

*Social Services*

We often read in the newspapers of people who got something like \$10 million instead of \$10 from some government department. I am ready to admit that this must be considered.

If the Government is prepared to accept the motion, and if the Members of the House accept it, setting limits of say 15 or 20 per cent in excess, I would be very grateful for such a policy.

I do not want . . . I am not suggesting that if a public servant gives a citizen one million dollars too much, that person should keep it. We can imagine conspiracies, situations where a government official wanting to help someone could have the computer make a mistake and give the individual in question a million-dollar overpayment. One can ask whether it would be fair to keep that money. This is not what I am talking about.

I ask Members who will speak to consider the situations they no doubt know of in their ridings, like cases where people have received overpayments that the Government wants back.

By setting reasonable limits, we can control extreme cases.

[*English*]

I do not want to write a blueprint for getting super windfalls when the decimal point is five or six digits out of line. I am only referring to the very real and increasingly frequent situation of a modest overpayment over a prolonged period of time, resulting in a really tough time for elderly poor people who rely on government payments, did not know the amount was excessive, and are suddenly forced to live with an important amount of money less than they were getting before. I think that is the kind of situation that my resolution is meant to address. I hope that Hon. Members will support it, that it will pass, and that the Government will adopt it as a policy within the range of a certain margin of error.

**Mrs. Barbara Sparrow (Calgary South):** Mr. Speaker, in response to Motion No. 167, let me begin by thanking the Hon. Member for raising the matter of overpayment to an individual under a government program and for providing an opportunity for the House to debate the issue.

The Government is of course very aware of the importance of its social programs and the concerns expressed by the Hon. Member for York Centre (Mr. Kaplan) about the recovery of overpayments. It has been and continues to be the practice of this Government to deal with such matters with compassion and understanding. To this end, the Government, in 1986, included specific statutory provisions authorizing the remission of overpayments resulting from administrative error in program legislation such as the Canada Pension Plan, the Old Age Security Act, the Family Allowances Act, and the War Veterans Allowance Act.

• (1410)

Section 65(3) of the Canada Pension Plan, which is typical of such provisions, provides that the Minister may remit all or any portion of an overpayment on any one of four grounds, and I quote:

The amount . . . cannot be collected within the reasonable foreseeable future.

The administrative costs of collecting the amount or excess of the allowance are likely to equal or exceed the amount to be collected.

Repayment of the amount or excess of the allowance would cause undue hardship to the person or institution, or

The amount or excess of the allowance is the result of erroneous advice or administrative error on the part of an official of the Department.

During the last fiscal year over 11,000 overpayments were written off under these provisions. Furthermore, in the event that an unforeseen situation arises for which no specific provision has been enacted, the Minister concerned can turn to the regulations made pursuant to Section 18 of the Financial Administration Act which provides for the writing off of debts as uncollectable on grounds of hardship.

From what I have just outlined, Mr. Speaker, I believe that the necessary legislative authorities are in place for a compassionate implementation of the recovery of overpayments. The Government will, of course, continue to monitor the situation as part of its ongoing regular review of program delivery and will make any statutory adjustments that may be required as the needs arise.

I would like to point out that what may appear to be an administrative error may in fact be a deliberate strategy aimed at ensuring continuity of payment. The Government is acutely aware of the need for Canadians on fixed incomes to be assured that they will receive their payments regularly and without interruption. Cheques are, therefore, often prepared in advance, on the basis of expected entitlements and adjusted later, if necessary. This practice does not normally present major financial difficulties when the adjustment is made immediately, that is, on the subsequent payment.

However, as I am sure you can understand, Mr. Speaker, the alternative of verifying entitlement before each and every payment is just not practical for all programs. First, it would cause delays while the Department concerned waited for the benefit recipient to file the necessary information. Second, it would create an additional administrative burden for both the recipient and the Department and would result in a waste of resources which could better be used to process new applications and improve service to the program recipients.

In some cases, entitlements may be scheduled to be adjusted quarterly, semi-annually, or even only annually. Because of changes in a recipient's status in the intervening period, entitlement and hence the payment may be reduced on the next scheduled adjustment date. However, the higher amount received during the previous period should not be classified as an overpayment, but the amount to which the individual was entitled during that period. Nor is the subsequent reduction a recovery, but merely a reflection of the revised entitlement.

This House should also bear in mind that in the case of general programs like the Canada Pension Plan and family allowances, not all recipients are living on a limited income. To remit automatically all overpayments, even where recovery would not cause hardship, would be unfair not only to all taxpayers in general, but more important, to the other program recipients who would not receive the same "windfall". I maintain that the current system which allows Ministers to remit overpayments on a case by case or class basis provides a reasonable balance between equity and compassion.