

Chapter 14: Administration of Income Support

(vii) Payment Methods

(a) Overview

Intent:	To identify the different methods by which Income Support benefits can be issued.
Act: (if applicable)	<p>How support granted</p> <p>19. (1) Income and employment support may be granted in a form and manner that an officer, with the approval of the minister, may determine.</p> <p>(2) Notwithstanding subsection (1), an officer may, in accordance with the regulations, at the request of the recipient and with the approval of the minister, use funds available for a recipient's income support to provide that recipient's employment support.</p> <p>(3) Where funds are used in the manner described in subsection (2), the consent of the recipient's spouse or cohabiting partner shall be obtained.</p> <p>(4) Notwithstanding subsection (3), the minister may, in exceptional circumstances, dispense with the consent required under that subsection.</p>
Regulations:	<p>Frequency and manner of payment</p> <p>20. (1) Income support may be paid</p> <p>(a) daily;</p> <p>(b) semi-monthly;</p> <p>(c) monthly; or</p> <p>(d) at an interval determined by the minister.</p> <p>(2) Notwithstanding another provision of this Part, a recipient's income support may be used to provide his or her employment support in the manner referred to in section 44.</p>
Overview: (if applicable)	<ul style="list-style-type: none"> All requests relating to a financial payment by a Client Service Officer (CSO) must be reviewed and verified (or denied) by the Payment Authorization Unit.

- Once eligibility for benefits has been determined, issuance of these benefits may be granted in several different manners:
 - Non-recurring pay cheque *
 - Non-recurring direct deposit *
 - Recurring pay – cheque *
 - Recurring pay – direct deposit *
 - Payment to a trustee (please see policy on Payment to a Trustee) *
 - Group payments
 - Service authorizations
 - Authorizations for health benefits
- * which may include payments to third parties

Policy: (100) General

Recurring:

- Attached to recurring cheques/notices of deposit is a stub which outlines the benefits including:
 - any income deducted
 - a notice where any part of the benefits has been issued to another payee (i.e. landlord)
 - the current accounts receivable balance if applicable, and any recovery applied towards the balance from the enclosed payment.
- In the case of cheques/notices of deposit for basic Income Support benefits, an ambulance/dental card is attached. This is only printed where drug card coverage has been included in the CAPS request for benefits. This card is issued on the first of the month covering the current month for all recurring pay cases.

Non-recurring:

- Changes to stubs for non-recurring cheques have been in effect since January 16/15, with a maximum of 60 characters permitted/stub.
- In cases when the information required can meet the 60 character limit and no ambulance/dental card is required, the stub will be contained on the non-recurring cheque. Examples include:
 - Payments to a landlord (sample message: A/C John Doe, Main Street, St. John's. In cases with an account number

such as NLHC, the account number is displayed instead of the address).

- Payments to a utility (sample message: A/C John Doe, Act. #444444)
- Payments to “Other” payee (sample message: A/C John Doe, Main Street, St. John’s)
- Payments to recipients/contacts when there is only one requirement included in the cheque, and no ambulance/dental card is provided (sample message: Payment for appropriate benefit)
- When an ambulance/dental card is required and/or the required information cannot be captured in 60 characters or less, recipients will receive a message indicating the stub details and ambulance/dental card (if required) will follow. A more detailed stub will be printed at Confederation Building and mailed separately. It will include:
 - At the top, a message that the stub and/or ambulance/dental card relates to the Income Support payment mailed on the specific date, for the specific cheque #
 - An ambulance/dental card (if applicable) in the middle section, and
 - At the bottom, the recipient’s name, proxy name (if applicable), cheque #, covering period, income, requirements, A/R balance, any payments made by separate cheque, recovery, and final benefit amount.
- Ambulance/dental card covering periods for non-recurring cases usually mirror the benefit covering period.

(200) Non-Recurring Pay (Cheque or Direct Deposit)

- Non-recurring payments consist of one-time payments issued through CAPS. This is the preferred way of issuing cheques to recipients who:
 - Have fluctuating income
 - Are anticipating a change in their circumstances such as income, family composition, or address
 - Are anticipating a source of income in the near future (i.e. EI, Workplace NL) and there may be an assignment of benefit in place
 - Are transient in nature, making the calculation of benefits difficult because of changes in accommodations
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- Non-recurring pay as a method of payment also includes supplementary assistance to eligible individuals for:
 - One-time supplementary benefits such as security deposits, etc.
 - An adjustment to previous benefits, replacement cheques etc.
- These cheques are issued daily via the Department of Finance and mailed from St. John's or issued through direct deposit.
- Payments of basic benefits verified by the Pay Authorization Unit through the non-recurring screens in CAPS cannot be issued until 4 working days prior to the benefit start date (regardless of the verified date), while payments for benefits processed under the supplementary benefits screens will be issued in the next payment batch after verification.
- Cheques are issued for the period of eligibility for the recipient – most are for 30 days, but can be for 14 days while awaiting EI, or for any other number of days mirroring the recipient's entitlement.
- Cheques can be issued to recipients, landlords, mortgage holders or trustees.
- Payments can be issued on non-recurring cases through direct deposit. This can be particularly effective when processing urgent requests.
 - Non-recurring payments can be issued through direct deposit for any day of the month. Assuming that there are no technical difficulties:
 - If a request is 'verified' by the PAU on a Monday, it will go through the batch process Monday night and be issued for direct deposit the following day (Tuesday). That direct deposit will be processed at Tuesday midnight/Wednesday AM.
 - Payments that go through the batch process on Thursday night will be available to recipients Friday at midnight/Saturday AM.
 - The same pattern in terms of timing applies to payments verified on Tuesday and Wednesday – approximately 24 hours after the batch processing.

