

June 3, 2019



Re: Your request for access to information under Part II of the *Access to Information and Protection of Privacy Act, 2015* [Our File #: AESL/034/2019]

On May 23, 2019 the Department of Advanced Education, Skills and Labour received your request for access to the following records/information:

“April 2019 information note titled Child Support Arrears Collected by Support Enforcement Agency.”

I am pleased to inform you that your request for access to this information has been granted in part and the responsive records are attached. Access to the remaining records, and/or information contained within the records, has been refused in accordance with the following exceptions to disclosure, as specified in the *Access to Information and Protection of Privacy Act, 2015* (the act):

Section 30.(1)(a) The head of a public body may refuse to disclose to an applicant information that is subject to solicitor and client privilege or litigation privilege of a public body

As required by subsection 8.(2) of the act, we have severed information that is excepted from disclosure and have provided you with as much information as possible. The act also requires us to provide an advisory response within 10 days of receiving the request. As this request has been completed prior to day 10, this letter also serves as our Advisory Response.

Section 42 of the act provides that you may ask the Information and Privacy Commissioner to review this partial refusal of access or you may appeal the refusal to the Supreme Court Trial Division. A request to the Information and Privacy Commissioner shall be made in writing within 15 business days of the date of this letter or within a longer period that may be allowed by the Commissioner.

The address and contact information of the Information and Privacy Commissioner is as follows:

Office of the Information and Privacy Commissioner
2 Canada Drive
P. O. Box 13004, Stn. A
St. John's, NL A1B 3V8

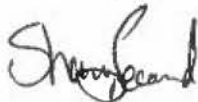
Telephone: (709) 729-6309
Facsimile: (709) 729-6500

In the event you wish to appeal to the Supreme Court, you must do so within 15 business days of the date of this letter. Section 52 of the act sets out the process to be followed when filing such an appeal.

Please be advised that responsive records will be published following a 72 hour period after the response is sent electronically to you or five days in the case where records are mailed to you. It is the goal to have the responsive records posted to the Completed Access to Information requests website within one day following the applicable period of time.

If you have any further questions, please feel free to contact the undersigned at (709) 729-4276 or SharonSeaward@gov.nl.ca.

Sincerely,



SHARON SEAWARD
ATIPP Coordinator

Attachment

Information Note
Department of Advanced Education, Skills and Labour

Sect. 30.(1)(a)


Title: Child Support Arrears Collected by Support Enforcement Agency

Issue: The order in which collected child support arrears are disbursed will change to ensure children immediately receive full financial benefit.

Background and Current Status:

- Currently, Income Support recipients sign an Agreement to Assign Support Payments/Arrears, which states, "The arrears owing to the Minister shall be paid in full, before any payments are collected toward any arrears owing to the Recipient".
- The Support Enforcement Agency (SEA) collects child support, pays the amount owing in that month to the child, and any additional amount collected is paid toward outstanding arrears. Arrears owing the Province are paid first and the child is paid second.
- Changing the order in which collected arrears are disbursed will allow all arrears owing to the child to be paid before the Province receives payment. Outstanding arrears will continue to be collected by the Province, but only after all arrears are paid to the child.
- This change will not result in additional cost, although payments on arrears owing to the Province will be deferred until the child is paid in full.

Analysis:

- The Support Enforcement Agency (SEA) reports \$4.1 million in outstanding arrears on 477 cases. Of that amount, \$2.74 million cannot be collected from debtors currently in receipt of Income Support. Efforts are being made to collect the remaining \$1.36 million.
- Currently, when SEA collects child support the Province receives payment on outstanding arrears before the child receives any payment for arrears. As a result, the child may receive a much smaller payment than the Province in the month arrears are collected, and will only receive payment for arrears after the Province is paid in full for amounts owing. See examples outlined in Annex A.
- Changing the order in which collected child support arrears are disbursed will ensure children immediately receive full financial benefit from any child support paid, which is consistent with exempting child support payments from the Income Support financial eligibility assessment.
- This change will be implemented on June 1, 2019 to coincide with *Income and Employment Support Regulations* amendments to consider child support exempt income. It is anticipated families, advocacy groups and the public will view this favorably (see Annex B for updated Key Messages).
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- This approach is consistent with other provinces where child support is considered exempt, including: Nova Scotia, Ontario and Prince Edward Island (awaiting information from British Columbia).




