

APPENDIX

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Hand-out 1

HHS Fact Sheet on the Child Support Enforcement Program

HHS ROLE IN CHILD SUPPORT ENFORCEMENT

***Overview:** The Child Support Enforcement Program is a joint federal, state and local partnership to ensure that parents provide support to their children. The program involves 54 separate state and territory systems, each with its own unique laws and procedures. The program is usually run by state and local human service agencies, often with the help of prosecuting attorneys and other law enforcement officials, as well as officials of family or domestic relations courts. At the federal level, the Department of Health and Human Services (HHS) provides policy guidance, technical assistance, training and funding to states, operates the Federal Parent Locator Service, which uses computer matching to locate non-custodial parents in order to establish and enforce child support orders, and provides grants to states for child access and visitation services.*

BACKGROUND

The Child Support Enforcement Program was established in 1975 under Title IV-D of the Social Security Act. Each state runs a child support program, either in the human services department, department of revenue, or district attorneys office, often with the help of prosecuting attorneys, other law enforcement agencies, and officials of family or domestic relations courts. The program provides four major services: locating non-custodial parents, establishing paternity, establishing child support obligations, and collecting child support for families.

Provisions in the 1996 bipartisan welfare reform legislation strengthened and improved state child support collection activities by establishing a national new hire and wage reporting system, streamlining paternity establishment, creating uniform interstate child support forms, computerizing statewide collections, and authorizing tough new penalties for nonpayment, such as driver's license revocation. Following these reforms, national child support collections have increased 65 percent to a record \$18 billion in fiscal year 2000. The welfare reform legislation must be reauthorized by October 2002.

The majority of the program's 17 million cases are not currently receiving cash public assistance through the Temporary Assistance for Needy Families (TANF) program. However, child support enforcement services are available automatically for families receiving assistance under TANF. Currently, the child support collected for TANF recipients reimburses the state and federal governments for cash assistance payments made to the family. Collections above that amount go directly to the family. The administration's proposal for welfare reform reauthorization gives states incentives to pass more of the child support collected for families that receive TANF cash assistance directly to the family in need. Studies have shown that non-custodial parents are more likely to pay child support when they know the funds are going to their children instead of to the government.

Child support services are also available to families not receiving TANF who apply for such services. Child support payments that are collected on behalf of non-TANF families are sent to the family. The HHS budget for fiscal year 2002 includes \$3.9 billion to state and child support enforcement programs.

In HHS, the Office of Child Support Enforcement in the Administration for Children and Families (ACF) oversees child support enforcement. More information about federal programs and links to state enforcement programs is available at <http://www.acf.hhs.gov/programs/cse>.

IMPROVEMENTS TO CHILD SUPPORT ENFORCEMENT ENACTED UNDER WELFARE REFORM

The 1996 welfare reform law that created the TANF program also included the most extensive child support reforms ever. The changes benefit not only families receiving cash assistance, but also other families owed child support. Under the law, each state must operate a child support enforcement program meeting federal requirements in order to be eligible for TANF block grants. Provisions in the law include:

National new hire reporting system. The law established a Federal Case Registry and National Directory of New Hires to track delinquent parents across state lines. It also required that employers report all new hires to state agencies for transmittal to the national directory and expanded and streamlined procedures for direct withholding of child support from wages. Since the creation of the national directory, more than 3 million parents have been located. This location information is sent to states so child support can be established and enforced.

Streamlined paternity establishment. Paternity establishment is a crucial step toward securing an emotional and financial connection between the father and child. The law streamlined the legal process for paternity establishment, making the process easier and faster. It also expanded the voluntary in-hospital paternity establishment program, started in 1993, and required a state affidavit for voluntary paternity acknowledgment. In addition, the law mandated that states publicize the availability and encourage the use of voluntary paternity establishment processes. Individuals who fail to cooperate with paternity establishment will have their monthly TANF assistance reduced. In fiscal year 2000, more than 1.5 million paternities were established and acknowledged, an increase of 46 percent since 1996. Of these, almost 688,000 were in-hospital paternities that were voluntarily acknowledged.

Tough penalties. Under the law, states can implement tough child support enforcement techniques. The law expanded wage garnishment, allowed states to require participation in work activities in some cases, and authorized states to suspend or revoke driver and professional licenses for parents who owe delinquent child support. The Department of State will deny a passport to an individual who owes more than \$5,000 in back child support, resulting in nearly \$5 million in child support collections. The President's welfare reform reauthorization proposals would build on this success, reducing the threshold to deny a passport to \$2,500 in back child support.

Financial institution data matching. The 1996 welfare reform law included a proposal to match records of delinquent parents with financial institutions. Successful matches are sent to the states within 48 hours so that the states can place a lien on and seize all or part of the accounts identified. In 1998, Congress made it easier for multi-state institutions to match records by using the federal Office of Child Support Enforcement. To date, more than 4,500 financial institutions have agreed to participate. As of December 2001, nearly 800,000 individuals delinquent in their child support had been matched with their accounts. The value of those accounts was nearly \$2.8 billion.

Access and visitation programs. Since fiscal year 1997, HHS has awarded \$10 million each year in block grants to states to promote access and visitation programs to increase non-custodial parents' involvement in their children's lives. The grants may be used to provide such services as mediation, counseling, education, developing of parenting plans, visitation programs, and the development of visitation and custody guidelines.

Promoting marriage and responsible fatherhood. The 1996 welfare reform law recognized that two-parent, married families represent the ideal environment for raising children and therefore featured a variety of family formation provisions. HHS has approved grants and waivers for responsible fatherhood efforts designed to help non-custodial fathers support their children financially and emotionally. Under the Partners for Fragile Families demonstration, 10 states are testing ways for child support enforcement programs and community and faith-based organizations to work together to help young unmarried fathers obtain employment, provide financial

support to their families, and improve parenting skills. Eight states have also received demonstration grants or waivers to allow them to test comprehensive approaches to encourage more responsible fathering by non-custodial parents. In addition, the President's welfare reform reauthorization proposal includes up to \$300 million for programs that encourage healthy, stable marriages. These programs would include research and technical assistance into promising approaches that work and may involve premarital education and counseling efforts.

