

Ontario Works and Gifts

There are rules about how much money a person living on Ontario Works can receive in gifts or “voluntary payments”. Generally, a person living on Ontario Works can receive gifts up to a maximum of \$10,000 in a 12-month period. There are rules around reporting gifts, and decisions on how to spend, save, or invest gifts may impact Ontario Works assistance. Read on for more information!

About this info sheet:

This info sheet was created by staff at the [Income Security Advocacy Centre \(ISAC\)](#) in September 2023. The information below is designed to answer common questions and is not legal advice.

Each person living on Ontario Works may have different circumstances. If you receive a gift, donation, or voluntary payment and you have questions, seek legal advice from your [local community legal clinic](#).

I live on Ontario Works. Can I accept a cash gift?

Yes, those living on Ontario Works can receive gifts or financial help from friends, relatives, and other sources up to a maximum of \$10,000 in a 12-month period. You can use this money for any purpose. However, you do have reporting obligations (see “What are your reporting obligations to Ontario Works” below).

I am going to use a gift to pay for first or last month rent to find a place to live, but it will take me some time to find a place. Can I accept the gift now?

You can accept gifts or voluntary payments in any amount for:

- Buying a principal residence;
- Buying an exempt motor vehicle; or
- Paying for first or last month rent to secure accommodation.

You should inform your Ontario Works caseworker about the gift, and that you intend to use the gift to pay for **first or last month rent to find a place to live**.

For example, write a letter (and keep a copy!) to your Ontario Works caseworker as follows:

“My brother is giving me \$2,500 as a gift so I can pay first and last month rent to find an apartment. It will take me some time to find an apartment.”

When you spend the money, keep your receipts to prove that you used the money for the intended purpose.

If you plan to use the money **to buy a car or to secure a place to live**, make sure to do that **within six months** of receiving the gift. Ontario Works will not count the value of your

first car. However, they will count part of the value of any other cars you buy. If you plan to use the gift **to buy a home**, make sure to do that **within one year** of receiving the money.

If you do not use the money for the intended purpose and the gift is above the \$10,000 limit, Ontario Works will consider the money **an asset in the month after you receive it**. This could have an impact on whether you continue to be eligible for Ontario Works (see “What if I receive a lump sum gift and I have money in the bank? How could it affect my Ontario Works?” below).

I am going to use a gift to contribute to a Registered Education Savings Plan (RESP) or a Registered Disability Savings Plan (RDSP). Can I do that?

Contributions to a Registered Education Savings Plan or Registered Disability Savings Plan are completely exempt and are separate from the \$10,000 limit. You will still have to report the gift and you should keep proof that shows that you used the gift to contribute to your RESP or RDSP.

I received a \$500 gift card from a local charity and I live on Ontario Works. What next?

People living on Ontario Works are able to keep any amount of any income received from a religious, charitable, or benevolent organization, for any purpose. A donation from these organizations is separate from the \$10,000 limit. You may want to ask the organization for a letter setting out that the donation is from the organization, so that you can easily report the gift to Ontario Works.

The interaction between charitable donations and asset limits is important to remember. In the month that you receive a charitable donation, the donation is exempt as income. However, in the following month, Ontario Works will treat the donation as an asset. The liquid asset limits will apply (see “What are “liquid assets” and asset limits?” below) unless the money is already exempt under a different rule. Ensure that you get legal advice if you are in this situation (see “Ontario Works reduced my income because of the gift, what should I do?” below).

What are “liquid assets” and asset limits?

There are rules in Ontario Works about how much a person can have in “liquid assets”, which includes money in a bank account or certain kinds of investments, like Registered Retirement Savings Plans (RRSPs) that are not locked-in and money in Tax Free Savings Accounts (TFSA).

The interaction between gifts/voluntary payment limits and asset limits is important to consider. In the month that you receive a gift, Ontario Works treats the gift as income. As long as you are under the \$10,000 in a 12-month period limit, the amount is exempt. However, in the following month, if you have not spent the gift and, for example, the money remains in your bank account, Ontario Works treats the gift as an asset. Ontario Works can cut off or reduce your financial assistance if your assets are worth more than what the rules say you can have.

What are my reporting obligations to Ontario Works?

Report – You are required to report all income that you or a member of your family receives to Ontario Works. These reporting obligations include gifts, training allowances, donations, etc. You may want include a letter from the person or the organization who provided you the gift when you report the gift to Ontario Works.

Keep your documents – Safeguard your reporting document because Ontario Works can later ask you to provide receipts, gift or donation letters, and statements to verify your income, donations, expenses, and assets. You should keep proof that you reported the donation to Ontario Works and in some cases how you spent the gift (i.e., purchase of a car).

Resubmit documents, if necessary – Ontario Works may review your reporting, receipts, and statements to verify your eligibility, and re-request records that you have already submitted.

What if I receive a lump sum gift and I have money in the bank? How could it affect my Ontario Works?

As long as you have not gone over the \$10,000 in a 12-month period limit or if the money you received is exempt from the limit under special rules (e.g., placed in an RESP or RDSP, used to buy your first car, etc.), the amount is exempt under the rules and will not affect your benefits. Remember, in the month after you receive the lump sum, the lump sum is considered an asset.

If your total liquid assets are under the limits laid out below, there should be no impact on your benefits. The following table outlines the allowable asset limits used to determine initial and ongoing eligibility for assistance under Ontario Works.

Family Type	Asset limit
Single	\$10,000
Couples	\$15,000
Couples with one dependent	\$15,500

You can find the complete asset limit chart [here](#).

Ontario Works reduced my income because of the gift, what should I do?

Ontario Works may decide that the gifts or donations are income under Ontario Works rules. **You should get legal advice if you are in this situation.**

If your income assistance is reduced or suspended, or Ontario Works says that you owe money, you may be able to dispute the decision. You can find out more information from [Steps to Justice](#) or [Community Legal Education Ontario](#). [Talk to a community legal clinic](#) if you need help to dispute a decision.

Where can I go if I have more questions?

You can talk to your Ontario Works caseworker if you have questions. You can also refer to the OW Policy [5.7 Gifts and voluntary payments](#). Your circumstance may vary from others. You can also contact your [local community legal clinic](#) if you have questions about gifts or donations and Ontario Works.