

December 4, 2016

Minister Sherry Gambin-Walsh
Department of Children, Seniors, and Social Development

Minister Kathy Bennett
Department of Finance & Treasury Board

Government of Newfoundland and Labrador
Confederation Building
St. John's, NL, A1B 4J6

Dear Minister Gambin-Walsh and Minister Bennett,

As Chairperson of the Newfoundland and Labrador Coalition of Pensioners, Retirees, and Seniors Organizations, I am writing to you on behalf of the associations that comprise the Coalition to bring to your attention an issue that is very important to us but of utmost, critical importance to thousands of Newfoundland and Labrador low income seniors who will be impacted by the Federal Government's GIS Back Payment actions.

As I know you have been advised, there were many thousands (now exceeding 94,000 Canadian seniors) of older persons who were denied eligibility for GIS benefits, due to a computer glitch in the processing of their GIS applications over a period of time that dates back many years, and to whom the Federal Government is now taking action to send out these entitled back payments. We are thankful that the Federal Government has acknowledged their mistake and that they are willing to right a wrong that unjustly compromised the healthy aging of many low income senior members of our communities. From pressure in the House of Commons, the Federal Government agreed to include cost of living payments into these back payments and most recently agreed to pay interest on the GIS money owed. However, the Federal Government has stated that it is the responsibility of provinces and territories to take action on any seniors' means tested benefits that might be or have been lost as a result of these back payments.

The Coalition has been advised that the average number of persons affected in Atlantic Canada is about 5% of this number of 94,000 that have already received or will receive a GIS back payment. While this money will be helpful heading into the cold winter months, we need to be reminded that folks getting the GIS benefit are low-income seniors who otherwise do not have other sources of income. While there is an upside to getting this back payment before Christmas, there could be a very serious downside that could significantly impact the eligibility of these persons for provincial benefits. This lump sum payment will also affect taxable income on Line 236 of their 2016 tax return. The affected seniors should be exempted from the additional tax as it would not have been taxed if paid out when it should have been. Furthermore, this back payment could significantly impact the eligibility of these seniors for provincial benefits, such as their drug card, home care services, long term care eligibility for subsidy, the NL Seniors Benefit and, potentially their non-eligibility to be exempt from the provincial levy.

The Coalition calls upon you, in your capacity as the Government's agent and spokesperson for seniors, and you as the Minister of Finance, to address this issue in a timely manner and to offer forward an "action of forgiveness" to those persons who have received this back payment to which they were rightly entitled and not penalize them for the means tested services that they might currently be receiving.

In view of their interest in these matters, I am copying this to the Hon. Dwight Ball, Premier and Minister of Intergovernmental Affairs, and the Hon. Dr. John Haggie, Minister of Health and Community Services and Chair of the Social Policy Committee of Cabinet.

The Coalition looks forward to receiving your written response and intended actions to this serious looming problem for a significant number of low income seniors in our Province.

Select members of the Coalition and I are available to meet and further discuss this matter, should you so wish.

Sincerely,

Sharron Callahan

Sharron Callahan

Chair

NL Coalition of Pensioners, Retirees, and Seniors Organizations

cc. Hon. Dwight Ball, Premier & Minister for Intergovernmental Affairs

cc. Hon. Dr. John Haggie, Minister of Health & Community Services

cc. Dr. Suzanne Brake, Division of Seniors & Aging

cc. Newfoundland & Labrador MP's