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# Benefits Unsheltered

An examination into the Canada Revenue Agency's communication and outreach efforts to shelters and other support organizations about benefits and credits administered by the Canada Revenue Agency

December 2017

Taxpayers'  
**Ombudsman**

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Cat. Rv10-16/2018E-PDF

978-0-660-24428-0

This publication is also available in electronic format at

<https://www.canada.ca/en/taxpayers-ombudsman.html>.



"Benefits Unsheltered"

## TAXPAYER BILL OF RIGHTS

1. You have the right to receive entitlements and to pay no more and no less than what is required by law.
2. You have the right to service in both official languages.
3. You have the right to privacy and confidentiality.
4. You have the right to a formal review and a subsequent appeal.
5. You have the right to be treated professionally, courteously, and fairly.\*
6. You have the right to complete, accurate, clear, and timely information.\*
7. You have the right, unless otherwise provided by law, not to pay income tax amounts in dispute before you have had an impartial review.
8. You have the right to have the law applied consistently.
9. You have the right to lodge a service complaint and to be provided with an explanation of our findings.\*
10. You have the right to have the costs of compliance taken into account when administering tax legislation.\*
11. You have the right to expect [the Canada Revenue Agency] to be accountable.\*
12. You have the right to relief from penalties and interest under tax legislation because of extraordinary circumstances.
13. You have the right to expect [the Canada Revenue Agency] to publish [its] service standards and report annually.\*
14. You have the right to expect [the Canada Revenue Agency] to warn you about questionable tax schemes in a timely manner.\*
15. You have the right to be represented by a person of your choice.\*
16. You have the right to lodge a service complaint and request a formal review without fear of reprisal.

\*Rights which the Taxpayers' Ombudsman is responsible to uphold.

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## The Role of the Taxpayers' Ombudsman

The position of Taxpayers' Ombudsman (the Ombudsman) was created to support the government priorities of stronger democratic institutions, increased transparency within institutions, and the fair treatment of all Canadians. As an independent and impartial officer, the Ombudsman handles complaints about the services provided to taxpayers by the Canada Revenue Agency (CRA).

As outlined in the *Order in Council P.C. 2007-0828*, the Ombudsman's mandate is to assist, advise, and inform the Minister of National Revenue (the Minister) about any matter relating to the service provided to taxpayers by the CRA.

As part of this mandate, the Ombudsman is responsible to address any request for a review of a service matter or matter arising from the application of the provisions of articles 5, 6, 9, 10, 11, 13, 14, and 15 of the Taxpayer Bill of Rights. These service matters are reviewed at the request of the Minister, on receipt of a complaint from a taxpayer or their representative, or on the Ombudsman's own initiative

The Ombudsman also examines systemic service issues that may negatively affect a large number of taxpayers or a segment of the population. The findings of systemic examinations are reported to the Minister, and where necessary, include recommendations for improvements to service. The Ombudsman facilitates access for taxpayers to the proper redress mechanisms within the CRA to address service matters, and provides information to taxpayers about the mandate of the Ombudsman.

## Summary

The Minister of National Revenue (the Minister), the Honourable Diane Lebouthillier, was made aware women living in shelters with their children may be facing challenges in receiving their Canada child benefit (CCB) from the Canada Revenue Agency (CRA). In December 2016, the Minister requested the Ombudsman assist her in better understanding what, if any, service issues existed and to what extent.

To establish whether women in shelters were facing any difficulties receiving their CCB, our Office selected a sample of women's shelters and reached out to them to discuss their awareness of the CCB. Based on their responses, the Ombudsman decided to launch a systemic examination into the CRA's communication and outreach

For the purposes of this report, an **organization** is defined as one that provides services to persons using shelters including, but not limited to, any organization that runs a shelter.

efforts to shelters with respect to benefits. Through the course of the examination it became apparent that we needed to expand this to organizations that provide services to persons using shelters including, but not limited to, any organization that runs a shelter. Our Office also recognized it is challenging for the CRA to proactively provide outreach directly to women in shelters.

Of the eight rights in the Taxpayer Bill of Rights the Ombudsman is responsible to uphold through her mandate, the most relevant rights to this systemic examination are:

- the right to be treated professionally, courteously, and fairly (Article 5);
- the right to complete, accurate, clear, and timely information (Article 6); and
- the right to expect the CRA to be accountable (Article 11).