More information on the President's welfare reform proposal, including proposals for child support enforcement, can be found at <http://www.whitehouse.gov/news/releases/2002/02/20020226.html>.

ADDITIONAL CHILD SUPPORT ENFORCEMENT INITIATIVES

Project Save Our Children. An initiative on criminal child support enforcement, Project Save Our Children, is succeeding in its pursuit of chronic delinquent parents who owe large sums of child support. Since the project's creation in 1998, multi-agency regional task forces, involving federal and state law enforcement agencies, have received more than 4,250 referrals, resulting in 486 arrests, 421 convictions and civil adjudications, and court orders to pay more than \$16 million in owed child support.

New tribal programs. HHS now directly supports tribes, tribal organizations and Alaskan Native village child support programs for those groups that have applied to establish the programs and have shown that they are able to meet the programs' objectives. To date, HHS has approved direct funding for five tribes.

Note: All HHS press releases, fact sheets and other press materials are available at <http://www.hhs.gov/news>.

Last revised: April 2, 2002

Hand-Out 2

Code of Federal Regulations, Title 5, Volume 1, Part 581

Code of Federal Regulations

Title 5, Volume 1, Parts 1 to 699

Revised as of January 1, 2001

**TITLE 5--ADMINISTRATIVE PERSONNEL
CHAPTER I--OFFICE OF PERSONNEL MANAGEMENT
PART 581--PROCESSING GARNISHMENT ORDERS FOR CHILD SUPPORT
AND/OR ALIMONY--Table of Contents**

Subpart A--Purpose and Definitions

Sec. 581.103 Moneys which are subject to garnishment.

- (a) For the personal service of a civilian employee obligor:
 - (1) Saved pay;
 - (2) Retained pay;
 - (3) Night differentials;
 - (4) Sunday and holiday premium pay;
 - (5) Overtime pay;
 - (6) Standby duty pay, administratively uncontrollable overtime pay, and availability pay;
 - (7) Environmental differentials;
 - (8) Hazardous duty pay;
 - (9) Tropical differentials;
 - (10) Recruitment incentives, recruitment and relocation bonuses and retention allowances;
 - (11) Equalization allowance;
 - (12) Any payment in consideration of accrued leave;
 - (13) Severance pay;
 - (14) Sick pay;
 - (15) Physicians comparability allowances;
 - (16) Special pay for physicians and dentists;
 - (17) Amounts paid pursuant to a personal services contract where the contractor recipient performed the services and received the payments in the capacity as a Federal employee;
 - (18) Merit pay;
 - (19) Incentive pay;
 - (20) Cash awards, including performance-based cash awards;
 - (21) Agency and Presidential incentive awards (except where such award is for making a suggestion);
 - (22) Senior Executive Service rank and performance awards;
 - (23) Moneys due for the services of a deceased employee obligor, including:
 - (i) Overtime or premium pay;
 - (ii) Amounts due as refunds of pay deductions for United States savings bonds;
 - (iii) Payments for accumulated and current accrued annual or vacation leave as provided for in section 5581 of title 5 of the United States Code;

(iv) Retroactive pay as provided for in section 5344(b)(2) of title 5 of the United States Code; and

(v) Amounts of checks drawn for moneys due which were not delivered by the governmental entity to the employee obligor prior to the employee obligor's death or which were not negotiated and returned to the governmental entity because of the death of the employee obligor, except

those moneys due that are listed in Sec. 581.104(i);

(24) Locality-based comparability payments or continued rate adjustments;

(25) Staffing differentials;

(26) Supervisory differentials;

(27) Special pay adjustments for law enforcement officers in selected cities;

(28) Advances in pay; and

(29) Voluntary separation incentive payments.

(b) For the personal service of an obligor in the uniformed services of the United States:

(1) Basic pay (including service academy cadet and midshipmen pay);

(2) Special pay (including enlistment and re-enlistment bonuses);

(3) Lump sum reserve bonus;

(4) Continuation pay for physicians and dentists;

(5) Special pay for physicians, dentists, optometrists, and veterinarians;

(6) Incentive pay;

(7) Variable incentive pay;

(8) Inactive duty training pay;

(9) Administrative duty pay;

(10) Academy official pay (other than personal money allowances);

(11) Any payments made in consideration of accrued leave (basic pay portion only);

(12) Readjustment pay;

(13) Disability retired pay;

(14) Severance pay (including disability severance pay);

(15) Cash awards (NOAA Corps);

(16) Special separation benefits; and

(17) Voluntary separation incentives.

(c) For obligors generally:

(1) Periodic benefits, including a periodic benefit as defined in section 428(h)(3) of title 42 of the United States Code, title II of the Social Security Act, to include a benefit payable in a lump sum if it is commutation of, or a substitute for, periodic payments; or other payments to these individuals under the programs established by subchapter II of chapter 7 of title 42 of the United States Code (Social Security Act); and payments under chapter 9 of title 45 of the United States Code (Railroad Retirement Act) or any other system, plan, or fund established by the United States (as defined in section 662(a) of title 42 of the United States Code) which provides for the payment of:

(i) Pensions;

(ii) Retirement benefits;

(iii) Retired/retainer pay;

(iv) Annuities; and

(v) Dependents' or survivors' benefits when payable to the obligor;

(2) Refunds of retirement contributions where an application has been filed;

(3) Amounts received under any federal program for compensation for work injuries; and

(4) Benefits received under the Longshoremen's and Harbor Workers' Compensation Act.

(5) Compensation for death under any federal program, including death gratuities authorized under 5 U.S.C. 8133(f); 5 U.S.C. 8134(a); Pub. L. 103-332, section 312; and Pub. L. 104-208, section 651.

(6) Any payment under any federal program established to provide "black lung" benefits;

(7) Any payment by the Secretary of Veterans Affairs as compensation for a service-connected disability paid by the Secretary to a former member of the Armed Forces who is in receipt of retired or retainer pay if the former member has waived either the entire amount or a portion of the retired or retainer pay in order to receive such compensation. In such cases, only that part of the Department of Veterans Affairs payment that is in lieu of the waived retired pay or waived retainer pay is subject to garnishment.

