

## Penalties

The *Maintenance Enforcement Act* and the *Maintenance Enforcement Regulation* authorize MEP to charge penalties to debtors and creditors. To encourage client compliance penalties are applied if clients do not comply 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.

### **Default Penalty: \$25 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, or if the payment is not received by the date it is due, a default penalty of \$25 is charged each month that the file is in default or payment is not made on time. 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 payment 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.

### **Failure to Return a Statement of Finances: \$200 per instance, 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, a \$200 penalty may be charged. If a debtor knowingly provides false information in a Statement of Finances, they may also be subject to a \$200 penalty. Failure to return a Statement of Finances, or knowingly providing false information, may also result in prosecution. On prosecution the potential penalty is a fine of up to \$2,000, three months imprisonment, or both.

### **Returned Item Penalty: \$50 per instance**

This is a \$50 penalty which is charged when a payment to MEP is returned by the client's bank, for reasons such as non-sufficient funds (NSF) or a stop payment, etc.

### **Direct Payment Penalty: \$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 \$50 penalty will be charged.

This document is part of a series of MEP information sheets that can be obtained in the following ways:

- MEP's website at [www.albertamep.gov.ab.ca](http://www.albertamep.gov.ab.ca)
  - MEP's fax-on-demand service on the *MEP Info Line* by calling 780-422-5555 and using the catalogue number of the information sheet you wish to request
- \***Toll-free** service to all Government of Alberta phone numbers is available from anywhere in Alberta by calling 310-0000 and following the voice prompts