



March 08, 2021

Ms. Sarah Arngna'naaq
President, Board of Directors
YWCA NWT Advocacy Committee
PO BOX 1679
YELLOWKNIFE NT X1A 2P3

Dear Ms. Arngna'naaq:

**Recovery of the Canada Emergency
Response Benefit and the Income Assistance Program**

Thank you for your letter dated February 09, 2021 in respect to the Income Assistance (IA) program. More specifically, the financial impacts faced by residents having to repay the Canada Emergency Response Benefit (CERB) and the future impact it may have on determining eligibility for benefits under the IA program.

The IA program requires that applicants file their Income Tax each year and that any refunds available are treated as unearned income and counted in the assessments. This is outlined in the Income Assistance Regulations, which carries out the provisions of the Social Assistance Act. Section 20(4)(n) of the Regulations state that tax refunds, including payments for tax credits be counted as unearned income.

While I can appreciate the rationale behind the recommendation to exempt Income Tax refunds, it is not permissible under our current legislation. However, the IA program offers many exemptions, including an annual unearned income exemption of up to \$1,200. This allows for unearned income, such as Income Tax refunds, tax refunds being applied to debts, the Goods and Services Tax (GST) rebate and monetary gifts to be exempted from the calculation of IA benefits. In situations, where residents are having their Income Tax refund garnished, they can request that their unearned income exemption be applied. In addition, certain types of income, such as the Canada Child Benefit and other income intended for children, are automatically exempted by the IA program and do not affect the amount of IA an applicant would be eligible for.

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I would like to take this opportunity to thank the YWCA NWT for its continued work in supporting and advancing the interests and well-being of our most vulnerable residents.

Sincerely,

A handwritten signature in black ink, appearing to read 'R.J. Simpson', with a long horizontal stroke extending to the right.

R.J. Simpson
Minister, Education, Culture
and Employment

c. The Honourable Caroline Wawzonek
Minister of Finance

The Honourable Julie Green
Minister of Health and Social Services

Ms. Rita Mueller
Deputy Minister
Education, Culture and Employment