During our research, the CRA informed us that:

- a) Promotional material on tax obligations, credits, and benefits is sent to organizations as part of its outreach activities;
- b) The CRA has also produced a video series *Preparing your income tax and benefit return* as a reference tool to guide individuals through the filing process<sup>1</sup>;
- c) The CRA does not have communication products or web content specific to persons using shelters, nor does it have specific procedures for its enquiries agents when speaking with support organizations or a person using a shelter;
- d) Materials are being developed tailored to assist persons using shelters;
- e) The CRA is exploring opportunities to enhance its outreach services by collaborating with other government departments (e.g., Employment and Social Development Canada/Service Canada);
- f) The CRA is looking into whether it can simplify the T1 General income tax and benefit return for taxpayers with lower income and form RC66 – *Canada Child Benefits Application*; and
- g) The CRA is conducting research on the barriers faced by persons using shelters when accessing CRA benefits and credits.

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<sup>1</sup> Canada Revenue Agency, *Preparing your income tax and benefit return*, online: <<https://www.canada.ca/en/revenue-agency/news/cra-multimedia-library/individuals-video-gallery/series-preparing-your-income-tax-benefit-return.html>>.

Our Office reviewed the CRA's outreach activities and found the CRA communicates its products and services through its website, emails to stakeholders (including organizations that provide services to persons using shelters), television, radio, various social media platforms, and volunteers of the Community Volunteer Income Tax Program (CVITP).<sup>2</sup> It also proactively arranges visits with organizations.

Organizations may also call the CRA's regional outreach officer in their respective region(s) to request the CRA provide an information session to a specific group. The CRA states these information sessions are tailored to be flexible and responsive to the needs and demands of the audience requesting the presentation.

The CRA provided our Office with a list of over 200 organizations it visited from 2014 to early 2017. This list showed there is a lack of

The CRA is divided into the following 5 regions for administrative purposes:

The **Atlantic** region services the provinces of Newfoundland and Labrador, New Brunswick, Nova Scotia, and Prince Edward Island.

The **Ontario** region services the province of Ontario and the territory of Nunavut.

The **Pacific** region services the province of British Columbia and the territory of Yukon.

The **Prairie** region services the provinces of Manitoba, Saskatchewan, and Alberta, and the territory of the Northwest Territories.

The **Quebec** region services the province of Quebec.

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<sup>2</sup> The Community Volunteer Income Tax Program (CVITP) is a collaboration between community organizations and the CRA. Under this program, community organizations host tax preparation clinics and arrange for volunteers to prepare income tax and benefit returns for eligible individuals who have modest incomes and simple tax situations.



consistency across the provinces and territories in the outreach conducted to organizations. The CRA advised it has since implemented new requirements for regions to report all outreach activities related to shelters, and has developed a new database to enhance tracking of this outreach.

Our examination revealed that, although the CRA has mechanisms in place to reach out and inform persons using shelters and the organizations serving them about benefits and credits, the CRA is not utilizing these mechanisms consistently across the country. Collaboration between the CRA and the organizations that serve persons using shelters is necessary to ensure those in need have access to the benefits and credits needed to assist them in gaining or regaining self-sufficiency.

Based on the findings and conclusions of this examination, the Taxpayers' Ombudsman makes the following recommendations to the Minister of National Revenue:

1. The Taxpayers' Ombudsman recommends the Canada Revenue Agency continue to find new ways to effectively inform, educate, and collaborate with organizations, to provide information on benefits and credits to persons using shelters.
2. The Taxpayers' Ombudsman recommends the Canada Revenue Agency actively promote and increase awareness of outreach services and information available to organizations with respect to benefits and credits available to persons using shelters.
3. The Taxpayers' Ombudsman recommends the CRA ensure consistency across all provinces and territories in:
  - a. the promotion of outreach services available; and
  - b. the delivery of information to organizations with respect to benefits and credits available to persons using shelters.

# Introduction

## *A Brief History*

The Taxpayers' Ombudsman (the Ombudsman) may open a systemic examination following an analysis of trends which identifies a service issue impacting a large number of taxpayers or a segment of the population, on her own initiative, or by request of the Minister of National Revenue (the Minister). The Honourable Diane LeBouthillier became aware some women who live in shelters with their children may be facing challenges in receiving their Canada child benefit (CCB). In December 2016, she requested the Ombudsman assist her in better understanding what, if any, service issues exist and to what extent.

Historically, persons using shelters were older, single men. Today, more and more women, families, and youth are finding themselves displaced from their homes. Youth and adults typically spend an average of 10 days in shelters, while seniors (50+) and families stay, on average, for more than 20 days.<sup>3</sup> There are three types of shelters supporting these groups of Canadians:

- **Emergency shelters** provide temporary, short-term accommodation for individuals and families.
- **Transitional housing** can be differentiated from emergency shelters by the longer length of stay and greater intensity of support services offered to its clients. They are an intermediate step between emergency shelter and permanent housing. Stays are typically between three months and three years.<sup>4</sup>

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<sup>3</sup> Canadian Observatory on Homelessness and the Canadian Alliance to end Homelessness, *The State of Homelessness in Canada 2016*, online: the Homeless Hub, < [http://homelesshub.ca/sites/default/files/SOHC16\\_final\\_20Oct2016.pdf](http://homelesshub.ca/sites/default/files/SOHC16_final_20Oct2016.pdf) >.

