

### Penalties

The *Maintenance Enforcement Act* and the Maintenance Enforcement Regulation authorize the MEP to charge penalties to payors and recipients. The MEP charges penalties to encourage client payment of maintenance obligations and cooperation with Program requirements. The funds collected from penalties help pay for additional resources that improve Program services.

#### Payor Penalties:

- **Default Penalty - \$40 per month:**  
Maintenance payments are due by the date set in the court order or agreement, or according to the due date of the payment arrangement set out by the MEP. The MEP charges payors a default penalty each month maintenance is not paid in full and by the due date, or when there are arrears of \$100 or more and there is no payment arrangement in place. For more information, refer to the MEP's information sheets *Payment Arrangements* and *What to do if you cannot make your support payments*, available on the MEP's website.
- **Failure to Return a Statement of Finances - \$205 per instance:**  
The Statement of Finances (SOF) is a document the MEP requires payors to complete to make a payment arrangement for maintenance arrears. The MEP charges payors a SOF penalty when the MEP requests a payor complete and return the SOF to the MEP and the payor does not do so. For more information, refer to the *Statement of Finances* form available on the MEP's website.
- **Returned Item Penalty - \$51.50 per instance:**  
A returned item penalty is charged to a payor when the MEP is unable to process a payor's payment for reasons such as, non-sufficient funds (NSF) or a stop payment.

When a payor owes penalties to the MEP, the MEP applies 10 percent of amounts collected that are over and above the ongoing maintenance, towards payment for the outstanding penalties. The remaining 90% is paid towards the recipient's maintenance arrears. For example: a payor owes ongoing maintenance of \$500 per month, \$80 in penalties, and \$100 in arrears. If the MEP receives a payment of \$600, the MEP will pay the funds out as follows:

- \$500 will be paid to the recipient for ongoing maintenance,
- \$10 (10 percent of the additional \$100 received) will be paid to the MEP towards the outstanding penalties, and
- \$90 (90 percent of the additional \$100 received) will be paid to the recipient for maintenance arrears.

#### Recipient Penalties:

- **Direct Payment Penalty - \$51.50 per instance:**  
Once a file is registered with the MEP, recipients must not accept payments directly from payors. If a recipient accepts a direct payment, the payment must be reported to *MEP Accounts Online* or the *MEP Info Line* within seven days of receiving it, or a direct payment penalty will be charged. Continued acceptance of direct payments by a recipient, even if it is reported to the MEP, will result in file closure.

When a recipient owes penalties to the MEP, the MEP collects the penalty amount from the next maintenance payments collected on the recipient's behalf, until the penalty amount is paid in full.

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