

## Payment Arrangements

If maintenance is not paid when due, the amount of unpaid maintenance is referred to as *arrears*. Debtors who cannot immediately pay all arrears can set up a payment arrangement with the Maintenance Enforcement Program (MEP) to pay the arrears over time. Generally, a payment arrangement requires the debtor to pay their regular ongoing court-ordered support amount, and an amount toward the arrears. In some cases, MEP may be able to make a temporary payment arrangement requiring less than the court-ordered support amount.

Making the required payments after setting up a payment arrangement allows debtors to:

- Provide support for their families;
- Have some collection actions removed;
- Avoid collection actions;
- Work toward paying off their support arrears; and
- Avoid monthly default penalties and interest charges.

**If all arrears can be paid in full within three months**, phone MEP to set up a payment arrangement. No Statement of Finances (SOF) is required.

**If all arrears cannot be paid in full within three months**, a completed SOF is required. Phone MEP to set up a temporary payment arrangement until MEP reviews your SOF.

### Statement of Finances (SOF)

To make a payment arrangement, MEP asks debtors to complete a SOF form. The SOF can also be printed from MEP's website. A \$205 penalty is charged when MEP asks debtors to complete an SOF and the form is not completed and returned to MEP within 14 days.

On the SOF the debtor must provide information about their employment, expenses, income and assets. MEP may ask for additional information, such as pay stubs, Notices of Assessment, or bank statements. After receiving the completed SOF, MEP reviews the SOF and supporting documentation and phones the debtor to negotiate the payment arrangement amount, start date, and method of payment. If unable to reach the debtor by phone, MEP will notify the debtor of the results of the SOF review by mail.

MEP may periodically ask for an updated SOF to determine whether the payment arrangement is still appropriate. A review of the payment arrangement can be initiated by the creditor or debtor if they believe the debtor has an increased or decreased ability to pay.

### Payment arrangement for less than the court-ordered amount

MEP may negotiate a payment arrangement requiring the debtor to pay less than the ongoing court-ordered maintenance amount if the court order was granted over one year ago, the order does not use the word 'imputed' to refer to the debtor's guideline income, and MEP is satisfied the debtor is currently unable to make the payments required by the order. These are generally short-term arrangements for six months or less, and are intended to provide interim relief to debtors who are applying to vary their maintenance orders or who are experiencing a financial setback. This type of arrangement does not change the terms of the maintenance order; the full amount of maintenance will continue to be charged.

When a debtor asks to make a payment arrangement for less than the ongoing maintenance amount, MEP requires the debtor provide a completed SOF, documentation supporting their current financial circumstances (for example, pay stubs, bank statements, proof of unemployment or disability), and a copy of a filed application to vary a court order, if applicable.

## **When does a payment arrangement end?**

MEP ends a payment arrangement when the debtor misses any required payment. When a debtor misses a payment, the debtor has up to 31 days to pay the missed payment and the default penalty to prevent the payment arrangement from ending.

MEP may periodically request an updated SOF or additional information to review a payment arrangement. If the debtor fails to provide the required information, MEP ends the payment arrangement.

When a payment arrangement ends, MEP will enforce the full amount of arrears using enforcement actions, monthly default penalties, and interest. MEP may reinstate the payment arrangement if the debtor speaks with a MEP case officer to arrange to make up missed payments. Reinstating the payment arrangement may also require completing an updated SOF.

## **Court-ordered payment arrangements**

Payment arrangements that are granted in a court order are referred to as court-ordered payment arrangements. Court-ordered payment arrangements provide the same benefits to a debtor as a payment arrangement negotiated with MEP.

When the court order states that all arrears become enforceable if the debtor does not make the required payments, the arrangement is subject to termination in the same manner as a payment arrangement negotiated with MEP, and MEP will enforce on the full amount of arrears.

When the court order does not state that all arrears become enforceable if the debtor does not make the required payments, the arrangement is only terminated by another court order, or other terms ordered by the court. If the debtor does not make the required payments, MEP only enforces the overdue amounts according to the court-ordered payment arrangement.

Court-ordered payment arrangements may be tied to a stay of enforcement. For example, a court order might state "There shall be a stay of enforcement on the arrears for so long as the debtor pays maintenance of \$500 per month and \$200 per month towards arrears, for a total of \$700 per month on the first day of each and every month effective July 1, 2017". For more information about Stays of Enforcement, refer to the Information Sheet *Stay of Enforcement* on MEP's website.

## **Collection actions and payment arrangements**

Paying according to a payment arrangement does not mean MEP will remove all collection actions. The Federal Support Deduction Notice, writ at the Personal Property Registry, liens against land, and credit bureau reporting may remain in place until all arrears are paid in full.

Other actions may be removed after up to three consecutive required payments are made, including: motor vehicle restriction, hunting and fishing licence restriction, driver's licence suspension, and federal licence denial.

While a payment arrangement is in place, MEP may attach lump-sum amounts payable to the debtor, including inheritances, settlements, lottery winnings, or any other lump-sum amount that is not considered wages, and may take action to seize assets under the *Civil Enforcement Act*.

- 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".