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# Timing is Everything

Office of the  
**TAXPAYERS'  
OMBUDSPERSON**

# TIMING IS EVERYTHING

A look at how the Canada Revenue Agency administers  
the Canada child benefit to temporary residents




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Canada

**Publication Date:** March 18, 2025

A look at how the Canada Revenue Agency administers the Canada child benefit to temporary residents.

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Cat. no.: Rv10-25/2025E

ISBN: 978-0-660-75398-0

## Executive Summary

The Office of the Taxpayers' Ombudsperson works independently from the Canada Revenue Agency (CRA). This report focuses on the service provided to taxpayers by the CRA, presents findings and makes recommendations to the Minister of National Revenue and the Chair of the CRA Board of Management.

## Background

We became aware of potential systemic issues at the CRA in how it administers the Canada child benefit (CCB) for temporary residents following a complaint to our Office. Most temporary residents who meet the conditions for the CCB, including being in their 19<sup>th</sup> month of continuous residency in Canada, are eligible to receive the CCB. However, we found issues that cause unnecessary interruptions in CCB payments for some temporary residents.

## Concerns

To continue receiving CCB payments, temporary residents must have a legal status in Canada. This includes temporary residents on maintained status.

We found that when the validity of a foreign national's visitor record, study permit, or work permit expires, the CRA will stop the CCB the following month if the temporary resident has not provided proof to the CRA that they have maintained their status.

The CRA indicates that it does this because it would contravene legislation to pay the CCB to anyone who is no longer eligible. However, this practice can cause interruptions in CCB payments for eligible temporary residents and leaves many without the crucial benefits they may be entitled to.

# Examination

As is the case with all systemic examinations, this is a fact-finding exercise. The purpose of this report is not to lay blame on anyone, but rather to find, in our Office's own estimation based on facts, possible areas that could be improved or that warrant any recommendations on our part.

We also carried out this examination knowing that a key priority for the Minister of National Revenue and the Commissioner of the CRA is to ensure that residents of Canada receive the benefits and credits they are entitled to. This priority specifically relates to hard-to-reach and vulnerable populations, including newcomers.

For this examination, it is important to note that the Taxpayers' Ombudsperson's mandate does not include Immigration, Refugees and Citizenship Canada (IRCC); therefore, our focus remains on the service the CRA provides to temporary residents. However, we also look at how IRCC processes can impact CRA decisions. We were fortunate enough to have full cooperation from IRCC and the Minister of Immigration, Refugees and Citizenship, which has helped us understand the issues at play.

## Methodology

The report is based on a true story of a taxpayer's experience.

While this case was resolved, we saw opportunities for the CRA to improve its service to temporary residents. Specifically we saw issues that could prevent temporary residents, despite being eligible, from receiving their CCB payments in a timely manner.

In particular, the examination looks into the CRA's use of immigration status in determining a temporary resident's eligibility for the CCB.

# Findings

## Communication issues

### Timeliness

We found that the CRA does not provide information in a timely manner that could assist temporary residents. The CRA could improve service by reminding them that their immigration status in its system is expiring soon.

### Prioritization of information

We found that in the initial notices the CRA sends to temporary residents, it does not prioritize, or emphasize, the important information. The CRA could do better by putting the information on the front of the notice.

### Information directed at newcomers

We found that many of the CRA's publications provide similar information, yet only some provide complete information when considering temporary residents. The CRA should consider reducing the number of communication products that it offers to newcomers so they can have one resource with all the necessary information.

## Processing issues

### CRA processing time

Taxpayers cannot track correspondence sent to the CRA, so they have no idea how long it will take for the CRA to process it unless they call. The CRA should provide relevant information upfront, so taxpayers do not need to call its contact centres to get the information.

### IRCC processing time

IRCC sets an expiry date on its letters to temporary residents. These letters are helpful because they provide confirmation that the temporary resident applied for a new permit before their existing permit expired. However, they do not confirm that the temporary resident is under “maintained status,” as “maintained status” only lasts until a decision is made.

Employers, insurance providers, the CRA and other stakeholders could benefit from a system that could provide real-time information to the implicated parties. While the feasibility of this service would have to be assessed, it could also serve to strengthen Canada’s immigration system by ensuring each implicated party is aware of any changes to the “legal status” of the temporary resident.

## Information sharing agreement

The CRA’s current information sharing agreement with IRCC does not include the validation of temporary residency status to determine eligibility for the CCB.

The CRA could improve the service it provides to temporary residents by simplifying the process. If a process were in place for it to validate temporary residents’ status with IRCC, the CRA could receive this information immediately, and it would likely be more accurate. This process would require IRCC and the CRA to establish an information sharing agreement if IRCC determines it has the legal authority to share this information with the CRA.

## Recommendations

Based on our findings during the examination, we provide in this report 11 recommendations to the CRA for it to improve its service to Canadians.

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# Taxpayers' Ombudsperson's Mandate

The mandate of the Taxpayers' Ombudsperson is to assist, advise and inform the Minister of National Revenue about any matter relating to services provided to a taxpayer by the Canada Revenue Agency (CRA). This mandate is set out in section 4 of the [Order in Council P.C. 2020-0703](#).

## **Taxpayer:**

A person who is liable to pay a tax, eligible to receive a benefit, or provided with a service by the CRA. Under the various tax legislation, a taxpayer could be a Canadian, business, charity, non-profit or legal representative.

## What the Taxpayers' Ombudsperson Can Review

In carrying out this mandate, the Ombudsperson must review and deal with any request for a review made by a taxpayer or their representative about a service matter or a matter arising from the application of any of sections 5, 6, 9 to 11 and 13 to 15 of the [Taxpayer Bill of Rights](#). The Ombudsperson must also review any matter within this mandate at the request of the Minister.



# What the Taxpayers' Ombudsperson Cannot Review

There are important limitations on the Taxpayers' Ombudsperson's authority. Specifically, the Ombudsperson must not review:

- a service issue that happened before May 24, 2006, unless the Minister requests that the Ombudsperson do so
- the administration or enforcement of the program legislation, unless their view relates to a service issue
- Government of Canada legislation or policy or CRA policy, unless the legislation or policy relates to a service issue
- a request for review relating to a right outlined in the Taxpayer Bill of Rights that is not one of the eight rights we uphold
- an administrative interpretation provided by the CRA
- a decision of or proceeding before a court
- legal advice provided to the Government of Canada
- confidences of the King's Privy Council for Canada

## Mission

Our mission is to help taxpayers experiencing service issues with the CRA. We do this by examining complaints and increasing awareness of the Taxpayer Bill of Rights. We also identify systemic issues and opportunities for service improvement at the CRA.

## Vision

Our vision is that every Canadian knows their rights as a taxpayer and how we can help if they are having service issues with the CRA.

# Principles

## Fairness

We are impartial, independent, rigorous and evidence-focused when examining service issues.

## Confidentiality

We hold all communications with those seeking assistance in strict confidence and will only disclose information if permission is given or required by an Act of Parliament.

## Responsive

We respond to complaints and enquiries with empathy, attention and respect.

## Credible

We act with transparency, accountability and integrity.

# How we Operate

The Ombudsperson reports directly to the Minister and may, at any time, issue reports, with or without recommendations to the Minister or to the Minister and the Chair of the Board of Management, concerning any review or other matter that is within the Ombudsperson's mandate. However, the Ombudsperson's recommendations are not binding.

While our Office works independently from the CRA, we are administratively linked, notably when managing financial and human resources. We do not have direct access to taxpayer information in CRA databases, but we do have processes in place, and with a taxpayer's consent, we can exchange their information with the CRA to resolve their service complaint.

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## Background

We became aware of potential systemic issues at the CRA in how it administers the Canada child benefit (CCB) for temporary residents following a complaint to our Office.

### **Canada child benefit (CCB):**

It is a tax-free monthly payment made to eligible families to help with the cost of raising children under 18 years of age. The CCB may include the child disability benefit and any related provincial and territorial programs.

### **Temporary resident:**

A temporary resident, within the meaning of the *Immigration and Refugee Protection Act*, is a foreign national who is legally authorized to enter Canada for temporary purposes. A foreign national has temporary resident status when they have been found to meet the requirements of the legislation to enter and/or remain in Canada as a visitor, student, worker, or temporary resident permit holder. Only foreign nationals physically in Canada hold temporary resident status.

