

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



### 2018 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	\$2,152	\$2,679	\$3,293	\$3,998	\$4,535	\$5,114

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)	(2,679.00)
Total monthly surplus income	421.00

**Surplus Income Obligation (required payment) \$210.50**

#### 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	(2,679.00)
Total monthly surplus income	421.00

Bankrupt's proportionate share  $(1,750 \div 3,100) = 56.45\%$

Proportionate share adjustment  $(\$421.00 \times 56.45\%) = 237.65$

**Surplus Income Obligation (required payment from bankrupt),  
as per Directive 11R2  $(\$237.65 \times 50\%) =$  \$118.83**