

Annual income period and calculation



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Calculation of income

The total gross annual income of an individual's family unit is relevant to determining whether they are financially eligible for legal aid services.

LAO calculates total gross annual income in one of two ways:

- Monthly income:
 - Gross monthly income X 12 months; or
 - Gross bi-weekly income X 2.15 weeks X 12 months; or
 - Gross weekly income X 4.3 weeks X 12 months

Or

- Income averaging
 - an average of monthly income from all sources over 12 months preceding the application for legal aid services.

The relevant income period for determining financial eligibility begins at the time that the individual seeking legal aid services became aware of the need for legal services (e.g. since being charged criminally, since becoming separated, or since becoming involved with the Children's Aid Society).

Where income has not been a predictable amount from the same source for the past 12 months or where the individual has a known upcoming income change, income averaging is used.

Income types

LAO determines which of the above methods of calculating income to use based on the type of income the individual receives:

Income will be calculated using the monthly income method when:

- a. An individual has had stable income for the past 12 months, meaning:
 - consistent gross income received from all sources at regular intervals
 - determined from pay statements or bank statements
- b. An individual has non-employment income, including:
 - individuals who have no reasonable employment prospects and are in receipt of Employment Insurance, OW, ODSP, CERB, Canada Pension Plan, Old Age Security, or other pension
 - Individuals are in receipt of short- or long-term disability and have no fixed return to work date
 - Individuals are in receipt of child and/or spousal support payments and are seeking employment after a period of long unemployment

Income will be calculated using the income averaging method when:

- a. An individual has fluctuating income, including:
 - Individuals who have employment arranged to commence in the near future
 - Individuals with ongoing transitional employment (often move from one job to another, registered with temporary employment agencies)
 - Individuals who are seasonally employed
 - Student with full-time summer employment transitioning to part-time hours
 - Individuals with some employment income (e.g. contract, hours vary and/or income is supplemented by another program such as EI)
 - Individuals who are paid in cash
- b. An individual has a known upcoming income change, including:
 - Individuals recently released from custody who have employment in place
 - Individuals in receipt of OW until EI waiting period has ended
 - Individuals who were previously unemployed but starting new employment