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WHERE TO FIND US

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The TAPS office is located on the traditional, ancestral, and unceded territory of the lək'wəjən People known today as the Songhees and Esquimalt Nations.

Wills and Don'ts

Receiving inheritance on PWD

CAITLIN WRIGHT, INCOME ASSISTANCE LEGAL ADVOCATE



As an income-tested benefit, there are several rules about the types and amounts of money a person on provincial disability assistance (or Persons with Disabilities/PWD) can receive while still maintaining their benefits. This means that receiving unexpected funds such as an inheritance can actually put recipients of government assistance in stressful situations as they attempt to navigate their reporting responsibilities without losing their disability benefits.

The Ministry of Social Development and Poverty Reduction ("the Ministry") classifies income received by people on PWD into two categories: either "unearned" or "earned." As the name suggests, **earned income** is money received through work or employment, and folks receiving PWD are allowed to earn a certain amount of this type of income per year and maintain their full PWD benefits.

Unearned income is any other incoming money that is not from work or employment is typically deducted from a person's Ministry assistance dollar-for-dollar. However, there are certain types of income that, despite being unearned, will not be deducted from a person's assistance.

While The Employment and Assistance for Persons with Disabilities Regulations has a long list of these types of unearned and exempt income, for the purposes of this article, we will be looking specifically at inheritance and what might happen when someone on PWD receives it.

ARTICLE CONTINUES ON NEXT PAGE

An **inheritance**, as defined by legislation, is money or value received by a will or probate from the estate of a deceased person and is exempt as income under the Regulations. This means that any income a person receives through inheritance will not be deducted from their PWD assistance the following month like other forms of unearned income would be.

While this means that any inheritance a person receives will not be deducted off their PWD assistance the following month, receiving an inheritance could still have an impact on a person's disability benefit depending on the amount received. This is because folks receiving PWD are subject to an asset limit of \$100,000. The remainder of this article will focus on the process to report and declare an inheritance to the Ministry, interactions between an inheritance and asset limit, options available to maintain PWD status while being over the asset limit, and how a TAPS Income Assistance advocate may be able to help.

I received an inheritance unexpectedly – how should I report it to the Ministry?

There are 3 basic things the Ministry will need to know to apply the income exemption to an inheritance:

- proof that the money is an inheritance from a will/estate of a deceased person,
- the total amount of money received, and
- the date it was received.

The best reporting tool is the Monthly Report, either online through My Self Serve or via paper copy. There is no checkbox specifically for "inheritance", but you can report it in the "All other income/money received" box and use the text box to explain that it's an inheritance received last month. It is recommended you also give the Ministry any copy of the will naming you to receive the inheritance, and be sure that it includes the name of the estate or deceased person and your own name. If you don't have a copy of the will, it's best to contact the person that sent you the money (often called the executor of the will/or estate), and ask for it as soon as possible. Another helpful thing to include is a bank transaction, like a deposit slip or statement, showing the inheritance funds being put into your account. If you received the inheritance as a cheque or money order, take a picture of it before taking it to your bank (the Ministry considers the date you received the funds to include if you received it in cheque-form, even if you haven't deposited it into your bank account yet!)

I received an inheritance over the PWD asset limit of \$100,000. Will this negatively impact my PWD assistance?

When a person with PWD status receives any form of money, it is considered income during the month they received it. The month following this, that money transforms into an asset. So, while an inheritance of \$150,000 received in September wouldn't impact the benefit disbursement the person receives at the end of October for the month of November, it could impact how much they receive at the end of November for the month of December, since then their assets would be over \$100,000. This is called having assets "in-excess", or over the limit allowed to be eligible to continue PWD benefits.

There are options available for people with PWD designation in this type of situation. Under Section 12.1 of the Regulations, a person with PWD designation can have their excess assets exempted if they can show the Ministry that they intend to establish a Registered Disability Savings Plan (RDSP) or a trust and to put all of some of the asset into it.

What is an RDSP?

A registered disability savings plan is a type of bank account a person with disabilities can create through a participating financial institution. In order to create one, the person must apply and be approved for the federal **Disability Tax Credit** ("DTC") through the Canada Revenue Agency ("CRA").

What is a trust?

A trust is a legal arrangement that allows a third-party (or “trustee”) to hold onto assets on someone else’s (“the beneficiary”) behalf. Trusts can be created by banks or trust lawyers.

There are two kinds of trusts considered by the Ministry for this temporary asset exemption:

A non-discretionary trust is exempt as an asset so long as the value of all contributions over time does not exceed \$200,000. Any return on investment to grow the value of the trust is also exempt. A PWD client as the beneficiary of the trust can have some power and control over money from the trust, and not just the trustee.

A discretionary trust is not considered to be an asset by the Ministry. This is because with a discretionary trust, the trustee has absolute control and authority over the trust, including when and how much money to take out of the trust and give to the beneficiary as well as overall spending from the trust. The value of a discretionary trust can thus be any value, since the PWD client is the beneficiary, and cannot be the trustee.

