

<b>Manitoulin-Sudbury District Services Board POLICY &amp; PROCEDURES MANUAL</b>	
Section: F. Children's Services	Effective Date: January 2010
Topic: 9. Eligibility Criteria for Parents	
Subject: 9.3. Self-Employed	
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## POLICY

Clients with self-employment income, reported to Canada Revenue Agency (CRA), will be assessed for financial eligibility using the same Income Test procedure as all other clients. Eligible hours will be determined taking into account the length of time the business has been in operation and the viability of the business.

## PROCEDURE

### *Parental contribution*

Clients with self-employment income, reported to Canada Revenue Agency (CRA), will be assessed for financial eligibility using the same Income Test procedure as other clients.

If the client states that their current "net" income is 20% less than the income reflected in line 236 of the most recent Notice of Assessment (NOA), the Application for Reduction in Parental Contribution must be completed.

Projected income will be assessed for the current calendar year based on the completion of CRA form T2125 (Appendix A) "Statement of Business or Professional Activities" for the year-to-date. The purpose of using T2125 is to show that the activity of self-employment is a viable operation. If eligible for a reduced parental contribution, the projected income will be reassessed annually using the T2125.

### *Assessing a new business*

To ensure that new businesses are given time to become established, the following will be used to determine the parental contribution:

- In year one, T2125 will be used to assess the parental contribution. The most recent NOA must also be provided to the Case Manager.
- In year two, T2125 will be used to assess the parental contribution. The most recent NOA must also be provided to the Case Manager.
- In year three, the most recent NOA will be used to assess the parental contribution.

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**Eligible Hours of Care**

If the business activity is viable, the client may determine the need for child care up to a maximum of five full days per week.

Extended hours, or more than five days of care, may be approved for self-employed applicants based on verification of hours of business operation, on an exception basis.