

*Questions*  
**QUESTIONS**

(Questions answered orally are indicated by an asterisk.)

FAMILY ALLOWANCES

**Mr. Hodgson:**

1. Are payments under the Family Allowances Act made before proof of eligibility is established?
2. If so, what was the total amount of such payments made during the years 1948 and 1949 to date?
3. What amount, if any, of the above payments have been found to be overpayments in accordance with the terms of the act?
4. On what authority were family allowance payments made prior to proof of eligibility being established?
5. What action, if any, has been taken to recover overpayments made under the Family Allowances Act?
6. How much has been recovered to date?

**Mr. Martin:**

1. Payments under the Family Allowances Act are made on the basis of a declaration signed by both parents and stating the birth date of each child. Since this declaration is subject to later verification through provincial vital statistics records, or otherwise, it is not considered necessary to delay payment of family allowances until verification is made. (There are a number of points of eligibility for family allowances, including residence in Canada, attendance at school, maintenance by the parent, age under sixteen, and so forth. However, it is assumed in replying to this question that the inquiry turns on verification of birth dates.)

2. Payments made during 1948 and 1949 (to October 31) before verification of birth dates, may have been made with respect to accounts originating in 1945, 1946 or 1947, as well as in 1948 and 1949. While all accounts go into pay prior to verification of birth dates, the process of verification began early in 1946 when most provincial records became available and has progressed steadily since. Currently more than 96 per cent of all birth dates claimed have been verified, and more than 99 per cent of all those for which provincial birth record indexes have been supplied to family allowances offices. To determine now what payments were made in 1948 and 1949 in respect to children with birth dates not yet verified in those years would require the detailed analysis of over 1,800,000 family allowances accounts, covering over 4 million children. This would require many months' work.

3. Of the payments made in 1948 and 1949 on behalf of children whose first payments of family allowances began in those years, total overpayments arising because of birth date errors amount to \$163, all of which has been recovered. In addition there remains as of October 31, 1949, a balance of \$92,325 due to

[Mr. Fulton.]

overpayments arising from birth date errors made in respect to children who were registered for family allowances before 1948. Of this amount, all except \$5,371 is recoverable either by deductions from continuing accounts or by collection from the payee.

4. The Family Allowances Act does not require that the age of a child must be confirmed from provincial vital statistics records before payments are made. Family allowances payments are made on the basis of a declaration completed and signed by the parents. So far as birth dates are concerned, the birth dates claimed by the parents are subsequently verified by comparison with provincial vital statistics records. Such records are available only after several months following the registration of the child for family allowances. The vast majority of birth dates as claimed by the parents are found to be correct. To require parents to prove the birth date before family allowance payments could begin would mean inconvenience to them in procuring birth certificates and a considerable delay in beginning payments. Moreover the burden placed on provincial vital statistics offices in being called upon to issue so great a volume of birth certificates promptly would exceed their capacity.

5. Overpayments incurred under the Family Allowances Act are recovered by: (a) complete suspension of the account; (b) deductions from an account; (c) collection from the parent.

6. In the first years of family allowances payments, records of overpayments were not kept in a manner which permits of determining what amount of overpayments was due to birth date errors, and what amount was due to other reasons. It is not therefore possible, except with detailed examination of every family allowances account in pay at any time since July, 1945, to ascertain what overpayments were set up on account of birth date errors, or what amounts have been recovered against them. However, the balance of overpayments, for all causes, outstanding at March 31, 1948, was \$493,291, in respect to 8,982 accounts. This balance on October 31, 1949, was \$429,168, in respect to 7,397 accounts made up as follows:—2,495 accounts amounting to \$150,374.25 where recovery is automatic by suspension and recovery from future payments, 4,420 accounts amounting to \$250,998.36 where recovery is being undertaken by direct collection methods, the accounts having lapsed; 482 accounts amounting to \$27,795.56 where every possible attempt thus far to collect the overpayment may have been regarded as uncollectable.