

Federal Support Deduction Notice

A *federal support deduction notice* (FSDN) is one of the collection tools that the Maintenance Enforcement Program (MEP) uses when debtors are in arrears with their maintenance payments. A FSDN collects funds that are owed to debtors from federal sources and pays them to MEP instead, to satisfy support obligations. MEP will not normally remove a FSDN unless there are no arrears owed on the debtor's file. A FSDN can remain in place for five years and can be renewed as necessary for additional five-year periods.

Money sent to MEP through a FSDN is first applied to the monthly payment(s) that are due. Any funds that remain are applied to reduce the file arrears. In the event the FSDN remits more funds that are required to satisfy the monthly ongoing charge(s) and arrears, they will be refunded to the debtor. The debtor may also elect to leave the credit balance with the MEP to apply to future ongoing charges.

In situations, when a client has a payment arrangement and FSDN funds are received, the funds will not be applied to the payment arrangement, unless special arrangements have been made by speaking with MEP staff.

For all FSDNs issued on and after September 18, 2009, MEP collects up to 50 percent of Employment Insurance benefits, Old Age Security and Canada Pension Plan (CPP) benefits as well as federal training allowances. To lower the amount collected from these federal sources, debtors must make a payment arrangement with MEP.

MEP collects 100 per cent of income tax refunds, GST rebates, and carbon levy rebates. MEP will generally not collect less from these federal sources, even when a debtor has a payment arrangement with MEP.

When MEP issues a FSDN, the federal government charges debtors an administrative fee of \$38 per year, for a total of \$190 for the five-year period. The federal government collects this fee from the portion left over after MEP's claim is satisfied. If federal sources do not pay out any funds during the term of the FSDN, the federal government does not collect or administer the fee.

There can be a delay of up to 12 weeks between the time federal funds are diverted and the date MEP receives this money and sends it to the creditor. If a FSDN provides MEP with more funds than required to satisfy debtor arrears, MEP will refund the extra money to the debtor.

FSDNs are permitted under part two of the federal *Family Orders and Agreements Enforcement Assistance Act*. Additional information regarding FSDNs is available on the Justice Canada website at www.justice.gc.ca. Debtors needing specific information on their FSDNs should contact MEP to obtain their federal ID number before contacting Justice Canada at 1-800-267-7777.

- MEP has other Information Sheets, on a variety of helpful topics. To see them, visit MEP's website at 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".