

**Reasons for Decision:**

**Order # AP2021-0093**

On <date removed>, <name removed> filed an appeal of the Director's decision to deny their application for a child care subsidy under The Manitoba Community Child Care Standards Act. The date of the decision was <date removed>.

The decision letter sent to <name removed> stated the reason for the denial was that their family contribution amount was greater than the cost of care.

<name removed> was accompanied at the hearing by <name removed>.

At the hearing, <name removed> told the Board they were approved to receive a child care subsidy for the period of <dates removed>. <name removed> indicated that part way through the eligibility period, the day care centre was closed in response to the Covid 19 pandemic. The appellant contacted the Department, and was told that they would need to reapply for the subsidy once the day care centre re-opened, and they would receive the unused portion of the eligibility period as part of their new application.

<name removed> indicated that in <month removed> they took a job as a <profession removed>, which increased their net bi-weekly income by <amount removed>. <name removed> stated their family is solely supported by their income, which is insufficient to cover the costs of their living expenses.

<name removed> stated their re-application for the child care subsidy was denied, as a result of the change in their income. The appellant contacted the Department about the denial, and was found eligible for a small subsidy due to their medical condition. <name removed> stated that the subsidy they were found eligible for does not make a difference in the cost of their child care, and argued that due to the impact of the pandemic, the appellant should be found eligible for the same subsidy amount that was provided in their first application.

The Department stated the child care subsidy is an income based program. When determining eligibility for the subsidy, the Department does not consider living expenses, such as mortgages and utilities.

The Department indicated that <name removed> was found eligible for the subsidy, under the work search category, for the period of <dates removed>. Due to the measures taken to control the spread of the pandemic during this time period, the Department determined it would extend any unused work search eligibility period for those who still meet the financial eligibility requirements.

The Department received <name removed>'s re-application for the subsidy on <date removed>, at which time they verified their income, and indicated that their partner had returned to their search for work. <name removed>'s income had increased by approximately <amount removed> at the time of their re-application, and they were denied the subsidy as their family contribution amount exceeded the cost of care.

The Department stated that during a conversation with <name removed>, they disclosed that both the appellant and their partner had diagnosed medical conditions. As a result, the Department was able to re-calculate the subsidy, which resulted in a partial subsidy amount being provided.

In response to a question from the Board, <name removed> indicated that the appellant works a set part time schedule, and their income does not fluctuate. The appellant stated the income amount used by the Department was their gross income, and was not reflective of the income they take home. The Department stated that it uses gross income when determining eligibility; but also factors payroll deductions such as income tax, CPP, and pension contributions into its calculation. This results in an applicant's net income being the basis of the subsidy.

In response to a question from the Board, the Department indicated <name removed> would have been advised that if their income was the same as in their first application, they would be eligible for the same subsidy amount. The Department was required to recalculate the subsidy amount due to the change in their income. <name removed> indicated they understood that the Department has to use their current income when calculating the subsidy, but asked for an exception to be made due to the circumstances caused by the pandemic.

In response to a question from the Board, the Department indicated that the eligibility criteria for the subsidy are set out in the legislation and regulation, and that the Department has no discretion in this regard.

The Board acknowledges <name removed>'s financial circumstances, but is also mindful that the eligibility criteria for the subsidy are legislated, and are based solely on family income.

After careful consideration of the written and verbal evidence submitted to it, the Board determines that the Department assessed <name removed>'s application correctly according to the legislation and regulations. The Board confirms the Director's decision to deny the child care subsidy.

## **DISCLAIMER**

These are electronic copies of the Reasons for Decision issued by the Social Services Appeal Board. These written reasons have been edited to protect the personal information of individuals by removing personal identifiers.