<sup>4</sup> Employment and Social Development Canada, *Shelter Capacity Report 2016*, online: < <https://www.canada.ca/en/employment-social-development/programs/communities/homelessness/publications-bulletins/shelter-capacity-2016.html#h2.2> >.

- **Violence against women shelters** provide temporary shelter to single women or women with children who are fleeing domestic abuse.

To establish whether women in shelters were facing any difficulties receiving their CCB, our Office reached out to a sample of shelters that support women facing violence to discuss their awareness of women's entitlement to CCB.<sup>5</sup> We interviewed Executive Directors and Managers of randomly selected shelters in Saskatchewan, Nova Scotia, Ontario, and New Brunswick.<sup>6</sup>

For the purposes of this report, an **organization** is defined as one that provides services to persons using shelters including, but not limited to, any organization that runs a shelter.

The majority of the individuals working in women's shelters we interviewed stated the Canada Revenue Agency (CRA) had not reached out to them, but indicated they would be interested in receiving information. Only one organization mentioned it had received brochures from the CRA, in the early months of 2017.

All the shelters contacted were aware of the CCB, but mostly through general knowledge, such as obtaining information on the CCB by looking on the CRA website, and from their own experience with the CCB as parents.<sup>7</sup>

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<sup>5</sup> The outreach conducted by our Office to women shelters was not intended to be statistically representative of the issue. It was done to provide our Office information on whether we should launch a systemic examination on the issue.

<sup>6</sup> We also contacted organizations in Newfoundland and Labrador, Alberta, and British Columbia, but were unable to obtain information from the organizations contacted.

<sup>7</sup> Other issues found were language barriers, proving eligibility, allowing the shelter's staff members to talk with the CRA on behalf of the taxpayer, and delays in processing benefits when changing address and/or banking information.

### *Scope of our Examination*

Based on the information obtained through our research and provided by the CRA, the Ombudsman opened an examination into the CRA's communication and outreach efforts to shelters with respect to persons in shelters accessing benefits and credits. Through the course of the examination it became apparent that we needed to expand this to include organizations that provide services to persons using shelters including, but not limited to, any organization that runs a shelter.

Of the eight rights relating to the service provided to taxpayers by the CRA and outlined in the Taxpayer Bill of Rights, the most relevant rights to this systemic examination are:

- the right to be treated professionally, courteously, and fairly (Article 5);
- the right to complete, accurate, clear, and timely information (Article 6); and
- the right to expect the CRA to be accountable (Article 11).

## Analysis

A 2016 study conducted by the Canadian Alliance to End Homelessness found approximately 35,000 Canadians are homeless on a given night and at least 235,000 Canadians experience homelessness in a year. Among those individuals, 27.3% are women, 18.7% are youth, 24.4% are older adults and seniors, and 28-34% are Indigenous Peoples.<sup>8</sup> The study found families stay in shelters twice as long as individuals.<sup>9</sup> A second independent study states there has been a 50% increase in the number of families with children using organizations in the past decade.<sup>10</sup>

The CRA states its commitment to taxpayers is to contribute “to the well-being of Canadians and the efficiency of government by delivering world-class tax and benefit administration that is responsive, effective, and trusted.”<sup>11</sup> It is our view that this should include ensuring all Canadians have access to tax and benefit information, whether it be electronically, through social media, call centres, or in print.

The CRA informed our Office it does not have communication products or web content specific to persons using shelters, nor does it have specific procedures for its enquiries agents when speaking with organizations or a person using a shelter. When taxpayers call to discuss benefits and credits, regardless of their situation, they are advised changes in their personal situation may affect their benefit payments (e.g., change in marital status, change of address, etc.). The

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<sup>8</sup> The study categorized youth as ages 13 to 24, older adults as ages 50 to 64, and seniors as ages 65 and older.

<sup>9</sup> Canadian Observatory on Homelessness and the Canadian Alliance to End Homelessness, *The State of Homelessness in Canada 2016*, online: the Homeless Hub, < [http://homelesshub.ca/sites/default/files/SOHC16\\_final\\_20Oct2016.pdf](http://homelesshub.ca/sites/default/files/SOHC16_final_20Oct2016.pdf) >.

