

Subject: Treatment of Class Action Settlement Payments to former Manitoba Developmental Centre Residents

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**BACKGROUND:**

The Government of Manitoba has reached a settlement in the *Weremy v Manitoba* class action. Under the Settlement Agreement, payments will be provided to former residents of the Manitoba Developmental Center (MDC) who allege there was negligence and breach of fiduciary duty in the operation of the MDC which resulted in physical and sexual harm to some residents. Payments will range between \$3,000 and \$85,000, depending on the circumstances.

Settlement payments to claimants are not considered income by the Assured Income for the Severely Handicapped (AISH) program, as they are not reportable to the Canada Revenue Agency under the *Income Tax Act (Canada)*.

To ensure that clients' eligibility and benefits are not impacted by these payments, the Minister has exercised his authority to exempt these payments as an asset, including any asset to the extent it was purchased with the payment, through a Ministerial Order.

**INTENT:**

To ensure AISH policy accurately reflects the treatment of these settlement payments.

**POLICY:**

The following policies have been updated:

- [Income Type Exemption Table](#) under the [Income Policy](#)
- [Government Payments](#)