

# BRITISH COLUMBIA FAMILY MAINTENANCE ENFORCEMENT PROGRAM

2015-2016



November  
2016

2015-2016 Annual Report

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## FOREWORD

This year's annual report looks at FMEP from three perspectives – across the province, across borders and across age groups of children.

Although the total caseload is dropping slightly, support payments continue to positively impact families across the province. The chart on page 14 shows where the more than 38,000 payors live in BC – representing many communities within the province, and supporting their families whether they live across-town, across the province or outside of BC. Charts on pages 9, 10 and 11 illustrate the distribution of funds throughout Canada, the US and our other international partners.

In 2015/16, more total funds were paid than in any previous year. The benefits of almost \$211 million are many, from safe housing and good nutrition through to participation in community activities and, for a growing number of BC youth, completion of educational opportunities. As can be seen in the chart on page 12, older teens and young adults are being supported to get the 'good start' that is necessary for future success.

As payments increase, so does the use of modern banking tools. More payors are using electronic banking to make payments, with fewer paper cheques exchanging hands. The disbursement to recipients has changed dramatically over the past five years with direct deposit becoming the accepted method for payments, offering safe, secure and certainty of receipt of funds.

Technology can improve many processes and offer great benefits in our everyday lives. But, for some activities, it will never replace people. The connection between 'tech' and 'touch' is essential to ensure that people understand the various processes that impact their lives and those of their children. Over a quarter of a million calls to the InfoLine are made each year and the FMEP interactive website receives over one million hits annually. While these forms of communication are important, so are the 250,000 person-to-person telephone conversations that take place, as well as the in-person services offered by outreach workers.

Whether families live in the same community or are separated by distance throughout BC, Canada or across international borders, FMEP can help to ensure that financial obligations are met for the benefit of children.

Chris Beresford  
Director of Maintenance Enforcement

# HIGHLIGHTS OF THE 2015-2016 YEAR

## Highlights for the year include:

### Caseload

- The FMEP caseload continues to decrease, as it has every year since 2007/2008. There has been a 9.2 percent decrease in the total caseload over the past ten years.
- The caseload reduction has been driven by a decrease in new cases enrolling in the FMEP – not by an acceleration in cases leaving the program.
- In 2014-2015, a significant change in policy by the Ministry of Social Development and Social Innovation led to a decrease in the number of cases being enrolled by that ministry.
- One in five cases in the FMEP caseload involve a parent living outside BC. Most of these cases involve a parent living elsewhere in Canada.
- Alberta continues to be the biggest reciprocal partner for the BC FMEP.

### Payments

- Despite the decreasing caseload, the total amount of maintenance collected and disbursed by the FMEP exceeded the amount collected in any previous year.
- Almost \$211 million was collected in 2015–2016, an increase of just over \$650,000 from the previous year.
- In 2015-2016, 81 percent of FMEP cases received payments and more than 31 percent of cases were fully paid (meaning all the maintenance owed was paid in full, including any arrears).

### Clients

- Over 58,000 children are entitled to child support through the FMEP. Twenty-seven percent of these children are over the age of majority, but continue to be entitled to child support because they are in school or otherwise still dependent upon their parents.
- The percentage of paying parents on income assistance continues to increase, with over 13 percent of payors receiving income assistance from the government.

### Operations

- 43,000 payments per month were processed by the FMEP, with the majority of the incoming payments now being made electronically. Similarly, over 83 percent of the outgoing funds were deposited directly to client bank accounts. Cheques now account for less than 15 percent of outgoing payments.
- Administrative (non-court) enforcement continues to be the most frequent type of enforcement with garnishment of bank accounts, wages and other monetary sources of funds being the most common.
- The introduction of a completely rebuilt website resulted in a significant increase in web usage as a means of obtaining and providing information to the FMEP.

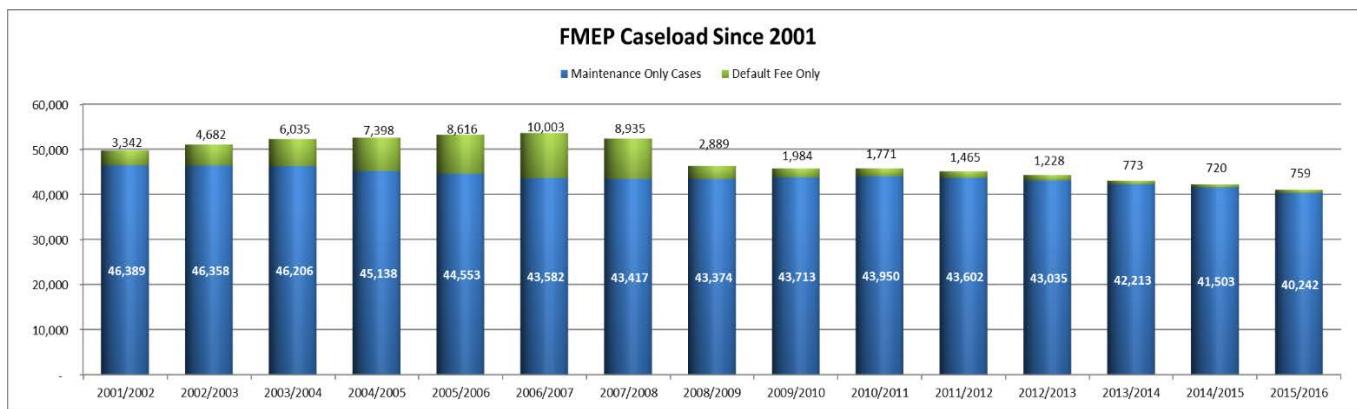
## FMEP CASES

This section provides an overview of the FMEP caseload – the number of cases enrolled where those cases are located, and a breakdown of the cases by type. We also discuss the caseload composition by type – whether the cases involve parents who reside outside British Columbia and whether the cases are government fee-only cases.

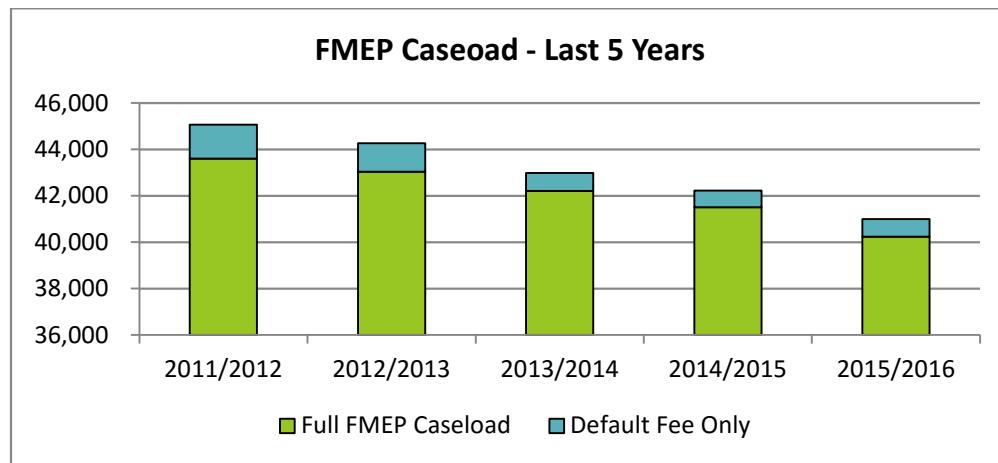
### OVERVIEW

The FMEP caseload consists of both family maintenance cases, where the FMEP is collecting child or spousal support for families, and government fee-only cases, where the FMEP is recovering fees owed to government for the cost of enrollment. The latter cases currently account for just two percent of the overall caseload.

As shown in the graph below, the overall caseload has been declining since 2007-2008. The decline has taken place both in the government fee caseload as well as in the maintenance caseload.



The five year trend is shown below.

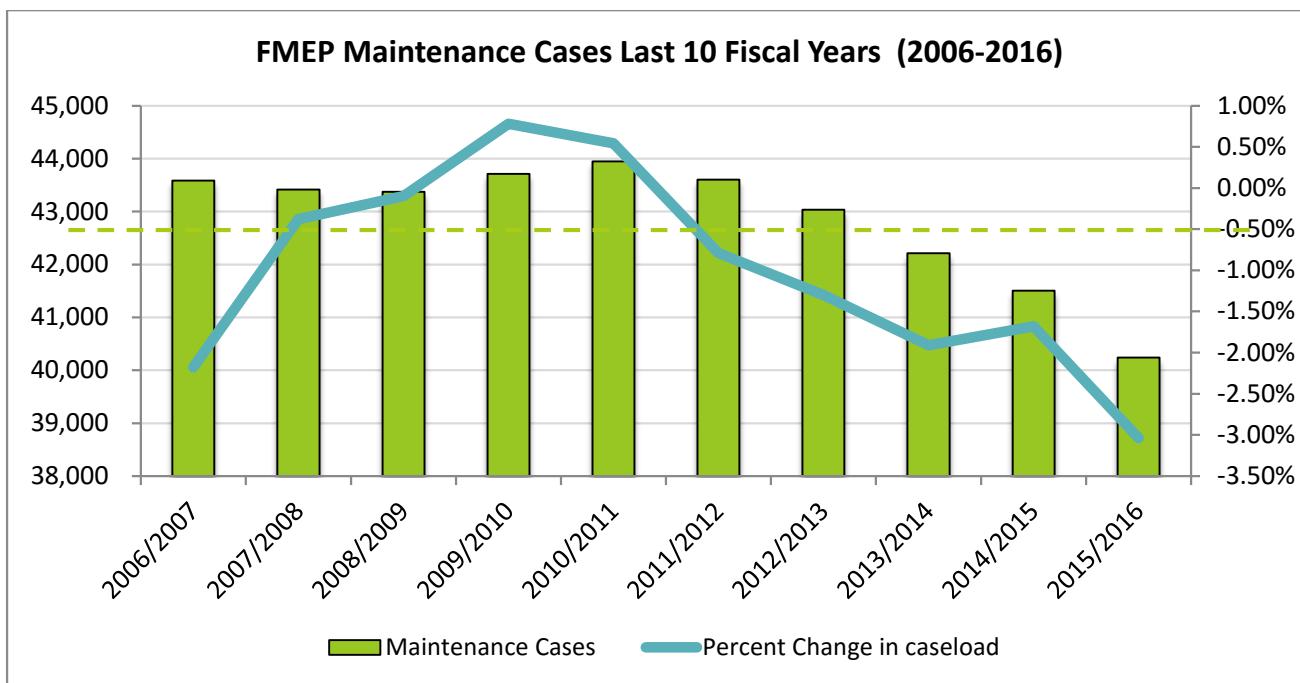


It is interesting to note that the reduction in caseload in British Columbia matches a trend that is seen elsewhere. For example, published data shows that in the United States in fiscal year 2015, there were 14.7 million child support cases, which was a reduction of 24 percent in total caseload since fiscal year 1998.<sup>1</sup>

<sup>1</sup> Solomon-Fears Carmen; The Child Support Enforcement Program: A Review of the Data Congressional Research Service, 7-5700 www.crs.gov RL32875, September 14, 2016 and FMEP Annual Report 2015-2016.

## FAMILY SUPPORT ENFORCEMENT CASES

Child or spousal support (family support cases) declined for the fifth consecutive year in 2015-2016. Over the past ten years, the FMEP has seen a caseload decline from 44,553 cases in 2001-2002 to 40,242 cases in 2015-2016. This represents a 9.2 percent decrease in the maintenance caseload.



