

Low-income seniors complain of poor communication, hidden deadlines in GIS repayment rollout

Conservative MP Shelby Kramp-Neuman says the opt-in nature of Ottawa's approach to early March payments put the onus on the seniors to make themselves known to their MP's office by the Feb. 28 deadline, which advocates say many missed. But the government says all affected seniors who have not yet received the one-time payment will receive it automatically on April 19.

BY KEVIN PHILIPUPILLAI

Advocates and legal clinics say they are hearing from “panicked” seniors who have spent hours on the phone with Service Canada trying to register for early access to the government's one-time payment to make up for clawbacks to federal income supports, only to find out they should have gone to their local MP first, or that they missed a key deadline advocates say the government did not properly communicate in the first place.

Approximately 204,000 low-income seniors across Canada became ineligible for the Guaranteed Income Supplement (GIS) or the related allowance benefit, or had their monthly payments reduced, because they received emergency pandemic assistance such as the Canada Emergency Response Benefit (CERB) or the Canada Recovery Benefit (CRB) in the first wave of the pandemic. Eligibility for the current benefit year, which began in July 2021, was determined based on income from the 2020 calendar year.

The government reversed course in the December 2021 economic and fiscal update, and allocated \$742.4-million for a one-time, lump-sum payment intended to make up for all the monthly GIS and allowance payments these seniors had lost out on since July 2021. But advocates and opposition MPs say the



Seniors Minister Kamal Khara, pictured March 25, told the Senate Social Affairs Committee on Feb. 25 that her department was working to issue early payments in March to seniors ‘experiencing severe financial hardship.’ Her comments were a ‘red flag,’ according to one advocate, for their lack of clarity around the March payment. *The Hill Times* photograph by Sam Garcia

rollout of this one-time payment, scheduled for May or June before being accelerated, has been handled poorly.

Leila Sarangi, the national director of the advocacy coalition Campaign 2000, told *The Hill Times* that when Seniors Minister Kamal Khara (Brampton West, Ont.) made the announcement on Feb. 14 that seniors in “dire need” could apply to receive the payments in March, “there was not a lot of public communication about it.”

Sarangi said she first heard about the early payment process from NDP MP Rachel Blaney (North Island-Powell River, B.C.), her party's critic for seniors. “She reached out to let us know that that announcement had just been made by the minister, but beyond that we didn't hear anything else about how to apply for that early payment in March,” said Sarangi.

Conservative MP and seniors critic Shelby Kramp-Neuman (Hastings-Lennox and Addington, Ont.) told *The Hill Times* that the government sent an email to each MP's office on Feb. 18, setting a Feb. 28 deadline for seniors to request the payment in March. Kramp-Neuman said her office helped some constituents through the process, but confirmed that the opt-in nature of the arrangement put the onus on the seniors to make themselves known to their MP's office by the Feb. 28 deadline.

Devorah Kobluk, a senior policy analyst with the Income Security Advocacy Centre (ISAC), told *The Hill Times* that the rollout for the early payments has not been transparent. ISAC is a specialty legal clinic in Ontario that focuses on income security.

“Some people went to their MP offices and their MP offices weren't briefed on what was going on,” said Kobluk. “It's been frustrating for seniors who have already been really confused and quite panicked through this whole period.”

The lump-sum payments were initially expected to be rolled out in May or June, but the government accelerated that timeline after pressure from opposition parties and seniors' advocates. Khara told the House on Feb. 15 that the one-time payments would be delivered on April 19, and that Service Canada would work with MPs to make sure that constituents “in dire need” could get the payment earlier than that. She told the Senate Social Affairs Committee on Feb. 25 that her department was working to issue “a smaller number” of early payments in March, “to seniors who are experiencing severe financial hardship.”

“To be completely frank,” said Kobluk, “if your CPP [Canada Pension Plan] and OAS [Old Age Security] and private pension are not high enough and you qualify for GIS, and you have had 10 months of delayed payments, you're in dire need, period.”

Advocate Kathleen Finlay of Zero Harm Advisors told *The Hill Times* the seniors minister's public remarks about the early payments were a red flag to her because there was no clarity about “who gets the March payment, when it will be paid, and what people had to do to get the payment.”

