

**Manitoulin-Sudbury District Services Board
POLICY & PROCEDURES MANUAL**

Section: H. Ontario Works	Effective Date: July 1, 2009
Topic: 9. Monitoring Eligibility	Replaces: November 2004
Subject: 9.4. Overpayment Recoveries	
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POLICY

Authority **OW Act: Sec. 19, 20, 21, 22, 28(6) and 32**
OW Directives: Dir. 9.3

Where a participant has received financial assistance which he/she was not entitled to receive, an overpayment will be established and the recovery of the overpayment will be done fairly and effectively.

There are four types of overpayments:

- failure to report income or changes in circumstances that affect the amount of the participant's assistance;
- a deliberate attempt to misrepresent the facts (fraud);
- overpayments incurred as a result of administrative error;
- interim assistance if the appellant loses his/her appeal.

In general, all overpayments, including administrative errors are collectable.

PROCEDURE

1. All overpayments must be clearly documented as to cause and amount in the SDMT.
2. A manual calculation should be placed in the second section of the participant's file. If it is outside the SDMT time period and information regarding the overpayment is required, request a report.
3. An overpayment letter (usually system generated) will be sent to the participant, outlining the reason for the overpayment, the time period it took place, the rate of recovery if the participant is still in receipt of assistance (or the amount of the overpayment if the participant is no longer in receipt), and the right of the participant or terminated client to appeal this decision.

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4. The rate of recovery shall be 5% of the participant's total financial assistance including special benefits such as Medical T & T, Diabetic Supplies etc. **before deductions**. This amount may be increased to 10% if there appears to an intent to defraud.
5. In cases where the Personal Needs Allowance (PNA) is the participant's only income, the overpayment recovery amount will not be deducted.
6. In cases where the PNA is only a part of the person's total assistance, and the person has other chargeable income, the overpayment recovery may take place **only if** the participant's monthly income from all sources does not fall below the PNA amount of \$112.

ADMINISTRATIVE ERRORS

Administrative overpayments are usually recoverable unless there are extenuating circumstances. An example of extenuating circumstances follows:

- the participant provides the Case Manager with information which, if acted upon would reduce the amount of assistance;
- **if the information is not processed by the next pay run the onus is on the participant to notify the Case Manager of the error;**
- if the reported change(s) remain unprocessed by the worker, and there is documented evidence that the participant has done everything in his/her control to bring the discrepancy to the attention of the Case Manager, there may be grounds not to consider this as an overpayment.

ARREARS OWING TO PARTICIPANTS

When arrears are identified and owing to a participant the Manitoulin-Sudbury DSSAB will recover 100% of the arrears owing and apply it to the existing overpayment. SDMT is automatically set up to make these necessary repayments. In extenuating circumstances the arrears applied to overpayments may be reduced to any amount, but no less than 10% in any case. In order to do so, one needs to go into the benefit page that has been revised and remove the check mark in the apply to overpayment box.

Extenuating circumstances may be but are not limited to:

- a situation where the participant requires an extraordinary item under Discretionary Benefits;

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- some kind of current hardship that the participant is experiencing;
- or any other justified need - cases may be discussed with your supervisor.

PORTABILITY OF OVERPAYMENTS BETWEEN PROGRAMS

Section 19(3) of the Ontario Works Act allows for the recovery of overpayments incurred in another program to be recovered under Ontario Works Financial Assistance. An overpayment incurred under the Family Benefits Act, or the Ontario Disability Support Act will be portable and recoverable under the Ontario Works Act. Currently there is no Provincial policy or procedure on the transfer of Over payments between ODSP and OW or OW to OW. Until such time as a policy is provided overpayments will not be portable.

CROSS REFERENCE: SECTION 9.2 - Internal Review