Most temporary residents who meet the conditions for the CCB, including being in their 19<sup>th</sup> month of continuous residency in Canada, are eligible to receive the CCB. However, we found issues that cause unnecessary

interruptions in CCB payments for some temporary residents.

To continue receiving CCB payments, temporary residents must have a legal status in Canada. This includes temporary residents on maintained status.

**Maintained status:**

All temporary residents have an automatically imposed condition that they must leave Canada at the end of their authorized period of stay. However, as per section R181, a temporary resident may apply to extend their period of authorized stay before it ends. If they have done so, their period of authorized stay as a temporary resident is extended by law until a decision is made [R183(5)]. Such a person is considered to have legal status as a temporary resident [as they are on maintained status, (previously called implied status)] during the processing period.

However, it is important to note that temporary resident permit holders do not benefit from maintained status during the processing period, as they are not renewing under section R181 but rather applying for a subsequent temporary resident permit as per section A24 of the *Immigration and Refugee Protection Act*.

We found that when the validity of a foreign national's visitor record, study permit, or work permit expires, the CRA will stop the CCB the following month if the temporary resident has not provided proof to the CRA that they have maintained their status. The CRA indicates that it does this because it would contravene legislation to pay the CCB to anyone who is no longer eligible.

This practice can cause interruptions in CCB payments for eligible temporary residents and leaves many without the crucial benefits they may be entitled to.

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## Examination Approach

As is the case with all systemic examinations, this is a fact-finding exercise. The purpose of this report is not to lay blame on anyone, but rather to find, in our Office's own estimation based on facts, possible areas that could be improved or that warrant any recommendations on our part.

We also carried out this examination knowing that a key priority for the Minister of National Revenue and the Commissioner of the CRA is to ensure that residents of Canada receive the benefits and credits they are entitled to. This priority specifically relates to hard-to-reach and vulnerable populations, including newcomers.

### **Newcomers to Canada may be:**

- permanent residents (including people who have received "approval-in-principle" from Immigration, Refugees and Citizenship Canada (IRCC) to stay in Canada)
- refugees (protected persons)
- temporary residents (including students, workers, and temporary resident permit holders)

For this examination, it is important to note that the Taxpayers' Ombudsperson's mandate does not include IRCC; therefore, our focus remains on the service the CRA provides to temporary residents. However, we also look at how IRCC processes can impact CRA decisions. We were fortunate enough to have full cooperation from IRCC and the Minister of Immigration, Refugees and Citizenship, which has helped us understand the issues at play.

## **Temporary immigration and the Canadian economy**

In March 2024, Statistics Canada reported the following:

On January 1, 2024, Canada's population reached 40,769,890 inhabitants, which corresponds to an increase of 1,271,872 people compared with January 1, 2023. This was the highest annual population growth rate (+3.2%) in Canada since 1957 (+3.3%).

Most of Canada's 3.2% population growth rate stemmed from temporary immigration in 2023. Without temporary immigration, that is, relying solely on permanent immigration and natural increase (births minus deaths), Canada's population growth would have been almost three times less (+1.2%).

IRCC indicates:

Temporary foreign workers are an important part of Canadian workforce. They help employers meet short-term labour needs when qualified Canadians or permanent residents [are not] available.

Temporary workers support the success and growth of many industries, such as agriculture and agri-food, health care and technology.

From April 1, 2022, to March 31, 2023, 135,818 temporary workers filled Canada's labour market needs for which Canadians were unavailable.

## Barriers faced by newcomers

Through consultations with service provider organizations and community organizations working with newcomers, the CRA has collected valuable insights regarding barriers faced by newcomers when navigating the Canadian tax system and accessing benefits and credits. These barriers can include:

- limited understanding of Canada's tax system and the eligibility criteria for benefits and credits
- language barriers and complex tax language in government letters and websites
- confusion about filing requirements, reporting income, and providing necessary information to apply for benefits
- difficulties in contacting the CRA, understanding contact centre and outreach session communications, and accessing online information
- challenges in accessing support and resources, including tax clinics, due to a preference for seeking help from friends, family, or other trusted sources

With knowledge of these barriers, the CRA can work towards eliminating them. For example, it has already reduced the language barrier for some people by providing information in nine languages other than Canada's two official languages.

# Importance of the Canada child benefit

The average income for temporary residents who filed income tax and benefit returns in 2022 was \$25,995. This is significantly below the average income for Canadians 15 years old and over, which was reported to be \$57,100. This disparity leads us to believe that temporary residents with children rely more on the CCB to make ends meet.

The CCB has helped lift hundreds of thousands of children out of poverty by providing billions each year in tax-free support to millions of families. However, there are still children living in poverty in Canada today.

## Poverty rate in Canada

Canada is among the richest countries in the world. However, Statistics Canada reported that in 2022, 9.9% of Canadians lived in poverty (up from 7.4% in 2021) and 5.0% were living in deep income poverty (up from 3.6% in 2021). While Canada's poverty rate remains below pre-pandemic levels and inflation rates have declined since 2022, higher prices on essential goods (e.g. food, housing) and services (e.g. public transportation, medical, dental) are still making it difficult for many Canadians to make ends meet, causing undue stress.

### Poverty Rate:

The poverty rate is defined using the Market Basket Measure, which is based on the cost of a specific basket of goods and services representing a modest, basic standard of living. It includes the costs of food, clothing, footwear, transportation, shelter and other expenses for a reference family. <sup>1</sup>



# Higher poverty rates among newcomers

A recent survey conducted by Statistics Canada revealed:

[...] in April 2024, a larger proportion of recent immigrants (43%) reported finding it difficult or very difficult to meet their financial needs over the past 12 months, compared with more established immigrants (29%) and non-immigrants (29%). Similarly, non-permanent residents were more likely to report finding it difficult or very difficult to make ends meet (37%) than non-immigrants. <sup>2</sup>

Rates of poverty and child poverty are much higher among vulnerable populations. For newcomers specifically, settling in a new country can be a long, difficult and challenging process. They embark on this process by finding a place to live, finding a job, sometimes learning a new language, and finding their way in a new culture and society.

## Real life, real issues

Throughout this report, we will talk about Sasha Stuehart and her experience getting the CCB. <sup>3</sup>

Sasha lives in Canada as a temporary resident with her children. She was receiving the CCB, and it helped her with the cost of raising her son. However, in March 2023, the CCB payments stopped. This same month, her second child was born. As she was on maternity benefits and was receiving less income than she would normally receive, she was relying on her CCB payments.

The CRA stopped the CCB payments because Sasha's work permit had expired in February 2023. However, Sasha had sent the CRA a letter from IRCC that confirmed she had "maintained status." IRCC had provided Sasha this letter automatically because she had applied to IRCC to renew her work permit before it expired.

Not receiving the CCB was putting Sasha's family in financial hardship. Sasha tried her best to get agents at the CRA to help her, but she made little progress. In September 2023, frustrated with her experience, she submitted a complaint to our Office, and we got involved. <sup>4</sup>

Because Sasha was in financial hardship, we made an urgent request to the CRA so it could take action to fix the issue. Shortly after our request, the CRA reviewed the documents Sasha had previously provided, updated her account and paid out the CCB.

## Why our Office got involved

While Sasha's case was resolved, we saw opportunities for the CRA to improve its service to temporary residents. Specifically, we saw issues that could prevent temporary residents, despite being eligible, from receiving their CCB payments in a timely manner. For example, it appeared that:

- the CRA's communication was neither timely or adequate;
- the CRA's processing times were too long; and
- citizenship or immigration status verification at the CRA was inefficient.

We saw an opportunity for the CRA to improve its processes. Therefore, the Taxpayers' Ombudsperson opened a systemic examination into delays in CCB payments for temporary residents.

## Scope

Our examination focuses on the service the CRA provides to temporary residents, specifically those who are eligible to receive the CCB in the 19<sup>th</sup> month following their arrival to Canada. In particular, the examination looks into the CRA's use of immigration status in determining a temporary resident's eligibility for the CCB, including:

- How the CRA receives and updates immigration status information from temporary residents and whether the CRA can get information directly from the IRCC
- How the CRA serves temporary residents who have, at one point, received the CCB, had their benefits stop, but may still be eligible
- How CRA correspondence processing times impact CCB payments for temporary residents
- How the CRA informs temporary residents that they need to submit updated immigration status information

- How the CRA communicates with temporary residents who may be eligible for the CCB

### **Citizenship or immigration status:**

In this report, citizenship or immigration status refers to a taxpayer's legal status in Canada.