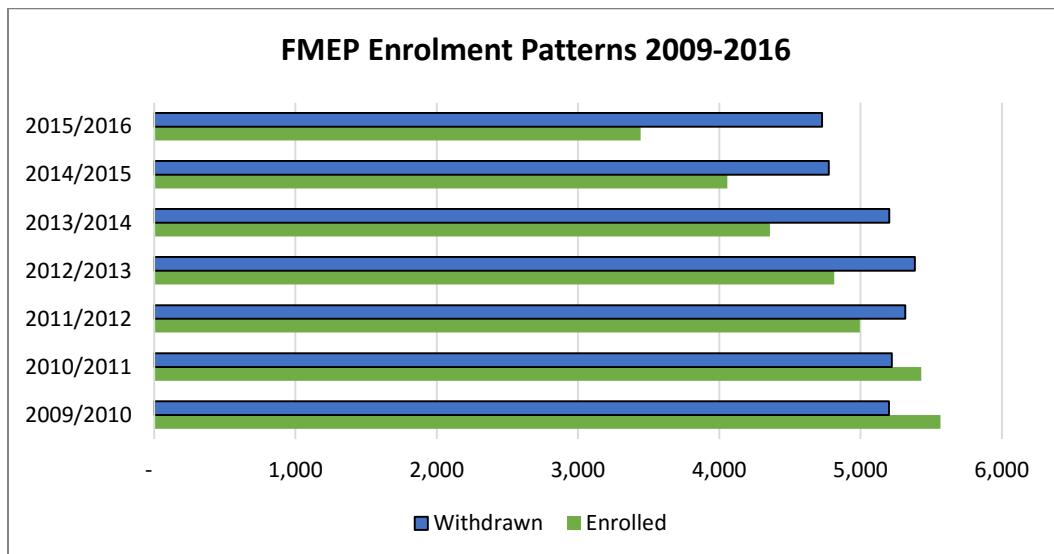
The decline in the family maintenance caseload has been driven by a decline in new cases enrolling with the FMEP. Each year a significant number of cases withdraw from the program and new cases enrol or re-enrol to replace them. FMEP numbers show that the drop in cases has resulted primarily from a decrease in the number of new cases being enrolled, rather than from acceleration in cases being withdrawn.

The reduction in new cases enrolling in the FMEP is largely attributable to the termination of the mandatory assignment of maintenance rights program within the Ministry of Social Development and Social Innovation (SDSI). Effective May 2015, the ministry ended its practice of automatically enrolling maintenance orders for clients in receipt of income assistance. These clients now enrol directly with the FMEP if they wish to do so. This has led to a reduction in enrollment of 51 cases per month.

The impact of this program change is discussed in further detail below.

Cases withdraw because the maintenance is fully paid under the order (the children have become adults and any arrears are paid), both parents may leave British Columbia, or the maintenance recipient may decide to withdraw from the FMEP and deal with the maintenance payor directly, if the maintenance is being paid regularly.

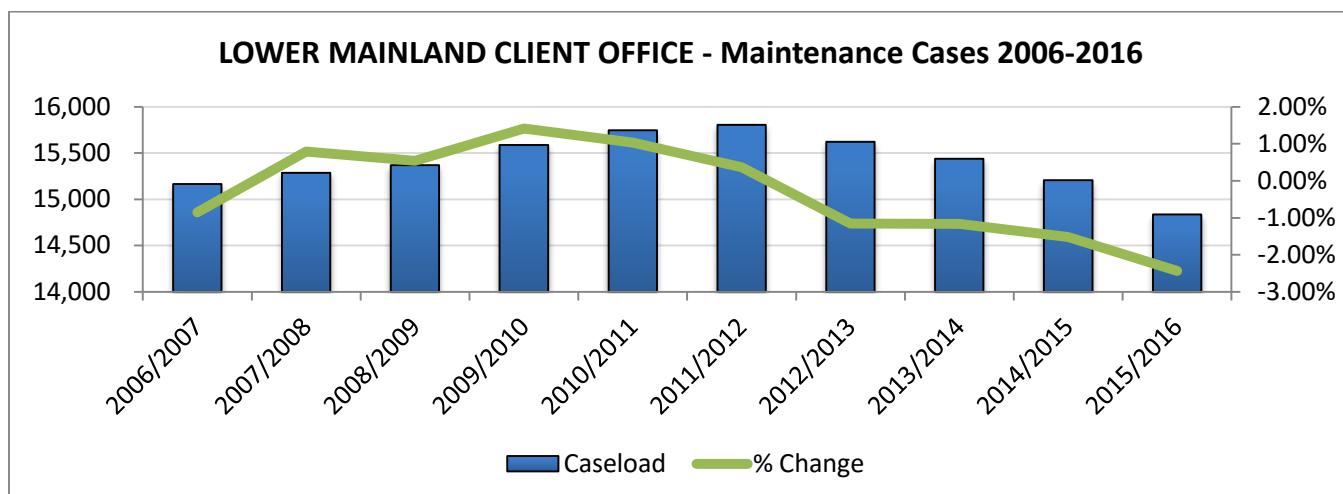
The following chart shows the pattern for the past five completed years. This was the fifth consecutive year where withdrawals exceeded new and re-enrolled cases. In 2015-2016, only 3,444 cases were opened or re-opened, while 4,728 cases withdrew. However, the number of cases being withdrawn or closed each year has declined and has remained relatively stable.



## GEOGRAPHIC DISTRIBUTION OF CASES

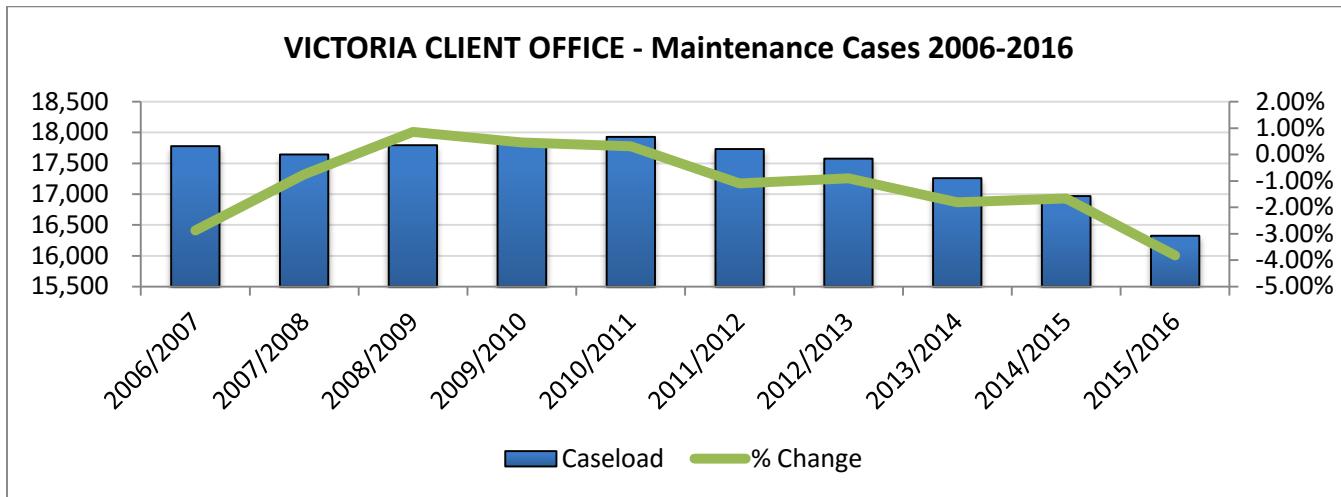
The FMEP operates out of three regional offices in British Columbia. Generally the cases are managed in the office that is closest to the court where the maintenance order or agreement is filed.

The **Lower Mainland Client Office** is situated in Burnaby and serves the population of the Greater Vancouver and the Fraser Valley. Fifty-six staff provide service to 14,835 clients. The total caseload in the Lower Mainland office dropped last year, commensurate with the overall caseload reduction. The total caseload has dropped by close to six percent since 2001.

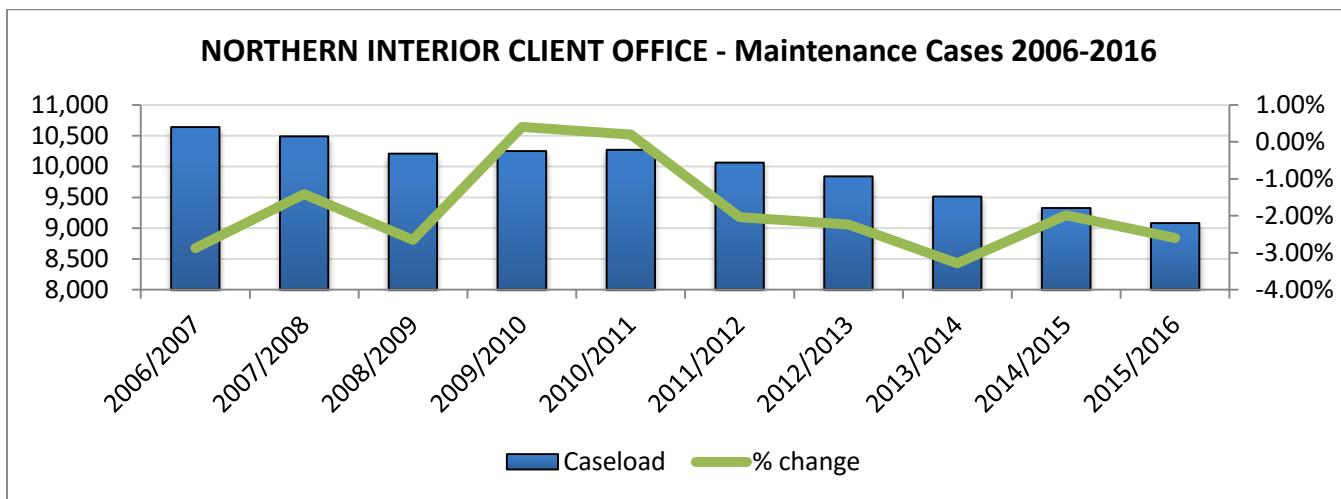


The **Victoria Regional Client Office** is the largest office in the FMEP. In addition to both the regular and inter-jurisdictional (cases where one parent lives outside British Columbia) support enforcement teams, the Victoria offices are also home to our dedicated Payment Processing Division and Enrolment Office. The Victoria office handles the largest number of cases in the FMEP. At the end of 2015-2016 year, the office had 16,323 support enforcement cases. This represented a decline of four percent from the previous fiscal year, and was the fifth consecutive annual decline in the Victoria caseload.

The overall numbers can be seen in the following chart.



The **Northern Interior Client Office** is located in Kamloops, British Columbia. The chart below shows the overall trends for the past decade.



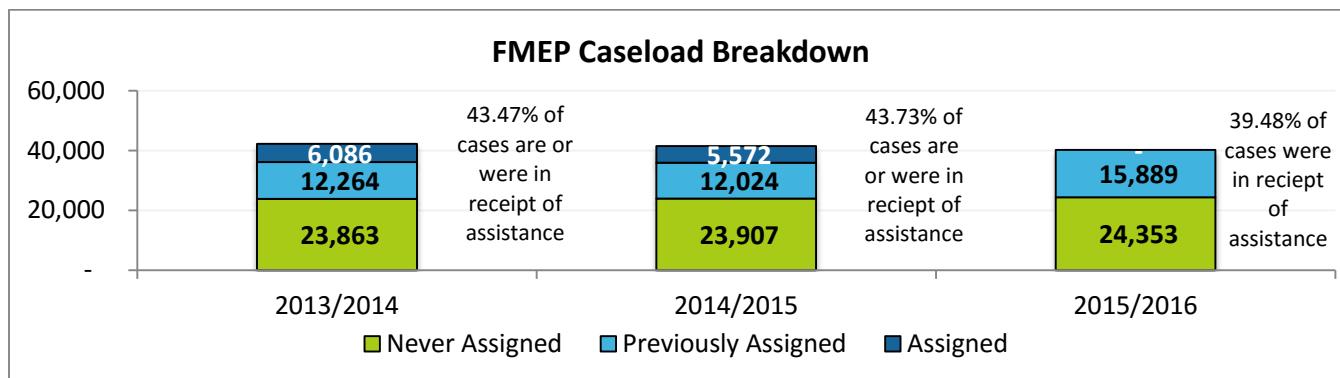
The overall caseload in Kamloops has declined by 13 percent in the past five years, the largest decline of the three offices. The Kamloops office finished the year with 9,084 cases.

## PREVIOUSLY ASSIGNED CASELOAD

Within the overall caseload of the FMEP there is a subset of cases where the recipient of maintenance was in receipt of income assistance before May 2015. Since May 2015, as noted above, the SDSI no longer automatically enrols these clients, nor are they required to remain in the FMEP if they are already enrolled. Accordingly, the FMEP no longer makes a distinction in the caseload between assigned and non-assigned cases. However many of these recipients remain on income assistance and for these clients, the maintenance they receive makes a significant difference to their overall household income, as it is no longer offset against the income assistance paid by the ministry. For the clients who were on income assistance prior to May 2015, but are no longer in receipt of assistance, the maintenance received is often an important factor in allowing these clients to remain self-sufficient.

