

Federal Court



Cour fédérale

Date: 20260527

Docket: T-2376-25

Citation: 2026 FC 681

Ottawa, Ontario, May 27, 2026

PRESENT: Justice Andrew D. Little

BETWEEN:

RICHARD PAUS

Applicant

and

ATTORNEY GENERAL OF CANADA

Respondent

REASONS AND JUDGMENT

[1] In a letter dated June 23, 2025, the Canada Revenue Agency (“CRA”) made its final decision that the applicant, Mr Paus, was not eligible for the Canada Recovery Benefit (the “CRB”) because he did not meet the income threshold.

[2] In this judicial review application, the applicant asks the Court to set aside CRA’s decision.

[3] The Court's role on this application is to determine whether CRA's decision was reasonable. I cannot change CRA's decision on the grounds that I disagree with it. I must determine whether the decision was unreasonable according to the principles set out by the Supreme Court of Canada in *Canada (Minister of Citizenship and Immigration) v Vavilov*, 2019 SCC 65, [2019] 4 SCR 653.

[4] For the reasons that follow, I conclude that the application must be dismissed, without costs, because CRA's decision was reasonable.

[5] Before getting into the details, I will briefly summarize the applicant's arguments and my conclusions. There are two points.

[6] First, the applicant argued that CRA issued a notice of reassessment for 2020 that accepted his revised position that he earned employment income of more than \$5,000, and therefore CRA should have accepted the same income for his CRB eligibility. While I appreciate the intuitive appeal of that argument, I am unable to accept it. As I will explain, a notice of reassessment based on self-reported income information does not legally bind CRA when it assesses an individual's eligibility for pandemic benefits.

[7] Second, the applicant argued that he filed information that proved he met the relevant income threshold. However, as explained below, I find that the CRA officer's review of the evidence and overall decision was reasonable. The CRA officer's detailed notes show that the officer considered Mr Paus's explanation, bank statements with handwritten notations, the tax

returns and reassessment for 2020, and everything else Mr Paus submitted. I conclude that it was reasonable to find that the evidence was insufficient to prove that the applicant met the \$5,000 income requirement for CRB eligibility. The officer's conclusion was also consistent with the applicant's earlier 2020 tax filing that he earned net self-employment income of less than \$5,000.

I. **Preliminary Issue: New Evidence on this Application**

[8] The applicant filed an affidavit of his spouse, Janette Paus. The affidavit attached a statement explaining the applicant's position on this judicial review, the request for the tribunal record, pages from the applicant's revised 2020 tax return, the applicant's 2020 Notice of Reassessment, and confirmation of payment made based on the 2020 reassessment.

[9] The respondent objected to the admissibility of Ms Paus's affidavit.

[10] The general rule on applications for judicial review is that the evidentiary record before a reviewing court is restricted to the evidentiary record that was before the administrative decision maker when the impugned decision was made: see e.g., *Laflamme c Canada (Revenu national)*, 2026 CAF 101, at para 14; *Andrews v Public Service Alliance of Canada*, 2022 FCA 159, at paras 18-19; *Association of Universities and Colleges of Canada v. Canadian Copyright Licensing Agency (Access Copyright)*, 2012 FCA 22, at para 19; *Xin v. Canada (Attorney General)*, 2023 FC 595, at paras 54-55; *Aryan v Canada (Attorney General)*, 2022 FC 139, at para 42. To the extent that Ms Paus's affidavit and attachments contain new evidence that was not before the CRA officer, the new contents are not admissible on this application, unless they fall within an exception to the general rule.

[11] In this case, the affidavit does not fall within an exception, as its contents and attachments concern the merits of the applicant's claim that he was eligible for the pandemic benefits. However, the admissibility of the documents does not affect the outcome or analysis of reasonableness in this case. The record before the officer contained substantially all of the information and documents in the affidavit that is relevant to CRA's decision. The proposed evidence concerns the fact that the applicant's 2020 return was reassessed, that CRA billed him based on the reassessment, and that he paid the amount owing. As detailed below, it is clear from the case notes that the CRA officer was aware of the reassessed returns and the applicant's explanation for them. The proposed new evidence does not affect the analysis of reasonableness on this application, so nothing turns on the admissibility of the new evidence.