<sup>10</sup> From 6205 in 2005 to 9459 in 2009. Raising the Roof, Putting an End to Child & Family Homelessness in Canada.

<<http://www.raisingtheroof.org/wp-content/uploads/2015/10/CF-Report-Final.pdf>>.

<sup>11</sup> Canada Revenue Agency, *Mission, vision, promise, and values*, online: Canada Revenue Agency < <https://www.canada.ca/en/revenue-agency/corporate/about-canada-revenue-agency-cra/mission-vision-promise-values.html> >.

CRA informed our Office it is currently developing materials specifically tailored to assist persons using shelters.

The CRA does, however, have promotional material on benefits and credits available to all Canadians including persons using shelters, such as fact sheets, posters, presentations, promo cards, as well as videos and webinars. These promotional materials are handed out during in-person outreach visits, fairs, conferences, expos, and symposiums. The CRA stated all of the products use plain language to ensure persons with literacy issues using shelters are able to understand the information. In fact, the CRA informed our Office it is currently looking into the possibility of having a simplified T1 General income tax and benefit return and form RC66 – *Canada Child Benefits Application* for individuals with lower income. The review of these forms is based on feedback the CRA received from individuals stating the form was cumbersome to fill out.

The CRA also makes its products and services known through emails to stakeholders (including organizations that provide services to persons using shelters), television, radio, various social media platforms such as Twitter, the CRA website<sup>12</sup>, the CRA YouTube channel<sup>13</sup>, as well as through the volunteers of the Community Volunteer Income Tax Program (CVITP)<sup>14</sup>.

The CVITP is a collaboration between community organizations and the CRA. Under this program, community organizations host tax preparation clinics each year from mid-February to the end of April. A few organizations, although not many, offer services during a longer period of time or year-round. Volunteers prepare income tax and benefit returns for eligible individuals who have modest incomes up to an income threshold established by the CRA, and simple tax situations. The CRA assigns coordinators to the program who support the

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<sup>12</sup> Canada Revenue Agency, online: <<https://www.canada.ca/en/revenue-agency.html>>.

<sup>13</sup> Canada Revenue Agency, *CRA YouTube channel*, online: YouTube <<https://www.youtube.com/user/CanRevAgency>>.

<sup>14</sup> Canada Revenue Agency, *Community Volunteer Income Tax Program*, online: Canada Revenue Agency <<https://www.canada.ca/en/revenue-agency/services/tax/individuals/community-volunteer-income-tax-program.html>>.

organizations, provide guidance, offer training, and make computers and tax software available to the clinics. In Quebec, community organizations work in collaboration with both the CRA and Revenu Québec.

The CRA is currently developing a handout for CVITP volunteers, meant to be a resource so they can share with taxpayers more information on benefits, credits, and other information about CRA services. The handout will contain pertinent CRA website links and telephone numbers for enquiries should a taxpayer or a person using a shelter need to follow up on the status of their income tax and benefit return.

### *Regional Outreach Efforts*

The CRA conducts in-person outreach with organizations. The CRA informed us its regional outreach officers proactively contact organizations to offer services and information. This includes sharing information related to filing income tax and benefit returns to receive benefits and credits, and offering CRA promotional materials. Outreach services are provided to organizations upon initial contact.

The CRA has indicated that its outreach efforts will remain focused on contacting the organizations and providing their staff with tax and benefit information to respect concerns over anonymity and security of persons using shelters. The organizations' staff, in turn, can ensure their residents are informed of the benefits and credits they can access through filing an income tax and benefit return. Given that some organizations do not advertise their location, the CRA may not be able to reach them all through its outreach efforts.

The CRA advised us if an organization declines the initial offer for a visit, the regional outreach officer will leave their name and phone number and the organization then has the option of contacting the outreach officer directly to request an in-person visit. Although the CRA provides guidelines, each region is responsible for managing its outreach efforts, including when and how the outreach is conducted. Each region then reports its activities to the CRA's headquarters.

The CRA indicated it proactively sends organizations new or updated CRA products (e.g., benefit amounts, phone numbers, and website links) and offers outreach services to organizations to ensure their needs are being met. Employees and volunteers of these organizations can sign up to receive emails from the CRA about changes to the tax and benefit system.

Organizations may also call the CRA's regional outreach officer in their respective region(s) to request the CRA provide an information session to a specific group. The CRA states these information sessions are tailored to be flexible and responsive to the needs and demands of the audience requesting the presentation. The CRA's regional outreach officers conducting these visits use CRA promotional material relevant to the nature of the visit. These visits may consist of a full benefits and credits presentation, answering questions, and handing out materials. The visits may also include a very high-level and brief overview of one or two benefits or credits, followed by a question and answer period, depending on the audience's needs.

