



**Government of the Northwest Territories Response to
Motion 28-20(1): Consideration for Elders and Seniors in Debt Elimination**

Motion

THEREFORE I MOVE, that the Government of the Northwest Territories revise the Financial Administration Manual and related policies on the elimination of debt to provide specific provisions for forgiveness of debt owed to the Government of the Northwest Territories or a public agency for elders and seniors who are 60 years of age and older;

AND FURTHER, that the Government of the Northwest Territories review and revise the Financial Administration Manual and policies to define how it will measure and assess unreasonable or unjust financial hardship on elders and seniors,

AND FURTHERMORE, that the Government of the Northwest Territories review and revise the Financial Administration Manual and policies to ensure that elders and seniors who are on fixed incomes are not forced into undue financial hardship to pay debt to the Government of the Northwest Territories.

AND FURTHERMORE, that the Government of the Northwest Territories provide a comprehensive response to this motion within 120 days.

GNWT Response

The Financial Administration Manual (FAM) is the policy that operationalizes the *Financial Administration Act* (FAA). Departments and public agencies review their accounts to determine whether they have any debt that meets the criteria in FAM.

FAM provides the following considerations for forgiveness or remission:

Debts should be considered for forgiveness or remission if any of the following conditions apply to the debtor:

1. has died leaving no known estate;
2. cannot be located despite significant efforts;
3. is indigent;
4. is not resident in Canada, where there are no apparent means of collection and there is no indication that the debtor has family or business ties that might encourage him to return to Canada;
5. has not admitted liability and the success in collecting is unlikely;
6. is an inoperative corporation without assets; or
7. it's uneconomical to pursue.

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These reviews are done on a case-by-case basis, and each file is reviewed independently to assess if it meets the criteria in FAM. The current criterion for FAM allows for consideration of a debt for forgiveness in circumstances when someone cannot pay their debt because they have no assets or income in which to do so.

Once a department or agency determines they have any debt that meets the criteria above, they may then recommend forgiveness to the Financial Management Board (FMB) and the FMB can then consider the forgiveness. Once a debt is forgiven, it is reported in the Public Accounts of the Government of the Northwest Territories.

Housing NWT have established an internal working group to further develop additional policy options within the parameters of the Financial Administration Act for the forgiveness and remission of debt, including elders with mortgage or rental arrears. Currently the working group is conducting interjurisdictional research, as well as research to determine the appropriate parameters (such as age of client, debt owed, etc), and their net affect. Once this research is concluded, Housing NWT will engage with other relevant GNWT departments to ensure consensus on the submission, prior to engagement with members and affected clients. It is expected that a discussion draft will be developed for Spring 2025