



<b>Social Assistance Act R.S. P.E.I 1988, Cap. S-4.3</b>	<b>Program</b>	<b>Child Care Subsidy</b>	
	<b>Subject</b>	<b>Overpayments</b>	<b>Policy #7</b>
<b>Effective Date: January 7, 2011</b>		<b>Authorized by:</b>	
<b>Revised Date: May 21, 2013</b>		<b>Deputy Minister</b>	

**1.0 PURPOSE**

1.1 To identify, account for and recover Child Care Subsidy benefits received by the beneficiary in excess of eligibility, whether or not the beneficiary continues to receive Child Care Subsidy benefits.

**2.0 POLICY STATEMENT**

- 2.1 An overpayment refers to any monies paid where the beneficiary was not eligible.
- 2.2 The Department will endeavor to recover the full amount received in excess of eligibility. This may occur through a lump sum payment to the Department, the creation of a payment schedule, or an adjustment to the rate of subsidization.
- 2.3 Upon becoming aware of an overpayment, the Department may suspend subsidy until the matter can be resolved.
- 2.4 An initial recovery letter will be sent to the client outlining the overpayment occurrence, reason for overpayment and request that contact be made to the CCSP office.
- 2.5 Overpayment recoveries from persons continuing to receive child care subsidy may be negotiated as follows:
  - a) repayment in a lump sum;
  - b) reasonable increase in their parent share;
  - c) termination of child care subsidy for the period of time necessary to be equivalent of their overpayment; or
  - d) some combination of the above.

2.6 Overpayment recoveries from persons no longer eligible to receive child care subsidy may be negotiated as follows:

- a) repayment in a lump sum;
- b) monthly payments of a reasonable amount, given the circumstances of the beneficiary and the size of the overpayment; or
- c) some combination of the above.

2.7 Calculation of Increase in Parent Share/Recovery Rates:

- a) Recovery rate should be 5% -10% of the overpayment amount.
- b) Minimum rate of \$25 to a maximum of \$100 with discretion given to Overpayment Coordinator to adjust based on consultation with worker and considering the clients circumstances.
- c) Amounts are added to parent share amount until overpayment is fully recovered or service is terminated, whichever comes first.

<b>Overpayment Amount</b>	<b>Withhold Recovery Rate</b>
\$.01 - \$24.00	One time deduction of full amount
\$25 - \$250	\$25.00 or one time deduction of full amount
\$251-\$500	\$25.00 - \$50.00
\$501 - \$750	\$50.00 - \$75.00
\$751 - \$1,000 +	\$75.00 - \$100.00