

R. West & Associates Inc., L.I.T.



2017 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	\$2,121	\$2,640	\$3,246	\$3,941	\$4,470	\$5,041

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	<u>(400.00)</u>
Bankrupt's adjusted net monthly income	3,100.00
Superintendent's standard (2)	<u>(2,640.00)</u>
Total monthly surplus income	460.00
Surplus Income Obligation (required payment)	<u>\$230.00</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	<u>(50.00)</u>	<u>(50.00)</u>	<u>(100.00)</u>
Adjusted net incomes	1,750.00	1,350.00	3,100.00
Family unit adjusted income			3,100.00
Superintendent's standards			<u>(2,640.00)</u>
Total monthly surplus income			460.00
Bankrupt's proportionate share $(1,750 \div 3,100) = 56.45\%$			
Proportionate share adjustment $(\$460.00 \times 56.45\%) =$			259.67
Surplus Income Obligation (required payment from bankrupt), as per Directive 11R2 $(\\$259.67 \times 50\%) =$			<u>\$129.84</u>