[45 FR 85667, Dec. 30, 1980, as amended at 48 FR 26279, June 7, 1983; 55 FR 1356, Jan. 16, 1990; 56 FR 36723, Aug. 1, 1991; 58 FR 35846, July 2, 1993; 59 FR 66154, Dec. 23, 1994; 61 FR 3544, Feb. 1, 1996; 63 FR 14758, Mar. 26, 1998]

TITLE 5--ADMINISTRATIVE PERSONNEL CHAPTER I--OFFICE OF PERSONNEL MANAGEMENT

PART 581--PROCESSING GARNISHMENT ORDERS FOR CHILD SUPPORT AND/OR ALIMONY--Table of Contents

Subpart A--Purpose and Definitions

Sec. 581.104 Moneys which are not subject to garnishment.

(a) Payments made pursuant to the provisions of the Federal Tort Claims Act, as amended, sections 1346(b) and 2671 et seq., of title 28 of the United States Code;

(b) Payments or portions of payments made by the Department of Veterans Affairs pursuant to sections 501-562 of title 38 of the United States Code, in which the entitlement of the payee is based on non-service-connected disability or death, age, and need;

(c) Refunds and other payments made in connection with overpayments or erroneous payments of income tax and other taxes levied under title 26 of the United States Code;

(d) Grants;

(e) Fellowships;

(f) Education and vocational rehabilitation benefits for veterans and eligible persons under chapters 30, 31, 32, 35, and 36 of title 38, United States Code, and chapters 106 and 107 of title 10, United States Code;

(g) Contracts, except where the contractor recipient performed personal services and received payments in his/her capacity as an employee of a governmental entity; and

(h) Reimbursement for expenses incurred by an individual in connection with his/her employment, or allowances in lieu thereof, and other payments and allowances, including, but not limited to:

(1) In the case of civilian employees:

(i) Uniform allowances;

(ii) Travel and transportation expenses (including mileage allowances);

(iii) Relocation expenses;

(iv) Storage expenses;

(v) Post differentials;

(vi) Foreign areas allowances;

(vii) Education allowances for dependents;

(viii) Separate maintenance allowances;

(ix) Post allowances and supplementary post allowances;

(x) Home service transfer allowances;

(xi) Quarters allowances;

(xii) Cost-of-living allowances (COLA), when applicable to an employee in a foreign area or an employee stationed outside of the continental United States or in Alaska;

(xiii) Remote worksite allowance; and

(xiv) Per diem allowances.

(2) In the case of members of the uniformed services:

(i) Position pay (Navy only);

(ii) Basic allowance for quarters;

(iii) Basic allowance for subsistence;

(iv) Station allowances;

(v) Armed Forces health professions scholarship stipends;

(vi) Public Health Service scholarship stipends;

(vii) Travel and transportation allowances;

(viii) Dislocation allowances;

(ix) Family separation allowances;

(x) ROTC subsistence allowance;

(xi) Allowance for recruiting expenses;

(xii) Education allowances for dependents;

(xiii) Clothing allowances for enlisted personnel;

(xiv) Uniform allowances; and

(xv) Personal money allowances for General and Flag officers, and for the Surgeon General of the United States.

(3) In the case of volunteers serving under either the Domestic Volunteer Service Act or the Peace Corps Act, all allowances, including, but not limited to, readjustment allowances, stipends, and reimbursements for out-of-pocket expenses.

(i) Moneys due a deceased employee obligor where the amounts are reimbursement for expenses incurred by the deceased employee in connection with his/her employment, or allowances in lieu thereof, including:

(1) Per diem instead of subsistence, mileage, and amounts due in reimbursement of travel expenses, including incidental and miscellaneous expenses in connection therewith;

(2) Allowances on change of official station;

(3) Quarters allowances; and

(4) Cost-of-living allowances (COLA), when applicable as a result of the deceased employee obligor's having been in a foreign area or stationed outside of the continental United States or in Alaska.

(j) Supplemental Security Income (SSI) payments made pursuant to sections 1381 et seq., of title 42 of the United States Code (title XVI of the Social Security Act).

[45 FR 85667, Dec. 30, 1980, as amended at 48 FR 26280, June 7, 1983; 55 FR 1356, Jan. 16, 1990; 56 FR 36724, Aug. 1, 1991; 58 FR 35846, July 2, 1993; 60 FR 5044, Jan. 25, 1995; 63 FR 14758, Mar. 26, 1998]

Hand-out 3

Order/Notice to Withhold Income for Child Support

ORDER/NOTICE TO WITHHOLD INCOME FOR CHILD SUPPORT

Original Amended Termination

State _____,
Co./City/Dist. of _____,
Tribunal/Case Number _____

Employer's/Withholder's Name

Employer's/Withholder's Address

Employer/Withholder's Federal EIN Number (if known)

Child(ren)'s Name(s): DOB

RE: _____

Employee's/Obligor's Name (Last, First, MI)

Employee's/Obligor's Social Security Number

Employee's/Obligor's Case Identifier

Obligee Name (Last, First, MI)

If checked, you are required to enroll the child(ren) identified above in any health insurance coverage available to the employee's/obligor's through his/her employment.

ORDER INFORMATION: This Order/Notice is based on the support order from _____.

You are required by law to deduct these amounts from the employee's/obligor's income until further notice.

\$ _____ Per _____ current child support
\$ _____ Per _____ past-due child support - Arrears 12 weeks or greater? yes no
\$ _____ Per _____ current medical support
\$ _____ Per _____ past-due medical support
\$ _____ Per _____ spousal support
\$ _____ Per _____ other (specify) _____

for a total of \$ _____ per _____ to be forwarded to the payee below.

You do not have to vary your pay cycle to be in compliance with the support order. If your pay cycle does not match the ordered payment cycle, withhold one of the following amounts:

\$ _____ per weekly pay period. \$ _____ per semimonthly pay period (twice a month).
\$ _____ per biweekly pay period (every two weeks). \$ _____ per monthly pay period.

REMITTANCE INFORMATION: When remitting payment, provide the pay date/date of withholding and the case identifier. If the employee's/obligor's principal place of employment is _____, begin withholding no later than the first pay period occurring _____ days after the date of _____. Send payment within _____ working days of the pay date/date of withholding. The total withheld amount, including your fee, cannot exceed _____ % of the employee's/obligor's aggregate disposable weekly earnings.

