

Federal Court



Cour fédérale

**Date: 20250520**

**Docket: T-2388-24**

**Citation: 2025 FC 913**

**Ottawa, Ontario, May 20, 2025**

**PRESENT: Mr. Justice Sébastien Grammond**

**BETWEEN:**

**HALEY DRINKWALTER**

**Applicant**

**and**

**ATTORNEY GENERAL OF CANADA**

**Respondent**

**JUDGMENT AND REASONS**

[1] Ms. Drinkwalter is seeking judicial review of a decision of the Canada Revenue Agency [CRA] finding her ineligible for the Canada Recovery Benefit [CRB]. I am dismissing her application, because the CRA officer reasonably determined that she had not provided sufficient evidence of her alleged employment income.

[2] When the COVID-19 pandemic prevented many Canadians from earning a living, Parliament created temporary benefits, including the CRB, to provide immediate assistance to

those who had lost their jobs and to prevent an economic recession. One of the conditions for receiving the CRB is that the recipient must have earned at least \$5,000 in employment or net self-employment income during a qualifying period, which for Ms. Drinkwalter is the year 2019.

[3] In her 2019 income tax return, Ms. Drinkwalter initially declared an employment income of \$4,612. In January 2022, the CRA advised her that she was ineligible for the CRB as she did not meet the income requirement. The following month, Ms. Drinkwalter amended her income tax return to add an amount of \$525. She sought a further review of her CRB eligibility and stated that she was employed by Ms. Bernice Fraser for a week during the summer of 2019 to clean a pond on her property and received \$525 in this regard. Ms. Fraser's grandson is now engaged to Ms. Drinkwalter. Ms. Fraser paid Ms. Drinkwalter in cash and provided a handwritten receipt of the transaction.

[4] The CRA made the decision under review on August 21, 2024. Ms. Drinkwalter was found ineligible to the CRB because she did not earn at least \$5,000 in 2019. In her notes, the CRA review officer underscored that Ms. Drinkwalter had no history of reporting self-employment income, that she amended her income tax return after being advised of her ineligibility and that the only document provided was the handwritten receipt. The officer concluded that “[s]ince \$525 income was received from a non-arm’s length individual, the receipt alone cannot be accepted at face value without further supporting documents.” The officer added that upon being questioned during a phone call, Ms. Drinkwalter indicated that she could not provide “any record of communication (emails, text messages), scheduling calendar, logs, official invoices, expenses or any other document that can support the receipt.”

[5] In my view, the CRA's decision is reasonable. I wish to emphasize that in reaching this conclusion, I am not suggesting that Ms. Drinkwalter or Ms. Fraser are lying. Rather, given that significant amounts have been paid in respect of the CRB, Canadian taxpayers must be reassured that these benefits go to those who satisfy the criteria set out in the legislation, including the \$5,000 threshold. This is why, without showing disrespect to any particular benefit recipient, the CRA is not taking recipients' word as to their earnings but insists on receiving acceptable documentary proof.

[6] The CRA adopted guidelines that aim at facilitating proof of employment or self-employment income, especially for people who work in an informal setting. Cash payments may be considered but the benefit recipient must "submit sufficient and convincing documentation or records to substantiate their earnings," which may take various forms, such as depositing the earnings in a bank account, keeping records of hours worked or showing a list of expenses. Likewise, the guidelines require additional scrutiny of transactions with family members. This Court has found that decisions made according to these guidelines were reasonable: see, for example, *Mathelier-Jeanty v Canada (Attorney General)*, 2022 FC 1188 at paragraph 24; *Attara v Canada (Attorney General)*, 2022 FC 1323; *He v Canada (Attorney General)*, 2022 FC 1503 at paragraphs 29, 33 [*He*]; *Sjogren v Canada (Attorney General)*, 2023 FC 24 at paragraphs 17–19, 33–48 [*Sjogren*]; *Singh v Canada (Attorney General)*, 2024 FC 51 at paragraph 38; *Li v Canada (Attorney General)*, 2025 FC 346 at paragraph 18.

[7] Here, Ms. Drinkwalter provided only a handwritten receipt and acknowledged that she had no other documentation to prove the income received from Ms. Fraser. As in the *He* and

*Sjogren* cases, it was reasonable for the CRA officer to find that a handwritten receipt is not adequate proof of income.

[8] Ms. Drinkwalter also argues that the CRA acted inconsistently by finding her ineligible to the CRB while accepting her amendment to her 2019 income tax return. Before accepting such amendments, however, the CRA does not perform verifications to make sure that the taxpayer actually earned the additional income that is being declared. Therefore, amending one's income tax return to add income is not sufficient proof for the purposes of the CRB, especially where the amendment does not make the person liable to pay income tax. This Court has consistently held that it is reasonable to disregard amendments to income tax returns when assessing eligibility to the CRB: *Aryan v Canada (Attorney General)*, 2022 FC 139 at paragraph 40; *Lavigne v Canada (Attorney General)*, 2023 FC 1182 at paragraph 43; *Chen v Canada (Attorney General)*, 2025 FC 723 at paragraph 34.

[9] The Court is aware that many persons must now reimburse the benefits they received because they are unable to prove that they meet the \$5,000 threshold. This is particularly difficult for persons with low income. In some cases, such as Ms. Drinkwalter's, the situation gives rise to sympathy. The Court, however, must apply the law. It does not have discretion to grant exceptions to the law. Where the obligation to repay the benefits causes financial hardship, the person may ask for a remission pursuant to section 23 of the *Financial Administration Act*, RSC 1985, c F-11.

[10] For these reasons, Ms. Drinkwalter's application for judicial review will be dismissed.

**JUDGMENT in T-2388-24**

**THIS COURT'S JUDGMENT is that**

1. The application for judicial review is dismissed.
2. No costs are awarded.

"Sébastien Grammond"

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Judge

**FEDERAL COURT**  
**SOLICITORS OF RECORD**

**DOCKET:** T-2388-24

**STYLE OF CAUSE:** HALEY DRINKWALTER v ATTORNEY GENERAL OF CANADA

**PLACE OF HEARING:** EDMONTON, ALBERTA

**DATE OF HEARING:** MAY 13, 2025

**JUDGMENT AND REASONS:** GRAMMOND J.

**DATED:** MAY 20, 2025

**APPEARANCES:**

Bernice Fraser, on behalf of  
Haley Drinkwalter

FOR THE APPLICANT

Tanzeel Bhaidani

FOR THE RESPONDENT

**SOLICITORS OF RECORD:**

Attorney General of Canada  
Edmonton, Alberta

FOR THE RESPONDENT