



Canada Revenue Agency issues letters to some Canadians to pay back their COVID-19 benefit payments

Confusion around CERB and other pandemic benefits resulted in some Canadians erroneously receiving the payment

Calgary, AB, May 13, 2022 – On May 10, the Canada Revenue Agency (CRA) started issuing letters to Canadians who received COVID-19 benefits such as the Canada Emergency Response Benefit (CERB) in error to begin the process of repayment.

When the pandemic hit in 2020, the Government of Canada developed several emergency benefits to provide financial relief to Canadians as the country faced unprecedented layoffs and unemployment due to lockdowns. The government allowed Canadians to determine if they were eligible to receive the benefits, stating that if they weren't, repayment would be necessary in the future. This was to bypass the time needed to assess each case to ensure Canadians could have fast access to funds.

In November 2021, Service Canada began issuing notices, and now the CRA is issuing notices to inform Canadians of their repayment duties.

"It was always clear from the beginning that if people incorrectly applied and accepted CERB payments that they would have to pay that money back eventually," said Peter Bruno, President of H&R Block Canada. "Since the beginning of the pandemic, we've been advising clients of their eligibility, and working with them to correct any mistakes quickly to ensure they didn't face unnecessary debts or accumulate interest on those debts."

The letters, called Notices of Redetermination (NoRs-CRA) or Notices of Debt (NoDs-ESDC – issued by the Employment and Social Development Canada or ESDC) outline to Canadians that they have accumulated a debt on their CRA accounts due to receiving the benefit in error.

Whether funds were provided by ESDC, Service Canada or Employment Insurance (EI), the CRA is the governmental body who collects debt payments. The CRA offers many repayment options to Canadians including determining minimum monthly payments, payment arrangements, help with determining a budget that can accommodate repayment and other advice on how to manage debt. Canadians can also file for the financial hardship provision if debt repayments make paying for basic needs such as housing, food and utilities difficult. For those unable to pay their debt, the CRA may take legal action which could result in financial or legal consequences.

"With lots of publicity around the CERB repayments, some Canadians might notice an increase in scams, in the form of pressure phone calls, texts, emails or letters," said Mr. Bruno. "It's important for Canadians stay vigilant and know that the CRA won't text or IM you, they won't request payment with cryptocurrency, prepaid credit cards, e-transfers or gift cards, and they will not ask you for your personal or banking information."

The CRA's main methods for contact are phone or letters, and those contacted are encouraged to then log into their My Account to view their account and make payments or work with their tax preparer to do so. The CRA accepts debt payment online, in person and by mail.



For those who have not yet filed their 2021 taxes, there are some benefits and credits they might be entitled to that can help lower their amounts owing, such as the GST/HST quarterly payment, and the Climate Action Incentive Payment (CAIP) for those in Alberta, Saskatchewan, Manitoba or Ontario.

Once a person repays, the CRA will issue a T4A slip so that they can claim the repayment as a deduction on their future return.

“For any Canadians confused by their assessment or audit, our Tax Experts are here to help answer your questions and can work with you and the CRA to resolve any issues,” said Mr. Bruno.

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