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Overpayments – Caregiver Recognition Benefit

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Purpose

This policy provides direction to be followed when there is an overpayment made to a person designated as a Veteran's caregiver with respect to the Caregiver Recognition Benefit under the *Veterans Well-being Act*.

Policy

General

1. The Caregiver Recognition Benefit is payable to the person designated by a Veteran as the Veteran's caregiver.
2. Any payment of the Caregiver Recognition Benefit which is paid to a Veteran's designated caregiver to which there is no entitlement is an overpayment under section 88 of the *Veterans Well-being Act*.
3. Veteran's designated caregiver is responsible for any overpayment of the Caregiver Recognition Benefit.
4. All overpayments that occur with respect to the Caregiver Recognition Benefit are Crown Debts and, as such, are to be addressed by recovery, remission or write-off.
5. All overpayment cases which involve suspected misrepresentation or the concealment of a material fact must be immediately reported to the Director General Finance for appropriate action.

Recovery

6. Recovery is normally the first course of action in the overpayment process. Every effort must be made to recover the overpayment debt from the recipient.
7. An overpayment may be recovered by way of:
    a. payment-in-full by accepting a payment or payments representing the present value of the overpayment,

b. by deduction from any future payments made under the *Veterans Well-being Act*,
c. by set-off from any payment due to the recipient from the Crown, in accordance with Section 155 of the *Financial Administration Act*,
d. or by court proceeding.

8. In the event of the recipient's death, the remaining balance of the overpayment becomes recoverable from his/her estate or succession.

Remission

9. Although recovery is normally the first consideration in the overpayment process, there may be instances where such action is not desirable.
10. If a person, including their estate or succession, has received or obtained an overpayment and:

1. a. the overpayment cannot be recovered within the reasonably foreseeable future,
b. the administrative costs of recovering the overpayment are likely to equal or exceed the amount to be recovered,
c. the repayment of the overpayment would cause undue hardship to the person or a beneficiary, or
d. the overpayment is the result of an administrative error, a delay or an oversight on the part of an officer or employee of the federal public administration,

the responsible Departmental authority may remit all or any portion of the overpayment.

11. Once remission is approved, VAC gives up its right to recover the overpayment at a later date.
12. No part of an overpayment may be remitted if the person, or the executor of the person's estate, or the liquidator of the succession, has been convicted of an offence under the *Criminal Code* in connection with receiving or obtaining the overpayment.
13. There is a graduated scheme for authorizing remission where the level of departmental authority increases based on the amount of the debt. These levels are outlined in the Department's Delegated Authorities Manual.

Write Off

14. Write-offs are limited to situations where the Crown Debt is uncollectable.
15. An overpayment may only be written-off in accordance with the *Debt Write-off Regulations*, 1994, which list the criteria under which an overpayment is considered uncollectable. Write-off is an accounting action which removes the debt, in whole or in part, from the active accounts receivable records in the Public Accounts. Write-off does not mean that the debt is forgiven. Collection of the debt could resume in the future if information is received that would appear to make the prospect of recovery likely.
16. There is a graduated scheme for authorizing write-off where the level of departmental authority increases based on the amount of the debt. These levels are outlined in the Department's Delegated Authorities Manual.

Continuation of Payment

17. VAC may continue the payment of a Caregiver Recognition Benefit if:
a. the amount paid to the person to which the person was not entitled is the result of an administrative error, a delay or an oversight on the part of an officer or employee of the federal public

administration and has been remitted,

b. no part of the amount paid to the person to which the person was not entitled was the result of a misrepresentation or of concealment of a material fact on the part of the person, in the opinion of VAC,
c. the cancellation of the payment of the Caregiver Recognition Benefit would, in the opinion of VAC, cause undue hardship to the person, and
d. the Caregiver Recognition Benefit has been paid to the person for five years or more.

References

Veterans Well-being Act

Financial Administration Act

Debt Write-off Regulations, 1994

Criminal Code