Action Being Taken:

- Discussions have begun with Justice and Public Safety with respect to systems changes required by June 1, 2019.

Prepared/Approved by: C. King/W. Mavin
Ministerial Approval:

A handwritten signature in blue ink, appearing to read 'J. Samson', with a large, stylized flourish extending to the right.

April 9, 2019

APR 15 2019

Annex A

Disbursement of Child Support Arrears Collected

Example 1:

- Child support arrears owing to the Province total \$10,000. The monthly \$250 (X12=\$3,000 annually) child support amount is not being paid. There are no additional arrears owing to the child.
- SEA collects \$4,000 from an Income Tax refund.
 - **Current** - The child receives \$250 for the child support payment owing in the month \$4,000 is collected, and the remaining \$3,750 is remitted to the Province.
 - **Future** – The child will receive \$3,000, which is the full amount of child support not paid for each month that year, and the Province will collect the remaining \$1,000.

Example 2:

- Child support arrears owing to the Province total \$10,000. The monthly \$250 (X12=\$3,000 annually) child support amount is not being paid. In addition, arrears owing to the child total \$10,000 (accumulated when the family was not in receipt of Income Support).
- SEA collects \$4,000 from an Income Tax refund.
 - **Current** - The child receives \$250 for the child support payment owing in the month \$4,000 is collected, and the remaining \$3,750 is remitted to the Province.
 - **Future** – The child will receive \$3,000, which is the full amount of child support not paid for each month that year, as well as the remaining \$1,000 toward the \$10,000 arrears. The Province will collect \$0.

Example 3:

- Child support arrears owing to the Province total \$10,000. The monthly \$250 (X12=\$3,000 annually) child support amount is not being paid. There are no additional arrears owing to the child.
- SEA collects \$2,000 from an Income Tax refund.
 - **Current** - The child receives \$250 for the child support payment owing in the month \$2,000 is collected, and the remaining \$1,750 is remitted to the Province.
 - **Future** – The child will receive \$2,000, which is less than the full amount of child support owing for each month that year, and the Province will collect \$0.

Annex B

Key Messages
Department of Advanced Education, Skills and Labour

April 2019

ISSUE – Exempting Dependent Child Income from Income Support Assessment:

This province is joining other Canadian jurisdictions in progressive public policy that benefits children by changing *Income and Employment Support Regulations* to consider child support and Canada Pension Plan (CPP) Children's Benefits exempt income. This income will no longer be deducted from Income Support benefits, and these families will have more monthly income.

ANTICIPATED QUESTIONS:

Why did government make this change to no longer deduct child support and CPP Children's Benefits from Income Support benefits?

How much is this going to cost?

KEY MESSAGES:

The Department has undertaken a review, which was informed by a 2018 Child and Youth Advocate Report, as well as recent changes in other Canadian jurisdictions.

This will mean additional monthly income for families with children in receipt of Income Support with access to child support and CPP Children's benefits. Children will now fully benefit from these payments.

Any additional cost will become part of the annual Income Support expenditure.

SECONDARY MESSAGES:

Income Support is meant to be a last resort for citizens with no other means of support.

The Department works to support families, for example, this province was a leader in exempting federal child benefits to increase financial security for children in the 1990s.

The Department also works with single parents to increase self-reliance through the provision of the Earned Income Supplement, where single parents in receipt of Income Support can retain a greater portion of working income each month.

Canada Pension Plan Children's Benefits, specifically the Surviving Child Benefit and Disabled Contributor's Child Benefit are included in this exemption as forms of income intended for the child when a parent is unable to contribute.

Government will continue to collect outstanding child support arrears, but only after all funds owing to the child are paid first.