If the employee's/obligor's principal place of employment is not _____, for limitations on withholding, applicable time requirements, and any allowable employer fees, follow the laws and procedures of the employee's/obligor's principal place of employment (see#4 and #10, ADDITIONAL INFORMATION TO EMPLOYERS AND OTHER WITHHOLDERS).

If remitting payment by EFT/EDI, call _____ before first submission. Use this FIPS code: _____; Bank routing code: _____ Bank account number: _____.

Make check payable to: _____ Send check to: _____
Payee and Case identifier _____

Authorized by _____ Date: _____
_____ Date: _____

Print Name and Title _____
Of Authorized Official(s) _____

ADDITIONAL INFORMATION TO EMPLOYERS AND OTHER WITHHOLDERS

If checked, you are required to provide a copy of this form to your employee. If your employee works in a state that is different from the state that issued this order, a copy must be provided to your employee even if the box is not checked.

1. We appreciate the voluntary compliance of Federally recognized Indian tribes, tribally-owned businesses, and Indian-owned businesses located on a reservation that choose to withhold in accordance with this notice.
2. **Priority:** Withholding under this Order/Notice has priority over any other legal process under State law against the same income. Federal tax levies in effect before receipt of this order have priority. If there are Federal tax levies in effect, please contact the State Child Support Enforcement Agency or party listed in number 12 below.
3. **Combining Payments:** You can combine withheld amounts from more than one employee's/obligor's income in a single payment to each agency/party requesting withholding. You must, however, separately identify the portion of the single payment that is attributable to each employee/obligor.
4. **Reporting the Paydate/Date of Withholding:** You must report the paydate/date of withholding when sending the payment. The paydate/date of withholding is the date on which the amount was withheld from the employee's wages. You must comply with the law of the state of employee's/obligor's principal place of employment with respect to the time periods within which you must implement the withholding order and forward the support payments.
5. **Employee/Obligor with Multiple Support Withholdings:** If there is more than one Order/Notice to Withhold Income for Child Support against this employee/obligor and you are unable to honor all support Order/Notices due to Federal or State withholding limits, you must follow the law of the state of employee's/obligor's principal place of employment. You must honor all Order/Notices to the greatest extent possible. (See #10 below.)
6. **Termination Notification:** You must promptly notify the Child Support Enforcement Agency or payee when the employee/obligor no longer works for you. Please provide the information requested and return a complete copy of this order/notice to the Child Support Enforcement Agency or payee.
EMPLOYEE'S/OBLIGOR'S NAME: _____ **CASE IDENTIFIER:** _____
DATE OF SEPARATION FROM EMPLOYMENT: _____
LAST KNOWN HOME ADDRESS: _____
NEW EMPLOYER/ADDRESS: _____
7. **Lump Sum Payments:** You may be required to report and withhold from lump sum payments such as bonuses, commissions, or severance pay. If you have any questions about lump sum payments, contact the person or authority below.
8. **Liability:** If you have any doubts about the validity of the Order/Notice, contact the agency or person listed below. If you fail to withhold income as the Order/Notice directs, you are liable for both the accumulated amount you should have withheld from the employee's/obligor's income and any other penalties set by State law.

9. **Anti-discrimination:** You are subject to a fine determined under State law for discharging an employee/obligor from employment, refusing to employ, or taking disciplinary action against any employee/obligor because of a child support withholding.

10. **Withholding Limits:** You may not withhold more than the lesser of: 1) the amounts allowed by the Federal Consumer Credit Protection Act (15 U.S.C. § 1673(b)); or 2) the amounts allowed by the State of the employee's/obligor's principal place of employment. The Federal limit applies to the aggregate disposable weekly earnings (ADWE). ADWE is the net income left after making mandatory deductions such as: State, Federal, local taxes, Social Security taxes, statutory pension contributions, and Medicare taxes.
Additional Information: _____

11. **Submitted by** _____
12. If you or your employee/obligor have any questions, contact: _____
by telephone at _____ or by FAX at _____
or by Internet at _____

OMB: 0970-0154

Hand-out 4

National Medical Support Notice

**NATIONAL MEDICAL SUPPORT NOTICE
PART A**

NOTICE TO WITHHOLD FOR HEALTH CARE COVERAGE

This Notice is issued under section 466(a)(19) of the Social Security Act, section 609(a)(5)(C) of the Employee Retirement Income Security Act of 1974 (ERISA), and for State and local government and church plans, sections 401(e) and (f) of the Child Support Performance and Incentive Act of 1998.

Issuing Agency: _____ Issuing Agency Address: _____ _____ Date of Notice: _____ Case Number: _____ Telephone Number: _____ FAX Number: _____	Court or Administrative Authority: _____ Date of Support Order: _____ Support Order Number: _____
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_____))
 Employer/Withholder's Federal EIN Number

RE* _____
 Employee's Name (Last, First, MI)

_____))
 Employer/Withholder's Name

_____))
 Employee's Social Security Number

_____))
 Employer/Withholder's Address

_____))
 Employee's Mailing Address

_____))
 Custodial Parent's Name (Last, First, MI)

_____))
 Custodial Parent's Mailing Address

_____))
 Substituted Official/Agency Name and Address

_____))
 Child(ren)'s Mailing Address (if different from Custodial
 Parent's)

_____))
 _____)
 _____)

Name, Mailing Address, and Telephone
 Number of a Representative of the Child(ren)

Child(ren)'s Name(s)	DOB	SSN	Child(ren)'s Name(s)	DOB	SSN
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

The order requires the child(ren) to be enrolled in [] any health coverages available; or [] only the following coverage(s): __Medical; __Dental; __Vision; __Prescription drug; __Mental health; __Other (specify): _____

THE PAPERWORK REDUCTION ACT OF 1995 (P.L. 104-13) Public reporting burden for this collection of information is estimated to average 10 minutes per response, including the time reviewing instructions, gathering and maintaining the data needed, and reviewing the collection of information. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. OMB control number: 0970-0222 Expiration Date: 12/31/2003.

