

## Chapter 13: Underpayment, Overpayment and Recovery

### (ii) Underpayment of Income Support Benefits

<b>Intent:</b>	To clarify the procedure involved when a recipient or a former recipient was underpaid Income Support benefits.
<b>Act:</b> (if applicable)	<p>2. (t) "underpayment" means income support which, due to a departmental error, was not paid to a recipient or former recipient who was eligible for it.</p> <p>23. Where it is discovered that, based on evidence satisfactory to the minister, a recipient has received an underpayment, the amount of the underpayment shall, for a retroactive period not more than 6 years before the date of its discovery, be paid to the recipient.</p> <p>39. (2) Overpayments or underpayments of social assistance under the Social Assistance Act made before the coming into force of this Act, whether discovered before or after the coming into force of this Act, shall be calculated according to the enactment in force when the overpayment or underpayment was discovered.</p>
<b>Regulations:</b>	<p>53. Where a former recipient who is owed money from an underpayment according to section 23 of the Act also owes a debt to the Crown in the form of an overpayment under section 24 of the Act, the money owing to the Crown may be recovered from the money owing to the former recipient and the remainder, if any, shall be paid to the former recipient.</p>
<b>Overview:</b> (if applicable)	N/A

**Policy:**

- An underpayment results when Income Support benefits were not paid to a recipient or former recipient who was eligible for these benefits during a specified time period, **due to a Departmental error.**
- An underpayment can be calculated for a period not to exceed six years from the date the underpayment was discovered by the Department.
- If a former recipient has an overpayment, the amount of the underpayment is applied to the overpayment and the balance, if any, is provided to the former recipient. A current recipient of Income Support benefits would receive a cheque for the underpayment and would continue with the repayment of an existing overpayment through the 5% recovery of his/her regular assistance. The underpayment adjustment amount would not be applied to reduce the existing overpayment.
- Underpayments that were addressed under the previous Social Assistance Act cannot be brought forward and re-addressed under the current Income and Employment Support Act.

**Procedure:** Client Services Officers:

- may make adjustments with regard to an underpayment of Income Support benefits for a retroactive period not to exceed 12 months from the last date of the underpayment,
- must obtain approval from the Client Service Manager/Regional Income Support Manager if the underpayment exceeds 12 months,
- in the case of a former Income Support recipient, must determine if he/she has an overpayment, and if there is an overpayment, apply the amount of the underpayment to the existing overpayment,
- must provide a complete calculation of the underpayment and maintain this information in CAPS,
- will for current Income Support clients where an underpayment has been determined, issue a non-recurring pay cheque for the amount, noting in the remarks section that the payment is a retroactive payment and outlining the corresponding time period in CAPS case notes, and

	<ul style="list-style-type: none"> <li>• must notify the recipient in writing how the underpayment was calculated, the covering period of the underpayment, if the payment was applied to an overpayment and of their right to appeal.</li> <li>• The policy on applying underpayments to a current overpayment balance does not apply to the payment of municipal taxes which are paid in arrears.</li> </ul>
<b>Authority Level:</b>	<p>Client Services Officer - retroactive Income Support benefits where the covering period is less than 12 months in duration.</p> <p>Client Service Manager/Regional Income Support Manager – retroactive Income Support benefits where the covering period exceeds 12 months in duration, but not to exceed six years.</p>
<b>Date revised:</b>	December 18, 2009