



POLICY BACKGROUNDER

Canada Emergency Response Benefit (CERB) interactions with provincial and territorial social assistance and subsidized housing programs and youth aging out of care

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This work was inspired by conversations held by the Atkinson Foundation with income security policy experts on the impacts of COVID-19 on workers and people living in poverty.

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BACKGROUND

This policy backgrounder provides an overview of how provincial and territorial governments have decided to treat receipt of the Canada Emergency Response Benefit (CERB) for those receiving social assistance and/or living in subsidized housing. It also looks at provisions for youth aging out of care during the COVID-19 pandemic.

This final version of the document consolidates all information received as of August 20, 2020.

Canada Emergency Response Benefit (CERB)

- In late March, 2020, the Government of Canada announced the CERB. It provided \$2,000 a month for up to four months to persons who lost their income as a result of COVID-19. On June 16, 2020, the CERB was extended for an additional two months, for an overall maximum of 24 weeks. On August 20, 2020, the CERB was extended for four more weeks, to a maximum of 28 weeks. At that time, changes to the Employment Insurance program and new income support benefits were also announced.
- CERB is not a refundable tax credit; it is a taxable benefit and a T-4A will be issued for benefits paid out. Individuals who receive benefits they are not entitled to will have to repay them.
- Details on the CERB are available at <https://www.canada.ca/en/services/benefits/ei/cerb-application.html>

Social assistance

- On April 16, 2020, a spokesperson for Minister Carla Qualtrough said: “Our government believes the CERB needs to be considered exempt by provinces and territories in the same way as the Canada Child Benefit to ensure vulnerable Canadians do not fall behind.”
- Two territories (Yukon and the Northwest Territories) and one province (British Columbia) are fully exempting the CERB. That

means that someone receiving social assistance and the CERB in these jurisdictions will not see their social assistance income decrease.

- Four provinces are treating the CERB as earned income and offering their exemptions on earned income (Alberta, Manitoba, Ontario, and Quebec). This means that someone receiving social assistance and the CERB in these provinces will have their social assistance income clawed back by the same amount as employment earnings.
- Five provinces and one territory are treating the CERB as unearned income (Saskatchewan, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, and Nunavut) and thus are reducing social assistance benefits dollar for dollar.
- The treatment of the CERB for First Nations on reserve social assistance programs mirrors that of provincial and territorial governments.

Subsidized housing

- The Canada Mortgage and Housing Corporation allows an exemption on earned income of \$75 for a single person and \$150 for a family. No exemption is allowed for EI benefits. Thirty percent of the remainder is charged in rent.
- Treatment of the CERB in determining subsidized rents varies considerably across jurisdictions.

Youth aging out of care

- Most jurisdictions are extending child welfare services to youth reaching adulthood or receiving extended services in their jurisdictions during the crisis period.
- Youth in Care Canada prepared an overview of provincial and territorial provisions for youth transitioning from care during the COVID-19 pandemic. See https://7f9b59af-af92-41cd-8e6c-aa2870f170de.filesusr.com/ugd/f54667_ebf43dd50cd04af0876a7b2744dfd6ae.pdf

COVID-19 Disability Benefit

- On June 5, 2020, the federal government announced a one-time payment of up to \$600 for Canadians eligible for the Disability Tax Credit (DTC). However, the bill was not passed in the House of Commons. On July 20, 2020 legislation was introduced that further extended the non-taxable payment to those eligible for both Canada Pension Plan and Quebec Pension Plan Disability benefits as well as those receiving disability supports through Veterans Affairs Canada. The bill received royal assent on July 27, 2020. Payments will be made automatically in the fall.

Notes of caution for readers¹

- A number of provinces implemented programs in March 2020 to provide financial support to their residents before federal measures were implemented. Some of these are still operational. Some jurisdictions implemented robust COVID-19 measures for low-income people including social assistance recipients (Northwest Territories) while others did not. CERB clawback or exemption does not necessarily reflect all of what provincial/territorial governments have done or not done. Close examination is required.
- Prince Edward Island, Ontario, Nova Scotia, and Nunavut have pledged to reinvest the CERB clawbacks back into social assistance.
- One jurisdiction (Ontario) has pledged not to remove anyone from assistance even if financially ineligible. Where jurisdictions have fully exempted CERB (British Columbia, Yukon and the Northwest Territories), SA recipients will not lose their eligibility.
- Most jurisdictions have pledged to keep health benefits flowing to social assistance clients who lose financial support due to the CERB.

¹ Program footnotes are explanatory and readers are urged to read them to gain a more complete understanding of what provincial/territorial governments have done and not done.