II. **Background and events leading to this application**

[12] The *Canada Recovery Benefits Act*, SC 2020 c 12, s 6 (the "*CRB Act*") provided financial assistance to persons whose income was adversely affected by the COVID-19 pandemic. Persons could claim the CRB, subject to eligibility requirements in the statute: see *CRB Act*, esp. sections 3 and 4. To be eligible for the benefits the applicant claimed, a person must have had a total income of at least \$5,000 from certain sources stated in the legislation for 2019 or 2020 or in a 12-month period preceding the day on which the person applied for the benefits. The onus is on a benefit recipient to prove eligibility.

[13] As part of its administration of pandemic benefits, CRA sometimes proactively contacts benefit recipients and asks them to support their eligibility. If CRA determines the benefit

recipient was not eligible, the affected benefit recipient may request a second review by a different officer. A second review decision by CRA is at issue on this judicial review application.

[14] The applicant is a truck driver. His original tax filings for 2019 and 2020 disclosed net self-employment income of \$4,724.10 and \$1,606.67 respectively – less than the \$5,000 threshold to be eligible for the CRB. The applicant received CRB payments from September 27, 2020, to October 9, 2021.

[15] By letter dated March 13, 2023, CRA requested information from the applicant supporting his eligibility for the CRB. On May 29, 2023, the applicant submitted a handwritten description of his tax situation for 2019 consistent with income of \$4,724.10. A CRA officer then had a phone call with the applicant on November 10, 2023, during which the officer made inquiries of the applicant concerning his eligibility. Shortly after this call, on November 29 and again on December 14, 2023, the applicant submitted additional supporting documents for both 2019 and 2020. The additional submissions were consistent with the applicant's originally filed income.

[16] CRA conducted its first eligibility review. The officer considered all the applicant's submitted evidence and the November 10 phone call. By decision letter dated January 15, 2024 (the "First Review Decision"), CRA advised the applicant that he was not eligible based on income requirements. The First Review Decision concluded that he did not earn at least \$5,000 (before taxes) of employment and/or net self-employment income in 2019, 2020, or in the 12 months before the date of his application for the CRB.

[17] By letter dated June 11, 2024, the applicant requested a second review, on the basis that he had earned more than \$5,000 of employment income in the 2019 and 2020 taxation years.

[18] On June 18, 2024, CRA called the applicant. The reviewing officer specifically asked about the information the applicant had submitted as part of the first review. During this call, the applicant asserted that the information was incorrect. The applicant suggested that his wife had mistakenly reported him as being self-employed, when in fact he was an independent contractor. The reviewing officer asked if he had a contract and whether he or his employer covered expenses. The applicant said that he only had a verbal contract and that he covered his expenses himself.

[19] In addition to the June 18 call with the reviewing officer, the applicant also called CRA on June 24, 2024. In this call, the applicant reiterated that he did not agree that he was self-employed and did not agree that expenses should have been deducted. The applicant suggested that he had originally submitted expenses “because everyone does” and that he was “just going to change his expenses then” because he “made an error.”

[20] On June 25, 2024, the applicant filed amended tax returns for 2019 and 2020 to report employment earnings of \$11,455.17 and \$5,250.13 respectively. On August 26, 2024, CRA reassessed the applicant’s two amended returns based on his revised information.

[21] On June 25 and August 12, 2024, the applicant submitted bank statements, handwritten explanatory notes, and his revised tax returns for 2019 and 2020 to CRA for the second review of

his CRB eligibility. The applicant subsequently had additional calls with CRA to confirm receipt of his submissions and to check the status of the second review.

[22] In essence, as part of the second review, the applicant advised CRA that his wife routinely filed his taxes and had mistakenly filed his returns as if he were self-employed. While the applicant had previously been self-employed, in the years in question the applicant advised that he worked as a contractor for trucking companies in the area. The applicant said that he therefore was not self-employed and that once he realized the mistake, he resubmitted his tax returns with income characterized as employment (T4) income, rather than self-employment income, and without deductions.