The chart below shows the caseload based on this breakdown. As can be seen, with the changes to the assignment program, the FMEP caseload no longer contains any assigned cases, although there are many recipients within the previously assigned case group that continue to be in receipt of income assistance.

The FMEP is working on an initiative to better identify these cases so that the impact of the maintenance they receive is better understood.



**Assigned Cases:** Are cases where the recipient was in receipt of income assistance prior to May 2015 and the SDSI required enrolment in the FMEP.

**Never Assigned Cases:** Are cases where the recipient has never been in receipt of income assistance.

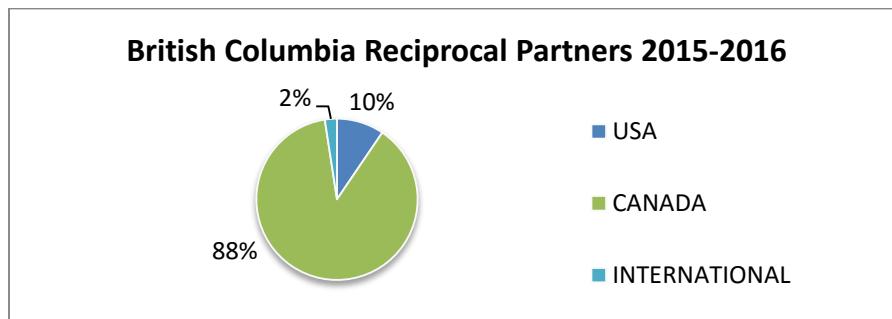
**Previously Assigned Cases:** Are cases where the recipient was in receipt of income assistance prior to May 2015. These clients may or may not continue to receive income assistance.

## RECIPROCAL CASES

Reciprocal cases are maintenance cases in which either the support recipient or the support payor reside outside of British Columbia. These cases make up a significant portion of the overall FMEP caseload; almost 21 percent of maintenance cases involve one parent (either the paying parent or the parent receiving maintenance) living outside of the province. The FMEP has reciprocal agreements with similar enforcement programs in Canada and around the world. These agreements commit each province, state or country to enforce orders on behalf of families living outside the province or country, and help ensure that children and families receive support no matter where they live.

At March 31, 2016, the FMEP had 8,423 reciprocal cases. Overall, the number of reciprocal cases has decreased over the past five years, consistent with the drop in the rest of the caseload. Interestingly, the drop has been greater with respect to cases where the paying parent (debtor) lives outside British Columbia; cases where the paying parent lives in British Columbia and his or her family lives elsewhere have not declined as much. Cases where the paying parent lives in British Columbia have declined by 7.7 percent since 2007-2008, while cases where the paying parent lives outside British Columbia have declined by 15.2 percent.

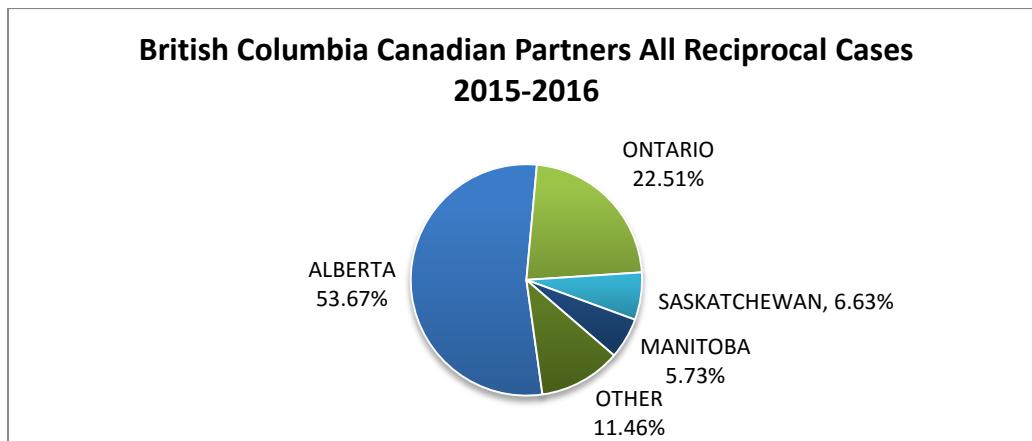
The majority of these reciprocal cases are Canadian cases where one parent resides in British Columbia and the other parent resides in one of the other provinces or territories in Canada. Cases involving a parent in the United States comprise a smaller portion of the reciprocal caseload, with international cases (non-U.S.) being the smallest portion of the caseload. As shown in the following chart, 88 percent of the caseload involves a parent in another province or territory in Canada, 10 percent have a parent in the United States and 2.2 percent involve a parent in a country outside of Canada or the United States.



Not surprisingly, the FMEP's largest partners for support enforcement in Canada and the United States are jurisdictions which are geographically close to British Columbia. This is likely a reflection both of regional mobility as well as maintaining closer connections for the purpose of allowing the out of British Columbia parent to continue contact with the children. In Canada, the western provinces of Alberta, Saskatchewan and Manitoba make up 64 percent of the domestic caseload, and the Pacific border states of Washington State, Oregon, California, Alaska and Hawaii make up more than one half (52.3 percent) of all shared case with the United States.

### Canadian Caseload

As mentioned above, the domestic caseload – those cases where one parent lives in a province or territory outside of British Columbia are made up primarily of cases in western Canada. Over 64 percent of enrolled cases are in the three western provinces of Alberta, Saskatchewan and Manitoba. As the chart below shows, 53 percent of cases have one parent living in British Columbia and one parent living in Alberta.



The individual breakdown of cases by province or territory is shown in the table below. Alberta has the most cases with 3,982 cases with British Columbia as of March 31, 2016. Ontario is the second largest partner with 1,670 cases in common with British Columbia as of the last day in the fiscal year. As noted earlier, Saskatchewan and Manitoba also have significant caseloads in common with British Columbia, and are third and fourth in terms of the actual reciprocal caseload numbers.

Canadian Caseload By Province 2015-2016 (all cases)			
Province	Cases	Province	Cases
ALBERTA	3,982	NUNAVUT	9
MANITOBA	425	ONTARIO	1,670
NEW BRUNSWICK	109	PRINCE EDWARD ISLAND	24
NEWFOUNDLAND	116	QUEBEC	218
NOVA SCOTIA	233	SASKATCHEWAN	492
NORTHWEST TERRITORIES	50	YUKON	91

### International Caseload – United States

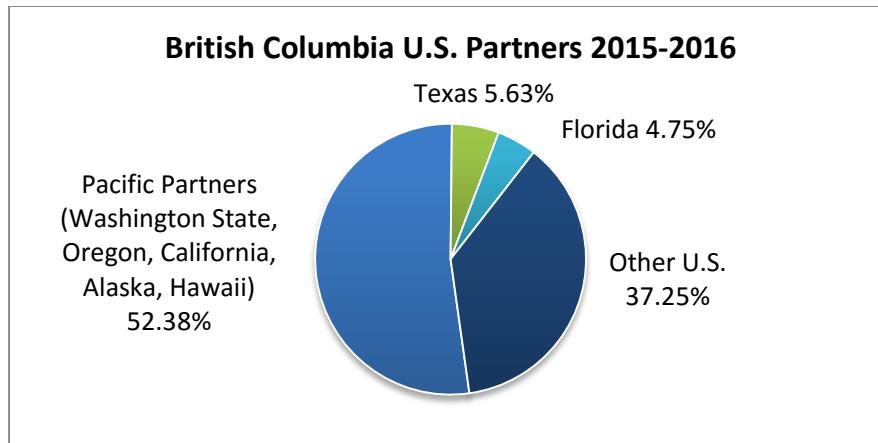
The United States is the FMEP's largest single international partner. At the end of 2015-2016 there were 800 cases enrolled where one of the parents lived or worked in the United States. This figure is down five

percent (39 cases) from the previous year. The table below shows the number of cases enrolled with the FMEP and the corresponding U.S. state.

United States Caseload By State 2015-2016 (all cases)					
State	# Cases	State	# Cases	State	# Cases
ALABAMA	4	KENTUCKY	3	NORTH DAKOTA	3
ALASKA*	11	LOUISIANA	0	OHIO	12
ARIZONA	24	MAINE	4	OKLAHOMA	5
ARKANSAS	6	MARYLAND	6	OREGON*	39
CALIFORNIA*	102	MASSACHUSETTS	9	PENNSYLVANIA	9
COLORADO	14	MICHIGAN	19	RHODE ISLAND	2
CONNECTICUT	5	MINNESOTA	13	SOUTH CAROLINA	5
DELAWARE	0	MISSISSIPPI	5	SOUTH DAKOTA	0
DISTRICT OF COLUMBIA	4	MISSOURI	14	TENNESSEE	6
FLORIDA	38	MONTANA	7	TEXAS	45
GEORGIA	12	NEBRASKA	3	UTAH	11
HAWAII*	13	NEVADA	16	VERMONT	0
IDAHO	11	NEW HAMPSHIRE	1	VIRGINIA	7
ILLINOIS	4	NEW JERSEY	5	WASHINGTON*	250
INDIANA	9	NEW MEXICO	3	WEST VIRGINIA	1
IOWA	2	NEW YORK	20	WISCONSIN	1
KANSAS	6	NORTH CAROLINA	4	WYOMING	3

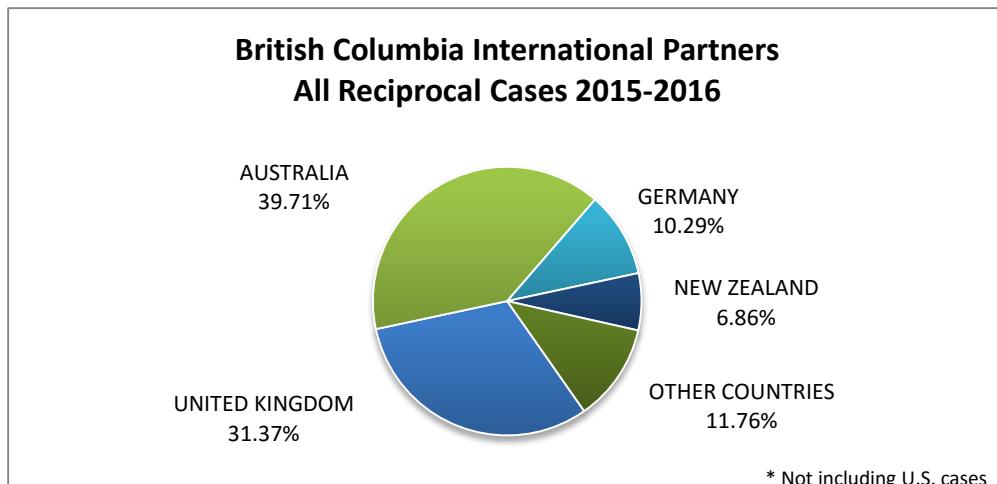
\*Pacific Partner

As noted before, the majority of cases in the United States are enrolled from jurisdictions that are geographically close to British Columbia. More than 52 percent of cases come from just five U.S. states, Alaska, California, Hawaii, Oregon and Washington State. Washington is the largest single partner at 31 percent of all United States cases with California second at 13 percent.



### International Caseload – Other Countries

Comprising only 2.2 percent of the reciprocal caseload, these cases are where one parent lives outside of Canada or the United States. The total case count and break down are shown in the following chart and table.