Their status could be:

- Canadian citizen
- permanent resident
- protected person
- temporary resident
- a person registered, or entitled to be registered, under the *Indian Act*

## **Timeframe**

We focused our examination on temporary residents who received, or were eligible to receive, the CCB at one point between April 1, 2019, and March 31, 2024.

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## **Part 1: Communication Issues**

In this part of the report, we will look deeper into the CRA's communication, or lack thereof, and how it may have contributed to temporary residents not receiving their CCB payments in a timely manner.

We will also explore how communication issues can lead to benefits stopping unexpectedly, including when there is a lack of complete, accurate and timely information from the CRA.

We note that it is the individual's responsibility to provide the CRA with their updated temporary resident information. The CRA and IRCC do not currently share temporary residents' statuses to help the CRA administer the CCB. This lack of information sharing means that taxpayers have to prove their temporary resident status to the CRA.

Further, the current situation also requires resources from the CRA. Right now, CRA employees must manually update the database with new citizenship or immigration status information.

## Timeliness

Effective communication is something taxpayers should expect from the CRA, after all they have the right to this. Right 6 of the Taxpayer Bill of Rights states that taxpayers have the right to complete, accurate, clear, and timely information. The findings of this examination demonstrate the CRA does not always deliver on these expectations. Specifically, we found that the CRA does not provide information in a timely manner that could assist temporary residents.

### It is all about timing

The CRA indicates that it "offer[s] benefit recipients timely and accessible information on their entitlements and obligations both through [its] call centres and securely online, which helps Canadians become more aware of the benefits they are entitled to and how to receive them." However, some temporary residents may not feel the CRA fulfils this pledge because of the lack of sufficient warning it gives before it plans to stop the benefits. Even though the CRA requires temporary residents to provide it with copies of

their new permits, they are only informed of this requirement when they first apply for the CCB. The initial notice of determination explaining this requirement could have been sent months or more than a year earlier. The CRA does not send out reminders.

However, every July, the annual benefit notice will show when payments stop, based on when the immigration status expires in the CRA's system. This means that even if the taxpayer has "legal status" in Canada and is eligible for the CCB, the CRA will not pay out benefits unless the taxpayer provides it with proof that they still have legal status.

The law does not require the CRA to remind taxpayers that their immigration status is expiring in its system. While we agree that informing temporary residents of their permit requirements in their initial CCB notice is good service, it would be even better service to remind them that their immigration status in CRA's system is expiring soon.

### **Real life, real issues**

For Sasha this issue meant the CRA did not sufficiently inform her that her payments were going to stop.

In July, when Sasha received her annual CCB notice, she could have seen there were no payments from February onwards. That said, this fact would be easy to overlook, as she would have likely been focused on her monthly benefit, rather than her annual entitlement.

Through the CRA's "Call me first" initiative, its agents do call benefit recipients before it cuts off benefits. Through this initiative, CRA agents will contact benefit recipients who have not responded to a request for more information before any adjustments are made.

From April 1, 2023, to March 31, 2024, CRA agents made calls to 17,554 taxpayers to let them know the CRA needed additional information from them or else their benefits would stop. While not all calls resulted in successful contact, 5,077 of these calls reached the recipient. This contact made the taxpayers aware that action was required and their benefits would stop if they did nothing. However, temporary residents whose status is going to expire in the CRA's system are not part of the group agents will contact, as the CRA assumes they are not eligible for the benefits.

While this initiative is resource intensive and its effectiveness is unknown, the CRA could try to remind temporary residents whose status is expiring by providing messaging through different mediums, such as automated telephone messages or My Account for individuals.

Even permanent residents could be affected by their immigration status expiring in CRA's system and their benefits stopping. This can happen to permanent residents who were previously temporary residents. While permanent resident status does not expire in CRA's system, temporary residency status does expire. Therefore, if a taxpayer does not provide the CRA proof that they are a permanent resident, the CRA will stop the benefits as it would not have proof that they meet one of the conditions for the CCB. That is what happened to Aurora and Dominique.<sup>5</sup>

## Real Life, Real Issues

Aurora told us:

I have lost faith in our system... I submitted my application for CCB shortly after my son was born, April 5, 2024. A few days later my permanency residence card was required—I also submitted it. The lack of communication between government systems is scary. Then weeks passed with no movement, I contacted the CRA phone number, they told me more information was needed. I submitted that as well. A few months later, I asked for an update, I was told more information was needed. I spoke with a supervisor who assured me it was in queue and no more new information was needed. Today, I checked my mailbox and there is a request for when I arrived to Canada. These little requests come one at a time and increase the amount of time I am waiting for my benefits. I got this by snail mail - and it says I can input my info online, however, there is nowhere to input my information.



## Real Life, Real Issues

Dominique told us:

I am submitting this complaint regarding the withholding of my CCB payments since March 2024. The issue stems from the CRA stating that my work permit expired in February. However, I thought that would not matter because when I became a permanent resident over a year ago I thought CRA would be informed of this information from IRCC.

As soon as my payments stopped I called the CRA asking why and the agent explained the CRA needed proof that they were a permanent resident. Therefore, I submitted my permanent resident card to the CRA five months ago.

Upon calling CRA, I was told to wait for 12 weeks for the processing of my documents. After the 12 week period passed, I called again and was told I needed to wait an additional 16 weeks. I waited another four weeks, called back, and was informed the issue was still “under review” and that CRA was “working on it.”

This delay has resulted in more than five months of unpaid CCB benefits for my three children. As of now, CRA owes me six months of CCB payments, which I urgently need, particularly as one of my children is a formula-fed baby. This prolonged delay, despite following the required steps and providing all necessary documentation, has caused significant financial and emotional strain on my family.

### Recommendation One <sup>6</sup> :

The Taxpayers' Ombudsperson recommends that the CRA find an effective way to remind taxpayers whose immigration status on file with the CRA is about to expire that they must provide proof of any update to their legal status to ensure there is no benefit interruption.

In addition, taxpayers cannot view or confirm the expiry date of their status from their CRA account. This makes it difficult for taxpayers to know if something needs their attention.

### **Recommendation Two:**

The Taxpayers' Ombudsperson recommends that the CRA provide a way for taxpayers to verify the expiry date of their immigration status in the CRA's system from their CRA account.

## **Prioritization of Information**

To ensure taxpayers receive the benefits they are eligible for, the CRA needs to logically prioritize the information it provides so taxpayers can easily understand what is important.

We reviewed the initial notices the CRA sends to temporary residents and found the CRA does not prioritize, or emphasize, the important information in the notice. The important information is on the back of the first page and therefore easy to overlook.

For example, on Page 2 of the initial notice, the following is provided:

## Explanation

This notice represents the information processed as **Month Day, Year**. Please read it and keep it for your records.

The Canada child benefit (CCB) is a tax-free monthly payment made to eligible families to help them with the cost of raising children under 18. It may include the child disability benefit (CDB), a monthly benefit providing financial assistance for qualified families caring for children with severe and prolonged mental or physical impairments.

The CRA determined that you are eligible for:

- CHILD NAME

To stay eligible, you or your spouse or common-law partner, if you have one, must maintain continuous legal status in Canada. And, both of you must maintain continuous residency for income tax purposes. To avoid a break in your eligibility and any benefit payments you qualify for, you must send us a temporary resident permit extension issued by Immigration, Refugees and Citizenship Canada before your current permit expires.

If the permit expires, you will not receive benefits unless you renew it.

We give credit to the CRA for providing this important information. However, it would be more helpful if it were to be personalized to the taxpayers' specific circumstance. Specifically, it could identify when a taxpayer needs to take action and why. In addition, it could emphasize this time sensitive information for it to be clearer to the taxpayer.

The CRA could do this by putting the information on the front of the notice, creating a new heading, and separating the information that requires intervention from the taxpayer.

For example, it could provide the following:

**Action Required - Avoid interruptions to future benefit payments**

Our records indicate that your immigration status in Canada expires **Month Day, Year**.

If you plan on staying in Canada beyond **Month Day, Year**, you must send us copies of your new Canadian immigration status documents by **Month Day, Year**, to make sure there are no interruptions to your benefit payments.

