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Canada Wants Low-Income Canadians to Pay Back the \$2,000-a-Month COVID-19 Benefit

Many low-income or homeless Canadians applied and received the CERB benefit without qualifying. Advocates say the government making them pay it back will cause a poverty crisis.



By Sarah Smellie

20.7.20





THE GOVERNMENT INTENDS TO ENFORCE THE CANADIAN EMERGENCY RESPONSE BENEFIT REPAYMENTS FOR ANYONE WHO GOT IT WITHOUT QUALIFYING. PHOTO VIA THE CANADIAN PRESS

In early April, the number of people showing up for free meals at the Qajuqturvik Community Food Centre plummeted.

Based in Iqaluit, Nunavut, the centre normally feeds about 80 people a day, said Wade Thorhaug, Qajuqturvik's executive director. But suddenly there were maybe a few dozen people a day.

"We were down to, like, a third or a quarter of the number we normally see," Thorhaug said. "I can find no other correlation other than that was when the [Canadian Emergency Response Benefit (CERB)] was starting to get into people's bank accounts."

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With high wage inequality and soaring food prices, Nunavut has the highest rate of food insecurity in Canada; 57 percent of people don't have enough to eat, according to the latest figures from Proof, a research project looking at food insecurity across the country.

Thorhaug thinks the \$2,000-a-month CERB meant more people in Iqaluit could afford groceries. When it runs out, "it won't be pretty," he said.

And when the Canadian government goes looking for paybacks from people who got the benefit without qualifying, he says it'll be even uglier.

The CERB was introduced in late March as a way to get Canadians through the pandemic. The program, which provides a monthly \$2,000 deposit to anyone who says they're eligible, was put together in a matter of weeks and the eligibility rules have changed a few times since it was first announced. Any Canadian who got it without qualifying will have to pay it back, and the Trudeau

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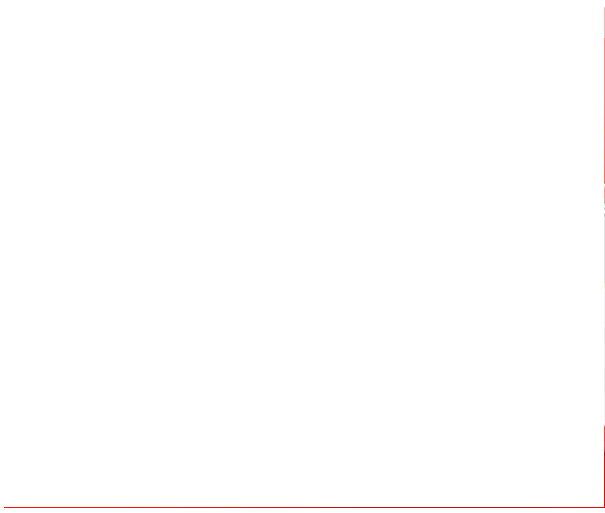
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...and, even someone who repays people.

As of July 12, more than eight million people had applied, and nearly \$60 billion had been paid out.

But the benefit is complicating things for vulnerable people. Thorhaug is one of a growing number of anti-poverty advocates who say that in the initial confusion, many low-income, underemployed Canadians applied for and received the CERB without qualifying. They're calling for the Canadian government to let those people off the hook, saying they'll just be pushed further into poverty and homelessness if they have to pay it back. "I don't fault people for wanting access," Thorhaug said. People get about \$650 a month on social assistance in Nunavut, he points out. "It's not nearly enough to live on." It's not yet clear how the government will go after repayment money. Thorhaug worries it'll be taken from people's tax returns, eliminating a much-needed income supplement for folks living well below the poverty line.

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Warren Maddox, the executive director of Fredericton Homeless Shelters in New Brunswick, said there are definitely people he works with who got a CERB cheque and shouldn't have. With single people in New Brunswick getting roughly \$600 a

“Because you’re not going to get the money back. And the damage that you’re going to do down the line is probably way more than if you just stopped it and let them get back to their old level or norm,” he said. In Saskatchewan, where social assistance programs pay out about \$740 a month for one person, Regina Anti-Poverty Ministry worker Bonnie Morton was emotional when asked what she’d say to someone claiming low-income people who got the CERB without qualifying had committed fraud.

“I don’t see it as fraud, I see it as people trying to make a living,” she said. “I see it as an equal opportunity to have the same amount of money as everybody else in the country.”

With the fallout from the CERB ever closer, anti-poverty advocates from across the country have now formed a working group to ask the Canadian government to let low-income people off the hook from repaying the benefit. The group is affiliated with Campaign 2000, an organization fighting child and family poverty. “We’ve been told that CERB was brought in to support people in this time and I think an amnesty for people who earn below the Low Income Measure (LIM) would be in the same spirit of that intention,” said Claudia Calabro, a Campaign 2000 coordinator in Ontario and a member of the CERB amnesty group. Specifically, they’re calling for the Canadian government to write off the CERB for any single person whose income is \$30,000 or less in 2020, and any two-person family whose income is less than \$45,000. The amnesty cutoff for other family sizes would be determined by the LIM. The economics make sense, Calabro said: keeping people in poverty is expensive for all levels of government. And there weren’t many supports rolled out for low-income, vulnerable populations to get through the pandemic, she said. The

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... something of the fact in these situations is that some people are just trying to get by,” she said.

Calabro’s group has the backing of Leah Gazan, NDP MP for Winnipeg Centre. She sent a letter to Carla Qualtrough, Canada’s minister of employment and workforce development, asking for CERB amnesty for anyone on provincial income support programs.

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But so far, the federal government isn’t budging.

“For Canadian workers, we introduced the Canada Emergency Response Benefit whose intent is to provide financial support to Canadians who have stopped working because of COVID-19,” said Marielle Hossack, Qualtrough’s press secretary, in a statement emailed to VICE. “If Canadians mistakenly applied for this benefit, they would not be penalized and would simply have to pay back any money they were not eligible to receive.”

Hossack didn’t answer VICE’s question about how, exactly, the government planned to enforce those paybacks. Ultimately, both Calabro and Gazan say the CERB’s impact on vulnerable

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“The government has set an income floor with \$2,000 a month and I think we need to make sure that we push on them ... the fact that they acknowledge that people need at least that amount to live,” Calabro said.

Back in Iqaluit, Thorhaug agrees. He was encouraged to see the Parliamentary Budget Officer costing out a guaranteed basic income project last week.

“That would be a really momentous step for our country,” he said. “The patchwork of provincial and territorial income assistance programs are not effective and they’re a degrading experience for anybody that has to go through them. It would be better if we just created a floor and made sure nobody was left behind.”

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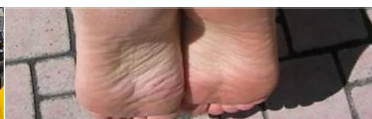
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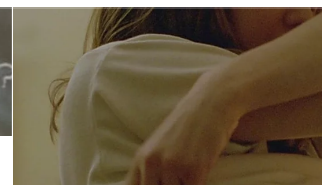
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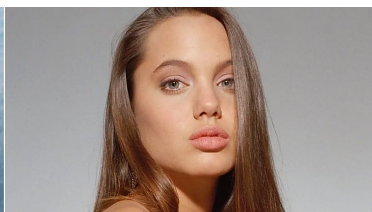
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