

Late Payment Information

Maintenance Enforcement Program Telephone: 204-945-7133
100 – 352 Donald Street, Winnipeg MB R3B 2H8 Facsimile : 204-945-5449
ManitobaMEPinquiries@gov.mb.ca Toll free in MB: 1-800-479-2717

Most debtors (payors) make sure their family support payments are made voluntarily and on time. However, some debtors do not. **Effective April 1, 2012**, if payments are not made to the Maintenance Enforcement Program (MEP) on the dates stated in the court order, MEP will apply late payment penalties and a fee may be charged for collecting the late payment.

Note: The amount of the late payment penalty has been set by the Maintenance Enforcement Regulation in the amount of 18 per cent per annum on the actual daily balance of the debtor's enforceable maintenance obligation.

Three ways to avoid late payment fees and recovery costs:

- Choose a method of payment which ensures your payments are received by the Maintenance Enforcement Program on or before the due date in the court order.
- If you have been late making your payments, immediately take steps to bring your account up to date. Please note that penalties will begin being charged on any enforceable maintenance obligation outstanding as of April 1, 2012. If you want to avoid having penalties applied to your account you should make arrangements to pay any balance in full prior to April 1, 2012 and to pay your ongoing maintenance on time.
- If you are currently under garnishment or voluntary pay-allotment for regular ongoing payments, make arrangements for voluntary payments to bring your account into a one-month credit to enable the garnishing order to continue without the assessment of late payment penalties.

Late payment penalties:

Section 61.3(1) of *The Family Maintenance Act* states that penalties will be charged if the debtor (payor):

- fails to make maintenance payments required by the maintenance order
- fails to make payments by the required day by the maintenance order

The act also states that penalties will be charged if the debtor does not follow the payment condition set in an order that suspends enforcement of the maintenance order. For example: If a maintenance order amount is changed (even temporarily) to allow the debtor to only pay \$100 per month, instead of \$500 per month, the debtor must still pay the \$100 at the time stated in the order. This law applies to **all** maintenance orders, no matter when the suspension of enforcement order was made.

Cost recovery fees:

Section 61.4(1) of *The Family Maintenance Act* states the cost of collecting late payments (cost recovery fees) is set in the regulations. The fees apply to the costs that the Program incurs when collecting late payments. The fees include the cost of:

- collecting payments that are refused by the payor's financial institution (ex: NSF payments)
- taking any action stated in Section 55 of *The Family Maintenance Act*
- making a licence denial application under the *Family Orders and Agreements Enforcement Assistance Act* (Canada)

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Cost recovery fees will be charged when MEP determines that it is necessary to take the following enforcement actions:

- proceedings to obtain a Garnishing Order under *The Garnishment Act* - \$50.00
- registration of an order in a Land Titles Office under *The Judgments Act* - \$100.00
- proceedings to obtain a Writ of Execution under *The Executions Act* - \$100.00
- proceedings to bring a debtor before a deputy registrar for an examination - \$100.00
- proceedings to bring a debtor before a master of judge - \$200.00
- notification to a personal reporting agency that the debtor is in default under the order - \$50.00
- notification under Section 59.1 of the Act to the debtor in default about possible action under *The Highway Traffic Act* - \$50.00
- registration of a financing statement in the Personal Property Registry under Section 59.4 of *The Personal Property Security Act* - \$50.00
- issue of a Support Deduction Notice under Section 58.1 of *The Family Maintenance Act* - \$50.00
- application for a licence denial under the *Family Orders and Agreements Enforcement Assistance Act* (Canada) - \$50.00
- collection of payments refused by the debtor's financial institution (ex: NSF cheque) - \$50.00

Paying penalties and costs:

If a late payment penalty has been assessed, the outstanding amount must be paid immediately and no later than your next regular payment date to avoid enforcement action. You may pay the outstanding amount by forwarding the payment to MEP.

In most cases, the cost recovery fee will be added to the amount being collected. For example, the amount will be added to the Support Deduction Notice (similar to a Garnishing Order).

Enforcing payment of penalties and costs:

MEP's designated officer may enforce a late payment penalty and cost recovery fee in the same way as maintenance orders are enforced.

To review the legislation and regulations authorizing the Maintenance Enforcement Program to enforce maintenance arrears, late payment penalties and costs, visit the Manitoba Laws Continuing Consolidation of the Statutes of Manitoba website at:

http://web2.gov.mb.ca/laws/statutes/index_ccsm.php