EMPLOYER RESPONSE

If either 1, 2, or 3 below applies, check the appropriate box and return this Part A to the Issuing Agency within 20 business days after the date of the Notice, or sooner if reasonable. **NO OTHER ACTION IS NECESSARY.** If neither 1, 2, nor 3 applies, forward Part B to the appropriate plan administrator(s) within 20 business days after the date of the Notice, or sooner if reasonable. Check number 4 and return this Part A to the Issuing Agency if the Plan Administrator informs you that the child(ren) is/are enrolled in an option under the plan for which you have determined that the employee contribution exceeds the amount that may be withheld from the employee's income due to State or Federal withholding limitations and/or prioritization.

- 1. Employer does not maintain or contribute to plans providing dependent or family health care coverage.
- 2. The employee is among a class of employees (for example, part-time or non-union) that are not eligible for family health coverage under any group health plan maintained by the employer or to which the employer contributes.
- 3. Health care coverage is not available because employee is no longer employed by the employer:

Date of termination: _____

Last known address: _____

Last known telephone number: _____

New employer (if known): _____

New employer address: _____

New employer telephone number: _____

- 4. State or Federal withholding limitations and/or prioritization prevent the withholding from the employee's income of the amount required to obtain coverage under the terms of the plan.

Employer Representative:

Name: _____ Telephone Number: _____

Title: _____ Date: _____

EIN (if not provided by Issuing Agency on Notice to Withhold for Health Care Coverage): _____

INSTRUCTIONS TO EMPLOYER

This document serves as notice that the employee identified on this National Medical Support Notice is obligated by a court or administrative child support order to provide health care coverage for the child(ren) identified on this Notice. This National Medical Support Notice replaces any Medical Support Notice that the Issuing Agency has previously served on you with respect to the employee and the children listed on this Notice.

The document consists of **Part A - Notice to Withhold for Health Care Coverage** for the employer to withhold any employee contributions required by the group health plan(s) in which the child(ren) is/are enrolled; and **Part B - Medical Support Notice to the Plan Administrator**, which must be forwarded to the administrator of each group health plan identified by the employer to enroll the eligible child(ren).

EMPLOYER RESPONSIBILITIES

1. If the individual named above is not your employee, or if family health care coverage is not available, please complete item 1, 2, or 3 of the Employer Response as appropriate, and return it to the Issuing Agency. **NO FURTHER ACTION IS NECESSARY.**
2. If family health care coverage is available for which the child(ren) identified above may be eligible, you are required to:
 - a. Transfer, not later than 20 business days after the date of this Notice, a copy of **Part B - Medical Support Notice to the Plan Administrator** to the administrator of each appropriate group health plan for which the child(ren) may be eligible, and
 - b. Upon notification from the plan administrator(s) that the child(ren) is/are enrolled, either
 - 1) withhold from the employee's income any employee contributions required under each group health plan, in accordance with the applicable law of the employee's principal place of employment and transfer employee contributions to the appropriate plan(s), or
 - 2) complete item 4 of the Employer Response to notify the Issuing Agency that enrollment cannot be completed because of prioritization or limitations on withholding.
 - c. If the plan administrator notifies you that the employee is subject to a waiting period that expires more than 90 days from the date of its receipt of **Part B of this Notice**, or whose duration is determined by a measure other than the passage of time (for example, the completion of a certain number of hours worked), notify the plan administrator when the employee is eligible to enroll in the plan and that this Notice requires the enrollment of the child(ren) named in the Notice in the plan.

LIMITATIONS ON WITHHOLDING

The total amount withheld for both cash and medical support cannot exceed ___% of the employee's aggregate disposable weekly earnings. The employer may not withhold more under this National Medical Support Notice than the lesser of:

1. The amounts allowed by the Federal Consumer Credit Protection Act (15 U.S.C., section 1673(b));
2. The amounts allowed by the State of the employee's principal place of employment; or
3. The amounts allowed for health insurance premiums by the child support order, as indicated here:_____.

The Federal limit applies to the aggregate disposable weekly earnings (ADWE). ADWE is the net income left after making mandatory deductions such as State, Federal, local taxes; Social Security taxes; and Medicare taxes.

PRIORITY OF WITHHOLDING

If withholding is required for employee contributions to one or more plans under this notice and for a support obligation under a separate notice and available funds are insufficient for withholding for both cash and medical support contributions, the employer must withhold amounts for purposes of cash support and medical support contributions in accordance with the law, if any, of the State of the employee's principal place of employment requiring prioritization between cash and medical support, as described here:_____.

DURATION OF WITHHOLDING

The child(ren) shall be treated as dependents under the terms of the plan. Coverage of a child as a dependent will end when similarly situated dependents are no longer eligible for coverage under the terms of the plan. However, the continuation coverage provisions of ERISA may entitle the child to continuation coverage under the plan. The employer must continue to withhold employee contributions and may not disenroll (or eliminate coverage for) the child(ren) unless:

1. The employer is provided satisfactory written evidence that:
 - a. The court or administrative child support order referred to above is no longer in effect; or
 - b. The child(ren) is or will be enrolled in comparable coverage which will take effect no later than the effective date of disenrollment from the plan; or
2. The employer eliminates family health coverage for all of its employees.

POSSIBLE SANCTIONS

An employer may be subject to sanctions or penalties imposed under State law and/or ERISA for discharging an employee from employment, refusing to employ, or taking disciplinary action against any employee because of medical child support withholding, or for failing to withhold income, or transmit such withheld amounts to the applicable plan(s) as the Notice directs.

NOTICE OF TERMINATION OF EMPLOYMENT

In any case in which the above employee's employment terminates, the employer must promptly notify the Issuing Agency listed above of such termination. This requirement may be satisfied by sending to the Issuing Agency a copy of any notice the employer is required to provide under the continuation coverage provisions of ERISA or the Health Insurance Portability and Accountability Act.

EMPLOYEE LIABILITY FOR CONTRIBUTION TO PLAN

The employee is liable for any employee contributions that are required under the plan(s) for enrollment of the child(ren) and is subject to appropriate enforcement. The employee may contest the withholding under this Notice based on a mistake of fact (such as the identity of the obligor). Should an employee contest the withholding under this Notice, the employer must proceed to comply with the employer responsibilities in this Notice until notified by the Issuing Agency to discontinue withholding. To contest the withholding under this Notice, the employee should contact the Issuing Agency at the address and telephone number listed on the Notice. With respect to plans subject to ERISA, it is the view of the Department of Labor that Federal Courts have jurisdiction if the employee challenges a determination that the Notice constitutes a Qualified Medical Child Support Order.

