



# Canada Revenue Agency Benefits Validation Research Executive Summary

Prepared For: Canada Revenue Agency

Supplier name: Pollara Strategic Insights  
Contract Number: 46637-190476/001/CY  
Contract Value: \$56,400  
Award Date: 2018-02-06  
POR Registration Number: 093-17  
May 5, 2018

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## Benefits Validation Research

### Executive summary

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This public opinion research presents the results of a series of qualitative focus group discussions conducted by Pollara Strategic Research on behalf of Canada Revenue Agency. This study consisted of eight focus group discussion with people who had their family benefits cancelled and then reinstated due to not filling out the validation questionnaire. The study was to determine why recipients did not respond to the CRA's request for documentation to validate the information on which benefits are based.

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Signed:



Lesli Martin  
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## BACKGROUND AND OBJECTIVES

The Canada Revenue Agency issues benefit and credit payments of almost \$32 billion to over 12 million Canadians each year. It is also responsible for ensuring the fairness and integrity of its benefit and credit programs, and paying the correct amount to every eligible recipient. To this end, the Agency may ask recipients to validate the information on which benefits are based, such as marital status, residency and primary care of children.

When an account is reviewed, the CRA first tries to confirm the individual's eligibility based on the information already on file. If more information is needed, or if the CRA is unable to resolve the discrepancy internally, it sends a request for information and supporting documentation to confirm and substantiate the recipient's claim to benefits.

Recipients are given 45 calendar days to respond to the CRA's initial request for information. If the CRA does not receive a reply or if the documents submitted are not sufficient, the CRA will adjust the individual's benefits based on the information that is available. In some cases this may result in benefits being reduced or stopped, and the individual may have to repay benefits that were previously paid.

The purpose of the research is to understand why recipients do not reply to the validation letter and to determine if more needs to be done make to the process easier. The objectives of this research are as follows:

- To determine why recipients are not responding to the request for information by the due date;
- To determine if the letter clearly conveys the need to respond in a timely manner;
- To explore areas of confusion, concern or difficulty with the benefits validation questionnaire and the requested documentation;
- To determine how the CRA could better support the process.

The results of this study will be used to determine what changes may be required to help benefit recipients respond to the questionnaire and provide the documentation required for the review, and to reduce a nil response, which results in benefit payments being suspended.

It must be noted that the majority of the participants in this research were not shown a typical version of the Benefits Validation Letter. The letter that was shown to the majority of the participants is one that is used when a benefit recipient is expecting a large retroactive payment. During the review, the retroactive payment is held until the request is validated. This caused some confusion for the focus groups as it was not the letter that the focus group received. It is important to note that the monthly payments are not stopped during a review. The focus group in Montreal did see a version of the Benefits Validation letter that was sent to them, both letters are included in the Appendix.

Due to the qualitative nature of this study, results cannot be extrapolated to a broader audience and should be considered indicative, rather than definitive.

## METHOD

The CRA provided Pollara with a list of CCB recipients who had been selected for a benefits validation review but did not respond to the questionnaire by the due date. The review letters were sent between November 2016 and July 2017. Recipients did not respond to the questionnaire and as such, had their benefits suspended. These recipients had all since had their benefits reinstated. Pollara used this list to recruit for eight focus groups discussions. The composition of the focus groups was as follows:

- Greater Toronto Area – Traditional Face-to-Face Groups
  - Group 1: Household Income Under \$40,000
  - Group 2: Household income \$40,000 or more
- Western Canada – Virtual Online Groups
  - Group 1: Household Income Under \$40,000
  - Group 2: Household income \$40,000 or more
- Eastern Canada – Virtual Online Groups
  - Group 1: Household Income Under \$40,000
  - Group 2: Household income \$40,000 or more
- Greater Montreal Area – Traditional Face-to-Face Groups (in French)
  - Group 1: Household Income Under \$40,000
  - Group 2: Household income \$40,000 or more

In total, 39 recipients took part in this research. The focus group discussions lasted between 90 minutes to two hours each. Participants were paid a \$100 incentive for their time. Research was conducted between March 19 and 28, 2018.

## SUMMARY OF FINDINGS

The main reason given by recipients for not providing the documentation was that they did not receive the letter. Additional reasons provided for not responding included: participants did not open the letter when they received it (thinking it was something else) or felt overwhelmed upon reading the letter and procrastinated on the process.