INTERNATIONAL CASELOAD 2015-2016 (Non U.S.)			
COUNTRY	CASES	COUNTRY	CASES
AUSTRALIA	81	HONG KONG	7
AUSTRIA	3	SINGAPORE	1
CZECH REPUBLIC	4	NEW ZEALAND	14
GERMANY	21	NORWAY	1
FIJI	1	SLOVAKIA	3
UNITED KINGDOM	64	SOUTH AFRICA	1
		SWITZERLAND	3

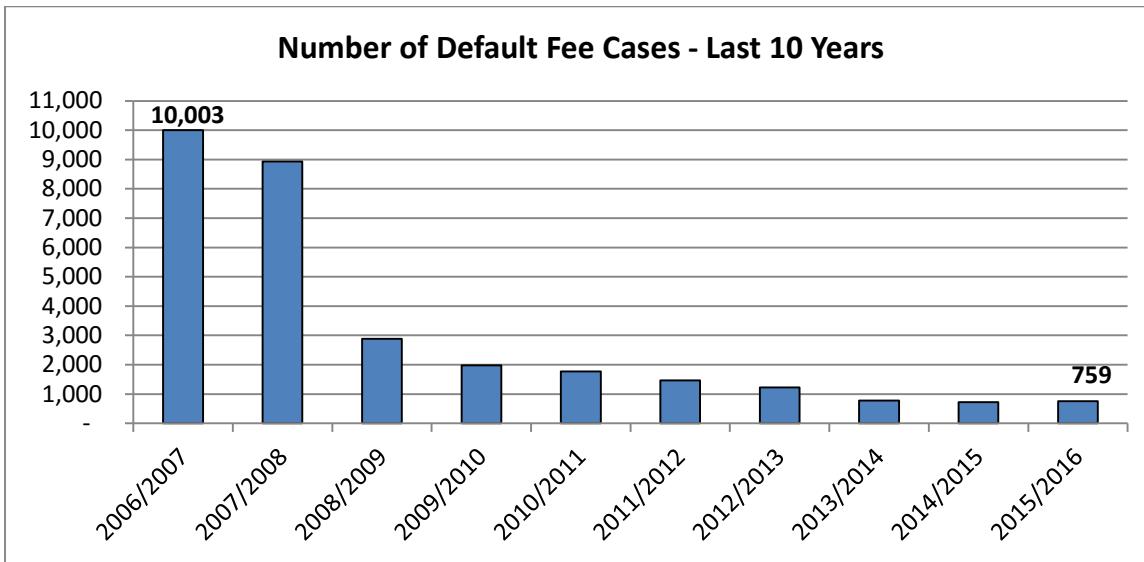
\*United Kingdom – includes cases from Northern Ireland, Scotland, Britain and Wales

An interesting fact from the international caseload is that the majority of cases (78 percent) are from the Commonwealth. The United Kingdom, Australia, New Zealand, South Africa and Fiji make up the majority of the cases. The United Kingdom and Australia alone account for almost 68 percent of cases.

## GOVERNMENT FEE CASES

Government fee-only cases are those cases where the FMEP is only collecting a fee owed to the government of British Columbia. The fee is collected after all maintenance owing to the recipient has been paid; this includes unpaid support and interest.

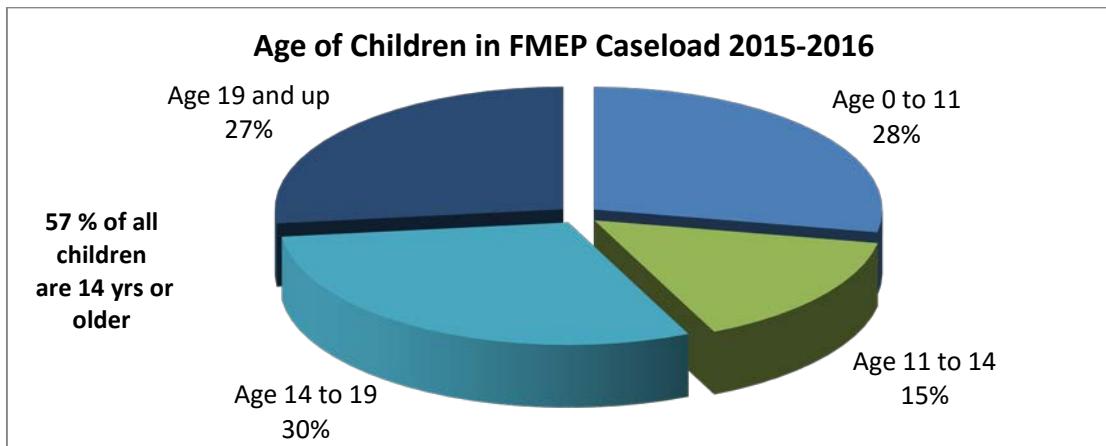
The number of fee-only cases is very small. They represent less than 2 percent of the overall FMEP caseload. The caseload over the past ten years is shown in the following chart. Note that the decline between 2007-2008 and the following year was due to actions taken by the FMEP to initiate collections or close cases that were uncollectible. Since that large reduction, the decline in caseload has been slight.



## FMEP CLIENTS

This section provides information about the client and children that make up the families that are served by the FMEP.

### CHILDREN



The FMEP is a program that provides services largely to families with older children. Of the 58,475 children receiving child support from the FMEP, 57 percent of them are over 14 years of age. Equally important, the FMEP continues to be a program that helps families ensure that their children can complete schooling, as maintenance will be collected by the FMEP for children over the age of majority (age 19) while those children are completing their secondary and post-secondary schooling. More than one in four children in the FMEP are in this category.

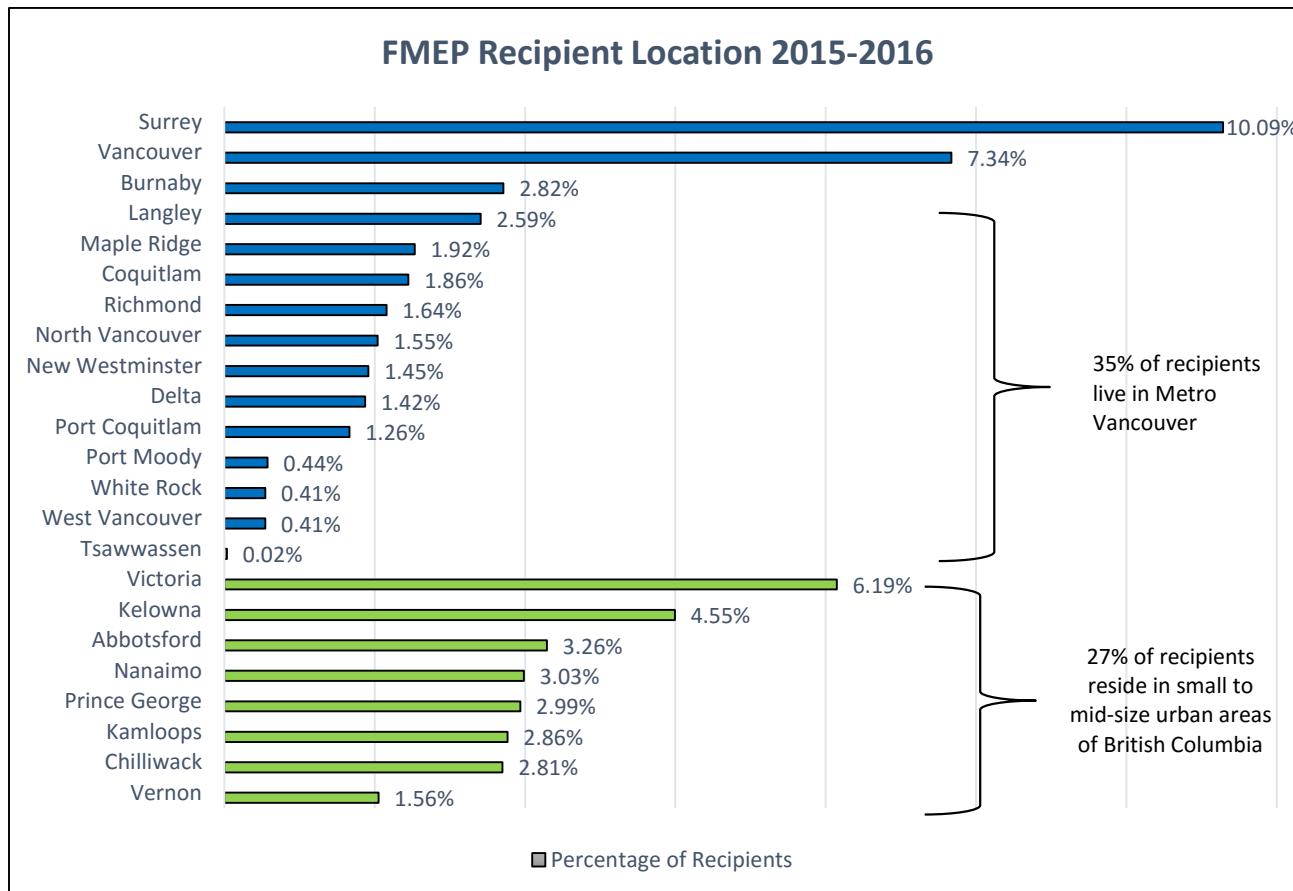
## PERCENTAGE OF BRITISH COLUMBIA CHILDREN ENROLLED IN THE FMEP 2015-2016

2016	BC Census Data	FMEP Enrolment Figures	Percentage of Children Enrolled in FMEP	2016	BC Census Data	FMEP Enrolment Figures	Percentage of Children Enrolled in FMEP
<b>Child 0 - 24</b>	1,292,986	53,502	4.13%	<b>12 years</b>	46,322	2,863	6.18%
<b>0 years</b>	44,614	13	0.03%	<b>13 years</b>	46,579	2,872	6.17%
<b>1 year</b>	45,176	124	0.27%	<b>14 years</b>	46,797	3,156	6.74%
<b>2 years</b>	44,966	351	0.78%	<b>15 years</b>	48,910	3,231	6.61%
<b>3 years</b>	45,710	627	1.37%	<b>16 years</b>	51,733	3,581	6.92%
<b>4 years</b>	45,400	942	2.07%	<b>17 years</b>	53,693	3,718	6.92%
<b>5 years</b>	45,684	1,235	2.70%	<b>18 years</b>	56,592	3,812	6.74%
<b>6 years</b>	46,548	1,597	3.43%	<b>19 years</b>	61,630	3,187	5.17%
<b>7 years</b>	47,335	1,882	3.98%	<b>20 years</b>	65,695	2,896	4.41%
<b>8 years</b>	47,443	2,176	4.59%	<b>21 years</b>	66,448	2,544	3.83%
<b>9 years</b>	46,905	2,350	5.01%	<b>22 years</b>	65,537	2,033	3.10%
<b>10 years</b>	46,120	2,464	5.34%	<b>23 years</b>	65,050	1,740	2.67%
<b>11 years</b>	45,928	2,596	5.65%	<b>24 years</b>	64,155	1,512	2.36%

Source: Statistics Canada. *Table 051-0001 - Estimates of population, by age group and sex for July 1, Canada, provinces and territories, annual (persons unless otherwise noted), CANSIM* (database accessed: 2016-11-22) and FMEP Annual Report 2015-2016.

## RECIPIENTS

There were 38,822 recipients who are enrolled in the FMEP as of the last day in the completed fiscal year.