**Recommendation Three:**

The Taxpayers' Ombudsperson recommends that the CRA review the initial notices it sends to temporary residents to determine whether it could make information that requires action more prominent.

## Information Directed at Newcomers

Notices sent directly to taxpayers, as detailed above, can be a very effective way to communicate information. However, the general information the CRA provides is equally important.

To better understand how to support newcomers and the organizations that assist them, the CRA interviewed representatives of organizations who help newcomers file their income tax and benefit returns. Through these consultations, the CRA realized that it can address some barriers and improve services to newcomers by simplifying and improving the clarity and accessibility of online information, resources and forms.

That said, when our Office reviewed the information the CRA provides to newcomers, we found that many resources, including a factsheet, guides, a pamphlet and web pages, provide similar information, yet only some provide complete information when considering temporary residents.

## Resources

The CRA provides adequate information about what taxpayers need to do to keep getting their CCB on the web page [Keep getting your payments - Canada child benefit \(CCB\)](#). However, the information does not speak to temporary residents specifically. Under “Payment stopped” it indicates:

“Your payment may have **stopped** because: [...] you stopped meeting any of the [eligibility criteria](#), including residency and citizenship requirements”

Further, on this web page, there is no information on what a temporary resident needs to do to keep getting their payments. For example, it does not specify when or how they can provide the CRA with updated immigration information.

To improve clarity, the web page could say:

### ▼ If you are a **temporary resident**

Your payment may have **stopped** because: according to the information we have, your permit has expired.

**What now:** To get your payments back: Send us a copy of your new permit or proof that you applied for a new permit with Immigration, Refugees and Citizenship Canada (IRCC) as soon as possible.

The information on what to do next is missing from the many other reasons why the CRA stops the CCB. For example, a common reason that the benefit can stop is if a CCB recipient or their spouse or common-law partner does not file a tax return. All the recipient, or their spouse or common-law partner, must do is file their tax return to have the benefit reinstated, yet this information is not on the web page.

Before visiting the web page, a temporary resident may think their payment stopped based on the expiry date of their permit. However, they also may think the CRA receives immigration status information from IRCC so they are left not knowing.

That said, if the taxpayer suspects their payments stopped because their permit expired, the web page does not provide information on what to do next. It just says to “Make sure to tell the CRA if your situation changes.” Because there is no information on what a temporary resident should do if their payment has stopped, many may call the CRA’s contact centres. Some may have difficulties when calling because they will be unable to speak with an agent when they need to, such as when average wait times are more than 30 minutes. In these cases, the CRA will not allow a caller to speak with an agent and will redirect the caller to its automated services.

The CRA treats temporary residents in a unique way. They are the only group of taxpayers who are required to provide the CRA with updates on their citizenship status to ensure their CCB payments are not interrupted, because they are the only group whose citizenship status has an expiry date. On the other hand, taxpayers with other citizenship status types and Canadian citizens are assumed to continue to have “legal status” unless the CRA reviews their eligibility, even though all other citizenship status types can be lost.

### **Recommendation Four:**

The Taxpayers' Ombudsperson recommends that the CRA provide information online at the "Keep getting your payments" web page for temporary residents who are eligible for the CCB on what they need to do to prevent their payments from stopping, and what they can do to get their payments reinstated, if they are stopped.

## Factsheet

Much like the information the CRA provides online, the CRA's outreach materials do not speak specifically to temporary residents, even though many are eligible for benefits and credits.

In Factsheet: Newcomers, the CRA provides useful information such as, "You and your spouse or common-law partner have until April 30 each year to do your taxes, even if you had no income, to continue getting your benefit payments." Yet this factsheet does not have specific information for temporary residents, including information about the need for them to keep the CRA up to date on their immigration status.

Further, if a temporary resident reads the information in this factsheet, they may be misled into applying too early, before they are eligible. Specifically, the factsheet says to "Apply for the CCB and the GST/HST credit as soon as you get your social insurance number (SIN) from Service Canada." However, temporary residents are only eligible for the CCB if they lived in Canada for the previous 18 months and have a valid permit in the 19<sup>th</sup> month. While the CRA will send out a denial letter to temporary residents who apply too early, this is a solution to a problem that should not exist. By improving the information in its communications products, the CRA would reduce the number of temporary residents who apply too soon.

## Guide

The CRA publishes T4114 Canada Child Benefit and related federal, provincial and territorial programs to give taxpayers information about the CCB. Some of the information in the booklet speaks to how some temporary residents may be eligible. However, it does not have crucial information, such as when to send updated citizenship or immigration status information. Even under the heading “When you should contact the CRA,” there is no mention of submitting updated documents to the CRA.

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## Newcomer pamphlet

The CRA’s pamphlet T4055 Newcomers to Canada introduces newcomers to the Canadian tax system and helps them complete their first income tax and benefit return. However, this pamphlet does not mention that temporary residents should inform the CRA of any changes to their immigration status.

## Benefits, credits, and taxes for newcomers web page

The CRA also has the web page Benefits, credits, and taxes for newcomers, which informs temporary residents that they are eligible for the CCB as of their 19<sup>th</sup> month in Canada. However, the web page does not inform them that they should keep the CRA aware of any changes to their immigration status.

## Side note - Inconsistency among products

During our examination, we found a lack of consistency in its information for newcomers, which could lead to confusion for temporary residents or anyone helping them. This issue can be seen in many of the CRA’s products. For example, in online products that include information on when to apply for the CCB, the CRA says the following:



## Factsheet

Apply for the CCB and the GST/HST credit as soon as you get your social insurance number (SIN) from Service Canada.

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## Guide

When you can apply

If you want to apply for the CCB, you should do so as soon as any of the following situations happen:

- your child is born
  - a child starts to live with you
  - you begin a new shared custody arrangement
  - you or your spouse or common-law partner meet the eligibility conditions under [Eligibility criteria](#)
- 

## Pamphlet

No information is provided on when to apply.

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## Benefits, credits, and taxes for newcomers web page

If you have at least one child under 18 years old and are eligible, apply for a tax-free monthly payment to help with the cost of raising your family.

If you are a **temporary resident**

If you are a temporary resident, you must live in Canada for 18 months in a row and have a valid permit on your 19<sup>th</sup> month of living in Canada before you can apply for the Canada child benefit

and any related provincial and territorial programs.

Find out if you are eligible to apply for the Canada child benefit.

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## Webinar

### Slide 21 — Are you eligible for the Canada child benefit (CCB)?

Melanie: To be eligible for the CCB, you must meet all of the following conditions:

- You must live with the child and the child must be under 18
- You must be primarily responsible for the care and upbringing of the child
- You must be a resident of Canada for tax purposes

You or your spouse or common-law partner must also be one of the following:

- A Canadian citizen
- A permanent resident
- A protected person
- A temporary resident who has lived in Canada for the previous 18 months and who has a valid permit in the 19<sup>th</sup> month
- An individual who is registered, or entitled to be registered, under the *Indian Act*

### Slide 22 — When should you apply for the Canada child benefit (CCB)?

Melanie: You should apply for the CCB as soon as possible after you move to Canada and meet the eligibility criteria, after your child is born, after a child starts to live with you, or as soon as you or your spouse or common-law partner meet all of the eligibility conditions.

You should apply even if you share custody of a child or a child is living with you for a determined temporary period.

A primary caregiver can be the child's parent, grandparent or another family member.

The CRA could improve service to taxpayers by providing more consistent information. It should consider reducing the number of communication products that it offers to newcomers so they can have one resource with all the necessary information. Centralizing the information the CRA provides to newcomers will make it easier for the CRA to manage and will likely lead to it providing more complete and consistent information.

### **Recommendation Five:**

The Taxpayers' Ombudsperson recommends that the CRA centralize the information it provides to newcomers and include information targeted at temporary residents.

## **More can be done to communicate early**

The CRA could do more with the information it collects from taxpayers when they file their tax return. Taxpayers tell the CRA when they arrived in Canada when they file a return; therefore, the CRA could communicate with those who may be eligible for the CCB in the 19<sup>th</sup> month using their arrival information.

Given that newcomers may face many barriers in navigating Canada's tax system, the CRA must communicate better. It could make its approach more fair by taking the circumstances of a temporary resident into account and reaching out to them when appropriate.