How long do I have after receiving the assets do I have to set up an RDSP/trust?

The exemption starts on the date the person received the excess money and ends 3 months after that date. It can be extended on a month-by-month basis, if the Ministry is satisfied you are making reasonable efforts to establish one of options above. You can provide proof of your efforts to the Ministry in the form of notes, letters, or other documents from your bank, a lawyer, or a financial planner that confirms you are working on establishing an RDSP or trust. If you are working on applying for the DTC in order to be eligible for an RDSP, you can submit notes or letters from your doctor or other health practitioner confirming you are working on that application. If you are awaiting the decision, you could try asking the CRA to provide you a letter that confirms you submitted an application for the DTC and are awaiting a determination.

It is wise to provide the Ministry with as much of the above information as possible – if they are not satisfied that you are making reasonable efforts to establish one of these options then the temporary exemption is no longer applicable, and you could be at risk of your PWD benefits stopping.

I already have some assets and the inheritance money I received is putting me very close to going over the \$100,000 asset limit. How do I make sure the Ministry knows I’m still under my asset limit?

A great option for PWD clients when they receive an inheritance that does not exceed \$100,000 but puts them very close to going over is to ask their bank for a “Bank Profile” (sometimes called a “Summary of Accounts”, or “Account Statement”). This document will list all the financial products you have with your bank, including every-day accounts, savings accounts, RRSPs, tax-free savings account, etc. and their individual values. This can be used to demonstrate that your cash assets are under the asset limit. If you have non-cash assets, like a recreational vehicle, or own piece of property or home (that you don’t live it), it’s important to remember they also count towards your asset limit, and to have some way of demonstrating their value to the Ministry as well.



**Are you a Ministry client who has received an inheritance and need more help? Reach out to a TAPS income assistance advocate for assistance!
250-361-3521**

What's New at TAPS?



As the warmth of summer fades and we start to transition into fall, we wanted to take a moment to share some important updates and reflections with you.

This summer has brought not only scorching heat waves but also a pressing realization – dangerous heat is our new normal. We recognize this urgent intersection between the climate justice and social justice, as folks with fewer resources are disproportionately affected by extreme heat. Most of the 619 people who died in BC during the 2021 heat dome were from low-income communities and didn't have access to adequate cooling mechanisms in their homes. We engaged in lively discussions over the last few months with media outlets across Canada about protecting renters from dangerous heat. We firmly believe landlords should be required to ensure safe temperatures within rental homes – including making sure that tenants have access to cooling mechanisms that protect them from dangerous heat.

This fall brings many changes to our staff team. We celebrate the anticipated arrival of two TAPS babies: Emily Rogers, our Director of Operations, and Sydnie Lazina, our Front Desk Coordinator, will both be going on parental leave very shortly. Antonia Mah, one of our remarkable Tenant Advocates, will step into the role of Director of Operations during Emily's parental leave. We're excited to share that Steven Hemmerich, who recently completed his practicum with our Income Assistance team, and will step in for Antonia as a Tenant Advocate as she takes on management responsibilities for the next year.

Kennedy Gurn, our practicum student, finished her placement in August. She made significant contributions to the Volunteer Disability Advocacy Project and our heartfelt gratitude goes out to her. Morghan Watson, our Tax Coordinator, bids us adieu as she embarks on a new adventure in Toronto. Morghan's steady expertise during the record-breaking 2023 tax season was truly commendable. While we are very sad to say goodbye to Morghan, we are looking forward to welcoming a new Tax Coordinator very shortly. Stay tuned to the next issue of Taproot for an introduction!

We are also thrilled to announce Nikki Lee as a new full time permanent Tenant Legal Advocate at TAPS. Nikki completed her law degree at the University of Victoria. During her law degree, Nikki volunteered with Access Pro Bono advocating for people contesting involuntary treatment under the BC Mental Health Act and represented them in front of the Mental Health Review Board. Nikki also volunteered with Access Pro Bono providing legal advice to low-income clients at Our Place Society. We are delighted to welcome Nikki to the team!

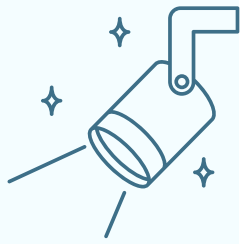
Finally, our TAPS Nanaimo operation is officially moving into a new space. Doug, Emily, and Antonia moved our Nanaimo team into a gorgeous new office space that allows us to offer in-person client appointments and expand our Nanaimo legal advocacy services. We look forward to showing you photos and providing a fulsome update in the next issue of Taproot.

We navigate these transitions, advocate for justice, and support one another with the same commitment to social and economic justice that we always have. Thank you for being an integral part of our TAPS community!

DOUGLAS KING
EXECUTIVE DIRECTOR

EMILY ROGERS
DIRECTOR OF OPERATIONS

New Staff Spotlight



TENANT LEGAL
ADVOCATE

Nikki (she/her)

Where did you grow up?

Mostly Winnipeg but also Lahr, Germany

One album you'll never get sick of?