III. **The Second Review Decision**

[23] By letter dated June 23, 2025 (the “Second Review Decision”), CRA advised the applicant that he was not eligible for the CRB. The CRA’s reason on the Second Review Decision was the same as the first: the applicant did not earn at least \$5,000 (before taxes) of employment and/or net self-employment income in 2019, 2020 or in the 12 months before the date of his application for the CRB.

[24] CRA’s letter communicating the review decision was a standard form letter; however, for judicial review purposes, the notepad entries made by CRA officers form a part of the relevant decision on judicial review: *Crook v Canada (Attorney General)*, 2022 FC 1670, at para 14, citing *Aryan*, at para 22 and *Kleiman v Canada (Attorney General)*, 2022 FC 762, at para 9. I will refer to these notepad entries as “case notes” for ease of reference.

[25] In a case note dated June 19, 2025, the reviewing officer explained the decision in detail. The reviewing officer noted that there was no T4 on file for any of the asserted employment income and that “these earnings were only reported in August of 2024 after the applicant reassessed his taxes and eliminated his Gross Business Income of \$11,115 and his Net Self Employment Income of \$4,724.” The reviewing officer further identified all of the documentary evidence submitted by the applicant as part of both the first and second review processes. The reviewing officer accurately summarized the applicant’s arguments, referred to specific points made by the applicant over the phone, and quoted from the letters the applicant submitted. The officer recognized the explanation provided by the applicant for why he did not provide T4s from the trucking companies. The reviewing officer concluded: “Due to the lack of supporting documentation I am not accepting the reassessment and will be using the original amounts which are \$4,724 in Net [Self Employment Income] in 2019 and \$1,606 in 2020.”

[26] The reviewing officer then conducted a detailed analysis and further concluded that:

Since I am using the original return’s Net [Self Employment Income] and neither the 2019 nor 2020 Net [Self Employment Income] amounts to [\$5,000] and I cannot determine the previous 12 months [of income prior to his application] as the applicant has no documentation to account for his earnings in 2020 and limited documentation for 2019, I am deeming him ineligible for [CRB].

IV. **Was CRA’s Second Review Decision Reasonable?**

[27] The reasonableness of the Second Review Decision is at issue in this proceeding. The applicant’s position was that CRA erred in concluding that he was not eligible for the CRB and that the Court should either conclude that he was eligible or send the case back to CRA for redetermination by another officer.

[28] The applicant argued that CRA used a “double standard.” In his view, CRA accepted his revised return for 2020 and collected tax owing on the basis of \$5,250.13 in employment income reported in that revised return, but then did not use the same reassessed income when deciding his CRB eligibility. According to the applicant, CRA used a “double standard” and unfairly picked one number for how much money he owes and another to calculate the benefits for which he is eligible.

[29] The applicant also submitted that he could not get T4 slips from the trucking companies for whom he worked because of the informal norms of how the industry operates. In his view, his bank statements were sufficient proof that he earned the income asserted in the revised tax filings. Consequently, the applicant argued that he had adequately supported his eligibility.

[30] The standard of review of CRA’s eligibility decision for the CRB is reasonableness, as described in *Vavilov*: see e.g., *Shtokal v. Canada (Attorney General)*, 2025 FC 498, at para 9; *Li v. Canada (Attorney General)*, 2025 FC 346, at para 12.

[31] On this application, the Court has a limited, supervisory role: to determine whether CRA’s decision was reasonable. Reasonableness review is a deferential and disciplined evaluation of whether an administrative decision is transparent, intelligible and justified: *Vavilov*, at paras 12-13 and 15. The starting point is the reasons provided by the decision maker, which are read holistically and contextually, and in conjunction with the record that was before the decision maker. A reasonable decision is based on an internally coherent and rational chain of

analysis and is justified in relation to the facts and law that constrained the decision maker:

Vavilov, esp. at paras 85, 91-97, 103, 105-106 and 194.

