

SENATE



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SENATOR PERCY E. DOWNE
CHARLOTTETOWN

SÉNATEUR PERCY E. DOWNE
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December 9, 2008

COPY

Ms. Sheila Fraser
Auditor General of Canada
11th Floor, West Tower
240 Sparks Street
Ottawa ON K1A 0G6

Dear Ms. Fraser:

The Guaranteed Income Supplement (GIS) makes a tremendous difference in the lives of low-income Canadian seniors, and yet, there are still eligible seniors in every province and region of this country not receiving the much needed benefit.

In 2004, Statistics Canada reported that 147,475 Canadian seniors were eligible non-recipients of the GIS, 425 in Prince Edward Island alone.

This is unacceptable. Parliament clearly intended for eligible seniors to receive financial assistance through the GIS, but there continues to be serious flaws in the delivery and the administration of the program. The GIS program requires individuals to apply for assistance and re-new their request annually.

Human Resources and Skills Development Canada (HRSDC) contacts only past GIS recipients, not all non-tax filing seniors. I am concerned that it is the seniors not contacted by the department, and potentially not even aware that the program exists, that most need the additional money.

The Government of Canada spends significant amounts of money hiring tax auditors to make sure Canadians meet their tax obligations, but I believe that our government also has the responsibility to ensure that seniors receive the benefits to which they are entitled. While the Canada Revenue Agency employs thousands of public servants to run extensive enforcement programs, the federal government does not make a similar effort to help Canadian low-income seniors receive the money to which they are entitled.



The government's failure to provide the financial assistance these seniors are entitled to saves the federal government a significant amount of money.

HRSDC has the authority to decrease the number of GIS eligible non-recipients. The *Old Age Security Act* not only gives the Minister authority to waive the requirement for an application (section 11(4)), it also allows for the sharing of information within HRSDC, and with other federal institutions, for the administration of the Act (section 33.02 and 33.03).

You will recall that in 2005, I suggested that your office examine the administration of the GIS benefit. At that time you recommended that the appropriate course of action was to address the matter directly with government. I followed your suggestion, but have yet to receive any indication that the problems associated with the delivery of the GIS have been corrected.

As thousands of low-income seniors miss out on desperately needed support, the Deputy Minister in the department, charged with the administration the GIS program, continues to receive yearly performance bonuses in excess of what GIS recipients are expected to survive on for the whole year. Why is such incompetence rewarded while deserving and qualified seniors are ignored?

I hope that you will recognize the seriousness of these issues and audit the delivery of the GIS program and propose solutions to correct the problems.

Sincerely,

Original signed by

Percy E. Downe
Senator