

Assured Income for the Severely Handicapped

Subject: Federal Indian Day Schools (McLean) Settlement Agreement: Treatment of Individual Payments as Income and Assets.

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BACKGROUND:

Under the Federal Indian Day Schools (McLean) Settlement Agreement, the Government of Canada and class members have negotiated a settlement to compensate individuals who attended Federal Indian Day Schools and suffered a range of harms. The federal government will issue compensation payments from \$10,000 to \$200,000 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.

Payments as Assets

Under the AISH General Regulation, Schedule 2, section 2(2)(i), the Minister exercised her authority to exempt compensation payments made to eligible class members and any asset to the extent it was purchased with that payment. As a result, these payments are not considered in the determination of assets and do not impact program eligibility or eligibility for personal benefits.

INTENT:

To ensure that AISH policy accurately reflects the treatment of individual payments under the Federal Indian Day Schools (McLean) Settlement Agreement.

POLICY:

The following program policies have been updated:

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