**Recommendation Six:**

The Taxpayers' Ombudsperson recommends that the CRA communicate directly and in a timely manner with temporary residents who are likely in their 19<sup>th</sup> month of continuous residency in Canada and who may have children under 18 years old about their potential eligibility for the Canada child benefit.

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## Part 2: Processing Issues

The processing of permit information can lead to benefits not being paid out in a timely manner.

### CRA Processing

In recent years, the CRA generally takes 14 weeks or more to process CCB correspondence, which can include updates to citizenship or immigration status. This timeline can cause significant issues for benefit recipients.

While the volume of CCB correspondence the CRA receives annually is well over 100,000, the delays in processing the correspondence can lead to the CRA overpaying, underpaying, or not paying the CCB.

For example, if a temporary resident's status expires on December 31 and they send the CRA confirmation of their immigration status from IRCC that same day, they would likely not receive the CCB again until May 20.

Although the CRA would probably process the correspondence by April 14, it would be too late to issue the payment by the April 20 payment date. As a result, this temporary resident could miss up to \$2,595.67, the amount of CCB they would have received from January through April. Although they will receive the missing amount on May 20, they may fall behind on payments for crucial expenses, such as food and housing, while they wait.

Further, the CRA does not inform taxpayers of the processing timeframe because it is an internal benchmark that it is not required to report to the Treasury Board Secretariat of Canada. This means that the CRA can quickly change the timeframe if volumes increase or when resources are stretched. When it does so, it does not need to make the public aware.

There are a few issues with this practice:

1. The CRA is not publicly accountable for the processing time.
2. Taxpayers are not aware of the processing time and are not notified of it when they send documents.
3. The processing time can change unexpectedly according to the volume of intake received and complexity of files. Some external factors may also impact processing time.

## Real life, real issues

For Sasha, this meant that even though the CRA has a Progress Tracker in My Account, which can provide status updates on some files and enquiries, she could not track the status of her correspondence. In My Account, taxpayers can only track:

- T1 tax returns
- T1 tax adjustment requests
- Canada child benefit applications
- Disability tax credit applications
- Requests for relief of penalties and interest
- Objections

Taxpayers cannot track correspondence sent to the CRA, so they have no idea how long it will take for the CRA to process it unless they call. Then an agent may tell them the internal processing timeframe.

## Recommendation Seven:

The Taxpayers' Ombudsperson recommends that the CRA allow taxpayers to track CCB correspondence through its progress tracker.

In our Office's 2022–2023 annual report, published on November 28, 2023, part of a recommendation included that the CRA update its Check CRA Processing Times tool to include tax returns and tax-related requests that have internal processing timeframes but no service standard.

Although the CRA agreed with our recommendation, its published action plan does not include any steps to fulfil this part. However, because taxpayers are unable to check the processing time through the CRA's tool, they are left not knowing how long it will take for the CRA to process their correspondence.

The CRA should provide relevant information upfront, so taxpayers do not need to call its contact centres to get the information.

### **Recommendation Eight:**

The Taxpayers' Ombudsperson recommends that the CRA should be as transparent as possible and inform taxpayers through the Check CRA processing times tool of how long it will take to process CCB correspondence.

## **IRCC Processing Time**

Much like most government departments and agencies, IRCC sets processing time goals with the Treasury Board of Canada Secretariat. IRCC at times may meet these goals, exceed them, or not achieve them.

However, regardless of the processing time, when a temporary resident applies to extend their stay in Canada before their existing status expires, they maintain legal status in Canada until a decision is made. For work permits, IRCC sends them a letter to show their employer or insurance provider that they applied for a new permit before it expired and may have "maintained status." For the situations above, it is important to note that temporary resident permit holders do not benefit from maintained status.

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IRCC sets an expiry date on these letters:

Please attach this letter to your present XXXX permit, Number XXXXX as proof that you are authorized to continue working under the same conditions as your original XXXX permit until YYYY-MM-DD or until a decision is made on your application, whichever is first.

These letters are helpful because they provide confirmation that the temporary resident applied for a new permit before their existing permit expired. However, they do not confirm that the temporary resident is under “maintained status,” as “maintained status” only lasts until a decision is made.

## **Processing time exceeds expiry date of the letter**

The CRA only updates the temporary resident’s status until the period specified in IRCC’s letter. However, if the date passes and the CRA has not reviewed any new document submitted by the taxpayer, it will once again stop paying out the benefit immediately without warning.

This is problematic, because the date on the letter specifies the period of validity that the temporary resident is authorized to work while they wait for a decision on their application. The expiry date is not a reference to the validity of their legal status to remain in Canada. If a visitor, student or worker applies to extend their period of authorized stay before it ends, they maintain their temporary resident status during the processing period of their application (noting again that this does not apply to temporary resident permit holders).



**OBSERVATION:**

Currently employers, insurance providers, the CRA and other stakeholders rely on IRCC's Acknowledgement of Receipt (AOR) letter.

IRCC does not provide this letter every time someone could have "maintained status." It only provides it when an application is made from within Canada to extend or change a work permit, except post-graduation work permits.

This leaves stakeholders relying on the information in IRCC's letter, but this information is only accurate until a decision is made. They do not know when a decision is made in real time. However, if a positive decision is not made, a stakeholder may not know the up-to-date "legal status" of the temporary resident, unless the temporary resident tells them.

Employers, insurance providers, the CRA and other stakeholders could benefit from a system that could provide real-time information to the implicated parties. While the feasibility of this service would have to be assessed, it could also serve to strengthen Canada's immigration system by ensuring each implicated party is aware of any changes to the "legal status" of the temporary resident.

Further, as IRCC's AOR letter provides a benefit to temporary residents, it may be helpful for IRCC to provide it every time someone may be under "maintained status." For example, if two parents come to study in Canada with their child, it would be beneficial for them to receive the AOR letter, so they can give it to the CRA to show they are under "maintained status."

The CRA, should be aware that the temporary resident's legal status is maintained until a decision is made. Therefore, it should develop ways to ensure that it is paying the right benefit for the right amount of time. The current process could result in the CRA overpaying benefits to some, and in other cases not paying the benefit to someone who is eligible.

In addition, the CRA does not inform the taxpayer that their payments will stop based on the expiry date of the letter. Rather, the CRA will stop the payments the month after the expiry date specified in the letter, even if the temporary resident is still under "maintained status." It is up to the taxpayer to once again prove that they are eligible. That's exactly what happened with Sasha.

### **Real life, real issues**

Sasha did not receive her permit from IRCC by the expiry date on the letter. At the time, she applied to extend her permit, the expiry date of the letter was 120 days from the letter issue date. However, at this time, IRCC was taking longer than 120 days to process applications. Therefore, Sasha had three options:

1. Request a new letter from IRCC and provide the new letter to the CRA so it could issue her CCB payment.
2. Provide the CRA with a screenshot from the IRCC portal showing her permit application as still processing so it could issue her CCB payment.
3. Wait until IRCC issued the new permit and provide a copy to the CRA.

With any option, Sasha would have to wait again for the CRA to review the correspondence. In Sasha's case, she waited until she received her new permit from IRCC and then sent it to the CRA.

IRCC has since updated its letters to provide a 180-day expiry but again, “legal status” is maintained until a decision is made. So while this additional time will likely work for the majority, there could still be some who may be affected.

## **New Permit — Retroactive Payments**

Once a new permit is issued and a taxpayer provides the CRA with a copy of the new permit, the CRA will issue retroactive payments for all the missing payments. That is, however, only if the new permit is issued correctly.

There are certain remarks on the permit that are very important for the CRA to issue payments for each month and ensure there is no gap period between when the previous permit expires and when the new one is issued. Specifically, the permit has to indicate in the remarks, “Temporary resident status maintained as per R183(6).” Without those remarks, or similar the CRA may not issue payments for the gap period, as those remarks confirm that the temporary resident had maintained status during the gap period.

## **IRCC Document Error**

Remarks on permits are manually added by officers. Although IRCC indicates that operational reminders may be sent to staff periodically to ensure applicable remarks are added to the permit, errors can happen.

If the temporary resident notices an error on a permit, they can ask IRCC for a correction or amendment.<sup>7</sup>

However, there can be issues when the CRA receives an IRCC document with an error. The CRA will not communicate with the temporary resident and will process it as specified. This practice affected Sasha as described below.