- Payments that are verified on Friday do not go through the batch process until Sunday night, and will not be available to recipients until Monday night at midnight/Tuesday am.
- The above timing scenarios are applicable for most major banks. For smaller banks and credit unions, it may take longer.

(300) Recurring Pay (Cheque or Direct Deposit)

- Recurring pay is a repetitive pay system used for recipients where eligibility has been determined and where payments are expected to continue with minimal change in requirements or income. When possible, recipients should be placed on this payment method.
- Recurring pay cheques are dated for the 1st or 16th of the month (unless dates fall on a weekend or holiday in which case the cheques are dated for the previous day). Cheques are printed and placed in the mail so recipients should receive them on the date printed on the cheque.
- Where recipients are eligible for benefits on a start date other than the 1st or 16th of a month, they can still be placed on recurring pay effective the date of eligibility. In these cases (or where eligibility is for the 1st or 16th but missed the computer run date for that cycle), a 'partial' recurring pay cheque will be issued until the next regular semi-monthly cycle. These partial cheques will not contain more than 30 days of benefits regardless of the time between the eligibility date and the date of the next run.
- Payments will continue unless there is action to suspend the allowance.
- Payments can be issued to recipients, landlords, mortgage holders, utility companies, trustees or others identified as a contact on the case.
- Payments can be issued via cheque or direct deposit for most payees, with the exception of some of the group payees.

- Payments which are made direct to landlords are issued for the 1st of the month. The portion for rent from the previous 16th of the month (where applicable) is held or deferred, and combines with the portion to be issued for the 1st of the following month. It is mandatory for landlords paid directly by the Department to avail of direct deposit. Exceptions must be approved by the Client Services Manager
- Where recipients on recurring pay receive their benefits via direct deposit:
 - If there are no changes, a notification of direct deposit is mailed once/month on the first of month. This notification is double sided. It contains the first of the month stub on one side, and the mid-month stub from the previous month on the other. An ambulance/dental card is also included.
 - If there are changes to recipient benefits compared to the previous payment run, a stub will also be issued mid-month.

Clarification of Direct Deposit Requests (Recurring and Non-Recurring Pay)

- On November 1, 2012, it became mandatory for all new and reopened recurring pay cases to receive payments by direct deposit.
 - Exceptions to this mandatory policy must be approved by a Client Service Manager (CSM) and noted in CAPS.
 - Financial support cannot be provided to recipients to cover costs associated with acquiring or maintaining a bank account.
 - To action a direct deposit payment on behalf of an applicant/recipient or landlord, there are two main requirements:
 - **Signed permission from the recipient to have their payments deposited into their bank account**
 - **Accurate banking information**
 - Consent can be given by either:
 - Having the recipient sign the Department's Direct Deposit form #14-650;
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- Providing a letter/note with their signature requesting that the Department issue their Income Support benefits via direct deposit accompanied by a void cheque; **or**
 - Correspondence from the financial institution providing all necessary information on the recipient's account including the name of the financial institution, branch and account number. The correspondence must also indicate the recipient's consent to direct deposit.
 - Please note that any one of the above is sufficient to provide benefits through direct deposit - all three are not required. Once this information is on file, there is no requirement to have the recipient provide annual updates unless there is a change of circumstance (e.g. recipient changes banks, branch, or bank accounts).
 - The recipient's account number and bank information must be inputted into CAPS when transferring cases to recurring pay unless the CSM approves an exemption.
 - A payment can be only deposited into an account of someone other than the recipient or their spouse, if there is a signed trustee form on the recipient's file.
 - Should a recipient leave Income Support and later re-apply, their signed consent for direct deposit will still be required. However, as long as there are no changes and the information is in TRIM, their previous banking information (e.g. form 14-650 and correspondence from the bank) can be used to set up direct deposit. There is no requirement for individuals to obtain updated banking information in these instances.
 - Exceptions are sometimes made and a recipient is approved to receive payments through cheque and not direct deposit. If there is alleged fraud, the case must be suspended immediately and the CSO must consult with the Finance Division to ensure that fraud risk is lessened and direct deposit or other means of payment is utilized.
 - If a financial institution is not already set up in CAPS, appropriate information must be sent to CAPS maintenance
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to have the institution added. Information must be accurate and include:

- All information required to complete Screen SM 1020 with the exception of “Address 2” and “Fax.”