CERB interactions with provincial and territorial social assistance and subsidized housing programs and youth aging out of care			
	Newfoundland & Labrador ^{2 3 4}	PEI ⁵	NS ^{6 7 8}
Treatment of CERB for SA calculation	Full clawback. Individuals cannot receive Income Support and the CERB at the same time. Clients getting the CERB are immediately suspended. If there is overlap between IS and the CERB, an overpayment will be recorded.	Full clawback, treated like EI.	Full clawback, treated like EI.
Will people lose eligibility for SA?	yes	No, client's file remains active.	yes
Are SA savings being reinvested?	Currently unknown	Yes, savings are being reinvested in the SA program. PEI has also invested \$75 million in COVID-related supports for people and the economy. SA clients who were eligible for these supports did not see their benefits impacted.	Yes, savings are being reinvested in the SA program.
Impact on subsidized housing	CERB will be factored into all RGI calculations (to be treated like EI).	RGI rent will not be adjusted upwards based on the CERB.	RGI rent will not be increased due to the CERB.
Extra benefits being paid to SA cases due to COVID	Newfoundland and Labrador Prescription Drug Program coverage retained for clients who become ineligible due to the CERB.	Clients continue to receive medical, optical and dental benefits and special needs as required.	One-time payment of \$50 per person in Income Support households. Clients will keep drug coverage and bus pass (where applicable) while receiving the CERB. Pharmacare co-payments exempted for all ESIA clients.
Youth aging out of care ^{9 10}	Youth will continue to receive supports during COVID. ¹¹	Youth will not age out during COVID and will continue to receive supports.	Extended support available until the end of September, 2020.

2 <https://www.gov.nl.ca/releases/2020/aesl/0409n05/>

3 <https://www.nlhc.nl.ca/wp-content/uploads/2020/03/Public-Advisory-NLHC-Rental-Adjustments-Updated-Mar26-2020.pdf>

4 <https://www.gov.nl.ca/aesl/feature/covid-19-information-about-aesl-programs-and-services/>

5 Provincial official

6 <https://novascotia.ca/news/release/?id=20200319004>

7 <https://nsadvocate.org/2020/04/18/nova-scotia-allows-social-assistance-recipients-to-keep-cerb-payments/>

8 Provincial officials

9 <https://www.sac-isc.gc.ca/eng/1100100035204/1533307858805>

10 https://7f9b59af-af92-41cd-8e6c-aa2870f170de.filesusr.com/ugd/f54667_ebf43dd50cd04af0876a7b2744dfd6ae.pdf

11 <https://www.gov.nl.ca/releases/2020/cssd/0407n02/>

CERB interactions with provincial and territorial social assistance and subsidized housing programs and youth aging out of care			
	NB ¹²	Quebec ¹³	Ontario ^{14 15 16}
Treatment of CERB for SA calculation	Full clawback.	Treated as earnings. For single Social Assistance and Social Solidarity clients the first \$200 is exempt; for families the first \$300 is exempt.	Treated as earnings. First \$200 exempt then 50% of remainder so clients keep \$1,100 net of their CERB per month.
Will people lose eligibility for SA?	yes	Yes (when earnings exceed maximum benefit payable).	No, anyone with negative entitlement kept on assistance.
Are SA savings being reinvested?	Currently unknown	No	Yes, emergency benefits available to singles and families who are not receiving CERB based on \$30 million a month savings.
Impact on subsidized housing	CERB will be factored into all RGI calculations (to be treated like EI).	CERB will not increase rents in the short term as they are based on the previous year's income. CERB will be factored into 2021 rent calculations, based on 2020 income.	CERB is counted as income for the purposes of RGI. The impacts are not uniform across the province - some service managers are operating under new regulations which set rents at 30% of income from the previous tax year rather than 30% of current income. Service managers are also able to apply some discretion in cases where a tenant has experienced income fluctuations.
Extra benefits being paid to SA cases due to COVID	Clients will keep health benefits while receiving the CERB.	Drug and dental benefits retained for six months for Social Assistance clients and four years for Social Solidarity clients.	All health benefits retained. Ontario Works and ODSP clients ineligible for the CERB can request an emergency benefit of up to \$100 for singles and \$200 for families. Emergency Benefit extended from May to July. ¹⁷
Youth aging out of care ^{9 10}	Youth will continue to receive supports during COVID (NB Youth in Care network).	Currently unknown	Youth will not age out during pandemic. ¹⁸

12 Provincial officials

13 Provincial officials

14 <https://www.thestar.com/news/gta/2020/04/20/ontario-to-allow-people-on-social-assistance-to-keep-part-of-emergency-benefits.html>

15 <https://www.mcsc.gov.on.ca/en/mcsc/programs/social/ow/>

16 Provincial officials

17 Social Assistance Coalition of Scarborough

18 <https://aptnnews.ca/2020/03/26/ontario-government-issues-moratorium-on-youth-aging-out-of-care-during-pandemic/>

