

CANADA REVENUE AGENCY (CRA)

**Follow-up to the Standing Committee on
Government Operations and Estimates (OGGO)**

November 21, 2022

Supplementary Estimates (B), 2022-23

What follows is the Canada Revenue Agency's (CRA) follow up response to a question posed to Treasury Board Secretariat (TBS) officials by a member of the Standing Committee on Government Operations and Estimates (OGGO) during the November 21, 2022 meeting on '*Supplementary Estimates (B), 2022-23.*'

For ease of reference, the relevant excerpts of the *Evidence* have been included to provide additional context.

Question 1

During the meeting, the President of the Treasury Board was asked about the cost associated with recouping Canada Emergency Response Benefit (CERB) payments to ineligible individuals. TBS has asked the CRA to respond.

Mrs. Kelly Block (Carlton Trail—Eagle Creek, CPC):

Minister, Conservatives always understood that if Canadians were being asked to stay at home and businesses were being shuttered during the pandemic, financial assistance would be necessary. However, I'm hearing daily from constituents who are waking up only to find out that they are being told they didn't qualify for the CERB payments and they are now being asked to repay those payments. My question is more toward the Canada wage benefit. The fall 2022 economic statement proposes to provide \$4 billion over six years, starting in 2022-23, to automatically issue advance payments of the Canada workers benefit to people who qualified for the benefit in the previous year, starting in July 2023 for the 2023 taxation year. I have three questions. Did the Canada wage benefit go through the typical Treasury Board process? What has been the cost to Canadian taxpayers for recouping CERB payments that people were ineligible for? Why are you now creating the same conditions with the CWB? Are you fine with potentially writing off \$4 billion of taxpayers' money?

Hon. Mona Fortier (President of the Treasury Board):

Thank you for your questions. I will start by saying that the CEWS, the Canada wage subsidy, was—I heard from many businesses—the greatest support to help them go through the pandemic, and it was a very good program that helped bridge them. To answer your questions, I understand that this is a tax measure, so it doesn't go through Treasury Board authority. Do you want to add to that?

Ms. Annie Boudreau (Assistant Secretary, Expenditure Management Sector, Treasury Board Secretariat):

Yes. If you look at part one of the blue book, it is clearly indicated that the Canada child benefit is legislated through the Income Tax Act and is considered an expenditure for government financial reporting purposes. Parliament does not authorize annual spending for this item or for any other tax expenditures or refundable tax credits. Thank you.

Hon. Mona Fortier:

That was for your first question. For your second question, with the CERB, as we know, we wanted Canadians to have access to support as soon as possible. When we sent those cheques, we also mentioned that we would be auditing and making sure that it was used appropriately by Canadians, and that is what we are doing now. We are making sure that those who were eligible continue to receive the CERB, and those who didn't have the requirements need to.... It's the Canada Revenue Agency that is doing that work right now to make sure that those who need to reimburse do that. As for the CW benefit, I don't know if my officials have an answer at this time.

Ms. Annie Boudreau:

It's the same thing. It's considered a tax measure. Accordingly, it's not part of the estimates that you are studying right now.

Mrs. Kelly Block:

I'll follow up with a question with regard to the mandate of the Treasury Board to oversee the spending of government, and to ensure that taxpayers' dollars are being spent wisely and that they are getting the best value for the money that is being spent. Do you know what the cost to Canadian taxpayers has been for recouping CERB payments that people were ineligible for?

The Chair: *Please give a brief answer.*

Hon. Mona Fortier:

The Canada Revenue Agency has that number, and we could provide it to you as a follow-up.

CRA response

The CRA can provide the following response based on the effort related to compliance, verification, collections and/or appeals activities associated with the CERB program. As of March 31, 2022, the total cost for these activities was \$93,995,365.