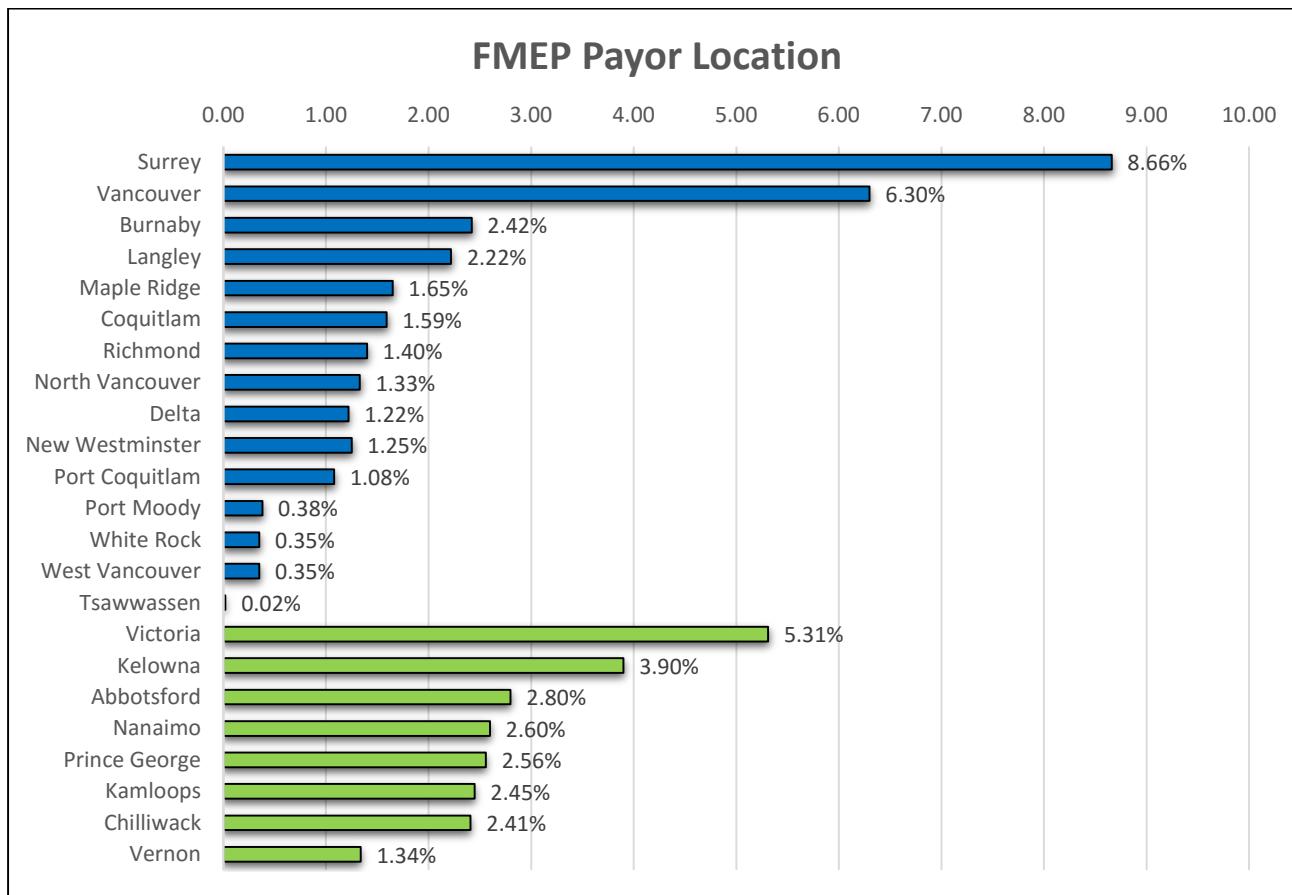


As the chart above shows, 35 percent of recipients reside in the Lower Mainland, including the Fraser Valley. Ten percent of recipients live in Surrey – the largest concentration of recipients in the geographic area. A further six percent live in Victoria. Overall, the majority of recipients live in medium sized to larger urban centres, not surprisingly, given the availability of employment and their need to support their families.

The average age of a recipient was 43 years of age, reflecting the fact that the families receiving support from the FMEP have older children and older parents.

## PAYORS

There were 38,376 payors enrolled in the FMEP as of March 31, 2016. Similar to FMEP recipients, payors tend to be clustered in the larger urban centres of British Columbia, as shown in the following chart.



Payors are slightly older than recipients with an average age of almost 46 years.

## PAYORS IN RECEIPT OF INCOME ASSISTANCE

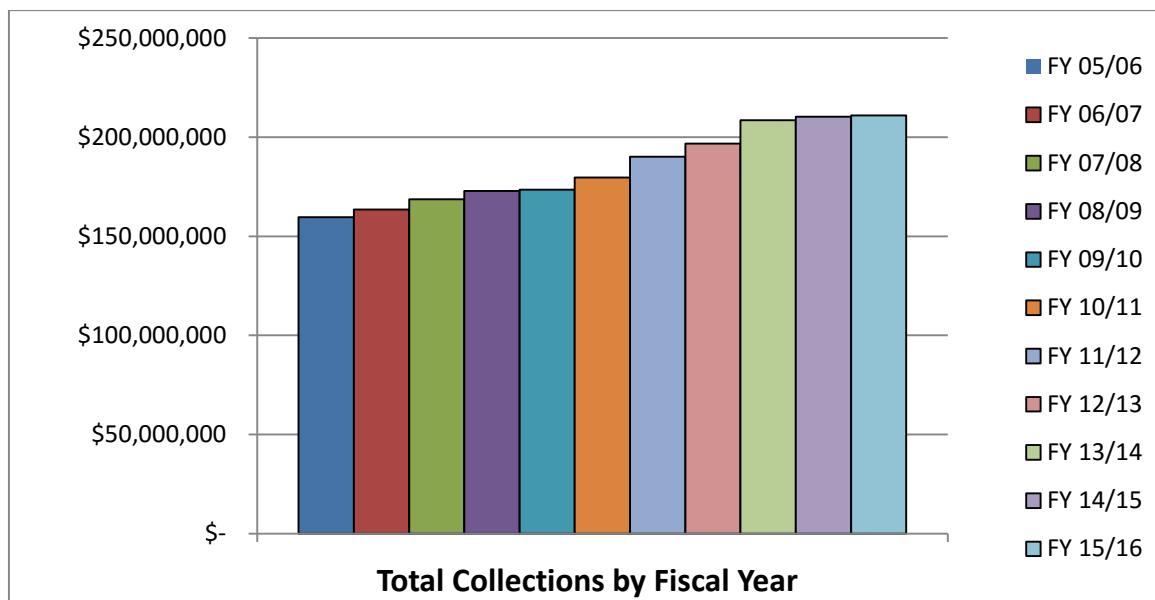
In 2015-2016 the number of payors in receipt of income assistance increased. This is an important metric, since a payor in receipt of income assistance may have significant difficulties providing ongoing support payments for his or her family. Just over 13 percent of payors living in British Columbia were in receipt of income assistance as of March 31, 2016. This was an increase of just over one percentage point from the previous fiscal year.

Fiscal Year	Number of Payors	Percentage of Payors in BC on IA	Change From Previous Year
2009/2010	3,796	9.87%	↑ 0.06%
2010/2011	4,584	11.83%	↑ 1.96%
2011/2012	4,718	12.31%	↑ 0.48%
2012/2013	4,674	12.36%	↑ 0.05%
2013/2014	4,494	12.13%	↓ 0.23%
2014/2015	4,360	11.96%	↓ 0.17%
2015/2016	4,635	13.05%	↑ 1.09%

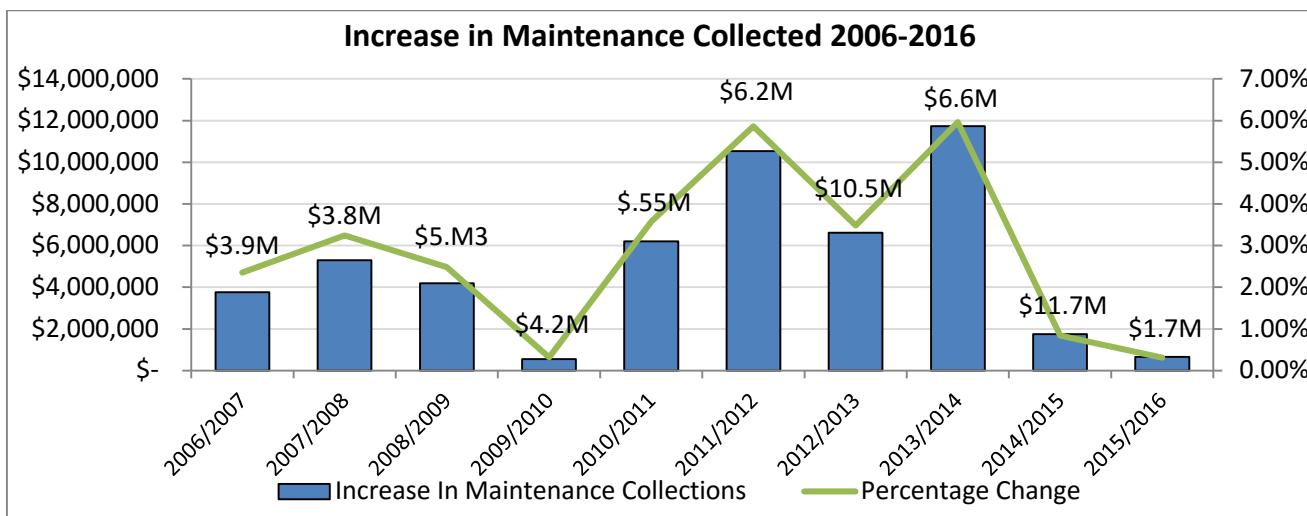
An increase in the percentage of payors in receipt of income assistance is of concern as these clients will fall further and further into arrears if they are not able to pay the maintenance required by their court order. While obtaining a variation of the maintenance order through the courts is an option for these clients, the barriers faced by the clients often make it practically impossible for them to obtain a new court order aligned with their circumstances. Thus the arrears on these cases can be significant.

## FAMILY SUPPORT OUTCOMES

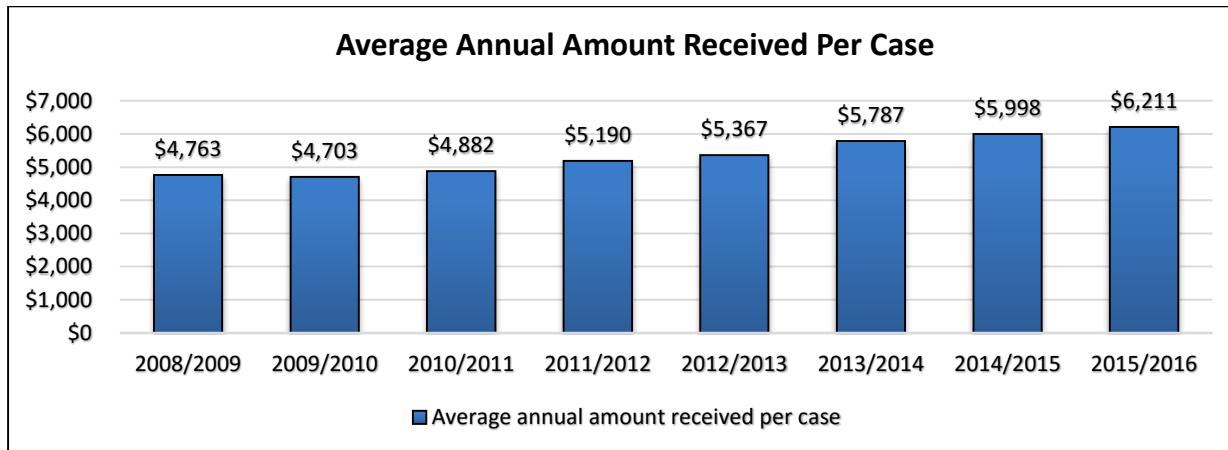
Maintenance collections for the 2015-2016 fiscal year again exceeded the amount collected in previous years. Almost \$211 million dollars was received during the year. This was the twenty-seventh consecutive year that the FMEP exceeded the amount collected in the previous year. Collections were up by \$656,743 (0.3 percent) over 2014-2015. The total collected each of the past ten years is shown in the chart below.



As is shown in the chart above, the growth in collections has been slowing over the past few years. This decrease in growth in collections reflects the reduced caseload. In the past, increased collections were driven, in part, by an increasing caseload. With a reducing caseload, any increase in overall program collections has to come from collecting more on each case. The following chart illustrates the change in growth in collections.



The increase in collections per case has been significant over the past eight years. As the chart below shows, the average amount received each year per case has risen from \$4,763 to \$6,211.

