

CIRCULAR

Date: May 21, 2020

CIRCULAR NUMBER: COVID#: 2020-75R

To: Program Managers

Subject: **Treatment of the Canada Emergency Response Benefit (CERB) and Canada Emergency Student Benefit (CESB)**

Reference:

Replaces: **2020-75**

Type: Policy For Internal Reference Only
 Procedure
 Rate
 Information Only

Effective Date: Immediately

This circular repeals COVID Circular 2020-75 which previously outlined the treatment of the Canada Emergency Response Benefit (CERB).

The Federal Government has introduced two main benefit programs meant to assist Canadians who are financially impacted by COVID-19.

The Canada Emergency Response Benefit (CERB) is a temporary federal income support benefit for Canadians who have stopped working because of COVID-19. CERB provides \$2,000 for a 4-week period for a total of 16 weeks. CERB continues to be available to people who earn \$1,000 or less during an eligibility period.

The Canada Emergency Student Benefit (CESB) provides support to post-secondary students and recent post-secondary and high school graduates who are not eligible for the CERB or Employment Insurance, and are unable to work due to COVID-19. CESB provides \$1,250 per 4-week period for eligible students or \$2,000 per 4-week period for eligible students with dependents or disabilities. The benefit will be available from May to August 2020.

Eligibility for Federal Benefits

To be eligible for CERB the person must:

- not already be receiving Employment Insurance (EI) benefits
- be at least 15 years old and reside in Canada

- have made a minimum of \$5,000 (before taxes) in the last 12 months, or in 2019, from employment, self-employment or provincial benefits related to maternity or parental leave
- not have left a job voluntarily and are unable to work, have stopped working, their regular EI benefits have expired between December 29, 2019 and October 3, 2020 or are working reduced hours due to COVID-19
 - If they are working they cannot be expected to earn more than \$1,000 in employment or self-employment income for at least 14 days in a row during the 4-week eligibility period.

To be eligible for CESB the person must be unable to work, unable to find work or working but not expected to earn more than \$1,000 in employment or self-employment income for at least 14 days in a row during the 4-week eligibility period and:

- enrolled in a post-secondary education program (at least 12 weeks in duration) that leads to a degree, diploma or certificate or has completed their post-secondary studies in December 2019 or later.
- completed or expected to complete high school or receive a high school equivalency in 2020 and has applied for a post-secondary education program that starts before February 1, 2021.

As these payments are alternate sources of income, EIA applicants/clients are obligated to apply for these benefits if their employment or education history indicates that they are likely to be eligible for the benefit. Both benefits require re-application every four weeks. EIA clients that are eligible for these payments are required to continue to apply, if they are eligible, as an alternate source of income for the duration of this temporary benefit.

If an applicant/client declares that they have received the CERB/CESB benefit, but based on the federal eligibility criteria they have a strong likelihood of being ineligible, the person should be counselled on how to connect with the federal government to: verify eligibility; the related consequences from the federal government if not eligible; and how to return the payment to the Canada Revenue Agency if appropriate.

Treatment

Applicants without Disability Assessment or Pending Disability Assessment

- For all EIA applications (excluding applicants to the disability category), these benefits will be treated as unearned income for the purposes of assessing financial eligibility.

Applicants with Disability Assessment

- For all EIA applications (excluding applicants to the disability category), these benefits should be treated as earned income. The full earnings exemption of \$200 plus 30 per cent should be applied at application to these benefits to determine financial eligibility.

Applicants with Disability Assessment Pending

- For all EIA applications with disability assessment pending, eligibility for EIA should be held until this decision is made, if the applicant is receiving one of these benefits. The EIA Program will prioritize the disability assessments for applicants receiving these

benefits. If disability status is confirmed, benefits should be back-dated to the date that the complete disability assessment application was received by the EIA Program.

Existing Clients (all categories)

- For all categories of enrolled clients with an active EIA file, these benefits should be treated as earned income. The full earnings exemption of \$200 plus 30 per cent should be applied to these benefits to determine financial eligibility even if they have not been enrolled for a full month.

Cases that remain eligible while in receipt of CERB should be contacted to confirm employment earnings over the past 12 months and request an Income Declaration Form to be completed to declare payments. If the client has not previously reported employment earnings to EIA a conversation should occur to discuss the client's eligibility for CERB payments and whether they had undeclared earnings while in receiving EIA benefits.

Cases that remain eligible while in receipt of CESB should be contacted to confirm educational eligibility and request an Income Declaration Forms to be completed for clients to declare payments.

Case Closure

Cases that close due to excess earnings with these benefits will automatically be enrolled in the Rewarding Work Health Plan (RWHP). The six-month requirement for RWHP will be waived.

SAMIN

Applicants without Disability Assessment or Pending Disability Assessment

- Input the federal benefit amount on the MUIN screen with the Other (OT) code.

Applicants with Disability Assessment, Disability Assessment Pending and Existing Clients (all categories)

- Input the federal benefit amount on the MAEA screen for monthly cases, or the ENEA screen for FLEX cases, as Self-Employment and one hour should be entered under the hours worked field.

These federal benefits are taxable benefits, but no tax is being deducted when the payment is issued. Therefore, the actual amount received should be used to calculate financial eligibility.

Overpayments

EIA may assess overpayments on these federal benefits if the client received these benefits, was eligible for them, but did not declare them to the EIA Program. The assessed overpayment should be for the amount of EIA benefits issued as duplicate assistance.

Deficit Payments

EIA may issue deficit payments as a result of these federal benefits if the client received these benefits, was not eligible for them, and did declare them to the EIA Program. The client will have received EIA benefits at a reduced rate due to these federal benefits. If in the future the client provides correspondence indicating that the federal benefit has been recovered, a deficit

payment for amounts deducted should be assessed for the period in which the federal benefits were declared.

Deemed Income

EIA may apply the deemed income policy to these federal benefits if they were spent for the purpose of establishing financial eligibility for EIA.

If you have any other questions, please contact William Grindell at 204-945-1259, or Vincent Villanueva at 204-945-2684.

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Attachment(s):
Federal COVID Assistance Q&A Document
Federal COVID Assistance Flowchart