

# Child Support Beacon

THE INDIANA CHILD SUPPORT QUARTERLY NEWSLETTER



Mary Beth Bonaventura, Director  
Department of Child Services

"Kids Deserve Your Support"

December 2014  
Volume 10, Issue 4

## Legally Speaking . . . .

### Impact: Notice of Proposed Rulemaking

By Program Support



On November 17, 2014, the Office of Child Support Enforcement (OCSE) released a Notice of Proposed Rulemaking (NPRM) to improve state flexibility and efficiency, update existing policies, and incorporate technological advances. This NPRM serves to

notify the public that OCSE is proposing changes to the federal regulations governing the Title IV-D Child Support Program.

Program Support and CSB management have been reviewing the NPRM to determine what the proposed changes would mean to the IV-D Program in Indiana. Below are some of the highlights of the proposed changes.

#### **Case Initiation**

The proposal would allow states the option of accepting applications for limited services, such as paternity establishment only or child support establishment only. If one party applies for limited service and the other party applies for full service, then full service would be provided.

#### **Payment Processing**

There are two proposals in the NPRM concerning payment processing. The first would require all income withholding payments, regardless of whether a case is IV-D or non-IV-D, to be processed through the state disbursement unit (INSCCU). The second would prohibit child support payments to be disbursed to a collection agency hired by a custodial party (CP). The NPRM reiterates that payments are to be made directly to the family (or TANF when there is an assignment of rights) and draws heavily on Section 457 of the Social Security Act which states payments "must be made to 'the resident parent, legal guardian, or caretaker relative having custody of or responsibility for the child or children.'"

#### **Child Support Guidelines**

The NPRM proposes changes to state child support guidelines. Because of the timing of the NPRM and our current guideline review, these changes, if enacted, would not affect our guidelines until the 2018 guideline review. Three of the proposed changes are specific to a non-custodial parent's (NCP's) income and would require states to: 1) take into account a NCP's "actual" earnings and income, not "all" of

Published  
Quarterly by

Department of Child Services  
**Child Support Bureau**  
402 W. Washington St., MS 11  
Indianapolis, Indiana 46204

Cynthia Longest, Deputy Director  
Child Support Bureau

Managing Editor: Linda Ellis

#### **This Issue's Contributing Reporters**

Crystal Lynn  
Linda Ellis  
Program Support

Cindy Ingalls  
Field Auditors  
Angela Davis

#### **In This Issue:**

NPRM	1
IRS Safeguards	4
Claims and Incentives	5
CEU Updates & Reminders	5
Fall Conference Recap	6
Success Stories	8

Continued on p. 2

## ***NPRM . . . continued***

the NCP's earnings and income; 2) take into account the NCP's subsistence needs (as defined by the state); and 3) discourage the imputation of income. Imputation of income would be allowed when a NCP's lifestyle is inconsistent with identified earnings or assets *and* there is evidence of income or assets beyond what is identified.

### **Medical Support**

The NPRM proposes changes that would clarify that health insurance includes both public and private insurance. Restrictions that exclude the consideration of Medicaid, CHIP, and other state health programs from satisfying the medical support requirement would be removed and states would have greater flexibility to define reasonable cost of health insurance. The proposal also seeks to omit the requirement that cost of health insurance be measured based on the *marginal* cost of adding the child to the policy and instead use the *full* cost of adding coverage for the child.

### **Enforcement Considerations**

The proposed enforcement considerations are a response to the U.S. Supreme Court's holding in *Turner v. Rodgers*, 131 S. Ct. 2507 (2011), and are consistent with the changes proposed for the establishment of child support. The NCP's subsistence needs would need to be taken into consideration in enforcement actions, particularly civil contempt actions. To meet the fundamental fairness requirement in *Turner*, purge/ bond amounts in civil contempt proceedings would need to take into account the NCP's actual earnings and income, as well as subsistence needs.

### **Federal Financial Participation (FFP)**

The NPRM proposes expanding the activities for which FFP funds (i.e., reimbursement) are available, for example:

1. Electronic monitoring of NCPs found in contempt.
2. Transportation expenses for parents to participate in child support proceedings and related activities such as genetic testing.
3. Minimal costs associated with parenting time provisions as part of a child support order or incidental to a child support enforcement proceeding.
4. Increased parental *pro se* access to child support proceedings (i.e., without an attorney).
5. Educational and outreach activities to the public about paternity and child support.
6. Providing job services for NCPs, as discussed in more detail below.

### **Job Services for NCPs**

The proposal would allow states the option of providing job services to NCPs. If the state were to choose this option, it would need to adopt eligibility requirements and identify specific job services. The NPRM suggests the following eligibility requirements: IV-D cases with a current child support order; payor is unemployed or not making regular child support payments; and payor is not receiving TANF, SNAP, a Federal Pell Grant, and not receiving the same job services under the Workforce Investment Act. The NPRM suggests the following job services: skills assessments, certificate or skills training, search or placement services, retention services, and work supports (i.e., tools, uniforms, and transportation).



## ***NPRM . . . continued***

### **Review and Adjustment**

The NPRM proposes two options for states when an NCP is incarcerated. The first option is to allow the state, after being informed the NCP will be incarcerated for more than 90 days, to initiate the review of a child support order and seek to adjust the order. The second option would require the state to issue a notice of right to review and adjustment when the IV-D agency has knowledge the NCP is incarcerated.

### **Case Closure**

An area of particular interest for counties will be the proposed changes to case closure. The NPRM proposes seven new case closure reasons:

1. No current support order and all arrears are owed to the state. This would not be arrears forgiveness; rather, the case would simply be closed to IV-D services.
2. Arrears only case and the NCP is a low-income senior citizen, with no income or assets available above subsistence level, in long-term care placement, and all children are emancipated.
3. The NCP is either in the household as a primary caregiver of the children or part of an intact two parent household and the IV-D agency has determined services are no longer appropriate.
4. The NCP's name and date of birth are known, but Social Security number is unknown, and locate efforts have been unsuccessful for one year.
5. The NCP's sole income is from SSI or other means-tested benefits.
6. The limited service for which the applicant applied has been completed.
7. The case was erroneously referred by IV-A, IV-E, or Medicaid.

Additionally, the time frame on some case closure reasons may change. Closure for being unable to locate the NCP when sufficient identifying information is known would change from three years to two years and closure when sufficient identifying information is not known would change from one year to six months. The second 60 day waiting period to send a letter to the CP to close the case due to loss of contact is suggested to be removed; however, the IV-D agency would need to document it was unable to contact the CP through at least two different methods.



### **IV-D Application and Fee**

The NPRM clarifies that a new application and any associated application fee is required when a party requests a case be re-opened when there has been a change in the circumstances that warranted case closure.

### **Technical Changes**

Finally, several technical changes are proposed. Most of these changes involve updating legal citations or names of agencies where appropriate. The most substantive change deals with replacing the words "written" and "in writing" to "record" and "in a record," respectively, to take into account increases in electronic communications and file retention.

To reiterate, these are only proposed changes, and are just some of the highlights. If you would like more information on the NPRM process or for full text of the NPRM, please see [OCSE AT 14-13](#).