



Claim expenses and financial losses due to Phoenix: impacts to income taxes and government benefits

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Aussi offert en français sous le titre : Réclamer des dépenses engagées et des pertes financières subies
à cause de Phénix : impacts à l'impôt sur le revenu et aux prestations du gouvernement



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From Treasury Board of Canada Secretariat

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The Government of Canada is doing everything possible to ensure that no employee suffers financial losses because of Phoenix.

If you were **owed salary from one year** that was **paid the following year** (for example, salary owed from 2016 was paid in 2017), you might incur a financial loss related to:

- paying a higher rate of income tax
- reduced government benefits and credits, such as the Canada child benefit

Who can submit a claim

To submit a claim for impacts to income taxes and government benefits, you must meet all of the following requirements:

- You must be a current or former federal public servant (includes students and casual employees) whose pay is or was administered by the Phoenix pay system
- You were **owed salary from one year** that was **paid the following year** (for example, salary owed from 2016 was paid in 2017)
- The time taken to receive your outstanding salary exceeded normal service standards

This claims process applies to all employees who experienced problems caused by the Phoenix pay system. If you experienced greater financial impacts or missed investments opportunities, you may be eligible for compensation for damages under the Phoenix pay system damages agreement.

What is your situation

- Did you or will you pay **too much income tax** because your pay issues put you in a higher income bracket?
- Were your **government benefits and credits**, such as the Canada child benefit or subsidized daycare, lower because, once the salary owed to you was paid out, your annual income was greater than usual?

If you have been on **maternity or parental leave** since the implementation of Phoenix, you might be eligible to file a claim.

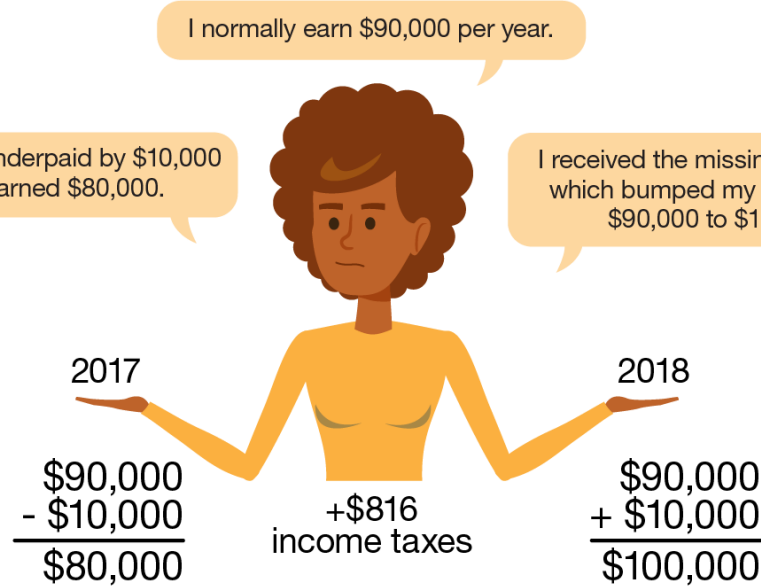
You may be in a **unique situation** not described here. Our goal is to ensure that no one affected by Phoenix suffers financial losses.

If you have incurred a financial loss because of Phoenix, fill out a claim and provide as much information as you can. **Our goal is to correct each situation** and review each claim on a case-by-case basis.

Figure 1: Scenario 1 - Marie

Are you paying too much income tax?

Meet Marie, who was underpaid in 2017 and received that missing pay in 2018. In 2017, she paid a little less income tax than usual. But in 2018, she paid more income tax than usual, because she was in a higher tax bracket.



Because of this problem, I paid \$816 more in income tax than if I had been properly paid in 2017.

I will claim that amount to my department.

▼ Figure 1 - Text version

Meet Marie, who was underpaid in 2017 and received that missing pay in 2018. In 2017, she paid a little less income tax than usual. But in 2018, she paid more income tax than usual, because she was in a higher tax bracket.

- Marie normally earns \$90,000 per year (she lives and works in Ontario)
- In 2017 she was underpaid by \$10,000, earning a total of \$80,000 that year
- She subsequently received the missing \$10,000 in 2018, which bumped her income from \$90,000 to \$100,000

- Because of this pay problem, Marie paid \$816 more in income taxes than if she had been properly paid and taxed in 2017

In dollars \$	Normal (no Phoenix issues)			Actual (Phoenix issues)			Difference
	2017	2018	Total	2017	2018	Total	
Income	90,000	90,000	180,000	80,000	100,000	180,000	0
Income Taxes	-20,486	-20,118	-40,604	-17,166	-24,254	-41,420	816
After Tax Income	69,514	69,882	139,396	62,834	75,746	138,580	-816

