



INCOME SECURITY ADVOCACY CENTRE
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Introductory Remarks to the Standing Committee on Finance regarding Bill C-2, An Act to provide further support in response to COVID-19

Thursday, December 9, 2021

My name is Devorah Kobluk, and I am the Senior Policy Analyst at the Income Security Advocacy Centre (ISAC). ISAC is a specialty legal clinic funded by Legal Aid Ontario. Our mandate is to advance the rights and interests of low-income Ontarians with respect to income security and employment. We carry out our mandate through test case litigation, policy advocacy, community development, and public education.

Thank you for the opportunity to speak to Bill C-2. While we are pleased to see an extension to the Canada sickness and caregiver benefits, we have some concerns. First, the new Canada Worker Lockdown Benefit offers an inadequate rate of \$300 per week and is inaccessible since no region in Canada currently meets the lockdown requirement. Workers continue to experience the fallout from COVID-19 and this Bill offers next to nothing moving forward. **We recommend retroactively extending the Canada Recovery Benefit at its original \$500 rate** until the economy fully stabilizes and the impacts of the Omicron variant are clear.

ISAC is also very concerned that there are no provisions in Bill C-2 to address the ongoing crisis for low-income seniors. In early August, we were flooded with calls in the legal clinic system from seniors who had suddenly had their GIS reduced or eliminated in 2021 because they accessed the CERB in 2020. The confusion and panic that began over four months ago has not subsided. The situation for these seniors is desperate.

We understand that CERB was developed rapidly when the pandemic hit and that the goal was to get money out the door quickly. What we do not understand is why this bill does not seize the opportunity to correct the unintended consequences of CERB-GIS interactions. This government knew of these interactions as early as May 2020ⁱ and stated last month that there were issues of “fairness and equity” to consider before addressing concerns.ⁱⁱ What is fair and equitable about clawing back a poverty reduction tool – the GIS – during the unusual years of a pandemic?

The seniors impacted are the poorest seniors in Canada. They supplement their below-poverty GIS income with part-time work to make ends meet. At an age when one hopes to not have to work, these seniors work. When the pandemic hit, they accessed CERB because of job loss and, as a high-risk population, to isolate and stay safe. They were not informed of possible consequences to their GIS. Further, a loss of GIS disproportionately impacts women, older seniors, Indigenous and racialized seniors.^{iii,iv}



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At the end of July, these were the seniors who lost up to \$600 of their monthly income, sometimes more and with no warning.

Among those impacted is a 68-year-old senior in Ottawa who worked as a self-employed dog walker prior to the pandemic. The pandemic caused her small business to completely collapse. She used CERB to supplement her lost income, pay for groceries, personal protective equipment, and taxis to medical appointments. The avalanche of unintended consequences has been devastating. She is now trying to survive on approximately \$650 per month. Her rent has increased because her Rent-Geared-to-Income (RGI) was recalculated while she received CERB. She may have to leave her home of over 14 years. She has lost her Trillium Drug Program benefit that helped her pay for medication. And she is being asked to wait until July 2022 for this situation to be corrected. She will not make it. Like other seniors in her position, with every passing month it is becoming harder to pay for rent, rising food prices, transportation, and medical supplies. The risk of homelessness increases.

The minimal recourse available to individual seniors is confusing, slow, and offers no guarantees. A lawyer in our clinic system in Thunder Bay was told by Service Canada that here would be no reassessment for 2021. In another situation, a Toronto MP's office contacted both CRA and Service Canada on behalf of a senior constituent, only to be told that nothing could be done. That senior was given a list of nearby food banks. We need a systemic solution.

We now know that over 88,000 seniors are impacted; we know that the \$438 million needed to fix this problem and was already earmarked in the budget.^v This government can and must fix this problem for the most vulnerable seniors now.

ISAC has reached out to several Ministers and the Prime Minister and received no response. We wrote an open letter October 28, 2021, that was signed by 106 anti-poverty, community, and seniors advocacy organizations from across the country asking that the government:

- **Exclude CERB from the calculation of income and recalculate the Guaranteed Income Supplement (GIS) benefits for 2020-2021; and**
- **Retroactively return the lost benefits and apply the readjusted benefit amount for the duration of the 2021-2022 year.**^{vi}

Today, I now urge the Standing Committee on Finance to amend Bill C-2 to include these provisions, **and to also exclude the CRB from the calculation of income from the GIS so that this problem does not continue into 2023.** Failure to do so only guarantees ongoing cruelty towards this country's poorest seniors.

ⁱ Government of Canada (2021, January 14). "Minister of Seniors HUMA appearance on Government's response to the COVID-19 pandemic – May 15, 2020." Retrieved December 8, 2021, from <https://www.canada.ca/en/employment-social-development/corporate/reports/committe-binders/huma-may15-seniors.html#h2.1>



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ⁱⁱ Cpac (2021, November 24). “Finance Minister Chrystia Freeland discusses legislation on pandemic benefits – November 24, 2021.” Retrieved December 8, 2021, from <https://www.youtube.com/watch?v=E2-xxafQqy4>, 26:00-27:40.

ⁱⁱⁱ Imbeau Edouard (January 2018). *Take-up Rate of Guaranteed Income Supplement: findings from tax and program administrative data*. Employment and Social Development Canada. Retrieved December 9, 2021, from <https://www.canada.ca/content/dam/canada/employment-social-development/services/pension/reports/take-up-rate-gis-EN.pdf>, 16-18.

^{iv} Block, Sheila, Grace-Edward Galabuzi, Hayden King (2021 June 16). *Colour-coded Retirement*. Canadian Centre for Policy Alternatives. Retrieved December 9, 2021 from <https://www.policyalternatives.ca/sites/default/files/uploads/publications/National%20Office/2021/06/Colour%20coded%20retirement.pdf>, 43-46.

^v Zimonjic, Peter (2021, November 5). “Almost 90,000 seniors facing guaranteed income supplement cut for accepting pandemic benefits.” *CBC News*. Retrieved December 8, 2021, from <https://www.cbc.ca/news/politics/ceb-cra-gis-payment-clawback-1.6237311>.

^{vi} Income Security Advocacy Centre (2021, October 28). “Min. Qualtrough: Restore the GIS for low-income seniors now!” Retrieved December 8, 2021, from <http://incomesecurity.org/policy-advocacy/min-qualtrough-restore-the-gis-for-low-income-seniors-now-retablir-le-supplement-de-revenu-garanti-srg-pour-les-aines-a-faible-revenu/>