

# Intelligence MEMOS



From: Jennifer Robson  
To: Federal Data System Designers  
Date: April 3, 2020  
Re: **WHY CAN'T THEY JUST SEND US ALL A CHEQUE?**

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Right now, the Government of Canada is racing to roll out income support to allow people to make ends meet while respecting public health orders to sustain physical distancing to contain the threat of COVID-19.

The public health and economic policy goals are one and the same and time is of the essence. Some authors have wondered why government is requiring Canadians to actively apply for financial help instead of placing the onus on government to proactively distribute aid.

Existing systems for income support in Canada have known problems. The Auditor General's 2019 [report](#) pointed to long-standing issues in federal call-centres with overwhelmed phone systems and Canadians unable to speak to government representatives. Gaps in Employment Insurance coverage for workers and the share of Canadians that are left out are also [well known](#). Furthermore, in forthcoming work, Saul Schwartz and I find that there are one in ten working-age Canadians who don't file a personal income tax return will be missing out on credits like Canada Child Benefit and the GST credit that they would otherwise receive.

Some would argue that a universal payment, without applications, is the best response. But a proactive effort by government to distribute temporary relief payments will be hampered by a far larger and more serious administrative challenge: The Government of Canada does not know where to send the cheques or to whom to make them payable.

The Canada Revenue Agency (CRA) has the capacity to issue very quick payments to bank accounts and addresses that it has on file when it can verify individual identity and eligibility. But the agency does not maintain a current super-database of all Canadians. In between tax seasons, many Canadians move, change their names, change their banking information or, sadly, pass away.

Add to this the many thousands of Canadians who do not file tax returns at all. Other official pieces of information that might otherwise be used to track the movements and earnings of Canadians, such as Social Insurance Numbers, are not in a database that can be readily linked to information needed to issue a government payment.

Even an urgent effort in this crisis to use tax information on file to proactively issue payments to all adult Canadians could result in a delay of months, not days, before payments can begin. In the US, the [Tax Policy Center](#) is warning that distribution of planned application-free payments will be painfully slow.

Governments have historically shied away from investing in building the internal systems that could otherwise have made an automated payment plan possible. This stems from repeated criticism of past efforts to build better data on citizens or spend money on internal systems.

When this crisis is over, and as part of the effort to rebuild, Canada should willingly invest in the information systems and technology needed to support rapid delivery of income supports.

The time is not yet. Government agencies need to focus every resource on getting emergency aid out to Canadians in need. But when there is an opportunity, here are three immediate priorities:

- Ensure that the CRA has the legal authority, with appropriate privacy safeguards, to access, use and share (with other parts of the Crown) taxpayer information needed to enrol Canadians in benefits that will raise their income while letting Canadians opt-out if they don't want those benefits, for any reason.
- Flip the burden for tax-filing from individuals to CRA. Allow as many people as possible to file by simply consenting to a pre-filled annual return using information CRA already has on file, building on the current and niche File My Return program. Even in the current crisis, CRA could introduce [deemed or automated filing](#) for tens of thousands of social assistance recipients, one in five of whom may not currently file a return or access key credits.
- Stop tinkering at the edges of government IT systems and make the investment today so that the often invisible but critical infrastructure of government, from call-centres to servers to web-applications, can handle the surge traffic that comes in times of crisis.

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