SAVE THE DATE Backgrounder

**Why do we want the Alberta Government to “Save the Date”? So our bills won’t be late!** The Government of Alberta (GOA) wants to change the payment of Income Supports and AISH from the 5th last business day of the month to the first of the month. For example, the payment that should have gone out on March 25th will now be made on April 1, 2020. This change will be bad for everyone, including the GOA. We ask all MLAs to keep the payment dates for AISH and Income Supports the same as they are now so people can:

**1. PAY RENT ON TIME**

***Lease agreements are all different***

Ministries affected: Service Alberta, Community & Social Services (emergency funding from Income Supports & AISH), Mental Health and Addictions Strategy

Lease agreements with private landlords are signed on different dates of the month. Lease agreements are not standard across the province, nor are eviction policies. People require the extra days at the end of the month so they can pay their rent on time and be in good standing with their landlords. It is typical practice to pay rent on the last or 1st day of the month. Many tenants are very concerned about late payments if the money isn’t available for use in their account on time. This could result in eviction, increased anxiety and trauma if a person is not able to pay their rent on time, leading to additional strain on the mental health system.

*“I am very upset about the announcement as I am with Calgary housing and have limited means to run around and being late.”*

*“People should be paid before, not leave it to the first day of the month. It’s too late.”*

*“Calgary Housing may not get paid till the 5th or 6th. I am going to have issues keeping my housing as my rent is going to be late.” “I’ve got to make two separate trips to the bank and two separate trips to the office,” said landlord Linda Martin. “It’s costing me time and money, because the government decided to change the time when they’re going to send out these cheques.”*

***Eviction practices are not standardized***

Ministries affected: Service Alberta, Community & Social Services (emergency funding, moving & eviction fund from Income Supports and AISH), Ministry of Seniors and Housing, Alberta Housing Authorities

People are at risk for late payment. Eviction practices vary from one property owner to another. Too many late payments may result in landlord/tenant disputes and increased public hearings. This could create backlogs with the Residential Landlord Tenant Disputes Service and courts overwhelmed with landlord/tenant dispute public hearings. Not all property owners will understand repeat late rental payments. There is already a lack of affordable housing in our Province. For example, a larger urban centre such as Calgary reported “nearly 15,000+ non-market homes needed—to meet Canadian average for urban centres.” Moving the date for payment to the first of the month could lead to evictions and make the problem worse for people who rely on AISH or Income Supports. In this environment, it may be difficult to negotiate new payment dates with landlords who can simply evict in favour of tenants who do not depend on government support.

*“It’s bureaucratic and it’s dumb. How are people supposed to pay their bills? Also, with the Residential Tenancies Act, most of us pay our rent before the end of the month. Landlords are going to be wondering why their rent is late and people will have to give up their privacy by disclosing (their income source) because the government made it late.”*

***Protection of Privacy***

Ministries affected: Service Alberta, Office of Information and Privacy Commissioner of Alberta, Community and Social Services, Red Tape Ministry

Albertans on Income Supports may have to disclose to their landlord that cheques are late due to when the government pays income assistance. A person’s source of income is private information. This could open the Ministry of Community and Social Services to allegations of causing a breach of privacy given the recommendation from the CSS Minister to talk to property managers to negotiate new leases with landlords. The CSS Ministry has placed itself into a comprising position

with regard to right to privacy and to dignified service under the Human Rights Act. The purpose of the Red Tape Ministry was to reduce red tape for Albertans. This change of date has the potential to increase it.

**2. REPORT INCOME**

***Inflexible Bank Policies***

Ministries affected: Service Alberta, Alberta Landlord Tenant Dispute Services

The time when a payment arrives in a person’s bank account, and when a cheque is released by the bank are not standardized from bank to bank. People need extra time between when the direct deposit is in a personal account and when they pay their bills to avoid penalties for late payment. The previous AISH/Income supports payment schedule offered this buffer. Additionally, for people on Income Supports, cheques are held back until the person reports income. Even with the previous system, people’s payment was often late. If the government decides to deposit the cheque on the first of the month, it will only make things worse for the 60,000 Albertans who receive Alberta Works Core benefits.

