



Act/Regulations Reg. 28(5) Act s. 6.1	Program	Social Programs	
	Subject	OVERPAYMENTS: OUT OF PAY	Policy # 7-2-1
Effective Date: April 1, 1986		Authorized by:	
Revised Date: July 22, 2016		Deputy Minister	

1.0 PURPOSE

- 1.1 To identify, account for, and recover social assistance benefits received in excess of eligibility by applicants who no longer qualify for social assistance benefits, but have an outstanding overpayment balance.

2.0 DEFINITIONS

- 2.1 **Applicant:** a person who applies for, or receives, social assistance.
- 2.2 **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.
- 2.3 **Joint Applicant:** the husband or wife 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 eligible for social assistance benefits.
- 2.5 **Overpayments:** cash and/or material benefit which an applicant was not entitled to receive or an advance of funds to assist an applicant in securing or preventing the loss of living accommodations or basic utilities.

3.0 POLICY STATEMENT

- 3.1 Overpayments are amounts owed to the government, which may be recovered by the Minister from the applicant or the applicant's estate.
- 3.2 The level and method of recovery will be appropriate to the amount of the overpayment, the means of the out-of-pay applicant, and the cost effectiveness of taking collection action.
- 3.3 Overpayments identified on joint applicants 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 assigned accordingly.
- 3.4 An out-of-pay applicant will be notified in writing of the overpayment amount including an explanation of the overpayment and terms of repayment. An out-of-pay applicant has a responsibility to repay an overpayment. Government has an obligation to recover overpayments on behalf of taxpayers.

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 An applicant must be notified of the overpayment amount, circumstance and repayment terms. Every attempt should be made to provide an applicant with an "*Acknowledgment of Overpayment Form*". Applicants will be asked to sign the form and a copy kept in the applicant's file.
- 4.3 Upon termination or discontinuation of social assistance benefits, designated staff sends an out-of-pay applicant with an outstanding overpayment an "Out-of-Pay Overpayment Letter". If an "*Acknowledgment of Overpayment Form*" is not signed, an out-of-pay applicant will be asked to sign an "*Acknowledgment of Overpayment Form*" after being notified of the outstanding debt. A copy will be provided to the out-of-pay applicant and a copy will be kept in the case file.

- 4.4 Overpayment recoveries from out-of-pay applicants may be negotiated as follows:
- (a) Lump sum repayment; or
 - (b) Regular (weekly/bi-weekly/monthly) payments of a reasonable amount, given the circumstances of the person and the size of the overpayment; or
 - (c) Some combination of (a) and (b).
 - (d) Out-of-pay applicants with an outstanding overpayment amount who negotiate repayment terms with the department will have their file forwarded to the designated staff to monitor for payment compliance.
- 4.5 If, after 30 days, the out-of-pay applicant has not contacted the department or has not followed through on repayment terms the file is assessed for further collection action.
- 4.6 Further collection action may include recovery by department collection officer, filing of judgement against personal property, or registering debt with CRA Set-Off Program.
- 4.7 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.
- 4.8 Out-of-pay applicants will remain as part of the CRA Set-Off program until any of the following occur:
- (a) The overpayment balance is paid;
 - (b) The out-of-pay applicant establishes eligibility to receive ongoing social assistance benefits.
 - (c) The out-of-pay applicant has made application for bankruptcy;
 - (d) The applicant has their outstanding overpayment approved by Treasury Board for write-off in accordance to Treasury Board's Accounts Receivable Policy

5.0 REFERENCES

Social Assistance Program, Shelter - Rent/Mortgage Policy
Social Assistance Program, Utility Installation and Deposit Policy
Social Assistance Program, Arrears - Shelter/Utility Policy
Social Assistance Program, Overpayments - In-Pay Policy
Treasury Board, Accounts Receivable Policy

History:

July 22, 2016: Editorial and format changes.