## Real life, real issues

When Sasha received her permit from IRCC, she did not notice it had an error. While the error could be easily overlooked by all parties, the CRA used the information on the permit to determine Sasha's CCB entitlement for the months between the expiry date of her previous permit and their new one, or in Sasha's case, the expiry date of the IRCC letter and her new permit.

The expiry date of the letter was June 11, 2023, the new permit was issued July 5, 2023, and the remarks did not include "Temporary resident status maintained as per R183(6)." As a result, the CRA assessed Sasha's eligibility with a gap period between June 11 and July 5. Consequently, the CRA did not issue the July 2023 payment.

The CRA did not inform Sasha that, because the required remarks were not on the permit, it was not issuing the July payment. This left Sasha with more questions than answers, because she understandably did not know why the CRA was not paying out the benefit her family was eligible for.

It was only until Sasha proved to the CRA that she always had legal status that the CRA decided, for Sasha's case only, to provide the CCB for the gap period.

Consequently, Sasha finally received her July payment on November 20. In the end, the situation that had started in February finally ended in November. Sasha's situation could happen again once her current permit expires or if she becomes a permanent resident and does not provide the CRA proof before her temporary resident status expires in the CRA's system.

### Recommendation Nine:

The Taxpayers' Ombudsperson recommends that the CRA improve how it processes immigration status updates for CCB recipients when there is a gap period and the new permit does not reflect that their status was maintained.

The CRA should explain to taxpayers why they will not get payments for the gap period and who they should contact if they had maintained status for the whole period.

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## Part 3: Impact on Vulnerable Populations

### CRA's View of How Long Someone is Considered to Be a Newcomer

The CRA says it is aligned to the central, transformative promise of the 2030 Agenda to leave no one behind. It has worked to ensure that vulnerable segments of the Canadian population, including newcomers, receive the benefits and credits for which they are eligible. However, temporary residents who have been in Canada for more than a year may not quite fit into what the CRA considers a newcomer:

The Canada Revenue Agency (CRA) considers you a newcomer to Canada for the **first year** you are a resident of Canada. <sup>8</sup>

Even though the CRA told us that this term is not related to the eligibility criteria for benefits, more expansive view is not conveyed on Canada.ca. This could be problematic as Canada.ca is a resource for both taxpayers and CRA employees. This current view on Canada.ca could limit how communication products are directed at newcomers and the content of those communications. Because newcomers are considered a vulnerable segment of the population, the CRA should ensure that it is providing information that meets their specific needs, even if they have been in Canada for more than a year.

While at times the CRA may direct communication products to temporary residents in their 19<sup>th</sup> month in Canada, the examples are very few. This may be because of the CRA's narrow view of how long someone is a newcomer. If the CRA no longer considers someone a newcomer after a year, it may not provide all the pertinent information this group of people needs.

Even for tax purposes the narrow time period for how long CRA considers someone a newcomer could be an issue. For example, if a newcomer arrives on February 12, 2024, by the time they are ready to file their taxes in April 2025, the CRA would no longer consider them a newcomer.

It would likely be beneficial for the CRA to expand its definition of newcomer. Specifically, it could use the working definition from its [Qualitative Research on First-Time Tax Filing with Newcomers to Canada \(PDF, 0.6 MB\)](#):

The CRA developed a working definition of “newcomer” for the purposes of this research: an individual, and family members living with them, who has **entered Canada within the last 5 years** as either a permanent resident or a temporary resident (work and/or study in Canada) with the intention of establishing, for the first time, a residence in Canada.

If the CRA begins to consider those who have entered Canada within the last five years to be newcomers, it will be better equipped to provide information that is more specific to the types of situations newcomers may deal with when interacting with the CRA.

### **Recommendation 10:**

The Taxpayers’ Ombudsperson recommends that the CRA review the length of time it considers someone to be a newcomer after their arrival in Canada.

## Real life, real issues

Sasha told us:

My family and I are currently going through hardship at the moment and the children's benefit will be helpful to take care of our children. I am currently on maternity/parental leave and my EI payment is \$1,192 monthly. My husband is currently going through one-year training at his new job, and he won't get paid the normal pay until after the one year training. We are a family of 4 and it has been extremely tough. We had to withdraw our daughter's RESP savings to make ends meet in the meantime. I have expressed all I am going through to the CRA, and it seems nobody cared. I do not know how else to reach them.

Many benefit and credit recipients are vulnerable individuals. As in Sasha's case, having their CCB payment stopped unexpectedly may have significantly negative effects on newcomers, and specifically temporary residents, because of their particular circumstances.

The CCB is one of the Government of Canada's key public policy tools for reducing poverty and inequality by helping modest-income families. Families who need it most get more money to assist them with the cost of raising their children.<sup>9</sup>

Adjusted family net income determines how much an eligible family is entitled to receive. Generally, the higher the adjusted family net income, the smaller the CCB payment to the eligible parent. The payment also varies according to the number of children in a family. With an adjusted family net income under \$34,863, a CCB recipient would get the maximum amount for each child.



## **Adjusted family net income:**

Adjusted family net income is net family income adjusted for certain amounts.

Net family income is an individual's net income as shown on the personal income tax and benefit return, plus the net income of that person's spouse or common-law partner, if any. The net family income does not include a child's net income. <sup>10</sup>

If an individual or their spouse or common-law partner were non-residents of Canada for part or all of the year, net family income includes their income from all sources, both inside and outside Canada, for any part of the year that they were not residents of Canada.

## **How Many Are Affected**

The CRA informed us that during the 2022–2023 benefit year, there were 3,713,460 CCB recipients in Canada with 6,380,220 dependent children. Of this number, 53,770 were temporary residents with 69,120 dependent children. While there are fewer temporary residents who receive the CCB in comparison to Canadian citizens and permanent residents, improving the service the CRA provides to temporary residents would still help 53,770 families.

In addition, the number of temporary residents who were once affected by the issues described in this report could be much higher than the current number of temporary residents receiving the CCB. Many who previously experienced these issues may now be permanent residents or Canadian citizens.

## **Challenges for newcomers**

An ethnographic research project undertaken by the Accelerated Business Solutions Lab at the CRA reported on some challenges newcomers in Canada may experience, such as:

- culture shock and issues that can affect their mental health
- language barriers
- employment
- adaptation to administrative requirements
- engagement with the Canadian tax and benefit system (understanding taxes and benefits, tax filing experience, getting and keeping the CCB)

While newcomers' access to employment seems to be the more visible barrier, consultations conducted by the CRA reported that it appears to be difficult for newcomers to navigate the Canadian tax system and access benefits and credits.

## Gaps in benefit payments

Given temporary residents' specific circumstances as newcomers, they may be more affected by economic challenges and rely on the CCB to help them make ends meet. This means that gaps in their CCB payments may lead them to experience hardship, as highlighted in Sasha's case. Hardship not only limits temporary residents from having the necessities of life but also may affect their mental well-being.

## Effect on mental well-being (or mental health)

Mental health is important for everyone, including newcomers, at every stage of their lives.

### Mental Health:

Mental health is the state of [...] psychological and emotional well-being. It is a necessary resource for living a healthy life and a main factor in overall health. It does not mean the same thing as mental illness. However, poor mental health can lead to mental and physical illness. <sup>11</sup>

Mental health can be positively or negatively influenced by factors such as life experiences, including family situation and financial and employment status. As newcomers in Canada, temporary residents often face unique challenges in adapting to a new country and are more likely to experience greater difficulty in making ends meet. Being removed from their culture can be a disorienting experience, which can produce discomfort, stress, anxiety and other difficult emotions. These factors can negatively affect not only their mental well-being but also their overall health.

Hardship caused by the gaps in their CCB payments are likely to make their situation worse.

We were pleased to see that IRCC has a web page dedicated to newcomers' mental health. This page includes a [video available in 10 languages](#) in addition to English and French.

## Unequal treatment

In a report published in 2023, the National Advisory Council on Poverty indicated that:

Depending on how newcomers come to Canada, they can face significant challenges. [...] Work permits are often a pathway to citizenship. However, when someone is on a work permit, despite paying taxes, they and their families do not have access to [...] support. This can make it more difficult to transition to life in Canada.

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Temporary residents, as newcomers in Canada, are considered a vulnerable population. However, compared to other newcomers, they do not have the same entitlements as other residents of Canada. For example, temporary residents have to file an income tax and benefit return and wait 19 months before applying for the CCB. In contrast, permanent residents may be eligible for the CCB and get the payments during their first year of residency in Canada, without the need to file their first return.