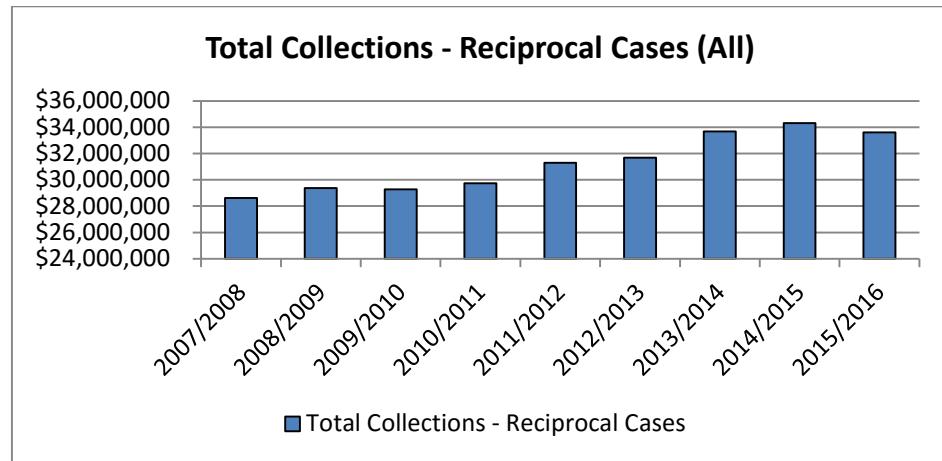


## INTEREST

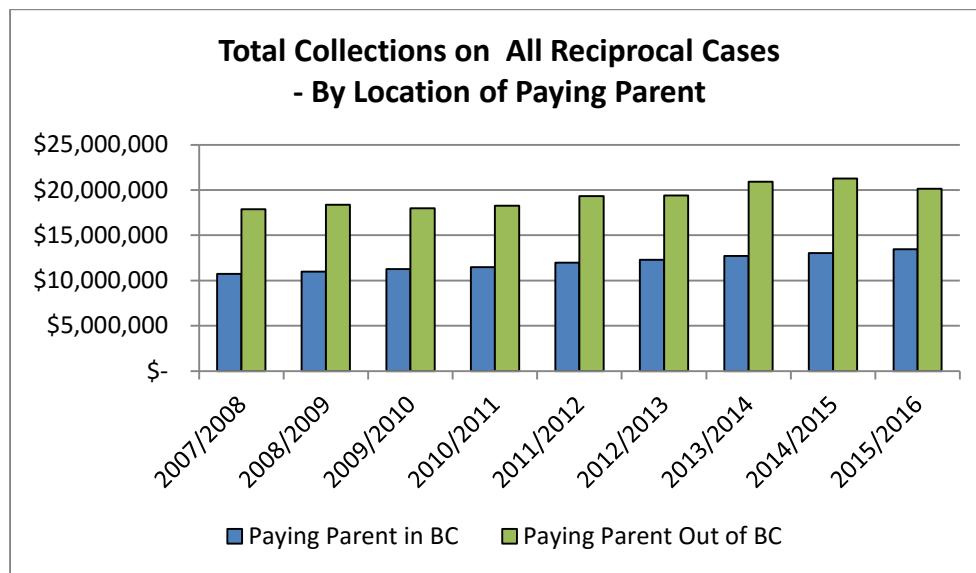
Since 1997, British Columbia has added interest to outstanding balances. This is done to ensure that all debt obligations are treated equally and fairly. In the last completed fiscal year the FMEP collected and distributed over \$2.4 million dollars in interest to British Columbia families.

## COLLECTIONS ON RECIPROCAL CASES

Reciprocal cases – cases where one parent resides outside the province of British Columbia – number just over 8,400 cases and make up 20.9 percent of the FMEP caseload. The impact of the declining caseload is evident in the collections on reciprocal cases. The following graph shows the total collections since 2008-2009 on these cases.



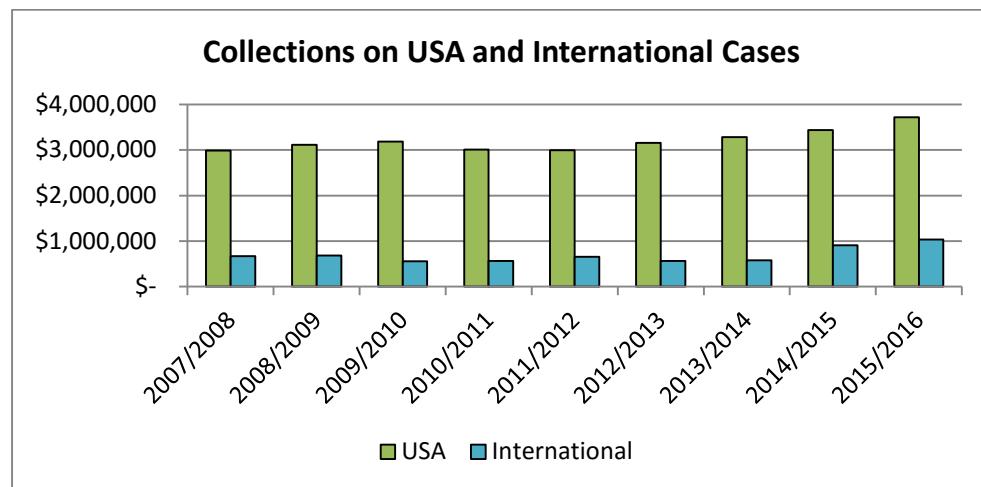
The increase in collections that we saw from 2011 to 2015 did not carry through to the last fiscal year. Instead, we saw a decrease of over \$700,000 in total collections. The decrease in collections was primarily attributable to a decrease in collections on cases where the paying parent is outside British Columbia. The following graph illustrates the differences between collections on cases where the payor lives in British Columbia, and cases where the paying parent has left British Columbia and another province or country is collecting for us.



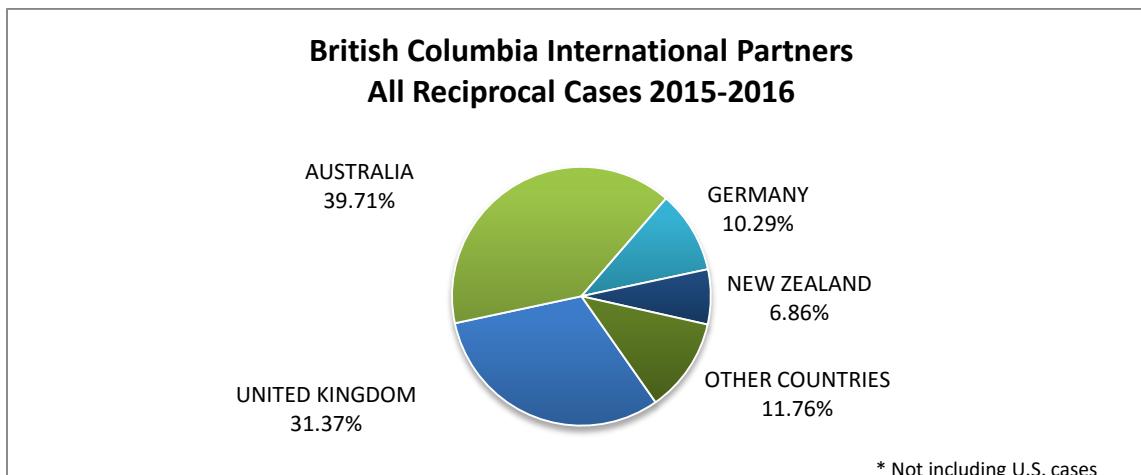
In terms of location of out-of-province parents, in Canada, Alberta remains the largest overall partner with British Columbia. Together we share just under 4,000 cases and in 2015-2016, \$17.2 million was collected on all of these cases. This is 57 percent of the total collections on all reciprocal Canadian cases. This was made up of \$5.9 million collected for Alberta families, and \$11.3 million collected for British Columbia families. The reason for the disparity is that there is a much larger caseload of payors living and working in Alberta than in British Columbia.

Outside Canada, Washington State continues to be the largest single partner with British Columbia. In 2015-2016 FMEP collected and sent \$342,328 to Washington State and they returned \$569,540 for British Columbia families.

Our collections with international partners, both in the United States and around the world have increased over the past nine years, as shown in the following chart.



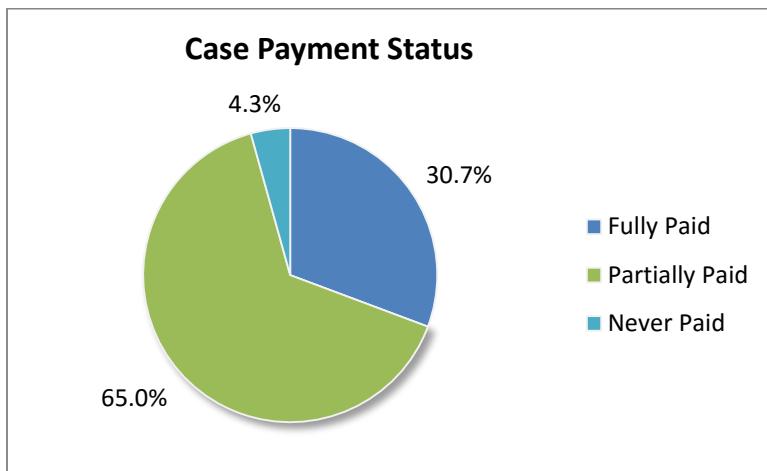
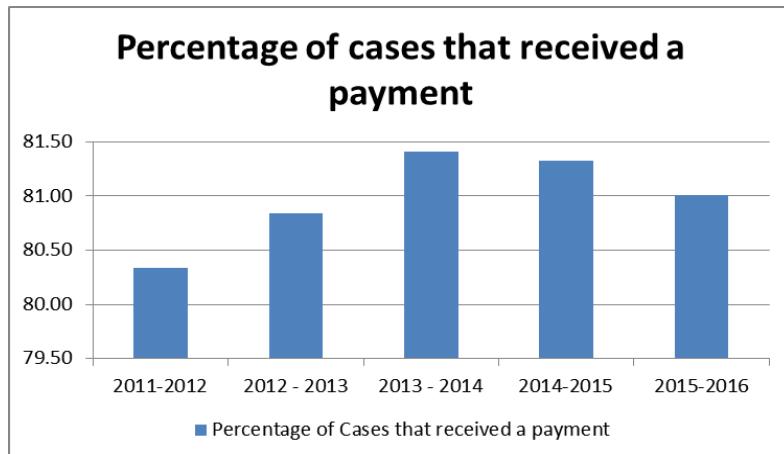
International cases (not including the United States) make up a very small portion of the FMEP caseload. They numbered 204 cases as of March 31, 2016. Australia and the United Kingdom make up over 71 percent of the caseload, and an equal percentage (70.68 percent) of all funds collected. Collections on international cases accounted for \$1,033,946 in the past year.



## COLLECTION RATES AND ARREARS

A key performance metric for the FMEP, in terms of measuring the impact that maintenance can have for families, is the percentage of enrolled cases that received a payment over the course of the year. During 2015-2016, 81.01 percent of cases received a payment over the course of the year. This percentage was down slightly from the previous year – from 81.33 percent.

At any point in 2015-2016 almost 31 percent of cases were fully paid – meaning that there were no arrears owing on the case. Sixty-five percent of cases had some arrears and less than five percent of cases had never received a payment since enrollment. The percentage of fully paid cases has been slowly increasing over the past five years, while the percentage of cases that has never received any payments is dropping.



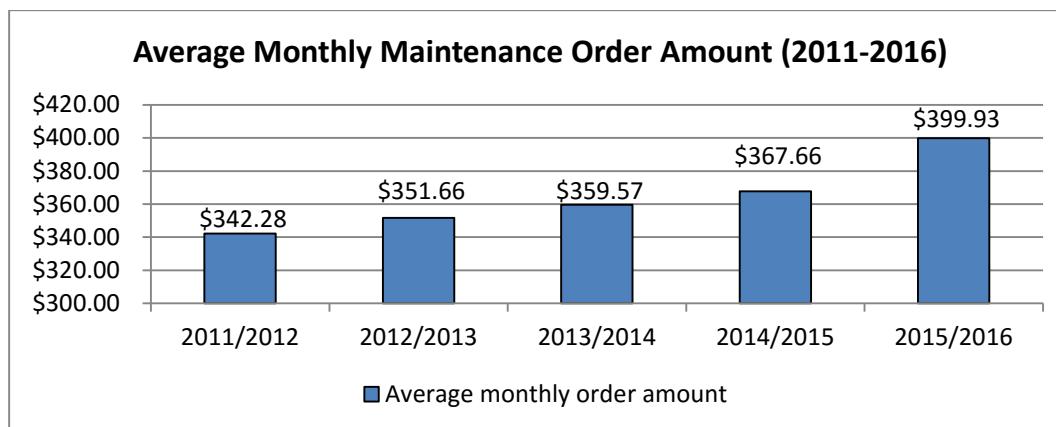
**Fully Paid** - This means that there are no arrears owing at all.