*“When I was on Income Supports, working for 5 hours a week and my pay date was the 31st, and then I had to wait till I could get the cheque released to me. My rent was often late by a week.”*

**3. GOOD CREDIT**

***More bank fees***

Minstries affected: Community and Social Services (emergency fund), Ministry of Finance, Alberta Treasury

AISH and Income Supports are no longer indexed to the cost of living. Hence 120,000 people are living below the poverty line. People cannot afford the additional bank fees related to not having money in their account to make payments. They typically have the worst bank accounts with regard to overdraft protection. For instance, to do a stop payment at the Royal Bank of Canada (RBC) it costs an additional $ 12.50. If they are not successful in stopping the payment, the person will be charged $45 for insufficient funds if the money is not in their account on time. RBC requires direct-deposited money to be in the person’s bank before 9 am or else the deposit is held until the next business day. It is further delayed if the deposit occurs on the weekend. Moving payments to the first of the month both increases costs for individuals and makes it more likely that they will have a bad credit rating.

***Increased risk of use of payday loans as a stop-gap measure***

Ministries affected: Service Alberta and Community & Social Services emergency fund

People will be more likely to use payday loans to help pay rent on time or buy things they need. People risk getting into high-interest loans to make ends meet and may never catch up to pay the following months’ rent.

***Financial Literacy and response times at Government Offices***

Ministries affected: Alberta Labour Workforce, Community and Social Services (Emergency fund)

A person’s ability to handle their finances on their own, online or in person, varies. Some people on Income Supports and AISH have may have a trustee involved which adds to the time involved in bill payment. Moving the payment date to the first of the month is not enough time for people to receive their cheques and pay all their bills. We are concerned the AISH specialists and Income Supports offices do not have the resources to address emergencies triggered by the change of date. For instance, in December 2019, the Auditor General reported, ***“Albertans who need support to help them meet their basic needs—food, clothing, and shelter—or re-enter the workforce may not receive the assistance they need and may have challenges rejoining the workforce.”*** The Income Supports personnel are already overwhelmed with calls. Albertans on AISH have told us the AISH office response time on telephone is one week. We are concerned Income Supports and AISH specialists do not have enough people or resources to respond to late payments.

*“I don’t like it. I am with the Trustee’s office and they don’t know what they are doing. They said they got notified of this whole thing (payment date change) and they don’t know what is happening. Having limited income, it is difficult to redo your budget plan, even when the City of Calgary put up the bus pass $1 dollar. I did not get a whole bus pass for the month of January.”*

***Provincial payment schedules are not standardized***

Ministries affected: Alberta Seniors & Housing, Community and Social Services

We recommend the province use the same schedule as “The Alberta Seniors Benefits” so the payment schedules are aligned (typically, the 5th last business day of a month). Our government needs to be consistent and respectful towards people with limited means. People need extra time to pay for rent, transportation, insurance and monthly medication dispensing costs.

*“The Government needs to reverse the idea of payments back to the old schedule. It provides more time to help people arrange end-of month finances.”*

****4. BUY A BUS PASS**

***Transit policy on fare evasion (riding without payment)***

Ministries affected: Alberta Transportation, Community and Social Services and Justice

The province invested $4.5 million to support low-income transit passes. The low-income transit pass that Calgarians on Income Supports and AISH rely on is only available at four locations. With the change in payment date, this means that most individuals must travel on transit on the first of the month without an active transit pass or pay an additional $3.75, which they may not have. Transit By-Law Officers may issue a ticket for fare evasion on the 1st of the month. In Calgary, a third offence of riding without fare payment results in a $ 250 fine, and if it goes to court it can cost up to $ 800 a day for the Province to process the court procedure. It also creates conflict at the fare box between a transit driver and a customer, thereby compromising the driver and the people’s safety on the bus.

*“My girlfriend usually gets her bus pass tomorrow (the last day of the month). We tried to problem solve. We need to figure out if we can even afford a taxi together to get to the transit office to avoid getting a ticket on the bus.”*

****5. BUY FOOD**

***Food Security and maintaining good health***

Ministries affected: Alberta Health Services, Community and Social Services ‘Domestic Violence Intiative’

When the payment falls on a Thursday or a Friday and the payment is not released immediately by the bank, people may be going without food for three to four days. Having a cheque deposited a few days before the end of the month allows time for a person to get to the grocery store. A study completed by Alberta Health Services shows 1 in 10 homes in Alberta are food insecure. This can lead to more health problems such as diabetes, hypoglycemia and other issues (such as increased aggression) increasing the drain on health and mental health resources. Having some time to make the purchases is critical.

*“The government should consider the needs of people with AISH and Alberta Works before they make changes.” “If this is for provincial cost effectiveness, why dehumanize those who are dependent on AISH and Income Supports?”*