Most felt the letter clearly expressed the reason for the review, and understood the urgency to reply. Only a few participants felt the need for a clearer message about the possibility of having their benefits suspended. After their benefits were suspended, participants then completed the questionnaire to have their benefits reinstated. Most

of the participants indicated that the process was very time consuming, with many steps being dependent on others for completion, and felt they didn't have enough time to complete it. It was agreed that at least a month (from the time the letter is received) must be given. Those with more than three children believed they would need longer.

While most understand the need for the review, the feelings that went along with the review were ones of anxiety, humiliation and anger. There was the perception that they had done something wrong and were having to prove their innocence. This was particularly true of those who did not receive the original request so the first communication about the review was the letter saying their benefits were suspended and they needed to pay back the CRA. This feeling of humiliation was compounded by the amount of information they needed to obtain from other sources such as the schools or the third-party letters for those whom it was necessary to prove separation. Many were embarrassed that they would have to go to the school, doctor, employer, landlord, etc. and explain their marriage and financial situation.

The participants questioned the necessity of the required information. Some believe the CRA should already have much of it through the information found on their tax returns. Some of the requested information seem to participants to be intrusive and unnecessary. These requests add to the feeling that they are being judged for their parenting or life situations. Specific examples included:

- Being asked for the child's attendance record;
- Being asked for a list of doctor appointments;
- Being asked to list vacations or trips out of the country (although they understand if extended time out of the country is required, but felt it was not clear).

Proving separation seemed to be the most difficult part of the validation questionnaire for many. The third-party letters are seen as helpful, but many feel the list of accepted people is too narrow and the options provided are not necessarily people who would know their marital or living arrangements. Some find that sharing this type of information with those on the list would be embarrassing.

Participants who called the number provided in the letter were frustrated with the long wait times and the lack of knowledge by the CRA representatives they talked to for their specific request. Participants would prefer a case worker that they could contact directly who would have knowledge about their file, or, at the very least, a phone number specifically for representatives working on the benefits validation process who could answer specific questions. Many also would like the ability to do

this via online chat instead of waiting on hold.

## CONCLUSIONS

Since the main reason given by the participants for not responding on time is that they did not receive the initial questionnaire, it is recommended that a secondary notification be put in place. This can be a notification via email, My Account, or a phone call which simply tells the recipient about the review and to watch for the questionnaire in the mail. This would encourage recipients to open their mail, and in cases where they may not have received it, allow them to follow up before their benefits are stopped. While a couple of participants suggested sending questionnaires by registered mail as it would inform recipients of its importance or inform the CRA that it has not been delivered, it was noted that this would be an additional cost to the agency and that they wouldn't necessarily want money to be used for that purpose.. Having some type of prior notification would stop the negative feelings from those whose first communication about this review was to hear that they owe money to the CRA. The timing of this secondary check should be around the time the person should be receiving the documentation, not when a reply to the questionnaire is due.

Due to the amount of documentation that may be required, along with the fact that it may be dependent on the timeline of others, it is recommended that participants be given at least a month, from the time they receive the letter, to the time they need to be sent back. If possible, this timing should be lengthened for those with more than three children, especially if those children attend different schools or for those having to provide information for a longer review period. While benefits are not stopped during the review process, participants were concerned about not receiving their benefits if they did not submit the information within the required time. This should be taken into consideration when developing the timeline.

The CRA should assess that the level of detail required in the documentation is truly necessary. For instance, if the reason for an attendance record is to prove that the child did attend this school, perhaps instead of asking for the record itself, the school could be asked to certify that the child was in attendance for the majority of the school year. Instead of listing all the dates the child saw the doctor, the doctor could certify that the child was seen at least once a year during the review period. This would not only ease the information process, it would also diminish the feelings of intrusiveness.

The listing of required information should be clear, along with the number of documents are required.

The participants feel that CRA could be more supportive during the review process. While some did find the agents helpful when they talked to them, others felt frustrated in how difficult it was to find a person who could actually help them. A more efficient communication system could help during this process. A case worker that could be contacted directly would be ideal, although the ability to communicate specifically with a representative involved in this review process would suffice. Communication could be offered via phone or electronically, but participants must be able to easily connect with the right person.

The contract amount for this project was \$56,400 (including HST).