(500) Direct Deposit (Group Payee)

- Effective April 01, 2012 when selecting NL Power as a group payee in recurring pay, CAPS will default the “Bank Information” to Scotia Bank at Halifax. The Bank account number on the payee information screen AM5850 will show #####.
- There are a number of direct deposit group payees listed in CAPS. When the preferred group payee is selected, the address and banking information for that payee is automatically populated in the payment screen.
- When required, new group payees can be added to CAPS by Provincial office.

(600) Direct Deposit Rejections

- When direct deposit requests are rejected by financial institutions, Client Payment Services should:
 - cancel the direct deposit in CAPS with a note “rejected” in the comments section
 - place the following information in the case note:
 - rejected
 - the date rejected
 - the amount
 - the name of the worker notified in e-mail of the rejection and date
- If there are more than two rejected direct deposit requests:
 - place a hold on all payments
 - cancel the direct deposit in CAPS with a note “rejected” in comments
 - e-mail the worker to notify them of the rejection
 - place the following information in the case note:
 - rejected
 - the date rejected

- the amount
- the name of the worker notified in e-mail of the rejection and date

- Direct deposit documentation should be reviewed and compared with information in CAPS. If there is a discrepancy, the recipient should be contacted to determine the correct information.

(700) Overlap of Shelter Benefits When Placing on Recurring Pay

- When setting up a case on recurring pay, there is a permissible overlap of shelter (rent or mortgage payments) for a 15 days. This allows the recipient to have sufficient funds to pay their shelter costs at the beginning of the month (please see policies on Shelter Benefits).

(800) Suspension of Recurring Pay Benefits

- Recurring pay benefits can be suspended up to and including the day of the cheque run. No PAU verification is required. CSOs should indicate the reason for the suspension. In some cases, the suspension may be a result of change in circumstances and the allowance can be immediately reinstated when correct requirements are determined.
- Where an allowance is suspended for the first of the month and there is a direct payment deferred for a landlord from the 16th of the previous month, this payment will be cancelled and shown in CAPS.

(900) Payment to a Trustee

- There are recipients who are unable to manage their own finances. In these cases, another individual can apply for and receive their Income Support benefits (see Payment to a Trustee).
 - The trustee may request direct deposit of the recipient's payments into their own bank account or set up a separate bank account of behalf of the recipient.

(1000) Group Payments

- Where there are multiple payments for the same payee on different cases, CAPS can group the payments and produce one cheque. This assumes that the payee matches exactly in name and address. There is a limit of 8 payments per cheque produced, and the stub identifies the recipients on whose behalf the payment is being made, their address and the amount included.
- For payees where the number of recipients are significant (i.e. NLHC, NL Power), these payees have been established within CAPS as group payees. Staff should select them as a payee from the payee screen which drags their title and mailing information forward. Disbursements to these payees can exceed the limit identified in the previous bullet and as opposed to printing the recipient information on the cheque, a formal report of recipients and amounts is produced and distributed to the group payee.

(1100) Service Authorizations

- While disbursements for basic Income Support benefits are provided by cheque or direct deposit, payments for supplementary benefits such as vision care and burials etc. are usually issued as a Service Authorization (SA) when the payee is the service provider. Instead of selecting a payee within CAPS, staff can complete a SA. Once verified, the SA has a status of "Open" and the SA number is generated. Staff can mail out the SA directly to the service provider or provide the authorization number and details by phone. After the recipient has received the benefit/service, the service provider invoices the Department, quoting the authorization number. Payment is made at Provincial Office by the Finance Division.
- SA's are completed for the amount of the service before tax is added, but the service provider bills for the service amount plus applicable tax.

(1200) Authorizations for Health Benefits

- For many health related benefits such as medical equipment, medical supplies and hearing aids; payment is not made by this Department. In these cases, staff provides an Authorization for Health Benefits form to the applicable Regional Health Authority (RHA) which confirms the recipient's financial eligibility. The RHA must then determine if the item is a eligible benefit under their programs. Where recipients meet this eligibility, the RHA arranges payment.
- SA's and Authorizations for Health Benefits are very different. A SA is similar to a cheque which is paid by the Department. Authorizations for Health Benefits confirm financial eligibility on behalf of a recipient for specific health benefits, and are funded by Health and Community Services/the Health Authority.

Procedure: N/A

Authority Level: Client Services Officer

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