

GOVERNMENT RESPONSE TO THE FOURTH REPORT OF THE STANDING COMMITTEE ON PUBLIC ACCOUNTS (44th PARLIAMENT, 1st SESSION) ENTITLED: CANADA CHILD BENEFIT

INTRODUCTION

The Government of Canada is pleased to respond to the Fourth Report of the Standing Committee on Public Accounts (the PACP Committee) entitled, *Canada Child Benefit* (the Report), tabled in the House of Commons on February 8, 2022. The Government of Canada appreciates the work of the Committee and welcomes its analysis, views and recommendations.

Introduced in Budget 2016, the Canada Child Benefit (CCB) helps families with the high costs of raising children. The CCB has helped lift nearly 435,000 children out of poverty between 2016 and 2019.

The CCB provides about \$25 billion in tax-free support annually to about 3.5 million families with children.

To help families with children cope with the added pressures of COVID-19, in May 2020, the government issued a one-time additional payment of up to \$300 per child. This payment provided over 3.5 million families with almost \$2 billion in additional support.

Below is the Government Response to each recommendation.

Recommendation 1 – on assessing eligibility for the Canada Child Benefit

That, by 31 August 2021, the Canada Revenue Agency provide the House of Commons Standing Committee on Public Accounts with a report explaining (A) if changes have been made to the list of documents that applicants can submit to demonstrate they are eligible for the Canada Child Benefit, and if training products have been revised as a result; and (B) the results of its consultations with Immigration, Refugees and Citizenship Canada and the Canada Border Services Agency on sharing information, and with the governments of Yukon and Nunavut on automating benefit applications.

The CRA will continue to collect and analyze client and employee feedback to assess and improve on the CCB program on an ongoing basis, as a means to reinforce the importance of meaningful measurement, continually improve its programs and services, and listen and aim to meet client needs.

The Government of Canada supports this recommendation. The information requested is provided below:

Part (A) of Recommendation 1

The CRA has completed its review of the list of documents that CCB applicants can use to prove that they satisfy all of the CCB eligibility conditions.

The CRA has four main lists of acceptable supporting documents, which correspond to each of the CCB eligibility requirements:

- **proof of birth**, for children over one year of age or those born outside of Canada;
- **citizenship**, to support that the applicant has Canadian citizenship or has a valid immigration status (i.e., is a permanent resident, a protected person, a temporary resident who has resided in Canada for the previous 18 months or an individual who is registered, or entitled to be registered under the *Indian Act*);
- **residency**, to support that the applicant is a resident of Canada for tax purposes; and
- **primary care**, to support that the applicant is the parent who primarily fulfils the responsibility for the care and upbringing of the child.

Because of the large number of documents contained on these four lists, some of the CRA's external communication products only include the top examples of documents to provide, for each category. However, a comprehensive list of supporting documents is available on the CCB webpage on the CRA website.

The CRA recognizes that providing supporting documents can be a challenging task for some individuals depending on the age of the child, family situation, the availability of such documents and the limited resources that may be available to some individuals. These factors sometimes make it more difficult for the CRA to determine eligibility.

Following the review of its current lists of acceptable documents, the CRA has concluded that no changes are required to be made to the list of documents that applicants can submit to demonstrate they are eligible for the CCB. However, these lists are evergreen and new items can be added at any point. The CRA acknowledges that better references or links to the complete list of documents on the CRA website for both individuals and benefit agents are required. Providing a more complete list of documents will place individuals in a better position to provide exactly what is required or to find an alternate document. This should also have a positive effect on the processing of CCB applications and the quality of reviews conducted by benefit agents.

As a result of its review, the CRA has:

- updated the Benefits Operations Manual used by benefit agents to include a link to the complete list of documents on the CRA website that can be used to assess CCB eligibility;
- revised its procedures to assist benefit agents in their determination of CCB eligibility when two individuals claim to be primarily responsible for the same child during the same period;
- proposed revisions and to internal training materials used in the determination of CCB eligibility; and
- issued a bulletin to CRA benefit agents advising them of the changes to the procedures and the addition of the link to the main list of supporting documents.

In addition, by July 31, 2022, the CRA commits to:

- correct the gaps and discrepancies between lists;
- use the same terminology for the names of the documents being requested;
- make the complete lists of acceptable documents more accessible on the CRA website;
- amend Booklet T4114, *Canada Child Benefit*, to add a link or make a reference to the complete lists of acceptable supporting documents on the CRA website;
- amend Form RC66, *Canada Child Benefits Application* to include a link to the complete lists of acceptable documents;
- amend letters requesting documents to confirm eligibility, to add a link or make a reference to the complete lists of acceptable supporting documents on the CRA website;
- provide alternate solutions to taxpayers who cannot provide supporting documents, such as third party letters from individuals who have personal knowledge of a taxpayer's situation during the period for which a CCB payment is requested; and
- promote the fact that taxpayers should contact the CRA when experiencing difficulties in acquiring the documents required.

Part (B) of Recommendation 1

In response to the third part of the first recommendation flowing from the OAG's audit report of the CCB, through its detailed action plan, the CRA advised that it would engage with Immigration, Refugees and Citizenship Canada (IRCC), and the Canada Border Services Agency (CBSA), with the goal of improving data received to ensure CCB eligibility conditions were met. The CRA also responded that it would continue to work with and support the two remaining territories (i.e., Yukon and Nunavut) in their implementation of the Automated Benefits Application.

Consultations are ongoing between the CRA and IRCC. Together with IRCC, the CRA is exploring options for data sharing that may help in the administration of the CCB program. Progress continues towards the implementation of solutions. The CRA also currently receives information from the CBSA to help administer the *Income Tax Act* (ITA) in relation to the CCB.

Consultations are ongoing with the Governments of Yukon and Nunavut on automating benefit applications. Despite challenges resulting from the COVID-19 pandemic, the Government of Canada remains committed to continuing these discussions.

Recommendation 2 – on procedures and communications involving the female presumption

That, by 31 July 2022, the Canada Revenue Agency provide the House of Commons Standing Committee on Public Accounts with a report outlining the changes made to the forms and communications products associated with the Canada Child Benefit, as well as other programs administered by the Agency.

The Government of Canada supports this recommendation. The information requested in a report by July 31, 2022 is provided below:

The CRA's publications or other benefit-related products associated with the CCB include Booklet T4114, *Canada Child Benefit*, Form RC66, *Canada Child Benefits Application*, the Child and Family Benefit webpages on the CRA website and the correspondence letters sent to individuals impacted by the presumption.

As a result of its review, the CRA:

- modified the standard wording used to describe the female presumption to remove "male parent" and replaced it with "other parent" for gender neutrality in all products;
- added, in all products, that applying the presumption is a legislative requirement and that the ITA only allows for one payment per household;
- added, in all products, that regardless of who gets the CCB for all of the children in the household, the CCB payment amounts will be the same;
- added, in all products, how individuals may inform the CRA of their circumstances and provide the necessary information to rebut the presumption, when applicable;
- added, in the CCB Booklet, examples of when the CRA needs to apply the presumption;
- issued a bulletin as well as a reminder advising benefit agents of the changes in terminology;
- updated the Benefits Operations Manual used by benefit agents to include and explain the change in terminology for benefits agents, as well as the Technical Help Guide used by Contact Centre agents;
- amended Booklet T4114, *Canada Child Benefit* to add a link or make a reference to the complete lists of acceptable supporting documents on the CRA website; and
- amended Form RC66, *Canada Child Benefits Application* to include a link to the complete lists of acceptable documents.