[32] The Court's role is not to redetermine the decision. *Vavilov* instructs a reviewing court not to do its own analysis of the circumstances or come to its own conclusion on the merits of the matter (here, the applicant's eligibility for the CRB). Absent exceptional circumstances (which do not exist in this case), the Court does not reweigh or reassess the information that was before the decision maker: *Vavilov*, at paras 125-126.

[33] Thus, the role of the Court is to ensure that the decision followed the applicable law and respected the facts and central concerns in the materials filed by the applicant at the time the decision was made. If the decision did so and was reasonable in that it displays the requisite transparency, intelligibility and justification, the Court will not interfere with the decision. On the other hand, if the Court concludes that the decision did not do so and therefore contained a reviewable error, then the Court may set aside the decision.

[34] Applying the principles in *Vavilov*, I conclude that CRA's decision was reasonable.

[35] First, with respect to the alleged "double standard", it is well-established in this Court's case law that self-reported tax returns are neither determinative nor conclusive proof of income: *Fazio v. Canada (Revenue Agency)*, 2026 FC 651, at para 108; *Drinkwalter v. Canada (Attorney General)*, 2025 FC 913, at para 8; *Chen v. Canada (Attorney General)*, 2025 FC 723, at para 34; *Yao v Canada (Attorney General)*, 2025 FC 399, at para 41; *Ebada v Canada (Attorney*

General), 2024 FC 1539, at para 38; *Aryan v Canada (Attorney General)*, 2022 FC 1029, at paras 35, 39-41. A notice of assessment or reassessment, without audit, does not confirm the factual accuracy of the taxpayer's claims; it sets out (among other things) the taxpayer's tax payable as calculated according to the taxpayer's own representations, including reported income from various sources.

[36] The Court has also concluded that CRA may require additional evidence, beyond tax returns, to establish eligibility for pandemic benefits based on a minimum income requirement: see *Fazio*, at paras 3, 106-107 and the cases cited there; *Chen*, at paras 5, 35.

[37] Accordingly, when assessing eligibility for CRB benefits in the present case, the reviewing officer was not constrained in law to accept the applicant's reported earnings from employment in his revised 2020 tax return, or how he re-characterized those earnings for 2020. The officer did not have to take that information at face value and was not required to find CRB eligibility on the basis of the amounts claimed and characterized in the applicant's revised 2020 tax return. That is true even though the self-reported information had been used to issue a notice of reassessment by the time the Second Review Decision was made. Instead, the officer could engage afresh with the objective information filed by the applicant (including the supporting documents and the applicant's earlier tax filings that reported amounts as self-employment income), and with other information in CRA's possession (such as the reassessment for 2020), in order to make a reasonable decision on CRB eligibility based on minimum income. I observe that CRA may have used the applicant's newly-reported 2020 earnings information for

reassessment purposes, but there is nothing in the record to suggest that CRA did any substantive verification of the information filed by the applicant, such as an audit or other form of review.

[38] For these reasons, the applicant's "double standard" argument does not succeed.

[39] Second, the Supreme Court held in *Vavilov* that absent "exceptional circumstances", a reviewing court will not interfere with the decision maker's factual findings and will not reweigh or reassess the evidence: *Vavilov*, at para 125. A reviewing court's ability to intervene arises only if the decision maker fundamentally misapprehended the evidence, failed to account for critical evidence in the record that runs counter to a material conclusion, ignored evidence, or if there was no evidence that rationally supports a finding: *Mason v. Canada (Citizenship and Immigration)*, 2023 SCC 21, at paras 64, 66, 73; *Vavilov*, at paras 101, 126; *Kahkewistahaw First Nation v. Canada (Crown-Indigenous Relations)*, 2024 FCA 8, at paras 56-57; *Maritime Employers Association v. Syndicat des débardeurs (Canadian Union of Public Employees, Local 375)*, 2023 FCA 93, at paras 116-117; *Cepeda-Gutierrez v Canada (Minister of Citizenship and Immigration)*, [1999] 1 F.C. D-53, [1998] FCJ No 1425, at paras 14-17; *Federal Courts Act*, RSC 1985, c F-7, paragraph 18.1(4)(d).

