

# Annual Earnings Exemption for Employees Receiving Disability Assistance

## OVERVIEW

Employees receiving disability assistance from the provincial government can use an annual earnings exemption to keep more of the money they earn from work. Earnings exemption limits were increased effective October 1, 2017.

Single people can earn up to \$12,000 in a calendar year while still receiving their full disability assistance benefits from the provincial government.

### What is the Annual Earning Exception?

- BC has an annual earnings exemption (AEE) for people who have the Persons with Disabilities (PWD) designation and are receiving disability assistance.
- A single person with the PWD designation can earn up to \$12,000<sup>1</sup> in employment income after deductions<sup>2</sup> from January 1 to December 31 each year without it reducing their monthly assistance cheque.
- The ministry deducts income above the annual limit from their assistance cheque.
- People can earn money over the course of the year on a casual, weekly, seasonal or on-call basis. The AEE places no restrictions to how a work schedule is structured.

### How does AEE work?

The following examples are for a single person.

If your employee earns \$12,000 or LESS in the calendar year:

- There is no effect on their monthly disability assistance cheques.
- There is no carry-over of exemption from year to year.

If your employee earns MORE than \$12,000 in the calendar year:

- The ministry will reduce additional income from their disability assistance cheques dollar for dollar.
- Even if they earn over their exemption limit, they will continue to receive their transportation support allowance and medical benefits.
- There is a delay between the month someone earns income and the month their disability assistance is reduced. For example, if they reach the \$12,000 limit in May, they will not see a change to their disability assistance cheque until July. (see the table on Page 2)

This may cause some anxiety on the part of your employee if they have not been properly tracking their earnings.

Income earned in	Is reported in	And deducted from the cheque issued at the end of	Meant to cover expenses for
May	June	June	July

### What are my responsibilities as the employer?

Employers are not responsible for reporting income for their employees with disabilities or monitoring the AEE. You may wish to support your employees in the following ways:

Employers are not responsible for reporting income for their employees with disabilities, or for monitoring their employee's earnings in regards to the AEE limit. You may wish to support your employees in the following ways:

- Talk with your employee about their employment goals as related to AEE. Understanding employment goals will be very useful when scheduling work hours.
- Employees with disabilities will not be financially worse off from working beyond their AEE limit. However, some employees may not want to earn above their AEE limit to prevent deductions from their assistance. In such cases, employers can help by monitoring hours to ensure the employee earns under their limit for the calendar year.
- Some employees will not want to limit their earnings, and may want to earn above the AEE limit.
- If your employee has any questions about AEE, please direct them to call the ministry at 1 866 866-0800 or visit <http://www.sdsi.gov.bc.ca/pwd/aee/faq.html>

### What are the responsibilities of the employee?

- Each month that your employee receives a pay cheque, they are required to report their income after deductions to the provincial government.
- Income can be reported online using [My Self Serve](#), by mail, or in-person at a ministry office or ServiceBC office in their community.
- An employee should keep track of income earned through the year to know how much exemption they have used, and when their disability assistance may be reduced.
- This [worksheet](#) can help them track their income and exemption limit.
- People can also get an update of their exemption amount by checking their My Self Serve account or by phoning the Ministry.
- The Ministry will also send a letter when someone is getting close to their AEE limit.

<sup>1</sup> The annual earnings exemption varies with household size and composition:

- \$12,000 for a single person with the PWD designation
- \$14,400 for a family with two adults with only one person with the PWD designation
- \$24,000 for a family where both adults have the PWD designation

<sup>2</sup> Allowable deductions from earned income are any amount deducted at source for:

- income tax, employment insurance, medical insurance, Canada Pension Plan, superannuation, company pension plan and union dues.