canada) is exempted from the determination of income:

- (a) honoraria;
- (b) death benefits;
- (c) income for the benefit of a dependent child under the following:
 - (i) a child support agreement;
 - (ii) the *Child, Youth and Family Enhancement Act*;
- (d) a benefit under this Act;
- (e) a benefit under the *Seniors Benefit Act* if it is received by a cohabiting partner;
- (f) RRSP withdrawals;
- (f.1) a payment under a registered disability savings plan under section 146.4 of the *Income Tax Act* (Canada);
- (g) an award or prize given in recognition of outstanding academic or community achievement;
- (h) a scholarship, bursary or other form of contribution used for educational purposes at a school or educational establishment recognized under the *Income Tax Act* (Canada);

- (i) an education or training grant, an artist grant or a grant to start a business;
- (j) money received for home repairs or renovations from the Government of Canada or Alberta or from a community service organization;
- (k) income exempted by the Minister where
 - (i) an applicant or client or his or her cohabiting partner is residing in a facility, and
 - (ii) the Minister determines that the inclusion of the income would create a financial hardship;
- (l) a payment received from the Government of Canada or Alberta or the government of another province or territory exempted by the Minister for the purpose of this clause.

Table 2
Partial Income Exemptions

- (a) limited or non-active partnership income;
- (b) rental income;
- (c) trust income;
- (d) non-pension annuity income;
- (e) investment income.

Table 3
Special Income Exemptions for Cohabiting Partners

- (a) pension income;
- (b) income under the *Workers' Compensation Act*;
- (c) income under the *Employment Insurance Act* (Canada);
- (d) income, other than a death benefit, under the *Canada Pension Plan* (Canada).