[40] The applicant has not shown that the CRA officer ignored, fundamentally misapprehended, or failed to account for any information in the record at the time of the Second Review Decision: *Vavilov*, at paras 125-126.

[41] It is evident from two detailed case notes entered on June 18 and two more entered on June 19, 2025, that the officer was well familiar with the matter and as noted, spoke to the applicant on June 18. The applicant relied in part on bank statements and handwritten letters, plus his handwritten annotations explaining the deposits in the bank statements.

[42] For 2019, the applicant provided annotations on certain deposits that sum to \$11,455.17 as “George”, “Bullet”, and “JD Trucking”. Three “Bullet” entries are labelled by the bank as “Direct Deposit, BULLET EXPRESS PAY/PAY.” The others, however, effectively amount to a handwritten arrow at four other deposits with no further information or context. The bank labels for those deposits are: “US \$ Cash Sale A11.2706 HC \$0.00 373.00”, “Deposit at BR. 3800” (once each on May 30 and July 15), and “ABM Deposit at 1871 Victoria”.

[43] For 2020, the evidence was similarly vague and ambiguous. Two entries for “Direct Deposit, MINER EXCAVATIN PAY/PAY” are hand-annotated “Miner” and another three entries for “ABM Deposit at 1871 Victoria” are hand-annotated “JD Trucking”.

[44] In essence, the applicant asked the reviewing officer to take a selection of circled ABM deposits as conclusive evidence of employment (rather than self-employment) income. It was open to the officer not to do so based on the objective evidence. Some of these entries refer to “pay” (e.g. “BULLET EXPRESS PAY/PAY”) but in context that word does not confirm pay from contract employment – only a deposit to the account. The reviewing officer’s detailed case notes dated June 19, 2025, show that the officer considered Mr Paus’s arguments and the evidence filed to support them, and ultimately did not accept his position “due to the lack of

supporting documentation”. The reviewing officer also did not accept as conclusive the information in the applicant’s revised tax returns.

[45] On the evidence overall, the Second Review Decision found that the applicant did not earn enough income to meet the statutory threshold for CRB eligibility.

[46] These findings, including the overall conclusion, were reasonable on the record before the CRA officer.

[47] Accordingly, I conclude that CRA’s Second Review Decision dated June 23, 2025, contained no reviewable error. CRA’s Second Review Decision respected the legal and factual constraints that applied to it.

[48] Finally, I note that the officer’s case notes dated June 19, 2025, concluded that the applicant was not eligible for the Canada Emergency Response Benefit (“CERB”). However, because he had shown at least \$5,000 in gross self-employment income, the officer found that the applicant would not have to repay the CERB payments he received, owing to a remission order.

V. **Conclusion**

[49] The application for judicial review must be dismissed. The respondent did not request costs.

[50] The notice of application named the respondent as the “Attorney General in Winnipeg”. Under Rule 303(2) of the *Federal Court Rules*, SOR/98-106, the proper respondent is the Attorney General of Canada. The style of cause will be amended accordingly.

JUDGMENT in T-2376-25

THIS COURT’S JUDGMENT is that:

1. The style of cause is amended so that the respondent is the Attorney General of Canada.
2. The application for judicial review is dismissed.
3. There is no costs order.

“Andrew D. Little”

Judge

FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: T-2376-25

STYLE OF CAUSE: RICHARD PAUS v ATTORNEY GENERAL OF CANADA

PLACE OF HEARING: WINNIPEG, MANITOBA

DATE OF HEARING: FEBRUARY 16, 2026 (TELECONFERENCE)

REASONS: A.D. LITTLE J.

DATED: MAY 27, 2026

APPEARANCES:

Richard Paus	SELF-REPRESENTED
Candace Almightyvoice	FOR THE RESPONDENT

SOLICITORS OF RECORD:

Deputy Attorney General of Canada Saskatoon, SK	FOR THE RESPONDENT
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