

April 2021

BRIEFING NOTE: CERB REPAYMENT AMNESTY CAMPAIGN

ISSUE

Forcing the most vulnerable to repay CERB will have long term and devastating impacts, particularly on those who are low-income, racialized, Indigenous, disabled, and gendered, all of whom faced pre-existing inequities in the labour market characterized by lower income and precarity to start. These groups have been among the hardest hit during the pandemic. To ask for repayment of emergency benefits, especially now with the increase of more infectious COVID19 variants and a third wave looming, is unreasonably excessive.

Implementing an amnesty will not only alleviate suffering for vulnerable individuals, but it will also compliment the federal government's poverty reduction efforts. We believe it is imperative to immediately implement a repayment amnesty for all low-income individuals and to youth transitioning out of care who received the benefit and were later deemed ineligible.

BACKGROUND

Campaign 2000: End Child and Family Poverty and partners from across the country have been advocating for a CERB repayment amnesty since July 2020.

Upon the inception of CERB, frequent changes to eligibility requirements generated confusion among applicants, provincial income assistance clients, their advocates, caseworkers, and government agencies alike. People who earned under the \$5000 yearly income threshold in 2019 were excluded from short-term and long-term pandemic response measures. Adjustments to eligibility which allowed individuals to earn up to \$1000 a month and still receive CERB created a steep eligibility cliff. Such flaws in the design, coupled with confusing messaging around eligibility, created scenarios where many people on low incomes were advised, or in some cases, instructed by caseworkers, government workers, and the CRA to apply in good faith. CERB funds were then used as intended: to purchase personal protective equipment, bulk groceries, internet, and essential supplies to stay home and isolate.

The vastly different provincial/territorial treatment of CERB for people on social assistance has compounded regional inequities and repayment problems, in large part because the federal government has failed to enact a national standard for income assistance. Some provinces/territories clawed back 100% of the CERB from social assistance clients, others allowed social assistance clients to keep varying amounts, and others still allowed CERB to be collected in addition to or in lieu of social assistance.

Additional barriers to government support during the COVID-19 pandemic were experienced by parents without regularized status but who have children born in Canada because they are

ineligible to access the CCB. Those who are most likely to be outside of the personal income tax system including people with no fixed address, without citizenship status, those who have mental health and/or addictions issues, further lacked access to emergency response benefits.

CURRENT STATUS

The conclusion of CERB in October 2020 sent a contradictory message about the realities being faced by vulnerable people across the country, particularly as a second wave had begun which was worse in many respects than the first.

By mid-December, the CRA sent approximately 441,000 warnings, described as "educational letters," notifying people who received CERB that they may need to repay the funds they received through the program.

While the Government of Canada recently announced that self-employed people who applied for the CERB and would have qualified based on their gross income will not be required to repay the benefit provided they met all other eligibility requirements, the Government has not addressed repayment forgiveness for social assistance clients or low-income individuals who also experienced eligibility confusion due to unclear and changing CERB guidelines.

These actions have created undue stress for people who had accessed CERB to survive and created further apprehension towards accessing much-needed government assistance and support programs. Any type of repayment plan will act as a burden for people living in low income and will deepen poverty across the country for years to come. It will also have negative impacts on health, mental health, the number of low income people falling into homelessness as well as on many other issues experienced on a daily basis by people living in poverty.

The call for a repayment amnesty has been taken up across sectors that work with and for vulnerable groups including the working poor, women fleeing violence, youth with child welfare experience, social assistance clients, newcomers and refugees, racialized people who face systemic violence and discrimination, and rural people living on low incomes.

Recommendations:

- 1) Implement repayment amnesty to all people who received the Canada Emergency Response Benefit (CERB) whose incomes are below or near the Low Income Measure and to all youth transitioning out of care.
- 2) Develop reduced repayment plans for those whose annual income is less than 15% above the poverty line (as measured by Census Family Low Income Measure After Tax thresholds.)
- 3) Cease treating CERB as taxable income for individuals if their 2020 income falls below the poverty line (as measured by Census Family Low Income Measure After Tax thresholds.)

CAMPAIGN 2000 RESOURCES

About Us

Campaign 2000: End Child and Family Poverty in Canada is a non-partisan, pan-Canada coalition of over 120 national, provincial, territorial, and community organizations, committed to working together to end child and family poverty.

Website

<https://campaign2000.ca/>

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***Campaign 2000* Background Materials**

Beyond the Pandemic: Rising up for a Canada Free of Poverty - 2020 Report Card on Child and Family Poverty in Canada.

https://campaign2000.ca/wp-content/uploads/2020/12/Campaign-2000-Beyond-the-Pandemic_Rising-up-for-a-Canada-free-of-Poverty_2020-report-card.pdf

February 2021 Pre-Budget Submission: Creating an intersectional, feminist, recovery budget that invests in our most marginalized community members

https://campaign2000.ca/wp-content/uploads/2021/02/Budget-2021-submission_Campaign2000.pdf

Ensuring an Inclusive and Equitable Covid-19 Pandemic Recovery Plan

Submission to the Standing Committee on Industry, Science and Technology regarding the Canadian Response to the COVID-19 Pandemic. July 2020.

<https://campaign2000.ca/wp-content/uploads/2020/07/2020-07-10-INDU-joint-submission-re-COVID19.pdf>