

## Avoid Late Fees and Administrative Costs

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**Maintenance Enforcement Program** Telephone: 204-945-7133  
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### Late Fees:

Family support payments must be received by MEP on or before the court ordered due date. Late fees will be charged on all overdue payments, including arrears, and collected on behalf of the recipient. The late payment penalty is assessed at 18 per cent per year, calculated daily on the balance owing.

Examples:

1. \$250.00 payment is due on April 1, 2012 and payment is received at MEP on April 6, 2012 ( with no arrears prior to April 1/12):

$$\begin{aligned} \$250.00 \times 18\% \text{ days} &= \$45.00 \text{ per year} \\ \$45.00 \div 365 \text{ days} &= \$0.123 \text{ per day} \\ \$0.123 \times 5 \text{ days} &= \$0.62 \end{aligned}$$

A late payment fee of \$0.62 for the month of April 2012 will be charged to the payor's account.

2. \$250.00 payment is due on April 1, 2012 and payment is received at MEP on April 29, 2012 (with no arrears prior to April 1):

$$\begin{aligned} \$250.00 \times 18\% \text{ per year} &= \$45.00 \text{ per year} \\ \$45.00 \div 365 \text{ days} &= \$0.123 \text{ per day} \\ \$0.123 \times 28 \text{ days} &= \$3.45 \end{aligned}$$

A late payment fee of \$3.45 for the month of April 2012 will be charged to the payor's account.

3. \$500 payment is due on April 1, 2012 and there are arrears of \$4,500.00. No payment is made in April so the total arrears are \$5,000.00:

$$\begin{aligned} \$5,000.00 \times 18\% \text{ per year} &= \$900.00 \text{ per year} \\ \$900.00 \div 365 \text{ days} &= \$2.465 \text{ per day} \\ \$2.465 \times 30 \text{ days} &= \$73.97 \end{aligned}$$

A late payment fee of \$73.97 for the month of April 2012 will be charged to the payor's account.

### Tips to avoid a late fee (late payment penalty):

***Remember: What counts is when MEP receives the payment, not when it's sent.***

- Choose a method of payment that ensures payments are received by MEP on or before the due date in the court order.
- For electronic payment methods (Internet or pre-authorized debit), talk to your bank/financial institution to find out how long it will take them to process the payment and send it to MEP.
- If your account is in arrears, bring it up to date immediately. .
- If accounts are not up to date by April 1, 2012, late payment fees will be applied until accounts are paid in full. The earlier you settle your account, the lower your late fees.

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- MEP must enforce the terms of the court order and cannot change them. If financial circumstances have changed, please consult with a lawyer or visit Manitoba's Child Support Recalculation Service website at <http://www.manitoba.ca/justice/family/law/recalculation.html> to see if the service can assist.

### *Payroll Deduction and Garnishment*

If maintenance payments are submitted to MEP by an employer or other income source, either voluntarily or through garnishment, the payments not received by MEP on or before the due date, will result in late fees. Debtors can avoid late fees by making an extra payment to your account to have a credit in advance of the due date.

- Even if you cannot make a full extra payment by April 1, 2012, you can work towards a credit by paying MEP additional amounts voluntarily to reduce the late fees.

### **Administrative Costs**

The program will charge you, the debtor, an added fee if MEP has to take enforcement action to get your payments. The most common enforcement actions are: a garnishing order, a support deduction notice and/or notice to suspend your driver's licence.

The administrative cost is also called a 'cost recover charge.' Cost recovery will only be charged if MEP has to take enforcement action. For a detailed list of the charges, click [here](#).

### **Tips to avoid administrative charges:**

- Ensure that all payments are received by MEP office on or before the due date so MEP doesn't have to take enforcement action.
- If your account is in arrears because the Court made a retroactive Order, immediately contact MEP and arrange to pay the full amount of arrears .
- If you cannot pay the arrears in full, contact the MEP office and ask about making a payment schedule/arrangement.

**Note:** Making a payment schedule/arrangement does not mean you will not be charged late payment fees. However, if you make the payments as agreed, MEP will not take enforcement action or charge a cost recovery fee.

- If you feel that your account should be reviewed by the Court to determine if the entire arrears are due, please consult with a lawyer.