CONTACT FOR QUESTIONS

If you have any questions regarding this Notice, you may contact the Issuing Agency at the address and telephone number listed above.

NATIONAL MEDICAL SUPPORT NOTICE

OMB NO. 1210-0113

PART B

MEDICAL SUPPORT NOTICE TO PLAN ADMINISTRATOR

This Notice is issued under section 466(a)(19) of the Social Security Act, section 609(a)(5)(C) of the Employee Retirement Income Security Act of 1974, and for State and local government and church plans, sections 401(e) and (f) of the Child Support Performance and Incentive Act of 1998. Receipt of this Notice from the Issuing Agency constitutes receipt of a Medical Child Support Order under applicable law. The rights of the parties and the duties of the plan administrator under this Notice are in addition to the existing rights and duties established under such law.

Issuing Agency: _____ Issuing Agency Address: _____ Date of Notice: _____ Case Number: _____ Telephone Number: _____ FAX Number: _____	Court or Administrative Authority: _____ Date of Support Order: _____ Support Order Number: _____
_____) Employer/Withholder's Federal EIN Number _____) Employer/Withholder's Name _____) Employer/Withholder's Address _____) Custodial Parent's Name (Last, First, MI) _____) Custodial Parent's Mailing Address _____) Child(ren)'s Mailing Address (if Different from Custodial Parent's) _____) _____) _____) Name(s), Mailing Address, and Telephone Number of a Representative of the Child(ren) Child(ren)'s Name(s) DOB SSN _____ _____ _____	RE* _____ Employee's Name (Last, First, MI) _____ Employee's Social Security Number _____ Employee's Address _____ Substituted Official/Agency Name and Address Child(ren)'s Name(s) DOB SSN _____ _____ _____

The order requires the child(ren) to be enrolled in any health coverages available; or only the following coverage(s): medical; dental; vision; prescription drug; mental health; other (specify): _____

PLAN ADMINISTRATOR RESPONSE

(To be completed and returned to the Issuing Agency within 40 business days after the date of the Notice, or sooner if reasonable)

This Notice was received by the plan administrator on _____.

1. This Notice was determined to be a "qualified medical child support order," on _____. Complete **Response 2 or 3, and 4**, if applicable.

2. The participant (employee) and alternate recipient(s) (child(ren)) are to be enrolled in the following family coverage.

- a. The child(ren) is/are currently enrolled in the plan as a dependent of the participant.
- b. There is only one type of coverage provided under the plan. The child(ren) is/are included as dependents of the participant under the plan.
- c. The participant is enrolled in an option that is providing dependent coverage and the child(ren) will be enrolled in the same option.
- d. The participant is enrolled in an option that permits dependent coverage that has not been elected; dependent coverage will be provided.

Coverage is effective as of __/__/____ (includes waiting period of less than 90 days from date of receipt of this Notice). The child(ren) has/have been enrolled in the following option: _____. Any necessary withholding should commence if the employer determines that it is permitted under State and Federal withholding and/or prioritization limitations.

3. There is more than one option available under the plan and the participant is not enrolled. The Issuing Agency must select from the available options. Each child is to be included as a dependent under one of the available options that provide family coverage. If the Issuing Agency does not reply within 20 business days of the date this Response is returned, the child(ren), and the participant if necessary, will be enrolled in the plan's default option, if any: _____.

4. The participant is subject to a waiting period that expires __/__/____ (more than 90 days from the date of receipt of this Notice), or has not completed a waiting period which is determined by some measure other than the passage of time, such as the completion of a certain number of hours worked (describe here: _____). At the completion of the waiting period, the plan administrator will process the enrollment.

5. This Notice does not constitute a "qualified medical child support order" because:

- The name of the child(ren) or participant is unavailable.
- The mailing address of the child(ren) (or a substituted official) or participant is unavailable.
- The following child(ren) is/are at or above the age at which dependents are no longer eligible for coverage under the plan _____ (insert name(s) of child(ren)).

Plan Administrator or Representative:

Name: _____ Telephone Number: _____

Title: _____ Date: _____

Address: _____

INSTRUCTIONS TO PLAN ADMINISTRATOR

This Notice has been forwarded from the employer identified above to you as the plan administrator of a group health plan maintained by the employer (or a group health plan to which the employer contributes) and in which the noncustodial parent/participant identified above is enrolled or is eligible for enrollment.

This Notice serves to inform you that the noncustodial parent/participant is obligated by an order issued by the court or agency identified above to provide health care coverage for the child(ren) under the group health plan(s) as described on **Part B**.

(A) If the participant and child(ren) and their mailing addresses (or that of a Substituted Official or Agency) are identified above, and if coverage for the child(ren) is or will become available, this Notice constitutes a “qualified medical child support order”(QMCSO) under ERISA or CSPIA, as applicable. (If any mailing address is not present, but it is reasonably accessible, this Notice will not fail to be a QMCSO on that basis.) You must, within 40 business days of the date of this Notice, or sooner if reasonable:

(1) Complete Part B - Plan Administrator Response - and send it to the Issuing Agency:

(a) if you checked Response 2:

(i) notify the noncustodial parent/participant named above, each named child, and the custodial parent that coverage of the child(ren) is or will become available (notification of the custodial parent will be deemed notification of the child(ren) if they reside at the same address);

(ii) furnish the custodial parent a description of the coverage available and the effective date of the coverage, including, if not already provided, a summary plan description and any forms, documents, or information necessary to effectuate such coverage, as well as information necessary to submit claims for benefits;

(b) if you checked Response 3:

(i) if you have not already done so, provide to the Issuing Agency copies of applicable summary plan descriptions or other documents that describe available coverage including the additional participant contribution necessary to obtain coverage for the child(ren) under each option and whether there is a limited service area for any option;

(ii) if the plan has a default option, you are to enroll the child(ren) in the default option if you have not received an election from the Issuing Agency within 20 business days of the date you returned the Response. If the plan does not have a default option, you are to enroll the child(ren) in the option selected by the Issuing Agency.

