



<i>Act/Regulations</i> <i>Social Assistance Act Reg., ss. 28(5)</i> <i>Supports for Persons with Disabilities Act General Reg., s. 17</i>	Program	Social Programs	
	Subject	Recovery of Overpayments	Policy # 1.7
Effective Date: March 1, 2021		Authorized by:	
Revised Date: September 1, 2022		Deputy Minister Jamie MacDonald	

1.0 PURPOSE

1.1 To identify, account for, and recover funds for social benefits received in excess of eligibility by applicants of Social Programs.

2.0 DEFINITIONS

2.1 **Applicant:** a person who applies for or on whose behalf an application is made for a social benefit(s).

2.3 **CRA Set-Off Program:** a federal government program administered by Canada Revenue Agency (CRA) that allows other government programs to register an applicant’s outstanding overpayment balance for collection. CRA will direct all or a portion of an income tax refund and other identified federal refunds/credits to the provincial department to be applied to an outstanding overpayment.

2.2 **Joint applicant:** The partner of an applicant and includes a person who, although not married to the applicant, lives with the applicant as if they were married.

2.4 **Out-Of-Pay Applicant:** an applicant who is no longer receiving social benefits.

2.5 **Overpayment:** cash and/or material benefit which an applicant was not entitled to receive or an advance of funds to assist in securing or preventing the loss of living accommodations or basic utilities.

2.6 **Overpayment Coordinator:** a provincial administrative role responsible for both in pay and out-of-pay overpayment processes under the direction of the Supervisor of Administration in each region.

2.7 **Recipient:** a person who is provided a social benefit(s) and includes a person whose social benefits have been suspended but not cancelled.

2.8 **Social Programs:** programs and benefits administered by the Social Programs division, including AccessAbility Supports, Social Assistance, Child Care Subsidy, and the Seniors Independence Initiative.

2.9 **Social Benefit(s):** financial benefit(s) received through the Social Assistance Program, AccessAbility Supports, Child Care Subsidy or Seniors Independence Initiative.

3.0 POLICY STATEMENT

- 3.1 For the purposes of this policy use of the word applicant is inclusive of recipient.
- 3.2 Social Programs applicants are responsible to repay any overpayment amounts received in excess of their eligibility.
- 3.3 The Department has the authority and obligation to recover funds from an applicant or an applicant's estate that were overpayments in excess of eligibility by Social Programs applicants.
- 3.4 The level and method of recovery will be appropriate to the amount of the overpayment, the means of the applicant, and the cost-effectiveness of taking collection action.

4.0 PROCEDURE STATEMENT

- 4.1 All overpayments must be recorded in the applicant's electronic file. An explanation of the circumstance and a description of the calculation must be included.
- 4.2 When the Supports Coordinator becomes aware of an overpayment, they will contact the applicant and advise the amount, nature, and cause of the overpayment. The Supports Coordinator will assist the applicant in completing an *Acknowledgement of Overpayment Form* (attached). The applicant will be asked to sign the form and a copy will be kept in the applicant's file. A copy may be provided to the applicant upon request.
- 4.3 The applicant will be advised on the appeal process if the applicant wishes to dispute the overpayment.
- 4.4 Overpayment recoveries from applicants shall be negotiated as follows:
 - Repayment in lump sum;
 - A withhold from the monthly entitlement;
 - Suspension of support until the applicant has expended an amount equivalent to the overpayment, considering both basic and special need expenses; or
 - Some combination of the above.
- 4.5 The Supports Coordinator will notify the Overpayment Coordinator when an applicant has incurred an overpayment. The Overpayment Coordinator is responsible for determining the method of and level of recovery.
- 4.6 Overpayment recoveries in the form of a withhold from the monthly entitlement are determined based on consultation with the Supports Coordinator and consideration of the applicant's circumstances.
- 4.7 Recovery rates are typically a minimum of \$25 and a maximum of \$100 with discretion given to the Overpayment Coordinator to adjust.