Service Canada used MPs' offices as the mechanism for identifying seniors in “dire need,” but Finlay, Sarangi, and Kobluk all reported hearing from seniors who, not knowing they were expected to go to their MPs' office

first, had spent hours on the phone with Service Canada only to be told that they had missed the Feb. 28 deadline.

Employment and Social Development Canada, the relevant ministry, did not respond to specific questions about whether and how it communicated the process for applying for early payments. Spokesperson Marie Terrien told *The Hill Times* in a written statement that all seniors who were eligible for the payment “who had directly contacted Service Canada or had contacted their Member of Parliament (MP) by Feb. 28 and indicated that they were facing a severe financial situation, were issued the payment in March.”

Khara's press secretary, Jasmeen Shergill, told *The Hill Times* on April 1 that all affected seniors who have not yet received the one-time payment will receive it automatically on April 19, and that it will be for the full amount of missed monthly payments from the entire July 2021 to June 2022 benefit year.

Advocates say pandemic assistance should never have been clawed back in the first place

The government designated CERB and related pandemic assistance programs as taxable income, meaning that receiving this emergency assistance triggered clawbacks for anyone who also received income-tested benefits. Advocates say many low-income seniors were either not aware of this, or couldn't afford to forego CERB regardless of the consequences.

“These are low-income seniors,” said Finlay. “The poorest of the poor.”

“They get so little on GIS that they have to supplement their income some way,” Finlay told *The Hill Times*, explaining that many worked part-time jobs that disappeared when the pandemic hit. “It was suggested to them by MPs or other people that they try to use the CERB payments that other people were getting.”

In cases where the CERB payments—set at a flat rate of \$2,000 for each four-week period—were larger than the income they replaced, their overall taxable income for 2020 ended up being higher than normal, affecting their eligibility for federal and provincial or territorial benefits for the July 2021 benefit year.

Advocates started hearing in the summer of 2021 from seniors who had just realized their GIS and other benefits had been cut. Many also lost out on access to provincial and territorial assistance programs whose eligibility is tied to eligibility for the federal GIS and allowance programs. Fin-

lay described this as a huge and unexpected cut in the incomes of many, leaving them “quite desperate” and “in a terrible situation” that “went on for months and months and months.”

“It has been horrible,” said Finlay, relaying stories of seniors taking out high-interest payday loans, selling wedding rings, being evicted from apartments, losing access to medications, dental care, and more.

“I know of at least two people who took their own lives.”

Conservative MP Kramp-Neuman said she was grateful the government set up the one-time lump-sum payment. “I applaud them for doing this,” she said, but said “it took much too long.”

“It's basically taken them eight months to fix a problem that they were aware of two years ago,” said Kramp-Neuman. “And it just seemed as though, from my lens, the government didn't act on it until they were continuously pressed by all parties in this House.”

Alongside the backward-looking lump-sum payments, the government rushed a piece of forward-looking legislation through Parliament in February to prevent this cycle from repeating for the July 2022 benefit year, for low-income seniors who received pandemic emergency assistance in 2021.

Bill C-12 amended the Old Age Security Act to exclude pandemic assistance from the income used to determine eligibility for the GIS, which is what advocates had been calling for the previous benefit year.

Khara introduced the bill in the House on Feb. 8 and it passed at second and third reading unanimously on Feb. 16, skipping the usual committee process. She then appeared before the Senate Social Affairs Committee on Feb. 25 and the bill passed the Senate and received royal assent, without amendment, on March 3.

Conservative Senator Rose-May Poirier (Saint-Louis-de-Kent, N.B.) pointed out in committee to Khara that her predecessor, then-seniors minister Deb Schulte, acknowledged as far back as May 12, 2020, that any income received through CERB would begin to affect benefit amounts for low-income seniors in July 2021.

“The government was aware of this issue since May 2020,” said Poirier in a written statement to *The Hill Times*. “I find it terribly regrettable that vulnerable seniors would be placed in such a precarious situation due to the government's lack of due diligence. It's unacceptable and frankly heartbreaking—our seniors deserve better.”

“The clawback is a large, pre-existing problem,” said Kobluk, warning that the fact that CERB counts as taxable income is also affecting eligibility for other income-tested programs, such as the Canada Child Benefit and provincial social assistance. “[The government] knew in May 2020 and they didn't do anything until there was a ton of advocacy and people had been living for 10 months without it. It could have been prevented.”

kphilipupillai@hilltimes.com
The Hill Times