

Subject: Treatment of Individual Compensation Payments as Income and Assets

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BACKGROUND:**Sixties Scoop Settlement Agreement**

Under the Sixties Scoop Settlement Agreement, the Government of Canada (GoC) and class members have negotiated a settlement to compensate individuals who suffered a range of harms as a result of the Sixties Scoop. The federal government will issue compensation payments to eligible claimants up to \$50,000 per person.

Final Settlement Agreement (Ross, Roy and Satalic and Her Majesty the Queen)

Under the Final Settlement Agreement, the GoC and class action members have negotiated a settlement to compensate members of the federal public service impacted by government policies and actions, such as investigations, sanctions and termination of employment based on sexual orientation, gender identity and gender expression. Compensation payments may range between \$5,000 and \$150,000 per person depending on the level of harm.

Raymond Michael Toth v. Her Majesty the Queen Class Action Settlement Agreement

Under the Toth v. Her Majesty the Queen Class Action Settlement Agreement, the GoC and class members have negotiated a settlement to compensate disabled veterans who suffered harm from policies and practices that resulted in the deduction of disability pension benefits under veteran support programs. Lump-sum payments will be made to eligible veterans, spouses, dependents, survivors and to the estates of eligible deceased veterans and may range from \$2,000 to \$50,000 per person.

Payments as Assets

The Minister has exercised her authority under Schedule 2, section 2(2)(i) of the AISH General Regulation to **exempt**, as assets, the above compensation payments made to eligible class members.

Payments as Income

Under the Assured Income for the Severely Handicapped (AISH) General Regulation, Schedule 1.1, section 1(1)(a), these payments are not included in the determination of income as they are not reportable to the Canada Revenue Agency (CRA) under the federal *Income Tax Act*.

Note:

Interest or investment income generated from these payments that is reportable to the CRA is considered [passive business income](#) and receives a partial income exemption. Any money remaining from these interest or investment amounts in subsequent months is considered a non-exempt asset.

INTENT:

To ensure that AISH program policy accurately reflects the treatment of individual compensation payments from the Government of Canada to class action members.

POLICY:

The following program policies have been updated:

- The [Income Type Exemption Table](#) have been updated under the [Income Policy](#).
- Assets – [Government Payments](#)