

<i>Social Assistance Act/Regulations, R.S.P.E.I., 1988, S-4.3</i>	<b>Program</b>	<b>Social Assistance</b>	
	<b>Subject</b>	<b>Transition to Employment</b>	<b>Policy # 3-15</b>
<b>Effective Date: September 1, 1990</b>		<b>Authorized by:</b>	
<b>Revised Date: January 4, 2016</b>		<b>Deputy Minister, Teresa Hennebery</b>	

## 1.0 PURPOSE

- 1.1 To reduce the short-term financial hardship that may be associated with commencing employment or employment-related training.

## 2.0 DEFINITIONS

- 2.1 **Applicant:** a person who applies for social assistance or a person who receives social assistance.
- 2.2 **Basic Needs:** items that are essential to maintain the minimum living requirements of an applicant and the applicant's spouse and dependants including food, clothing, personal requirements, household supplies, shelter (rent or mortgage or room/board, fuel, electricity, water/sewerage, property taxes, fire insurance) and local transportation allowance.
- 2.3 **Continuing Special Needs:** items that are required on a regular basis for the health, safety or well-being of an applicant but are not considered basic need items as described in Regulations 16-18. Continuing special need items may include, but are not limited to employment-related transportation, child care expenses, medical supplies, special diet, pregnancy food allowance, medical-related transportation, etc.
- 2.4 **Earnings:** wages, salaries, commission, tips, training allowances and self-employed earnings.
- 2.5 **Earning exemption:** the proportion of earnings that are not included in the calculation of financial need. For a single applicant, the first \$75.00 earned per month and 10% of the balance of earnings exceeding \$75.00 are exempt. For an applicant who has a spouse or dependants, the first \$125.00 earned per month and 10% of the balance of earnings exceeding \$125.00 are exempt.

- 2.6 **Transition Benefit:** the amount calculated to be required by the applicant to meet basic needs during the transition to employment.
- 2.7 **Transition Month:** the first full month following the month in which the applicant begins employment or employment-related training.

### **3.0 POLICY STATEMENT**

- 3.1 An applicant's decision to accept an employment or training opportunity should not result in financial hardship to the applicant.
- 3.2 Applicants who have commenced employment or training after receiving assistance for the current month, and whose financial resources for the transition month are insufficient to meet expenses, may be eligible for a transition benefit.
- 3.3 Income received from employment or training in the month in which employment commenced (less earnings exemption) shall be deferred to the transition month.
- 3.4 In the determination of transition benefits for the transition month, the following expenses shall be included:
- full allowable shelter costs,
  - food, clothing, household and personal (FCHP) costs for the family size or room/board costs, prorated to the date of the first pay cheque of the transition month, and
  - continuing special needs prorated to the date of the first pay cheque of the transition month.
- 3.5 Where the transition benefit and earned income is clearly more than is required to cover the costs defined in 3.4, a lesser amount may be granted.

### **4.0 PROCEDURE STATEMENT**

- 4.1 The Social Assistance Case Worker shall complete a Transition to Employment Benefit Worksheet when employment is determined to be full-time.
- 4.2 Income received in the applicant's household at the end of the month must be deferred to the transition month and calculated as other income received in the prorated period as per 3.4, e.g. Canada Pension.

- 4.3 The Social Assistance Case Worker shall grant the transition benefit amount as eligibility for the transition month unless the normal budget deficit calculation is greater.
- 4.4 The Social Assistance Case Worker shall use the income type “Transition to Employment Adjustment” in ISM in order to adjudicate the Transition to Employment Benefit amount.
- 4.5 The Social Assistance Case Worker shall continue to use the normal budget deficit method for the months following the transition month.

## **5.0 REFERENCES**

*Social Assistance Program, Income Exemptions Policy*

*Social Assistance Program, Special Needs Expenditures-General Policy*

## **6.0 ATTACHMENTS**

Transition to Employment Benefit Worksheet

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### History:

January 4, 2016: Editorial and format changes. Additions to the Procedure Statement include:

- reference to “transition to employment adjustment” required to facilitate the adjudication of the benefit in the program; and
- reference to deferral of household income - which is current business practice for this benefit calculation.

SOCIAL ASSISTANCE PROGRAM

TRANSITION TO EMPLOYMENT BENEFIT WORKSHEET

MONTH EMPLOYMENT COMMENCED

Month: \_\_\_\_\_ Year: \_\_\_\_\_

Income to be received this month from NEW employment \_\_\_\_\_

Less earnings exemption ( \_\_\_\*+ 10% of balance) - \_\_\_\_\_

Balance deferred to next month \_\_\_\_\_

*\*Use only 10% of new income if base amount previously granted to other family member*

FIRST FULL MONTH OF EMPLOYMENT (TRANSITION MONTH)

Month: \_\_\_\_\_ Year: \_\_\_\_\_

- Rent or mortgage \_\_\_\_\_
- Electricity \_\_\_\_\_
- Fuel \_\_\_\_\_
- Taxes \_\_\_\_\_
- Fire Insurance \_\_\_\_\_
- Lot Rental \_\_\_\_\_

Total Shelter \_\_\_\_\_

*\*Pro-rated costs to date of first pay cheque in month*

$$\frac{\text{FCHP or Room \& Board}}{30} \times \text{Number of Days} \left( \$ \frac{\quad}{30} \times \quad \text{Days} \right) = + \underline{\hspace{2cm}}$$

Continuing special needs (pro-rated)

Item	Monthly Amount
_____	_____
_____	_____
_____	_____
_____	_____

$$\frac{\text{Monthly Total}}{30} \times \text{Number of Days} \left( \$ \frac{\quad}{30} \times \quad \text{Days} \right) = + \underline{\hspace{2cm}}$$

**TRANSITION NEED** \_\_\_\_\_  
**Less Income Deferred** - \_\_\_\_\_  
 Less Other Income received in pro-rated period - \_\_\_\_\_

**Transition Benefit** \_\_\_\_\_

BUDGET DEFICIT CALCULATION

Month: \_\_\_\_\_ Year: \_\_\_\_\_

Regular Monthly Expense \_\_\_\_\_

Net Earned Income \_\_\_\_\_ (Total Family)

Earnings Exemption \_\_\_\_\_ ( \_\_\_\_\_ + 10% of balance)

Reduced Income \_\_\_\_\_

Other Income \_\_\_\_\_ (All sources)

Total Income \_\_\_\_\_

Budget Deficit \_\_\_\_\_