

Social Assistance Act R.S.P.E.I., 1988, S - 4.3	Program	Child Care Subsidy	
	Subject	Income	Policy #5
Effective Date: January 7, 2011		Authorized by: Carol Anne Duffy	
Revised Date: June 5, 2015		Deputy Minister	

1.0 PURPOSE

- 1.1 To establish the types of income that will be used to determine eligibility for the Child Care Subsidy Program.

2.0 DEFINITIONS

- 2.1 **Applicant:** Parent(s)/guardian(s) who apply for Child Care Subsidy.

3.0 POLICY STATEMENT

- 3.1 The following types of income will be used to determine eligibility for subsidy:
- Total income as defined by the *Income Tax Act, R.S.P.E.I., Cap. I-1*. This includes employment income, commissions, pensions, disability benefits, Employment Insurance, Canada Pension Plan or Old Age Security Benefits, taxable income, net partnership income, taxable capital gains, rental income, child support, alimony, Registered Retirement Savings Plan income, self-employment income, worker's compensation benefits, net federal supplements and interest from investments;
 - Training, education grants and bursaries including those issued through Canadian and provincial student loan programs, excluding education costs for tuition, books, travel and student/education fees; and
 - Funds available to the applicant for child care supports under the Labour Market Development Agreement and the Labour Market Agreement will be taken into consideration when determining initial and ongoing eligibility for the Child Care Subsidy Program.

3.2 The following types of income will be exempted:

- The full amount of the Canada Child Tax Benefit which includes the Child Tax Benefit, National Child Benefit Supplement and Child Disability Benefit;
- The full amount of the Universal Child Care Benefit;
- Registered Disability Savings Plan benefits;
- Employee contributions to Employment Insurance, Income Tax, Canada Pension Plan, Employer Pension Plans, union/professional dues and health plan premiums;
- Income from Registered Pension Plans and Registered Retirement Savings Plans up to a maximum of 10% of total income;
- Assets (e.g., property, savings, shares, investments, trust funds, etc.) up to a maximum of \$100,000; and
- Canadian and provincial loans issued through student loan programs.

3.3 For families currently participating in the workforce, a wage exemption of \$125.00 per month earned plus 10% of the balance of net earned income will be applied.

4.0 REFERENCES

Income Tax Act, R.S.P.E.I., Cap. I-1

HISTORY:

May 1, 2015: Student loan income exempted.

June 5, 2015: Editorial and format changes.