

MEMBER STATEMENT—KEVIN O'REILLY MLA FRAME LAKE

INCOME ASSISTANCE AND TAX REFUNDS

March 29, 2021

MR. O'REILLY: Merci, Monsieur le President. It's tax time again. That's especially important for recipients of Income Assistance, who are required to file tax returns in order to remain eligible. Case officers keep an eye on what tax refunds their clients might be getting. Refunds are considered "unearned income" and the amount of a refund is deducted from the client's monthly amount of income support, even if part of the refund is used to pay off other tax debts. There is an especially cruel twist to this year, thanks to COVID and the federal Canada Emergency Response Benefit, or CERB. When CERB was introduced, many Canadians who weren't really eligible claimed the benefit. Now, many of them are being made to pay it back. To ensure that no one went without income during the pandemic, GNWT did not claw back or reduce Income Assistance from April 1, 2020, to at least December 31, 2020, even if you've got CERB payments.

For those who received CERB but were not eligible, one way the federal government is collecting those debts is by garnisheeing the tax refunds of people who were not eligible. However, ECE is considering the amount of garnishee to be unearned income and deducting it from the monthly eligibility for Income Assistance. In some cases, this reduces the amount of the tax refund itself to zero. Some Income Assistance recipients are receiving no tax refund and then get less monthly Income Assistance because ECE is deducting the amount of the garnishee.

When anti-poverty advocates raised this problem of deducting garnishees from Income Assistance, the Minister of ECE says he is handcuffed by the Income Assistance regulations. He says that tax refunds are counted as income, so even though the refund is reduced or amounts to zero, the person is getting a benefit because the garnishee is paying down their debt. How does this practice encourage responsible financial management?

I have read the regulations, and I think that the Minister has discretion for leniency, especially during this extraordinary pandemic. I will have questions for the Minister on why people should lose part of their measly Income Assistance as a penalty for money they were supposed to be able to keep in the first place. Mahsi, Mr. Speaker.