(c) if the participant is subject to a waiting period that expires more than 90 days from the date of receipt of this Notice, or has not completed a waiting period whose duration is determined by a measure other than the passage of time (for example, the completion of a certain number of hours worked), complete Response 4 on the Plan Administrator Response and return to the employer and the Issuing Agency, and notify the participant and the custodial parent; and upon satisfaction of

the period or requirement, complete enrollment under Response 2 or 3, and

(d) upon completion of the enrollment, transfer the applicable information on Part B - Plan Administrator Response to the employer for a determination that the necessary employee contributions are available. Inform the employer that the enrollment is pursuant to a National Medical Support Notice.

(B) If within 40 business days of the date of this Notice, or sooner if reasonable, you determine that this Notice does not constitute a QMCSO, you must complete Response 5 of Part B - Plan Administrator Response and send it to the Issuing Agency, and inform the noncustodial parent/participant, custodial parent, and child(ren) of the specific reasons for your determination.

(C) Any required notification of the custodial parent, child(ren) and/or participant that is required may be satisfied by sending the party a copy of the Plan Administrator Response, if appropriate.

UNLAWFUL REFUSAL TO ENROLL

Enrollment of a child may not be denied on the ground that: (1) the child was born out of wedlock; (2) the child is not claimed as a dependent on the participant's Federal income tax return; (3) the child does not reside with the participant or in the plan's service area; or (4) because the child is receiving benefits or is eligible to receive benefits under the State Medicaid plan. If the plan requires that the participant be enrolled in order for the child(ren) to be enrolled, and the participant is not currently enrolled, you must enroll both the participant and the child(ren). All enrollments are to be made without regard to open season restrictions.

PAYMENT OF CLAIMS

A child covered by a QMCSO, or the child's custodial parent, legal guardian, or the provider of services to the child, or a State agency to the extent assigned the child's rights, may file claims and the plan shall make payment for covered benefits or reimbursement directly to such party.

PERIOD OF COVERAGE

The alternate recipient(s) shall be treated as dependents under the terms of the plan. Coverage of an alternate recipient as a dependent will end when similarly situated dependents are no longer eligible for coverage under the terms of the plan. However, the continuation coverage provisions of ERISA or other applicable law may entitle the alternate recipient to continue coverage under the plan. Once a child is enrolled in the plan as directed above, the alternate recipient may not be disenrolled unless:

- (1) The plan administrator is provided satisfactory written evidence that either:
 - (a) the court or administrative child support order referred to above is no longer in effect, or
 - (b) the alternate recipient is or will be enrolled in comparable coverage which will take effect no later than the effective date of disenrollment from the plan;

- (2) The employer eliminates family health coverage for all of its employees; or
- (3) Any available continuation coverage is not elected, or the period of such coverage expires.

CONTACT FOR QUESTIONS

If you have any questions regarding this Notice, you may contact the Issuing Agency at the address and telephone number listed above.

Paperwork Reduction Act Notice

The Issuing Agency asks for the information on this form to carry out the law as specified in the Employee Retirement Income Security Act or the Child Support Performance and Incentive Act, as applicable. You are required to give the Issuing Agency the information. You are not required to respond to this collection of information unless it displays a currently valid OMB control number. The Issuing Agency needs the information to determine whether health care coverage is provided in accordance with the underlying child support order. The average time needed to complete and file the form is estimated below. These times will vary depending on the individual circumstances.

<u>Learning about the law or the form</u>		<u>Preparing the form</u>
First Notice	1 hr.	1 hr., 45 min.
Subsequent Notices	-----	35 min.

Hand-Out 5

Answer Keys

Exercise: Calculating Allowable Disposable Income

Let's go back to Jacob Astor, working for DFW in Richmond, and owing \$100/week in child support.

Now assume that Jacob is four months behind on his payments and was ordered to pay \$25/week in arrears. His total due is \$125/week. Use the following information to first calculate Jacob Astor's **disposable income**.

- **Nebraska:**

- Mandatory deductions from pay: federal, state, local income taxes, FICA
- Exceptions to federal CCPA limits: none

- **Virginia:**

- Mandatory deductions from pay: federal, state, local income taxes, FICA
- Exceptions to federal CCPA limits: none
- Virginia follows federal limits – with no second family and more than 12 weeks in arrears, the CCPA limit for Jacob is 65 percent, the same cap that is specified in the Order/Notice.

- DFW's payday is every other Friday.

- The following deductions are taken from Jacob's weekly gross pay of \$800.00:

– Federal/state/local taxes	\$95.00
– FICA	\$45.00
– Medicare	\$10.00
– Health insurance	\$25.00

Jacob's gross weekly pay: **\$800.00**

Subtract mandatory deductions: **\$175.00**

Federal/state/local taxes, FICA plus health insurance.

Health insurance is considered a mandatory deduction for federal employees.

Jacob's disposable income for 1 week **\$625.00**

Biweekly disposable income **\$1,250.00**

Exercise: Calculating Maximum Withholding

Now calculate the **allowable disposable income** (or, “maximum withholding”) for this biweekly pay period by applying the Consumer Credit Protection Act limits to Jacob’s disposable income.

In applying CCPA limits, follow the state law for Jacob’s official duty station state.

1. **Biweekly disposable income:** **\$1,250.00**
2. **Multiplied by CCPA limit:** **65%**
3. **Maximum withholding allowed:** **\$ 812.50**

Is there sufficient money to withhold the entire amount ordered for Jacob FOR A 2-WEEK PAY PERIOD? (\$200 current + \$50 arrears + \$5.00 administrative fee = \$255.00)? YES

If Jacob worked in a different state, however, the cap might be lower even though the Order/Notice specifies 65 percent!

Exercise: Applying Allocation Methods

Fred has been ordered to pay biweekly child support for four children on four different orders as follows:

Order A	\$400
Order B	\$420
Order C	\$390
Order D	\$410

The total ordered amount for Fred is \$1,620.

This pay period Fred's allowable disposable income is only \$1,200. Fred's official duty station state follows the prorate method for allocation. How much should be paid to each order?