One?! "xo" by Elliot Smith

What are you watching right now?

Shameless (US Version)

What's your favourite smell?

(Almost) anything baking

What are you most looking forward to about working at TAPS?

Spending my time doing work that's in line with my values and also seeing the bear poster in my office every day (I love bears)



TENANT LEGAL
ADVOCATE

Steve (he/him)

Where did you grow up, again?

Nanaimo, BC

What are you watching right now?

I've been binging the Eric Andre show

What's the best thing that you did this summer?

I survived my practicum at TAPS and managed to get a spot on the team!

What's one thing you're looking forward to about your new role at TAPS?

There's so much to learn in this role. I'm really excited to get to know the rest of the tenancy team, as well as learning all that I can about tenant advocacy

Shelter Rate Updates

GILLIAN GAFFNEY, INCOME ASSISTANCE LEGAL ADVOCATE

The Ministry of Social Development has finally made some long awaited (but still insufficient) increases to their rates for clients receiving assistance. Starting August 1st, 2023, new shelter rates were implemented for Ministry clients. These changes were first reflected on the July 19th cheque, for those who were eligible.

What is the change?

Maximum shelter rates for all family units have increased by \$125 per month. This means the maximum monthly shelter rate for a single person is now \$500, and, for a family unit of 2, \$695. Minimum monthly shelter rates remain at \$75.

How do I access the increase?

If you have already demonstrated to the Ministry that you have shelter costs at or above the maximum rate for your family unit, you should have received the increase automatically. For those who do not have costs on file with the Ministry, you must provide them with updated information to demonstrate your actual shelter costs.

What is a shelter cost?

An allowed shelter cost includes:

- Rent, campsite fees, or dock fees for the family unit's place of residence
- Mortgage, property taxes, house insurance, strata fees, and some maintenance and repairs if the family unit owns their place of residence
- Fuel for cooking or heating (can include firewood, etc.)
- Water/sewage
- Hydro
- Weekly or biweekly garbage disposal service
- Home phone

How do I update the Ministry?

You can update your shelter costs with the Ministry by providing them with copies of any tenancy agreement, notice of rent increase, copies of utility bills, rent receipts, or a completed Shelter Information Form. These documents can be provided to the Ministry in person, online using My Self Serve, or by mailing them to the Ministry office.

I have more questions/I need help!

Call TAPS at **250-361-3521** or stop by during our open hours, we would be happy to help/connect you with an advocate as needed.

Notices



NOW RECRUITING Volunteer Advocates

TAPS' Volunteer Disability Advocacy Project is seeking new volunteers to help community members apply for provincial disability benefits!

Volunteers work directly with applicants to navigate the lengthy and complex PWD application process, help them communicate with physicians, and review the completed application for submission.

Ideal candidates will be empathetic, adaptable, have strong writing skills, can follow directions, can engage in feedback, and are willing to devote approximately 3 hours per week to this role.

Interested? Contact Megan at megan@tapsbc.ca or by calling our office at 250-361-3521!

Want to share your story?

Taproot welcomes stories, articles, artwork, and poetry from readers

Send your idea or piece to community@tapsbc.ca

or drop off/mail to 828 View Street, Victoria BC V8W 1K2

We can't wait to hear from you!

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About TAPS

Together Against Poverty Society (TAPS) is the largest anti-poverty organization on Vancouver Island. Established in 1989, TAPS is a recognized leader and resource for citizens, community groups, and social agencies attempting to reduce poverty, serving over 7,000 residents of Greater Victoria, adjacent municipalities, and the Southern Gulf Islands each year... and we still cannot meet the needs of all who approach us.

At TAPS, we believe that the causes of poverty are in the social, economic and political institutions of our society – not the failings of the individual. Through legal advocacy and public education, we have a positive impact on people’s lives in ways that honour and promote human rights, justice, and a healthy, sustainable community. TAPS is a non-profit society whose membership is open to individuals or groups concerned with the preservation of civil society, social justice, the eradication of poverty, as well as the continuing moral progress of those ideals.



become a DONOR

The simplest way to support TAPS with a financial donation is online at: www.tapsbc.ca/donate

Want your contribution to go farther? Consider becoming a **monthly donor!**

Physical donations can be mailed to or dropped off at:
828 View St.

Victoria BC, V8W 1K2

If you'd like a charitable tax receipt, be sure to include your name, contact information, and mailing address!

become a MEMBER

Please consider becoming a member of our organization to support the important work we do in the fight against poverty.

TAPS members can vote at our AGM and receive updates on our work throughout the year. There is no cost to membership.

To fill out a membership form, visit: www.tapsbc.ca/taps-membership or swing by our office!

OUR FUNDERS:



THIS ISSUE OF TAPROOT WAS EXPERTLY PRINTED BY:

DENMAN PRINT WORKS
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ACKNOWLEDGEMENTS:

Taproot is edited and designed by Emma White.

Illustrations by Joan Stiebel and Emma White.

Special thanks to the wonderful volunteers at the Garth Homer Society for helping us distribute Taproot within the community.