

Penalty and Service Fee Increases

Which penalties and service fees are increasing, and by how much?

Penalty or Service Fee	Current Rate	New Rate as of August 1, 2017
Debtor Default Penalty (<i>for late or non-payment</i>)	\$25 per month	\$40 per month
Debtor Returned Item Penalty (<i>for payments returned as non-sufficient funds, stop payment, etc.</i>)	\$50 per instance	\$51.50 per instance
Debtor Failure to Return a Statement of Finances (SOF) Penalty	\$200 per instance	\$205 per instance
Creditor Failure to Report a Direct Payment Penalty	\$50 per instance	\$51.50 per instance
Debtor or Creditor Re-Registration of a Closed File Service Fee	\$200 per instance	\$205 per instance
Substitutional Service Fee (<i>for third party service of documents</i>)	\$50 per instance	\$51.50 per instance
Child Support Recalculation Program Service Fee (<i>for a recalculation decision to change the amount of child support payable</i>)	\$75 per parent for each Decision	\$77 per parent for each Decision

Why are penalties and service fees increasing?

Fees and penalties partially offset the costs of MEP and RP services, including MEP's costs when debtors and creditors do not comply with requirements. While these costs have increased over time, fees and penalties have not increased since they were first introduced (2005 for MEP and 2010 for RP). Most of the fees and penalties are only increasing by the inflation rate equal to one year (2.6% and rounded to the nearest half-dollar), while the debtor default fee is increasing by \$15 to encourage debtors to meet their court-ordered obligations. The increase to default penalties will cover part of the enforcement costs and allow the MEP to maintain a satisfactory level of service to clients.

How can MEP clients avoid penalties?

- **Default Penalty.** Payments must arrive at MEP on or before the due date. Using Authorized Bank Withdrawal ensures the debtor's payment always reaches MEP on time. A default penalty is also charged when a file has arrears without a payment arrangement. Debtors can make a payment arrangement by contacting MEP or submitting a completed *Statement of Finances* (SOF). Both forms are available on the MEP website www.albertamep.gov.ab.ca.
- **Returned Item Penalty.** Debtors who have insufficient funds in their bank may contact MEP at least five days before the payment date and ask that the payment not be processed. Please note that default penalty charges for late payments will still apply.
- **Failure to Return a SOF Penalty.** This penalty can be avoided by returning the completed SOF within 14 days of MEP's date of request, or by asking a MEP case officer for an extension.
- **Failure to Report a Direct Payment Penalty.** All payments for files registered with MEP are expected to be made through the program. Creditors should avoid accepting payments from debtors directly. If a direct payment is accepted, it must be reported within seven days through MEP's automated telephone system or through *MEP Accounts Online*. Not reporting these payments may lead to unnecessary and inappropriate enforcement actions, and will therefore be subject to the penalty. Regularly accepting direct payments will result in file closure.

Questions?

Maintenance Enforcement Program

Website: log into your MEP Accounts Online at www.albertamep.gov.ab.ca

Telephone: 780-422-5555 (toll free dial 310-0000)

Staff are available to respond to calls from 12-4 p.m. on Wednesdays, and 8-11 a.m. & 12-4 p.m. on other weekdays, excluding statutory holidays

Fax: 780-401-7575

Mailing address: Maintenance Enforcement Program
7th Floor, 10365 97 Street Edmonton AB T5J 3W7

Child Support Recalculation Program

RP is unable to see clients in person.

Website: <http://www.recalculation.alberta.ca> You can also use Recalculation Info Online (RIO) to get or provide key file information at any time. To access RIO for the first time, you will need to phone staff to obtain your registration identification number.

Telephone: 780-401-1111 (toll-free: 310-0000)

Fax: 780-644-3674

Mailing address: Child Support Recalculation Program
8th Floor, 10365 97 Street Edmonton AB T5J 3W7

E-mail: recalculation@gov.ab.ca