



R. West & Associates Inc.

Licensed Insolvency Trustee

2016 Surplus Income Standards

The Superintendent of Bankruptcy's Surplus Income Standards are derived from the Low Income Cutoffs released by Statistics Canada.

# of persons in family	1	2	3	4	5	6
Income standards	\$2,089	\$2,601	\$3,197	\$3,882	\$4,403	\$4,965

The bankrupt is required to pay 50% of their net adjusted income (or 50% of their proportionate share of the household's net adjusted income) that exceeds their applicable income standard.

The net adjusted income equals the household's net income less the applicable non-discretionary expenses (child support, alimony, daycare, medical expenses, and so on).

Example: Single parent (one child) paying daycare costs

Bankrupt's net wages + child tax benefit	\$3,500.00
Less: Daycare	(400.00)
Bankrupt's adjusted net monthly income	3,100.00
Superintendent's standard (2)	(2,601.00)
Total monthly surplus income	499.00
Surplus Income Obligation (required payment)	<u>\$249.50</u>

Example: Family of two where the other person is not bankrupt (proportionate share)

	Bankrupt	Spouse	Total
Net wages	\$2,100.00	\$1,400.00	\$3,500.00
Less: Child support obligation	(300.00)		(300.00)
Less: Medical costs	(50.00)	(50.00)	(100.00)
Adjusted net incomes	1,750.00	1,350.00	3,100.00
Family unit adjusted income			3,100.00
Superintendent's standards			(2,601.00)
Total monthly surplus income			499.00
Bankrupt's proportionate share $(1,750 \div 3,100) = 56.45\%$			
Proportionate share adjustment $(499 \times 56.45\%) =$			281.69
Surplus Income Obligation (required payment from bankrupt), as per Directive 11R2 $(\\$281.69 \times 50\%) =$			<u>\$140.85</u>