

Maintenance Enforcement Program

Financial Examinations

The Maintenance Enforcement Program (MEP) aims to help families receive maintenance. When payments are in arrears reasonable arrangements must be made to bring court-ordered support payments up-to-date. To find out what is reasonable, MEP requires debtors in arrears to fully explain their financial situations by completing a *Statement of Finances* (catalogue #99028). This is a document debtors use to list, under oath, their employment, income, assets, expenses and liabilities.

Sometimes, however, Statements of Finances are not returned or do not contain enough information. MEP may also need to verify financial details listed in statements. In these cases, MEP may schedule a financial examination. Through the examination process, MEP attempts to come to an agreement with debtors regarding an appropriate payment arrangement. To help debtors comply with arrangements, MEP staff may refer them to other resources for assistance.

How are financial examination hearings scheduled?

Once MEP schedules a financial examination, debtors are personally served with a notice (called a summons) about the date, time and place of the financial examination. This summons is an official court document that requires debtors to appear at the address written on the document.

What if debtors do not appear as required by the summons?

Failing to appear for a financial examination hearing has serious consequences. A failure to appear can be referred to the court for an order compelling debtors to attend. If debtors do not appear as ordered, a warrant for their arrest may be issued, which can result in imprisonment.

What happens at a financial examination?

The financial examination process happens in two stages. The first stage is a preliminary examination in which defaulting debtors are required to produce records or other material about their employment, income, assets and financial circumstances. An examination officer examines this information, questions debtors and tries to work out a payment arrangement. If this preliminary examination does not result in a payment arrangement, or if further disclosure or examination is required, the process moves to the second stage, a financial examination hearing.

In the financial examination hearing, a senior examination officer reviews the evidence provided and tries to determine why debtors have not paid their arrears. A hearing officer is present to ensure examinations are conducted in an administratively fair manner. Hearing officers may also question debtors and senior examination officers.

At the end of hearings, the hearing officer decides what actions should be taken. This decision is based on financial evidence presented, input from debtors and recommendations of senior examination officers. Hearing officers may:

- approve payment arrangements made at hearings
- demand payment based on debtors financial situation
- adjourn matters for further financial examination
- refer matters to court, for MEP to seek court orders requiring additional financial information

What if payment arrangements are not successfully made through the financial examination process?

The purpose of the financial examination process is for debtors to reach a payment arrangement that meets their ongoing support payments, plus a contribution toward their arrears. If financial examinations are not successful in doing this, but have determined that debtors have the ability to pay, the file may be reviewed for a default hearing when debtors are required to appear in court. For more information about this process, see MEP's information sheet *Default Hearings* (catalogue #99028).

How can debtors avoid being required to attend financial examinations?

MEP wants to resolve all files with appropriate payment arrangements. To avoid financial examinations, debtors are encouraged to make all payments to MEP as required by their support order. When this is not possible, debtors should keep in contact with MEP, make full financial disclosure as requested, and follow through with all payment arrangements. Even after being summoned for a financial examination, debtors may be able to cancel the financial examination by immediately making suitable payment arrangements or paying arrears in full. By working cooperatively with MEP, debtors can also avoid penalties, interest and other collection actions.

Can creditors attend financial examinations?

MEP is bound by privacy laws that prevent creditors from being present at preliminary examinations or financial examination hearings. However, creditors are advised about hearing outcomes.

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
 - 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