

## Penalties

The *Maintenance Enforcement Act* and the *Maintenance Enforcement Regulation* authorize MEP to charge penalties to debtors and creditors. MEP charges penalties to encourage client compliance with their support obligations or program requirements. The funds collected from penalties helps pay for the additional resources that are used when clients are non-compliant.

When a debtor owes penalties or fees, MEP collects and pays out the creditor's ongoing amounts due first. If there are arrears owed to the creditor and penalties or fees owed to MEP, 90 percent of any money collected over and above the ongoing maintenance is paid to the creditor's arrears, and 10 percent is applied to penalties or fees owed to MEP.

### Default Penalty: \$40 per month

MEP expects debtors to pay support by the due date set out in the court order or agreement, or according to their payment arrangement. If there are outstanding arrears on a file with no payment arrangement in place, a default penalty of \$40 is charged each month that the file has arrears over \$100 and a payment arrangement has not been established with MEP. This charge appears on the debtor statement within 31 days.

To avoid this penalty, the debtor must ensure there is a formal payment arrangement in place for outstanding arrears and that MEP receives the payments on or before the due date. Debtors are advised to check their file balance monthly to ensure their files remain in good standing, and promptly report any discrepancies to MEP. For more information on payment arrangements, refer to the MEP information sheet, [What to do if you cannot make your support payments](#).

### Failure to Return a Statement of Finances: \$205 or prosecution

MEP requires a Statement of Finances at certain points to make informed file decisions. This document asks the debtor to disclose, under oath, their employment, income, assets, expenses and liabilities. If MEP asks a debtor to complete a Statement of Finances and the debtor does not do so, or knowingly provides false information, MEP may charge a \$205 penalty. Failure to return a Statement of Finances or knowingly providing false information may also result in prosecution. Prosecution may result in a fine of up to \$2,000 and/or three months imprisonment.

### Returned Item Penalty: \$51.50 per instance

This is a \$51.50 penalty which is charged when a payment to MEP is returned by the debtor's bank, for reasons such as non-sufficient funds (NSF) or a stop payment, etc.

### Direct Payment Penalty: \$51.50 per instance

Once a file is registered with MEP, all future payments must be made through MEP. When payments are made directly between the creditor and the debtor, MEP's record of the amount owed will not be accurate, and enforcement action may be taken unnecessarily. In some circumstances, accepting a direct payment may be unavoidable. In these circumstances, the creditor must report it to *MEP Accounts Online* or the *MEP Info Line* (see box below) within seven days of receiving it, or a \$51.50 penalty will be charged. The penalty may be deducted from the ongoing amounts or arrears.

- MEP has other Information Sheets, on a variety of helpful topics. To see them, visit MEP's website at [www.albertamep.gov.ab.ca](http://www.albertamep.gov.ab.ca).
- To contact MEP, phone 780-422-5555 or toll-free in Alberta at 310-0000.
- To view information about your MEP file, log in to *MEP Accounts Online* on MEP's website and select "Account login".