**Partially Paid** - This means that at least one payment has been received.

**Never Paid** - This means no money has ever been received on these cases.

## CHILD SUPPORT ORDERS

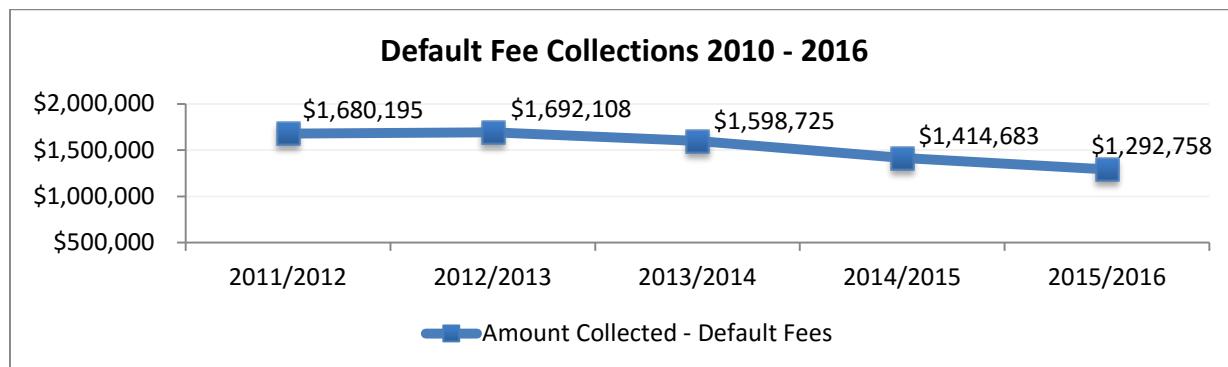
The average amount to be paid under a maintenance order being enforced by the FMEP has increased steadily over the past five years. The amount to be paid under a maintenance order has increased from \$342.28 to just under \$400 per month.



## FEES RECOVERED FOR GOVERNMENT

Under British Columbia law, an annual fee equivalent to one month of maintenance, to a maximum of \$400, may be charged to payors who either miss or are late on two payments in a calendar year. These fees are collected after all maintenance owed to the recipient, including interest and arrears, is paid in full.

These fees help to offset the costs of the FMEP, and together with funds collected for clients in receipt of income assistance, help to ensure that the FMEP is cost-neutral program for government. In 2015-2016 just under \$1.3 million dollars was collected. Collection results for the past five fiscal years are noted in the chart below. Since the implementation of the default fee, the FMEP has collected just over \$19.7 million dollars.

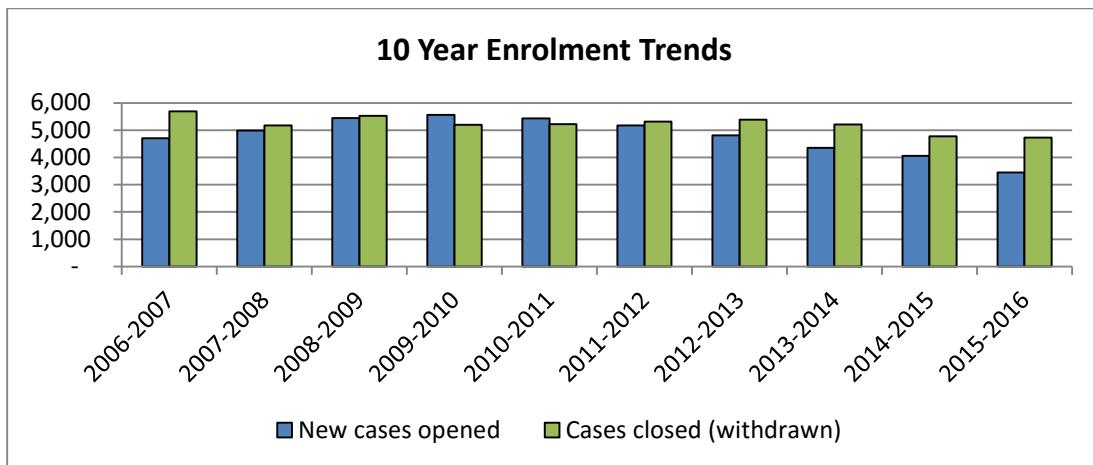


## PROGRAM OPERATIONS

### ENROLMENT

Changes in the size of the FMEP caseload are driven by two factors – the number of new cases requesting enrolment each year and the number of cases being closed or withdrawn each year. Cases are closed because the children have become adults and the maintenance has been paid in full, because both parents have moved out of the province, or because the maintenance recipient has decided to receive the child support directly from the paying parent and no longer requires FMEP to assist.

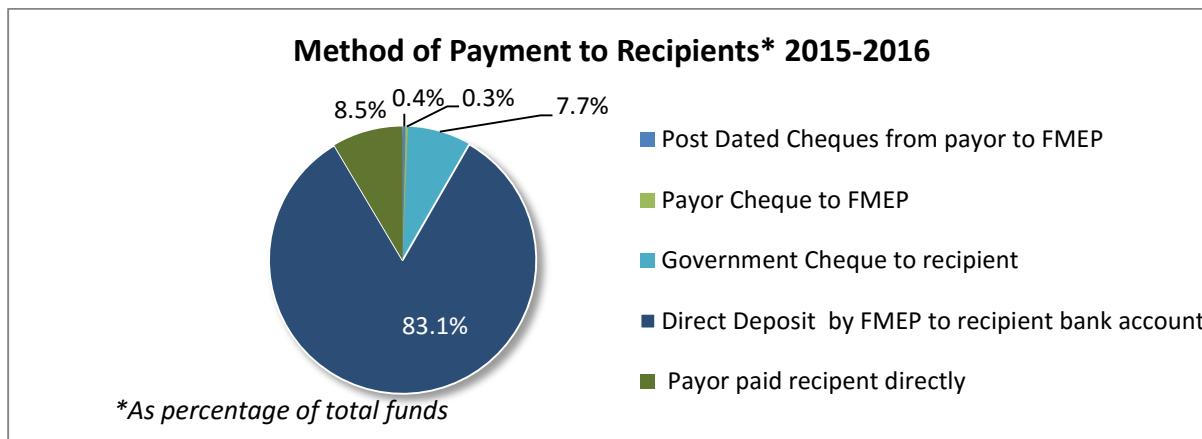
As the chart below illustrates, for a number of years the number of new cases was roughly equivalent to the number of cases being closed, thus keeping the overall FMEP caseload fairly stable, with only a very slight overall decline. Since 2011 however, while the number of cases withdrawn has dropped slightly, there has been a much larger decline in the number of new cases. This has led to an acceleration of the reduction in caseload, as noted in the earlier sections above. These numbers highlight the fact that the cause of the decline in the FMEP caseload is indeed from a reduction in the number of new cases requesting enrolment, rather than an increase in the numbers of cases withdrawing from the FMEP.



## PAYMENT PROCESSING

An average of just under 43,000 payments per month are processed by the FMEP. Over the past ten years there has been a significant change in the way that both incoming and outgoing payments are managed by the FMEP. On the incoming side, the most significant change has been the change in the number of payments being made electronically by payors. In 2015-2016, 44 percent of all funds received by the FMEP came from payors through internet or online banking. In contrast, only 22 percent of funds were received through online/telephone banking in 2007-2008. Combined with the overall growth in collections, the funds received from online banking exceeded \$93 million in 2015-2016.

Where funds are received electronically, they can be quickly and securely released electronically to recipients. As the chart below shows, of the funds paid out by the FMEP, over 83 percent were deposited directly to recipients' bank accounts. For recipients not eligible for direct deposit (some live outside British Columbia) or where direct deposit cannot be completed, the FMEP will send a government cheque. Less than eight percent of funds are sent this way. In limited circumstances, the FMEP will permit a payor or someone on his or her behalf to pay a recipient directly, and this accounts for a further 8.5 percent of the funds. Very few cheques from payors are sent to recipients by the FMEP. In most cases, where cheques are still received by the FMEP, the cheque is first cleared by the FMEP and the funds then deposited to the recipient's bank account.



## ENFORCEMENT

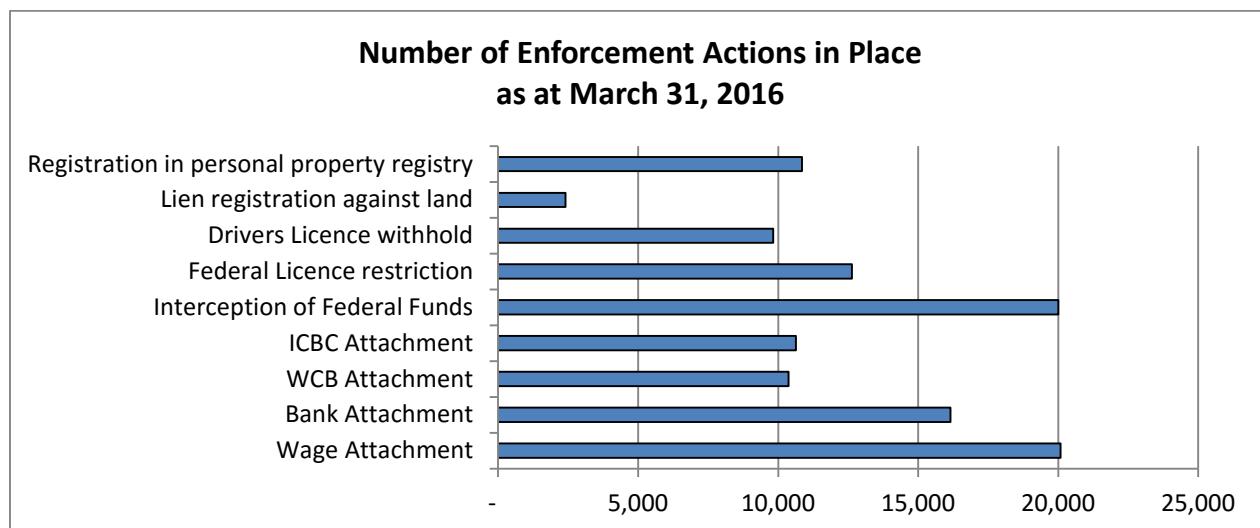
Where maintenance payments are not made voluntarily, the FMEP will issue various types of enforcement to collect the unpaid maintenance. Court enforcement (taking a payor to court to explain why payments are not being made) is generally only used as a last resort. In most cases the unpaid maintenance can be recovered using non-court processes such as the interception of wages or other types of payments, or through the restriction of licenses and privileges, such as a passport denial, or driving license restriction.

## ADMINISTRATIVE ENFORCEMENT

The FMEP always attempts to make a voluntary payment arrangement with payors. Negotiation on payment of ongoing maintenance and the arrears is a cornerstone of the client centric focus of the FMEP. However some payors refuse to pay and when this occurs, the FMEP will initiate administrative enforcement actions, as necessary, to collect the unpaid maintenance.

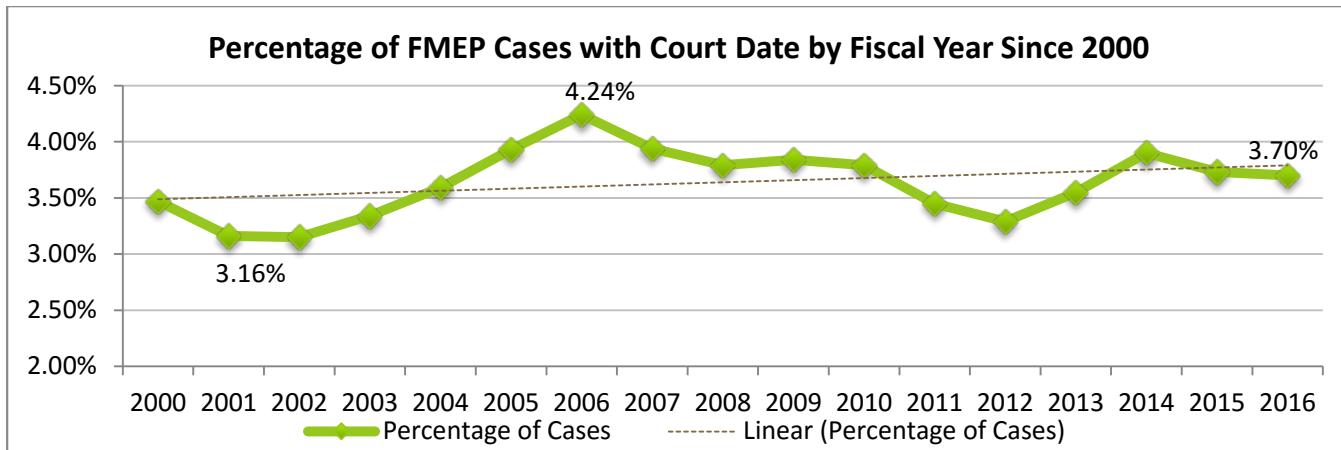
In 2015-2016, over 133,000 new administrative actions (not including search or default fees) were initiated by FMEP enforcement officers. This included over 7,400 wage garnishments, 31,000 bank garnishments, 8,100 interceptions of federal payments such as income tax returns and GST/HST rebates, 8,100 passport/federal license denials, and over 2,600 driver's license restrictions.