Yet temporary residents pay their taxes just like any other resident of Canada. The CRA informed us that 1,625,750 temporary residents filed their taxes for the 2022 tax year, and 1,776,180 did so for 2023.

Moreover, the CCB helps eligible families needing financial support with the costs of raising their children under 18 years of age. However, unlike other residents of Canada, even when they are eligible, temporary residents' CCB payments may stop for the reasons detailed above, which may be beyond their control.

We understand that the CRA has to protect the integrity of the tax system by making sure that only eligible taxpayers receive the CCB. However, when looking into their eligibility for the CCB, the CRA should take into consideration the specific circumstances of temporary residents. The CRA should understand that there are some factors that may be out of a temporary resident's control and, if possible, eliminate any barriers.

Preventing temporary residents from receiving their CCB payments in a timely manner when they are eligible and for reasons beyond their control is not fair treatment.

What is fair depends on the circumstances. Often, fairness “does not require that we all be treated the same, in fact, inequity can arise if we treat everyone the same all the time. Consideration must be given to the nature of the situation, the impacts on the individual [...].” <sup>13</sup>

As stated by the Minister of National Revenue in the CRA’s 2024–2025 Departmental Plan,

Canadians aspire to live in a fair society. A fair tax and benefits system must help underserved populations, young people and newcomers access the benefits and credits to which they are entitled.

This statement is in line with the CRA’s People First approach, the goal of which is for the CRA to be trusted, fair, and helpful by putting people first. Acknowledging individual needs is a key factor of this approach.

Therefore, the process of determining eligibility should avoid unnecessary interruptions in the payment of this important benefit.

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## Part 4: What Comes Next

### Real life, real issues

Sasha Stuehart eventually received her CCB payments retroactively. But the process was not easy, as she had to call the CRA several times; provide many documents, including letters to explain that she had maintained status in Canada; and even file a service complaint with the CRA's Service Feedback Program. She could have given up, but she didn't. Not everyone would have been so persistent and patient.

## CRA Service Feedback Review

Taxpayers can submit a service complaint, suggestion, or compliment about an experience they had with the CRA to CRA Service Feedback. This program reviews feedback and uses it to improve CRA services.

## Information Sharing

Many of the issues Sasha experienced would likely not have happened if the CRA could validate temporary resident status with IRCC in real-time. This is not currently possible because the CRA's current information sharing agreement with IRCC does not include the validation of temporary residency status to determine eligibility for the CCB.

### Information Sharing Agreement:

An Information Sharing Arrangement is a written record of understanding between the parties that will be sharing information. Information sharing may mean that one party is sharing information while the other party is collecting information. It can also refer to a situation where both parties are sharing and collecting information.

The CRA could improve the service it provides to temporary residents by simplifying the process. If a process were in place for it to validate temporary residents' status with IRCC, the CRA could receive this information immediately, and it would likely be more accurate.

**This process would require IRCC and the CRA to establish an information sharing agreement if IRCC determines it has the legal authority to share this information with the CRA.**

While IRCC has no legal obligation to make an agreement with the CRA, IRCC was created in 1994 to build a stronger Canada through activities such as “[d]eveloping and implementing policies, programs and services [that] facilitate the arrival of people and their integration into Canada [...]” Ensuring newcomers have seamless access to the CCB could help them integrate successfully into Canadian society.

We know IRCC and the CRA currently have an agreement to validate citizenship, permanent resident and refugee information provided by an individual for the purposes of determining eligibility for the CCB. It would benefit newcomers if the CRA could also validate information provided by temporary residents.

## **Concern already identified**

In the 2021 report to the Parliament Report 4–Canada Child Benefit–Canada Revenue Agency, the Auditor General of Canada recommended that, to improve the administration of the CCB, the CRA should “improve receipt of data from other government organizations to obtain greater assurance that the eligibility conditions are met.”

The CRA agreed with this recommendation and indicated in its action plan that it would “engage with its partners with the goal of improving data received to ensure Canada [c]hild [b]enefit eligibility conditions are met.”

More specifically, the CRA stated it would consult with IRCC to determine the feasibility of receiving citizenship information for individuals who apply for the CCB by end of July 2021.

Just receiving this information when individuals apply is not enough; the CRA should also receive this information to determine continued eligibility.

## **Benefits to newcomers**

Sharing information would allow the CRA to access the most up-to date immigration information. This would prevent benefit payment disruptions caused by outdated immigration information.

## **Benefits to the CRA**

Simplifying the process for temporary residents would also save the CRA time and money, as it could likely automate updates to immigration status. At the present time, a CRA official is generally only able to review and update immigration status information for three taxpayers an hour. This means that from April 1, 2023, to March 31, 2024, it would have taken CRA officials almost 8,000 hours to process citizenship and immigration status, such as Canadian birth and citizenship certificates, permanent resident cards, and work and study permits. To process the 27,721 updates (5,949 mailed, 21,772 electronically submitted), it would have cost over \$400,000.

## **Protecting the public purse**

The OAG's Report 4–Canada Child Benefit– Canada Revenue Agency states that better controls over eligibility would help protect the integrity of the CCB program. The OAG writes, “[i]f payments are issued to someone who is ineligible or who later becomes ineligible because of a change in circumstances, the cost to the public purse could be as much as \$100,000 in payments over time for each child concerned.” <sup>14</sup>



For example, let's envision what could have happened to a temporary resident who lived in Toronto and was a single caregiver of a 5 year old that qualified for the disability supplement. For this hypothetical example, let's call them Marlo.

## **Marlo – What could have happened**

They had a permit expiring January 31, 2024, and applied for an extension January 1, 2024. IRCC sent them a letter indicating that they are authorized to continue working under the same conditions as their original work permit until July 1, 2024, or until a decision is made on their application, whichever is first. They sent this letter to the CRA on January 2, 2024.

Once the CRA reviewed IRCC's letter, it updated the temporary resident's status expiry date in its system to July 1, 2024. The CRA paid out the benefits until July 2024 because the CRA assumed the temporary resident had "maintained status" until the expiry date of the letter. However, the CRA can only verify that the status is maintained if it receives the new permit from the temporary resident and reviews the remarks.

Because the CRA assumes the temporary resident had "maintained status" for the whole period, it paid out \$1,003.37 in child benefits from February 2024 to July 2024.

However, if IRCC refused the extension request on March 31, 2024, and the temporary resident did not inform the CRA, the CRA would likely overpay \$4,013.48 in benefits, and it may never know.

In addition, when a temporary resident's extension is refused, IRCC informs them that they are required to leave Canada immediately and if they do not leave voluntarily, enforcement action may be taken against them.

Therefore, even if the CRA became aware of the overpayment, collecting it may be more difficult.

This can also happen if a temporary resident's status has expired and the application is returned, then they no longer have legal temporary resident status.

That said, if there was an information sharing agreement between the CRA and IRCC and an application is returned or refused, the CRA would know the temporary resident has no "legal status" and could stop the benefits the following month.

## **Collateral benefits**

Over the years, some Canadians have complained to our Office that the CRA should have access to Canadian citizenship information. Not having this access can create frustration when the CRA wants to confirm a Canadian's citizenship, requesting photocopies of a Canadian birth certificate or Canadian passport. This can happen when the CRA reviews benefits, which it does hundreds of thousands of times every year.

This can also cause confusion when Canadian citizens born in Canada are reviewed and asked to provide citizenship documents. If the CRA were to get citizenship and immigration information from IRCC, these Canadians would no longer need to provide this information.

While the CRA can currently validate such information (except temporary residency status) with IRCC, under to subsections 122.62(1) and (4) of the *Income Tax Act*, a taxpayer is required to provide to the CRA information that confirms their eligibility for the CCB and to inform the CRA when they are no longer eligible. As well, section 5 of the *Privacy Act* states that a government institution must, wherever possible, collect personal information that is intended to be used for an administrative purpose directly from the individual to whom it relates.

That said, if the CRA were able to get this information directly from IRCC along with permanent residency status information, it would not only save taxpayers time and effort but could also do the same for the CRA.

## Work underway

In June 2024, the CRA informed us that it has been in discussions with IRCC about establishing a data sharing agreement for citizenship information. However, the CRA indicated that it is not able to provide an expected implementation date for the agreement.