CERB interactions with provincial and territorial social assistance and subsidized housing programs and youth aging out of care			
	Manitoba ^{19 20}	Saskatchewan ²¹	Alberta ^{22 23}
Treatment of CERB for SA calculation	Treated as earnings - first \$200 exempt then 30% of remainder (\$740).	Full clawback, considered unearned income (provincial official).	Treated as earnings - for singles, first \$230 exempt then 25% of remainder (\$672.50). - for two adult households, \$115/adult then 25% of remainder (\$586.25). ²⁴
Will people lose eligibility for SA?	Yes (when earnings exceed maximum benefit payable).	yes	Yes (when earnings exceed maximum benefit payable). ²⁵
Are SA savings being reinvested?	Currently unknown	Currently unknown	Currently unknown
Impact on subsidized housing	CERB will be counted as income when determining rent levels and subsidies. As this is based on annual income, tenants will not be affected until 2021 after they have filed their taxes for 2020.	Most existing tenants will not see their rent affected by the CERB as annual rent reviews are temporarily on hold. New social housing applicants receiving the CERB will have it included.	CERB will be factored into all RGI calculations.
Extra benefits being paid to SA cases due to COVID	Drug, dental and optical benefits retained. One-time, non-taxable benefit of \$200 to be sent to all persons with disabilities receiving Employment and Income Assistance in June 2020. ²⁶	Supplementary health coverage still provided. A one-time benefit of \$50 was paid to all adult social assistance clients who were eligible in April 2020.	SA clients will retain health benefits while receiving the CERB. Pre-existing emergency financial assistance continues to be available.
Youth aging out of care ^{9 10}	Youth will not age out during pandemic. ²⁷	Youth will not age out during pandemic. ²⁸	Funding is available to provide supports for current and former youth in care. In addition, youth aged 24 and older under a Support and Financial Assistance Agreement (SFAA) may receive additional supports.

19 <https://news.gov.mb.ca/news/index.html?item=47622>

20 Provincial official

21 Provincial official

22 <https://www.alberta.ca/aish-income-support-and-the-canada-emergency-response-benefit.aspx>

23 Provincial officials

24 AISH clients: single has \$300 exempt then 25% of remainder (\$725); family has \$875 exempt then 25% of remainder (\$1,156.25).

25 Rapid reinstatement is in place for recipients of AISH benefits.

26 <https://news.gov.mb.ca/news/index.html?item=48318&posted=2020-05-26>

27 <https://aptnnews.ca/2020/04/09/manitoba-commits-to-extending-services-for-youth-aging-out-of-care-during-covid-19/>

28 <https://globalnews.ca/news/6759493/coronavirus-saskatchewan-pandemic-response-social-services/>

CERB interactions with provincial and territorial social assistance and subsidized housing programs and youth aging out of care				
	BC ^{29 30 31 32}	Yukon ^{33 34}	NWT ^{35 36}	Nunavut ³⁷
Treatment of CERB for SA calculation	Fully exempt for those in receipt of SA as of April 2, 2020. It was originally exempt for three months only, but has been extended for the duration of CERB.	Fully exempt	Fully exempt	Full clawback, treated like EI.
Will people lose eligibility for SA?	no	no	no	yes
Are SA savings being reinvested?	No savings – all exempt.	No savings – all exempt.	No savings – all exempt.	Any savings will be put back into IA programming.
Impact on subsidized housing	BC Housing treats the CERB as income and it is factored into all RGI calculations.	CERB will not increase rents in the short term (rents are based on previous year's income). No decision yet on how the CERB will affect future eligibility for subsidized housing.	Currently unknown	No impact for most IA clients as rents evaluated annually. All IA clients are moved to lowest rent bracket.
Extra benefits being paid to SA cases due to COVID	For the benefit month of May until the end of CERB payments, an extra \$300 COVID-19 Crisis Supplement for Income Assistance and Disability Assistance recipients not getting the CERB or EI. On August 17, 2020, the Crisis Supplement was extended for an additional four months.	Clients waiting for CERB benefits may request emergency financial support.	One-time emergency allowance for IA recipients of \$500 for singles and \$1,000 for households issued in March 2020.	no
Youth aging out of care ^{9 10}	Youth will not age out during pandemic. ³⁸	Continuing to provide services to youth in care. Youth will not age out during the pandemic.	NWT is extending support to youth in care and young adults aging out of services during the pandemic. ³⁹	Youth will not age out during the pandemic.

29 <https://www2.gov.bc.ca/gov/content/family-social-supports/income-assistance/on-assistance/covid>

30 <https://news.gov.bc.ca/releases/2020SDPR0012-000620>

31 <https://news.gov.bc.ca/releases/2020SDPR0036-001223>

32 <https://news.gov.bc.ca/releases/2020SDPR0041-001511>

33 <https://yukon.ca/en/news/canada-emergency-response-benefit-be-exempted-yukon-social-assistance>

34 Territorial official

35 <https://www.gov.nt.ca/en/newsroom/minister-education-culture-and-employment-announces-income-assistance-exemptions-residents>

36 Territorial official

37 Territorial official

38 <https://news.gov.bc.ca/releases/2020CFD0042-000596>

39 <https://www.gov.nt.ca/en/newsroom/diane-thom-covid-19-health-and-social-services-system-response>

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