The most common enforcement actions are shown in the chart below.



## COURT ENFORCEMENT

Where administrative enforcement is not successful in collecting all of the outstanding maintenance, and the FMEP believes the payor does have the capacity to pay the maintenance, the FMEP may initiate a hearing in a British Columbia court to bring a payor to explain why he or she has not paid the amount required under the maintenance order. Given the resources and costs involved, as well as limited available court time, very few FMEP cases are taken to court each year. As noted in the following chart, the overall percentage of cases with court dates has remained relatively stable since the late 1990s – between three and four percent.



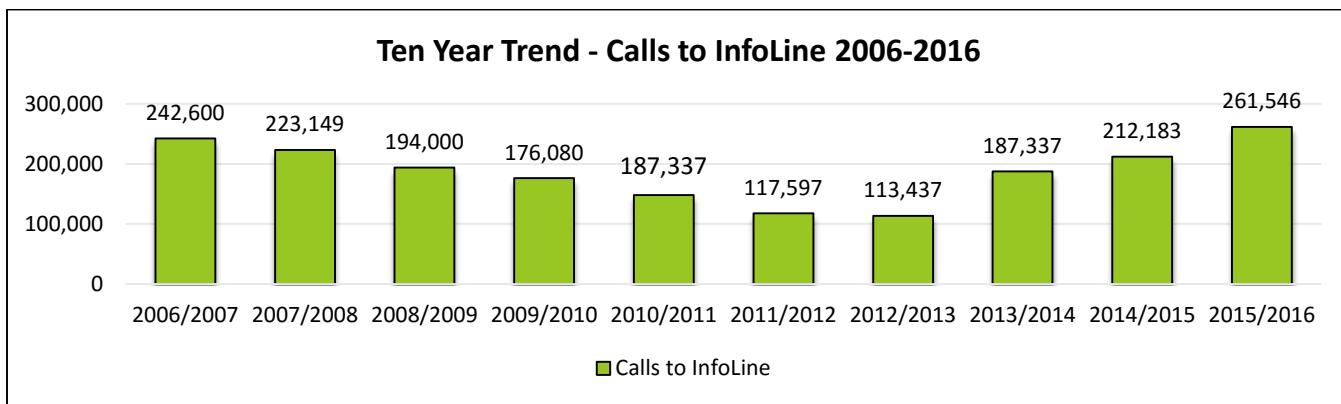
## CLIENT SERVICE AND COMMUNICATIONS

The FMEP focuses on providing a very high level of customer service and communications. The program has established several key metrics to monitor this, and developed both electronic and in person services to achieve results. The FMEP operates three call centres, an automated telephony service InfoLine, a full service website and an outreach program. These services combine to ensure that the FMEP provides efficient, professional and cost effective services to all clients. These services are reviewed annually, and are redeveloped and enhanced to ensure that client needs are met.

### INFOLINE

The FMEP InfoLine is an automated telephone service that provides clients with up-to-date case and payment information at any time of the day.

The InfoLine was updated in 2012-2013 with a focus on providing first call resolution and answering the questions that clients wanted and needed answered. 2013-2014 was the first full year that the new InfoLine service was operating, resulting in a significant increase in callers using the service. This trend has continued since that time, as the service has continued to be tweaked to better provide information to callers.



### FMEP WEBSITE

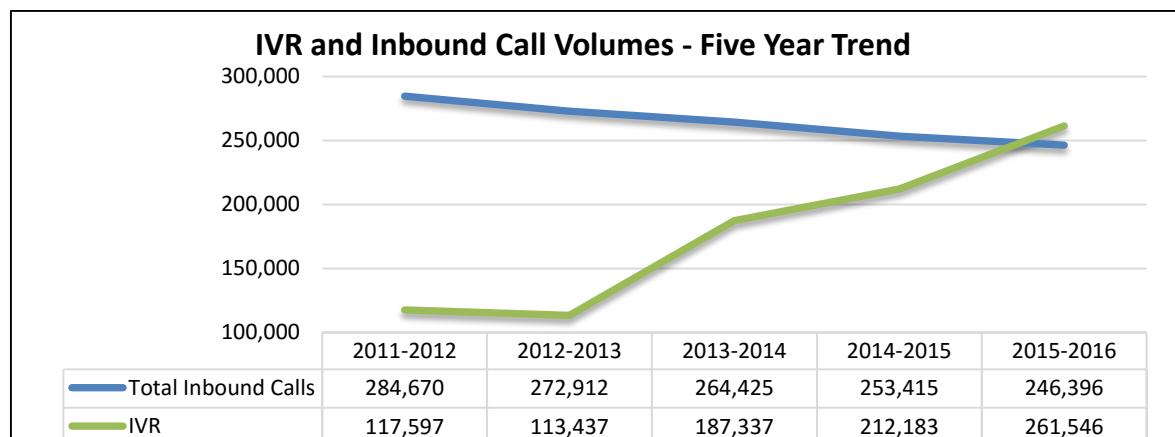
In addition to the FMEP InfoLine service the program operates a full service website ([www.fmep.ag.gov.bc.ca](http://www.fmep.ag.gov.bc.ca)) which is an important way for clients to receive up-to-date information about their case, and to communicate with program staff.

The FMEP website was completely rebuilt in 2014-2015 and the new website went live in May 2015. The new website offers clients and other stakeholders, such as employers, a range of new features including the ability to sign in once, using a web account, to access multiple cases. The redesigned website also provides the FMEP with a secure, modern platform upon which to build new functionality, such as the ability to provide documents electronically to the FMEP, a feature that was added in mid-2016.

In 2015-2016, an average of 11,458 unique visitors (clients, employers, enforcement officers from other enforcement programs) used the FMEP website each month. Recipients account for the largest number of FMEP website users – 21 percent of recipients used the website regularly in 2015-2016. The website was also used very regularly by clients and others to send messages to the FMEP. Over 14,600 e-messages were sent to the FMEP through the website.

### FMEP CALL CENTRES

The FMEP operates three call centres, one in each of the regional offices. Together the three centres are handling approximately 20,500 calls per month. The FMEP introduced a new telephone system in May 2015, providing additional capacity for the FMEP to manage call volumes and provide better service to callers. As the graph below shows, overall call volumes to the three call centres has dropped over the past five years as the caseload has declined. The IVR usage over the same time as increased however, reflecting the increased preference amongst clients for self-service.



### COMPREHENSIVE CHILD SUPPORT SERVICE (CCSS)

Since 2000, the FMEP has operated an outreach program in conjunction with the Family Justice Services division of the Ministry of the Attorney General. This has provided the opportunity for the two services to work together in assisting mutual clients who need assistance obtaining/changing court orders or repaying their arrears. In addition, this service ensures that the FMEP has a means of providing access to all clients, particularly those in marginalized populations with barriers to telephone communication who require an in-person appointment.

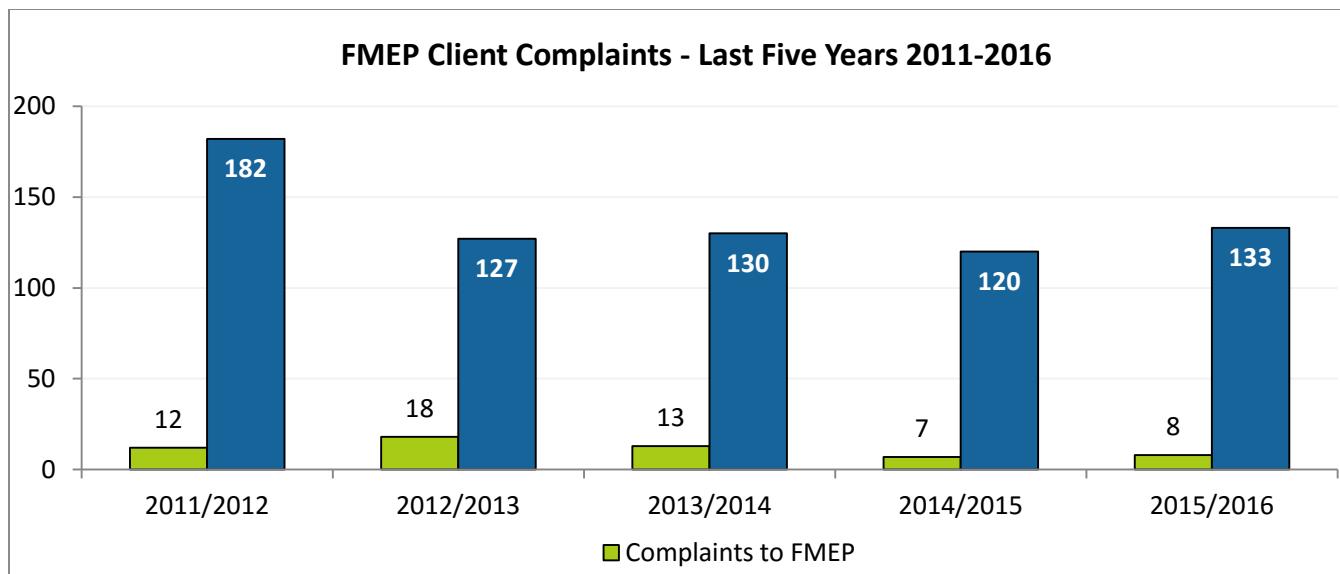
The FMEP operates this service from four main locations – Vancouver, Surrey (West Fraser), Kelowna and Nanaimo.

Over 1,100 clients accessed these services last year – an increase of 2.5 percent over the previous year.

Total Changes in Clients Since 2014			
	2014/2015	2015/2016	Change From Previous Year
Unique Clients	877	908	▲ 3.5%
# of Contacts	2,000	2,088	▲ 4.4%

## CLIENT SERVICE AND COMPLAINTS

Providing excellent customer service is a cornerstone of FMEP's success. This translates into very low numbers of complaints. Direct complaints to the FMEP and to the Director of Maintenance Enforcement are tracked; the last five fiscal years are noted in the following chart.



Considering the size of the FMEP caseload (41,000 cases), the low number of complaints confirms the strong and effective working relationships that the FMEP has built with its clients.

## PROGRAM INITIATIVES

The FMEP's primary initiatives in 2015-2016 focused on the implementation of the new phone system and the new client website. These two significant infrastructure projects have positioned the FMEP well for both future client service improvements and for overall system stability for a number of years to come.

In addition the FMEP successfully managed the transition of income assistance clients from a mandatory assignment regime to enrolment in the FMEP on a voluntary basis. The fact that the overwhelming majority of these clients remained in the FMEP after the requirement to do so was lifted, is a testament to the value that is being provided to these clients by the FMEP.

## STAFF AND PROGRAM COSTS

Operating from three regional offices, Burnaby, Victoria and Kamloops the FMEP staffing levels remained constant at 196 staff.

The FMEP is a very cost efficient program. The total funding for the FMEP in 2015-2016 was \$18,075,902 which translates to \$1 spent: \$11.67 collected.

## OUTLOOK FOR 2016 – 2017

We are expecting to see a continued decline in cases over the upcoming year. In this respect, as noted above, British Columbia's FMEP is experiencing a trend similar to that experienced by child support programs across North America.

With decreasing caseloads however, comes the opportunity to provide higher levels of service, increased capacity to provide innovative services to all FMEP stakeholders, and the time to provide individualized attention to clients where possible.

Over the upcoming year, the FMEP will focus on building new functionality into the client website and on providing new services to our employer partners, in particular with respect to electronic payment options. We will also be reaching out to community organizations and others, not just to ensure that all parents who need assistance with child and family support are aware of the FMEP, but also to find out what we could do to make the FMEP more relevant and more accessible to families in British Columbia.