

ENFORCEMENT AGAINST CORPORATIONS FACT SHEET

Family Maintenance Enforcement Program

What is “enforcement against corporations”?

As soon as a maintenance order or agreement is filed with the Family Maintenance Enforcement Program (FMEP), we are responsible under the *Family Maintenance Enforcement Act* for monitoring and enforcing that order.

That means we have the authority to take certain actions to make sure the person who is supposed to pay maintenance (called the payor) makes his or her maintenance payments.

One of those actions – for payors who own all or a major part of a corporation – is to make the payor’s corporation liable for the payor’s family support payments.

That means the corporation, as well as the payor, can be held responsible both for making the payor’s regular maintenance payments and for making up any missed payments (called the arrears).

Will you take this action against any kind of corporation?

We will enforce against two kinds of corporations:

- where the payor is the sole shareholder, or
- where the payor has a controlling interest (either the payor alone holds at least 50 per

cent of all shares, or together with his or her immediate family holds at least 50 per cent of all shares).

When will you enforce against a corporation?

Enforcement against a corporation is a serious step. We will take that step only with payors who owe more than \$3,000.00 in arrears and only after we have tried - unsuccessfully - to collect the maintenance in other ways.

We will consider making the corporation liable for the payor’s maintenance payments only if administrative enforcement does not work, and the payor still does not pay the arrears or contact us to work out a reasonable payment plan.

How will you notify the corporation?

If the payor is the sole shareholder in the corporation, we will send the corporation a notice that it is now liable for the payor’s maintenance payments.

If the payor has a controlling interest in the corporation, we will first apply to the court for an order stating that the corporation is liable for the

payor’s maintenance payments. After the order is granted, we will send the corporation a notice that it is now liable for the payor’s maintenance payments.

The notice offers the corporation one last chance to make a payment before we take enforcement action.

Can the corporation request a review of the case?

The corporation may ask the FMEP to review the case if the corporation is either insolvent or believes that paying the maintenance would result

in a risk to its solvency. We must receive this request within 14 days from the notice date.

What happens if the corporation does not respond to the notice or request a review?

If the corporation does not respond to the notice with a payment or a request for review within 14 days, we will begin enforcement action against the corporation.

Under the law, we can take the same enforcement action against a corporation as we can against an individual payor. That includes requiring anyone who owes the corporation money to pay it directly to the FMEP (this is called “attaching” income), or registering a lien against the corporation’s land or other property so that it cannot be sold until the arrears are paid.

How long will you continue with enforcement against the corporation?

We will continue enforcement action until:

- the payor (or the corporation) has paid the arrears and has been making regular payments for some time, or
- the payor sells the corporation (or the controlling interest), and all payments owing up to the date of the sale are made, or
- the payor’s case is withdrawn from the FMEP.

How can I get more information about enforcement against corporations?

For pre-recorded, general information about enforcement against corporations and a variety of other subjects, please call the FMEP Infoline:

Greater Vancouver: 604-775-0796

Greater Victoria: 250-356-5995

Elsewhere in BC: 1-800-668-3637

For more specific information about your case, please call an Enquiry Representative at one of our FMEP Regional Offices:

Greater Vancouver: 604-678-5670 or toll-free 1-800-663-9666

Greater Victoria: 250-220-4040 or toll-free 1-800-663-3455

Northern and Interior BC: 250-434-6020 or toll-free 1-800-663-3933

For information about your case, visit our website, www.fmep.gov.bc.ca

For information about family justice issues and services, visit www.ag.gov.bc.ca/family-justice

We will always consider carefully the effect any enforcement action might have on the corporation.

Maintenance Tips for Payors

- You can send payments to us through On-line Banking, Telephone Banking or ABM Banking, instead of mailing payments. Please contact your regional office for details on how to set up this payment option.
- If you mail your payments be sure to allow enough time for them to arrive by the due date. (You may want to consider post-dated cheques.)
- Send your cheque or money order - made out to the recipient - to us at our Victoria office:
FMEP Payment Services
Box 5599
Victoria, BC V8R 6T7
- Always include your FMEP case number on your payment.
- Do not pay the recipient directly. You are required by law to send all payments to the FMEP.
- We cannot change your court order or agreement. If you are having trouble making your scheduled maintenance payments, you may need to obtain a new court order or agreement. In the meantime, however, we are required to make sure you pay the maintenance you owe now.
- If you have fallen behind in your payments, please contact us. We will work with you to develop a plan for paying the arrears in addition to making your regular maintenance payments.