The CRA provides training sessions for interested members of an organization who wish to undertake outreach activities in their communities. The aim is to positively influence persons using shelters in their communities to file their income tax and benefit returns in order to receive benefits and credits.

The CRA advised it is currently developing its outreach strategy for the next three years. As part of this strategy, the CRA is exploring opportunities to expand its outreach services by collaborating with and leveraging the experience and reach of other government departments such as Employment and Social Development Canada and Service Canada, to target vulnerable segments of the population, including persons using shelters.

During our examination, the CRA provided us with a list of over 200 organizations it had contacted or visited from 2014 to early 2017. From this list, we were pleased to note the amount of outreach conducted in Newfoundland, New Brunswick, Nova Scotia, and



British Columbia. However, we noted the amount of outreach conducted was less significant among the remaining provinces and territories and uneven overall. While the CRA indicated this list does not cover all outreach activities to shelters across all regions, there remains an issue with outreach activities to such organizations being uneven among the provinces and territories. The CRA needs to ensure there is consistency across the country in its regional outreach efforts to ensure organizations, regardless of where they are located, are aware of available CRA resources.

The CRA advised that the current database (from which the list of organizations visited was created) lacks certain capabilities, including not having the ability to specifically identify organizations as shelters. The CRA has implemented a new requirement for regions to report to CRA headquarters all outreach activities related to shelters. The CRA has developed a new database for outreach to enhance its ability to collect data to measure the success of its outreach activities and identify the various needs of its partnering organizations. The database is expected to be launched in December 2017.

In addition to its efforts to raise taxpayers' awareness of possible eligibility to certain benefits or credits, the CRA informed our Office that in the fall of 2016 it began working towards the launch of a community-based research project on persons using shelters, regarding the barriers they face when accessing CRA benefits and credits. The research began in March 2017 and took place in social service agencies in the National Capital Region. We were advised researchers aimed to interview persons using shelters, and CVITP volunteers and organizers.

Results of the research were unavailable at the time of the writing of this report. In a statement provided to our Office, the CRA stated it is hoping the results will bring insights into the challenges faced by persons using shelters in filing income tax and benefit returns, and accessing benefits and credits. It was agreed the CRA will share the results of the research with our Office when finalized at which time we will review the results.

## Findings

Our findings are as follows:

The CRA does not have communication products or web content specific to persons using shelters, nor does it have specific procedures for its enquiries agents when speaking with organizations or a person using a shelter. We are satisfied that in an effort to address this issue, the CRA has confirmed it is developing materials tailored to assist persons using shelters.

The CRA uses a wide variety of promotional products that are shared with organizations and geared to educate both the organizations, and the persons using shelters, about their tax obligations and the benefits and credits to which these persons may be entitled. Our Office reviewed a sample of the promotional material and was satisfied with the products, and their use of plain language.<sup>15</sup>

The CRA's proactive contact and in-person outreach with organizations is important to ensure persons using shelters will have the information they need regarding benefits and credits available to them. We agree with the CRA's approach to focus on contacting the organizations to provide benefit and credit information for persons using shelters. However, we note that there are inconsistencies in the outreach that is done across the provinces and territories. We find that the development of an outreach strategy exploring additional opportunities to expand outreach to persons using shelters, as well as the development of the new database to track outreach, should assist in levelling some of these inconsistencies, but it is also our view that more could be done. It is important for the CRA to be consistent in the outreach services provided across the country to ensure equal access to benefits and credits.

The community-based research into barriers faced by persons using shelters in accessing benefits and credits should provide useful

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<sup>15</sup> Accessing benefits and receiving credits and General Factsheet about benefits and credits provided by the CRA.

information to the CRA to assist in finding ways to improve the effectiveness of the delivery of information on benefits and credits to those persons.

## Recommendations

Based on the findings and conclusions of this examination, the following recommendations are made to the Minister of National Revenue:

1. The Taxpayers' Ombudsman recommends the Canada Revenue Agency continue to find new ways to effectively inform, educate, and collaborate with organizations, to provide information on benefits and credits to persons using shelters.
2. The Taxpayers' Ombudsman recommends the Canada Revenue Agency actively promote and increase awareness of outreach services and information available to organizations with respect to benefits and credits available to persons using shelters.
3. The Taxpayers' Ombudsman recommends the CRA ensure consistency across all provinces and territories in:
  - a. the promotion of outreach services available; and
  - b. the delivery of information to organizations with respect to benefits and credits available to persons using shelters.