Considering it is the CRA's responsibility to make it simpler for taxpayers to comply with Canada's complex tax system, the CRA should make the implementation of this agreement a priority.

### **Recommendation 11:**

The Taxpayers' Ombudsperson recommends that the CRA implement an information sharing agreement with IRCC to get immigration information and that it continue collaborating with IRCC to work towards an automated solution to get real-time data by March 2026. This would allow the CRA to have access to timely information, which would improve service to temporary residents.

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## Conclusion

What is highlighted in this report is nothing new. As always, we looked at what the CRA could do to serve taxpayers better.

Sasha's experience was likely not an isolated incident, and many other temporary residents may experience the same issues. These in turn can cause them stress as they did for Sasha, but many may remain silent about their situation.

From April 1, 2023, to March 31, 2024, 14,670 taxpayers had their CCB payments stopped because of their citizenship status, such as Canadian birth and citizenship certificates, permanent resident cards, and work and study permits. These interruptions affected 22,760 children. This was an increase of over 100% compared to April 1, 2022, to March 31, 2023, during which 7,260 recipients were affected.

Even though these numbers do not specifically represent the number of temporary residents whose CCB payments stopped, they show a significant increase in the number of taxpayers affected, including temporary residents.

If the CRA were to proactively address the issues we identified in its administration of the CCB for temporary residents, it could reduce the number of eligible taxpayers who are affected by unnecessary interruptions in their CCB payments. After all, the goal of the CCB is to help eligible families with the cost of raising children under 18 years of age.

Proactively addressing the issues we have identified would likely contribute to reduced calls from unhappy CCB recipients whose payments stopped without warning and want answers from the CRA.

## Could the CRA improve its communications?

In its administration of the CCB for temporary residents, the CRA needs to improve the way it communicates with this group. It can serve them better. It could provide them complete, accurate and timely information by phone, by mail and online about their eligibility for the CCB. This could include adequate warnings when their payments are about to stop because of their citizenship or immigration status.

The CRA could go even further and improve its communication with temporary residents who may be eligible for the CCB but may not be aware they can apply. Most temporary residents are eligible to receive the CCB in their 19<sup>th</sup> month following 18 months of continuous residency in Canada if they, live with a child under 18 years of age, and are primarily responsible for their care and upbringing. However, some of them may not be aware that they can apply.

We asked the CRA if it proactively reaches out to temporary residents who may be eligible for the CCB in their 19<sup>th</sup> month of continuous residency in Canada to remind them that they may be eligible. The CRA explained that it does not, but it advised us that it informs temporary residents that they may be eligible for the CCB on a number of Canada.ca web pages, such as at [Benefits, credits, and taxes for newcomers](#) and [Canada child benefit – Who can apply](#).

## CRA's role and responsibilities

The CRA's August 2019 report, *Ethnography of Vulnerable Newcomers' Experiences with Taxes and Benefits*, succinctly summarizes the CRA's role and responsibilities related to newcomers:

A key priority of the CRA is to ensure that vulnerable individuals are able to navigate the tax system and access benefits to which they are entitled. Refugees and other low-income newcomers are among the most vulnerable individuals in Canada, facing challenges such as unemployment, language barriers, cultural differences, and mental health difficulties. The CRA has an important role in helping these individuals to make the transition to life in Canada by administering certain benefit programs upon which many newcomers rely, and by teaching them about future tax obligations. <sup>15</sup>

Improving the service the CRA provides to temporary residents would be in line with the CRA's priorities and commitment to contribute to the economic and social well-being of all Canadians. In its [Summary of the Corporate Business Plan 2024-25 with perspectives to 2026-27](#), the CRA highlights the improvement of access to benefits, particularly for underserved populations, as an objective of its first key priorities. It also indicates that one of its [perspective for 2026-27 and beyond](#) is for it to "enable individuals [...] to easily access clear, timely, and accurate information about taxes, benefits, and credits on Canada.ca [...]."

The CRA is aware of its role in helping vulnerable populations, including temporary residents as newcomers. While we acknowledge the CRA's efforts to help vulnerable individuals access benefits and credit they may be entitled to, it can do better, especially for temporary residents.

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# Recommendations

## **Recommendation One:**

The Taxpayers' Ombudsperson recommends that the CRA find an effective way to remind taxpayers whose immigration status on file with the CRA is about to expire that they must provide proof of any update to their legal status to ensure there is no benefit interruption.

## **Recommendation Two:**

The Taxpayers' Ombudsperson recommends that the CRA provide a way for taxpayers to verify the expiry date of their immigration status in the CRA's system from their CRA account.

## **Recommendation Three:**

The Taxpayers' Ombudsperson recommends that the CRA review the initial notices it sends to temporary residents to determine whether it could make information that requires action more prominent.

## **Recommendation Four:**

The Taxpayers' Ombudsperson recommends that the CRA provide information online at the "Keep getting your payments" web page for temporary residents who are eligible for the CCB on what they need to do to prevent their payments from stopping, and what they can do to get their payments reinstated, if they are stopped.

## **Recommendation Five:**

The Taxpayers' Ombudsperson recommends that the CRA centralize the information it provides to newcomers and include information targeted at temporary residents.

## **Recommendation Six:**



The Taxpayers' Ombudsperson recommends that the CRA communicate directly and in a timely manner with temporary residents who are likely in their 19<sup>th</sup> month of continuous residency in Canada and who may have children under 18 years old about their potential eligibility for the Canada child benefit.

### **Recommendation Seven:**

The Taxpayers' Ombudsperson recommends that the CRA allow taxpayers to track CCB correspondence through its progress tracker.

### **Recommendation Eight:**

The Taxpayers' Ombudsperson recommends that the CRA should be as transparent as possible and inform taxpayers through the Check CRA processing times tool of how long it will take to process CCB correspondence.

### **Recommendation Nine:**

The Taxpayers' Ombudsperson recommends that the CRA improve how it processes immigration status updates for CCB recipients when there is a gap period and the new permit does not reflect that their status was maintained.

The CRA should explain to taxpayers why they will not get payments for the gap period and who they should contact if they had maintained status for the whole period.

### **Recommendation 10:**

The Taxpayers' Ombudsperson recommends that the CRA review the length of time it considers someone to be a newcomer after their arrival in Canada.

### **Recommendation 11:**

The Taxpayers' Ombudsperson recommends that the CRA implement an information sharing agreement with IRCC to get immigration information and that it continue collaborating with IRCC to work towards an automated solution to get real-time data by March 2026. This would allow the CRA to have access to timely information, which would improve service to temporary residents.

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- 1      [Dimensions of Poverty Hub](#)
  - 2      [Recent immigrants report greater difficulty making ends meet and are less satisfied with their amount of free time](#)
  - 3      This case is based on actual events, with the complainant's consent, but has been changed to protect the identity of the complainant. The name used is entirely fictitious.
  - 4      Normally we may not hear about these complaints as they might be resolved by calling the CRA, or through the CRA's Service Feedback Program, but our Office became involved because not receiving the CCB was putting Sasha's family in financial hardship.
  - 5      Statements in this report are from complainants, with their consent, but the names used are entirely fictitious.
  - 6      Recommendations in this report are made to the Minister of National Revenue and the Chair of the CRA Board of Management

- 7 More information can be found here: [Request to Amend Valid Temporary Resident Documents or Information Contained in the Confirmation of Permanent Residence](#)
  - 8 [Benefits, credits, and taxes for newcomers: Who newcomers to Canada are](#)
  - 9 [Strengthening the Canada Child Benefit \(PDF, 0.1 MB\)](#)
  - 10 2021 Reports of the Auditor General of Canada to the Parliament of Canada: [Report 4—Canada Child Benefit—Canada Revenue Agency](#)
  - 11 Health Canada: [About mental health](#)
  - 12 [Blueprint for Transformation: the 2023 Report of the National Advisory Council on Poverty](#)
  - 13 Queen's University: [Office of the University Ombudsperson \(PDF, 0.1 MB\)](#)
  - 14 [Report 4—Canada Child Benefit—Canada Revenue Agency](#)
  - 15 [Ethnography of Vulnerable Newcomers' Experiences with Taxes and Benefits: Canada Revenue Agency \(PDF, 0.9 MB\)](#)
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**Date modified:**

2025-03-18