Overpayment Amount	Withhold Recovery Rate
\$.01 - \$24	One time deduction of full amount
\$25 - \$250	\$25 or one time deduction of full amount
\$251 - \$500	\$25 - \$50
\$501 - \$750	\$50 - \$75
\$751 - \$1000+	\$75 - \$100

- 4.8 Applicants who reside in Community Care Facilities will have their overpayment recoveries set at \$10, regardless of the overpayment owing.
- 4.9 Overpayments that are incurred as an advance of funds to assist an applicant in securing or preventing the loss of living accommodations or basic utilities shall be recovered within a 12 month period.
- 4.10 Amounts are withheld from an applicant's monthly entitlement until the overpayment is fully recovered, the service is terminated, or the applicant provides documentation that they have filed for bankruptcy, whichever occurs first.
- 4.11 Overpayment recoveries from out-of-pay applicants may be negotiated as follows:
- Lump sum repayment; or
 - Regular (weekly/bi-weekly/monthly) payments of a reasonable amount, given the circumstances of the person and the size of the overpayment; or
 - Some combination of the above.
- 4.12 Upon termination or discontinuation of social benefits, the Overpayment Coordinator will send the out-of-pay applicant with an outstanding overpayment an Out-Of-Pay Overpayment Letter. If the Acknowledgement of Overpayment Form (attached) is not signed, the out-of-pay applicant will be asked to sign an Acknowledgement of Overpayment Form after being notified of the debt.
- 4.13 Out-of-pay applicants have 30 days to contact the department and/or follow through on repayment terms once they are made aware of the existence of an overpayment. Further collection action may include recovery by the Overpayment Coordinator, filing of judgment against personal property, or registering the debt with the CRA Set-Off Program.
- 4.14 Out-of-pay applicants with overpayments that meet the criteria for the CRA Set-Off Program will be registered with this program and notified in writing.
- 4.15 Applicants using CRA Set-Off Program will remain in the program until:
- The overpayment balance is paid;
 - The out-of-pay applicant establishes eligibility to receive ongoing social benefits;
 - The out-of-pay applicant has made application for bankruptcy; or
 - The applicant has their outstanding overpayment approved by Treasury Board for write-off in accordance to Treasury Board's Accounts Receivable Policy.
- 4.16 Overpayments incurred on a file where a joint applicant is present are the responsibility of both parties. If the joint applicants cease to be partners and/or either terminate service

or file independently, the overpayment will be split equally and recovery assigned accordingly.

5.0 ATTACHMENTS

5.1 Acknowledgement of Overpayment Form

HISTORY:

March 25, 2021: Editorial, format, and content updates. Replaces Social Assistance Policies 7.2 Overpayments – In Pay and 7.2.1, Overpayments – Out of Pay; now applies to all Social Benefits.

September 1, 2022: Deputy Minister has been updated. Policy number updated from 2.2 to 1.7.

**DEPARTMENT OF
SOCIAL DEVELOPMENT & HOUSING
SOCIAL PROGRAMS**

**REPAYMENT AGREEMENT
ACKNOWLEDGEMENT OF OVERPAYMENT**

Applicant Information		
Applicant Name:	PHN:	Date:
Co-Applicant Name:	PHN:	Telephone:
Mailing Address:		Overpayment Amt:

I/We acknowledge that I/we received an overpayment of \$_____ which is repayable under the *Social Assistance Act* or the *Supports for Persons with Disabilities Act*.

I/We further acknowledge that such overpayment constitutes a debt to the Minister in the same amount.

I/We jointly and separately agree to pay the Province of Prince Edward Island (payable to the Minister of Finance) the sum of \$_____ payable in equal monthly installments of \$_____.

I/We acknowledge that the terms of repayment of this debt will be subject to periodic review and revision at the sole discretion of the Minister until the sum is paid in full.

I/We understand that, if I am no longer eligible to receive assistance and I default on my obligation to repay my overpayment balance, the Minister may use other collection tools available to them which may include filing judgement against my personal property or garnishing of my federal income tax refunds.

_____ SIGNATURE OF APPLICANT	_____ SIGNATURE OF WITNESS
_____ PRINT NAME	_____ PRINT NAME
_____ DATE (YYYY MM DD)	_____ DATE (YYYY MM DD)
_____ SIGNATURE OF CO-APPLICANT	_____ SIGNATURE OF WITNESS
_____ PRINT NAME	_____ PRINT NAME
_____ DATE (YYYY MM DD)	_____ DATE (YYYY MM DD)

- I am not in agreement with the amount of overpayment and have been advised that I have _____ days from today to provide Notice to the Appeal Board of my intention to appeal this decision.
- _____
(initials of Applicant)
- _____
(initials of co-Applicant)

Privacy Statement
Personal information on this form is collected under Section 31(c) of the <i>Freedom of Information and Protection of Privacy Act</i> and will be used for the purpose of administering the <i>Social Assistance Act</i> or the <i>Rehabilitation of Disabled Persons Act</i> . If you have any questions about this collection of personal information, you may contact the Manager of Administration, Social Programs, Department of Social Development & Housing, (902) 368-5230.