Order A	$400 \div 1620$	$=24.7\%$	$\times 1200$	$= \$296.30$
Order B	$420 \div 1620$	$=25.9\%$	$\times 1200$	$= \$311.11$
Order C	$390 \div 1620$	$=24.1\%$	$\times 1200$	$= \$288.89$
Order D	$410 \div 1620$	$=25.3\%$	$\times 1200$	$= \$303.70$
TOTAL				\$1,200.00

Exercise: Calculating Payments Under Two Withholding Orders

Arthur was married and divorced twice. He now lives alone. He had one child with each of his wives, and he owes child support to both children. He owes \$300/month in current support and \$50/arrears for his older child (and he's over 12 weeks in arrears). He owes \$400/month in current support for his younger child.

Arthur's disposable income is \$2,000.00/month. The CCPA limits set by his state follow the federal CCPA limits.

What are the withholding limits for Arthur? 55%

Why? He owes arrears (over 12 weeks) and the second child support order shows he is supporting a second family, even though he is not living with them.

1. Disposable income for child support purposes:	\$2000.00
2. Apply CCPA limits	x 55%
3. Allowable disposable income:	\$1100.00
4. Total current support owed (add both orders - \$300+\$400)	\$700.00
5. Total arrears owed:	\$ 50.00
6. Total monthly support owed:	\$750.00

Is there enough allowable disposable income to pay the total in line 6? Yes

How much of the monthly support can be paid by Arthur's employer? The full \$750.00 that is owed. No problem this month!

The next exercise covers a situation where the monthly support owed exceeds the allowable disposable income.

Exercise: Calculating Payments (Again) Under Two Withholding Orders

Let's use the same example with Arthur again. Remember, he has two children, and owes \$300/month in current support and \$50/arrears for his older child, and \$400/month in current support for his younger child.

This month, Arthur's disposable income is only \$1,000.00/month.

Arthur is subject to the same withholding limits as before, 55%.

1. Disposable income for child support	\$1,000.00
2. Apply CCPA limits	x 55%
3. Allowable disposable income	550.00
4. Total monthly support owed	750.00

Is there enough allowable disposable income to pay the total in line 4? NO

How much of the monthly support can be paid by Arthur's employer? First, ask if current support can be met. The total current support due is \$700.00, and this can not be paid in full. The \$50 arrears can not be paid at all.

The employer must first check the law of Arthur's official duty state. Let's say his state uses the percentage method of allocation.

Order A	\$300	divided by 700 = 43%
Order B	\$400	divided by 700 = 57%
Total	\$700	

Apply these percentages to the amount available for child support, the allowable disposable income (\$550):

\$550 x 43% = \$ 236.50 for Order A (short by \$63.50 + \$50 arrears)

\$550 x 57% = \$313.50 for Order B (short by \$86.50)

\$63.50 of unpaid current support will accrue as arrears for Order A and \$86.50 of unpaid current support will accrue as arrears against Order B.

The employer does not need to track the arrears; the child support enforcement agency is responsible for this.

Exercise: Child Support and Other Garnishments

Scenario 1: Alice's biweekly disposable income is \$400. Her income-withholding order is for \$80 per pay period (she is single and is not in arrears). J.C. Penney serves a garnishment against Alice for \$500.

1. Amount to withhold for child support: **\$80** ($400 \times 60\% = \240)
2. A. Biweekly disposable income minus 60 times minimum wage = **\$91**

$$400 - 309 = 91$$

B. 25% of disposable income = $25\% \times 400 = \mathbf{\$100}$

LESSER amount of (A) and (B) = \$91

3. **LESSER amount minus child support deduction - $\$91 - 80 = \11**
Amount to deduct for Penney's garnishment = \$11.00

Scenario 2: Alice's biweekly disposable income is \$1300. Her income-withholding order is for \$400 per pay period (she is single and is not in arrears). J.C. Penney serves a garnishment against Alice for \$500.

1. Amount to withhold for child support: **\$400** ($1300 \times 60\% = 780$)
2. A. Biweekly disposable income minus 60 times minimum wage = **\$991**

B. 25% of disposable income = **\$325**

LESSER amount of (A) and (B) = \$325

3. **LESSER amount minus child support deduction - $\$325 - 400 = 0$**

Amount to deduct for Penney's garnishment = NOTHING

Answer Key to Final Review

Module 7, pages 7-9 through 7-15

1. a, c, e, g
2. a, b, c, d
3. c, a
4. d, c, e, b, a
FPLS Federal Parent Locator System
OCSE Office of Child Support Enforcement
IV-D Title "Four-Dee" of the Social Security Act
NCP Noncustodial parent
SDU State Disbursement Unit
5. a, b, d, f, g, h
6. False. Not less than 12 days or more than 16 days apart.
7. True
8. True
9. 3 Outstanding tuition payment to USDA Graduate School
4 Garnishment to Wal-Mart
2 Child support withholding
1 IRS tax levy (if received PRIOR to child support withholding order)
10. No
11. True
12. b, c
13. Yes
14. National Medical Support Notice; employer; plan administrator; does not
15. a, f - NOT to US Post Office, noncustodial parent
16. a, c, d, e, f, h
17. a, c, d, e
18. b
19. True
20. Over 75%

Hand-Out 6

Helpful OCSE Website Addresses

Helpful OCSE Website Addresses

- **Home Page**

<http://www.acf.hhs.gov/programs/cse/>

- **State EFT/EDI Contacts Matrix**

http://www.acf.hhs.gov/programs/cse/newhire/employer/contacts/eftedi_statecontacts.htm

- **Order/Notice to Withhold Income for Child Support, and other forms, including the National Medical Support Notice**

<http://www.acf.hhs.gov/programs/cse/forms/>

- **Federal Addresses for Withholding** - The title, mailing address and telephone number of each federal agency's designated agent is published each spring in the *Federal Register* (also, 5 CFR Parts 581 and 582).

http://www.acf.hhs.gov/programs/cse/newhire/contacts/iw_fedcontacts.htm

- ***Working with Federal Agencies***

<http://www.acf.hhs.gov/programs/cse/pubs/reports/working/index.html>