



Can I get money or other support from ODSP if I get an inheritance?

The rules that the Ontario Disability Support Program (ODSP) has about getting an inheritance are complicated. It is always best to talk to a lawyer before making any decisions.

An inheritance is money or other property that you get from someone who dies.

An inheritance can affect whether you qualify to get money from ODSP.

To decide if you qualify, ODSP counts all of your income and assets. You will **not** qualify if:

- Your income is too high. Income is money you get, for example, a pay cheque.
- Your assets are worth too much. Assets are valuable items that you keep, for example, money in a savings account or property that you own.

If an inheritance increases your income or assets too much, you may not qualify for money from ODSP. For example, a single person cannot have assets worth more than \$40,000.

How much income you can earn depends on the size of your family and the cost of your housing.

Income and assets that do not count

There are times when an inheritance is “exempt”. This means that ODSP does not count it as income or assets. And it does not affect whether you qualify for ODSP. The rules about when income and assets are exempt are explained below.

But even if your inheritance is exempt, you must tell ODSP about it.

Rules about gifts

An inheritance is a gift. Usually, ODSP does not count gifts as income. But if you get **more than \$10,000** worth of gifts in one year, ODSP counts any gifts above \$10,000 as income.

If the total of all of your gifts, including your inheritance, is **less than \$10,000**, ODSP does not count your inheritance as **income**. You can spend it any way you want.

If you keep a gift instead of spending it, ODSP counts the gift as an asset. So if you keep any of your inheritance instead of spending it, ODSP counts what you keep as an asset. ODSP counts it as an asset the month after you get it.

For example, you get an inheritance of **\$8,000 in July**. You spend \$3,000 right away and keep \$5,000 in a savings account. ODSP will not count any of your inheritance as an asset in July but will count **\$5,000** as an asset **in August**.

Rules about spending your inheritance

ODSP will not count any part of your inheritance that you use to:

- buy items or services for your disability
- pay first and last month’s rent if you need a place to live
- help buy a home for you to live in
- buy a car

If you plan to use the inheritance for **rent** or to **buy a car**, make sure to do that within 6 months of getting the inheritance. ODSP will not count the value of your first car. But they will count part of the value of any other cars you buy.

If you plan to use the inheritance to **buy a home**, make sure to do that within 12 months of getting the inheritance.

If you need more time to use the inheritance for rent, a car, or a home, talk to your ODSP worker.

And before you spend your inheritance, talk to your ODSP worker or a lawyer about your plans. Keep your receipts to prove how you spent the money.

Rules about saving your inheritance

To qualify for ODSP, you cannot have assets that are worth too much. ODSP will not count your inheritance as an asset if you put it into:

- a Registered Education Savings Plan (RESP)
- a Registered Disability Savings Plan (RDSP)

Rules about trusts

A trust is when someone called a “trustee” manages your inheritance for you. A trustee can also be an organization like a bank or a community organization.

ODSP does not count an inheritance of **up to \$100,000** as an asset if the money is in a trust. The trust must be setup:

- according to ODSP rules, and
- within 6 months of when you get the inheritance.

ODSP does not count an inheritance of **more than \$100,000** as an asset if the money is put in a “discretionary trust” or “Henson trust”. This means that the trustee gets to decide when to pay you

and how much. This kind of trust must be set up in the will of the person who gives you the inheritance.

ODSP considers payments from a trust to be gifts. So the rules about gifts apply to payments from trusts.

Get legal help

Because ODSP rules about inheritances are complicated, it is important to get legal advice. Start by contacting your local community legal clinic.

To find the clinic nearest you, visit Legal Aid Ontario's website at www.legalaid.on.ca/legal-clinics.

Or call them:

Toll-free: 1-800-668-8258

TTY use Bell's Relay Service: 1-800-855-0511



Visit www.stepstojustice.ca for more information about Income Assistance. This is general information for people in Ontario, Canada. It is not intended to be used as legal advice.

Vous pourriez avoir droit à des services en français devant les tribunaux ou auprès d'organismes gouvernementaux. Visitez www.justicepasapas.ca/droits-linguistiques-des-francophones.