



December 14, 2021

Re: CERB Amnesty

Dear Members of Parliament:

I am writing to you on behalf of Campaign 2000: End Child and Family Poverty, which is a broad pan-Canadian coalition of more than 120 organizations who, together, represent every province and territory in the country. In anticipation of the federal fiscal update and ahead of the passing of Bill C-2, we strongly recommend that the federal government continue income benefits for individuals and ensure that past emergency benefit programs are not penalizing people who have low incomes and leaving them in greater distress.

Campaign 2000 members have been calling for a 'CERB Amnesty' for those living in poverty or near poverty since June 2020. A CERB Amnesty refers to the need to amend the unintended consequences of that program, which have had detrimental impacts on individuals, families and youth aging out of care who are living on low incomes. Bill C-2, *An Act to provide further support in response to COVID-19* provides an opportunity to legislate supportive changes as we are cresting on another wave of pandemic. Our recommendations are as follows:

- Ensure that the Canadian Emergency Response Benefit (CERB) and the Canada Recovery Benefit (CRB) payments do not result in claw backs of the Guaranteed Income Supplement (GIS) and refundable tax credits such as the Canada Child Benefit (CCB) and the Canada Worker's Benefit (CWB);
- Refund all lost benefit amounts related to CERB/CRB receipt and recalculate and apply the readjusted benefit amounts to the remainder of this benefit year;
- Cease pursuing people living on low incomes for repayments of the CERB and ensure that no payments are sought for the CRB;
- Legislate the reinstatement of the CRB at the full \$500 amount weekly into Bill C-2 until Employment Insurance is reformed; and
- Ensure social assistance adequacy through increased investments into the Canada Social Transfer, tied to adequacy standards accountability mechanisms.

The CERB rolled out quickly to support people during the economic crisis brought about by the pandemic. Nearly nine million people accessed the CERB, many of whom were low-income earners. This benefit was a real lifeline for those who could access it; it helped people to pay rent, purchase necessities, and to keep themselves and their communities safe by isolating at home, while buoying local economies as individuals shopped close to home.

However, several severe issues have been emerging in relation to the CERB that are causing unanticipated hardship in the lives of people with low incomes. These include:

- **Recalculations of GIS** – These recalculations have resulted in partial, and in some cases full, reduction of GIS payments for nearly 90,000 low income seniors. It is important to note that the \$5000 exemption threshold for earned income that is ordinarily applied to GIS calculations was not applied to the CERB;
- **Recalculations of refundable tax credits** – CERB payments have factored into calculations for income programs such as the Canada Child Benefit and the Canada Worker's Benefit, resulting in lower payments to families and individuals;
- **Federal CERB repayment debt** – Nearly half a million Canadians have been asked by CRA to provide proof of eligibility or repay the CERB in full. Many of these people, however, were either confused about eligibility

requirements, are unable to obtain the necessary documentation to prove that they met eligibility criteria, were encouraged to apply by CRA workers, or in some cases were pushed to apply for the CERB by provincial social assistance authorities despite not being eligible. Some people living in poverty could see no other option but to apply as all their community support programs had closed;

- **Interactions with provincial and territorial income and disability assistance programs** – Income assistance recipients who lost work applied for the CERB, and in some cases they were mandated by case workers to apply. Since the CERB was counted as earned income, it was clawed back from many social assistance and disability benefit recipients in part or in full, depending on the province or territory they lived in; and
- **Interactions with housing rent subsidies** – In jurisdictions where income is calculated on a monthly basis, low income earners who received CERB saw their rent subsidies decrease immediately, resulting in rent increases (as was the case for Toronto Community Housing residents). In jurisdictions where income is calculated annually, renters learned of decreases to subsidies this summer and fall (as is the case with the Rent Assist program in Manitoba).

These consequences are the result of program design features that were not transparent. This meant that most CERB applicants were not aware of them. They have resulted in people losing their housing and small businesses, facing increased stress and anxiety, and having less income now to make ends meet. These individuals and families are those who were living in or near poverty levels before the pandemic, who were disproportionately affected by the pandemic and economic fallout, and who now are worse off after accessing emergency pandemic benefits than they were before.

Campaign 2000 commends the Bloc Québécois and NDP parties for ensuring that reviewing and fixing these CERB-related issues are legislated into Bill C-2, *An Act to provide further support in response to COVID-19*. We urge all federal parties and leaders to support a full CERB Amnesty for communities who were vulnerable to the pandemic and economic fallout and who are now in further distress. Indeed, as we head into another wave of the pandemic driven by the Omicron variant, this moment requires moral leadership.

Enclosed is a briefing note we have prepared on the pandemic claw backs that will provide some additional information. We welcome the opportunity to further discuss a CERB Amnesty with you. Please feel free to contact me at any time at leilasa@familyservicetoronto.org or 647.393.1097.

Sincerely,



Leila Sarangi, National Director, Campaign 2000
& Director of Social Action, Family Service Toronto

Encl: *Pandemic Benefits Claw Back Q and A* briefing note