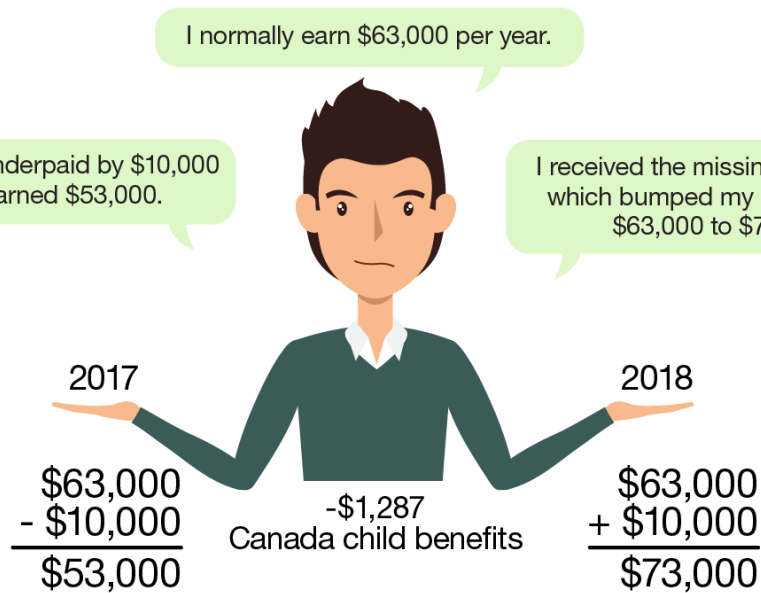
▼ Entitlements to government benefits and credits

Your **government benefits and credits**, such as the Canada child benefit or subsidized daycare, **may be lower** because, once the salary owed to you was paid out, your annual income was greater than usual.

Figure 2: Scenario 2 - David

Are your government benefits and credits lower?

Meet David, who was underpaid in 2017 and received that missing pay in 2018. During 2019, he will receive a little less in government benefits because, in 2018, his income was higher than normal.



Because of this problem, my 2019 Canada child benefits are \$1,287 lower because my income in 2018 was higher than it should have been.

I will claim that loss of benefits to my department.

▼ Figure 2 - Text version

Meet David, who was underpaid in 2017 and received that missing pay in 2018. During 2019, he will receive a little less in government benefits because, in 2018, his income was higher than normal.

- David normally earns \$63,000 per year (he lives and works in Manitoba)
- In 2017 he was underpaid by \$10,000, earning a total of \$53,000 that year
- He subsequently received the missing \$10,000 in 2018, which bumped his income from \$63,000 to \$73,000
- Because of this pay error, David received \$1,287 less in social benefits as a result the higher-than-normal income in 2018

Amount description	2018 (normal)	2018 (Phoenix)	Difference
Normal salary	\$63,000	\$63,000	\$0
2017 underpayment	\$0	\$10,000	\$10,000
Revised income	\$63,000	\$73,000	\$10,000
Social benefits *	\$13,860	\$12,573	-\$1,287

* Estimated using [CRA's Child and family benefits calculator](#); single income with 3 children

How to submit a claim

Read the [frequently asked questions](#) carefully for information on how to complete your claim.

Your organization has a [claims officer](#) who can answer your questions, help you fill out the form, and guide you through the claims process.

To submit a claim for impacts to your **income tax**, you will need your [notices of assessment](#) from the Canada Revenue Agency and Revenu Québec (where appropriate) for **both** applicable years. Use form [TBS-SCT330323.pdf](#).

If your claim also covers impacts to your **government benefits**, you will need all pertinent federal, provincial or municipal government benefit statements for **both** applicable years. Use form [TBS-SCT330324.pdf](#).

Fill out the forms as best you can. If there is any missing information, we will follow up with you or your department.

Attach a separate document to your claim if you need to provide additional explanations.

Filing a claim will not impact your pay since claims are not processed through the Phoenix pay system.

Keep a copy for your records!

▼ Privacy notice statement

Provision of the personal information requested in this form is collected under the authority of the *Financial Administration Act* and will be used for assessing your claim in accordance with the *Directive on Payments*. Refusal to provide the requested information may delay or prevent the processing of your claim.

The personal information you provide may be shared with the Treasury Board of Canada Secretariat's Claims Office and with Public Services and Procurement Canada. Your personal information will be protected, used and disclosed in accordance with the *Privacy Act* and as described in Personal Information Bank PSU 931 (Accounts Payable). Your information may also be used or disclosed for financial reporting and program evaluation. The information will be retained for seven years following the last administrative action and then destroyed. Under the act, individuals have rights to request access to and correction of their personal information. If you wish to avail yourself of these rights or require clarification about this Privacy Notice Statement, please contact your organization's Privacy Coordinator. If you are not satisfied with the response to your privacy

concern, you may wish to communicate with the Office of the Privacy Commissioner by telephone at 1-800-282-1376 or by email at info@priv.gc.ca.

Claim for impacts to income tax (TBS-SCT3300323)

Claim for impacts to government benefits and credits (TBS-SCT3300324)

Related links

- [FAQs: claims for impacts to income tax and government benefits](#)
- [Tax-related issues](#)
- [FAQs: 2018 tax implications of Phoenix payroll issues](#)
- [FAQs: 2017 tax implications of Phoenix payroll issues](#)
- [Child and family benefits](#)
- [Normal service standards](#)
- [Claim expenses, financial losses and damages caused by Phoenix](#)
- [Compensation for damages caused by the Phoenix pay system](#)

Contact us

If you have questions regarding this claims process, please contact:

Public enquiries

Treasury Board of Canada Secretariat

Toll-free: 1-877-636-0656

Email: questions@tbs-sct.gc.ca

Note: If you are making an enquiry via email, please include a phone number so that we can reach you in case we need more information.

Please do not include protected information such as your date of birth or

social insurance number (SIN).

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