

# Commonwealth of Massachusetts Executive Office of Health and Human Services Department of Transitional Assistance

600 Washington Street • Boston MA 02111

William D. O'Leary Secretary

Claire Mointire Commissioner

Field Operations Memo 98-20 May 1, 1998

To:

7 Transitional Assistance Office Staff

From:

Joyce Sampson, Assistant Commissioner for Field Operations

RE:

Legally Obligated Child Support Payments as a Food Stamp
Program Income Deduction – Final Rule

#### **Background**

Section 13921 of the Mickey Leland Childhood Hunger Relief Act contains an amendment entitling food stamp households to a deduction for legally obligated child support paid by a household member to a nonhousehold member. This amendment was recently issued as a final rule requiring minor changes to our policy and procedures.

Allowance of child support payments as a deduction is meant to encourage noncustodial parents to comply fully with their child support obligations, while at the same time recognizing the reduced income level and food purchasing ability of the otherwise eligible food stamp household.

This memo addresses several issues related to allowing the child support deduction including: (1) definition of legal obligation to pay child support; (2) determination of allowable amount of deduction; (3) verification process; (4) budgeting procedures; (5) change reporting; (6) length of certification period; (7) collection of child support obligation information; and (8) PACES data entry and benefit determination.

### Background (continued)

Regulations transmitted by State Letter 1147 regarding the child support payment deduction are effective May 1, 1998.

This Field Operations Memo transmits the following change to budgeting procedures for calculating the Child Support deduction:

For households without a payment history of at least three months of paid, legally obligated child support, the support deduction would be based on anticipated payments and arrearage.

Immediate implementation is required for all new applications dated on or after May 1, 1998. For ongoing households, implementation is required at time of next recertification, at household request, or when the case is next reviewed, whichever comes first.

#### Definition of Legal Obligation

Regulations require that to be eligible for the deduction, the household must be legally obligated to pay child support to or for an individual living outside the household. Although various child support arrangements may exist between unmarried, separated or divorced parents, the law specifies that the deduction is allowed only for persons with a legal obligation to pay. A legal obligation may include a court order that can be enforced by a judge in a court of law, an order issued through an administrative process, or a legally enforceable separation agreement.

# Determining Allowable Amount of Deduction

Determining the amount to be allowed as the child support deduction is based on the following factors:

- the child support amount actually paid or expected to be paid, including arrearages, during the certification period;
- child support amounts legally obligated but not paid directly, including but not limited to health insurance premium payments, vendor rental or mortgage payments etc., during the certification period; and/or
- the exclusion of alimony or spousal support payments or property settlement payments.

### Verification Process

The food stamp household is the primary source of verification of the legal obligation to pay child support, the amount of the obligation, and the actual amount paid. If the household fails or refuses to submit required verification, the household will not be entitled to the deduction.

#### Verification of the Legal Obligation

Any document showing the legal obligation to pay child support, such as a court order, administrative order, or legally enforceable separation agreement, would verify the obligation and obligated amount.

## Verification of Actual Payments

Acceptable verification of amounts paid would include canceled checks, wage withholding statements, verification of withholding from unemployment compensation and statements from the custodial parent regarding direct or third-party payments made or expected to be made by the noncustodial parent.

Note: Documents used to verify the household's *child support obligation* are not acceptable as verification of the household's *actual child support payments*.

#### Budgeting Procedures

Budgeting of child support payments shall be prospective.

For households with a payment history of three or more months of paid, legally obligated child support, the support deduction shall be the average of at least three months' payments (including arrearage) taking into account any anticipated changes in the legal obligation or other changes that would affect the payment. This average would establish a household's child support payment for the certification period. It would be adjusted during the certification period for any changes in the payment reported by the household or which otherwise became known to the Department. At recertification, updated information on which to base the average for the new certification period would be obtained.

#### Budgeting Procedures (continued)

For households without a payment history of at least three months of paid, legally obligated child support, the support deduction would be based on anticipated payments and arrearage.

## Reporting Changes

The household must report within ten days changes in the legal obligation, including but not limited to a child reaching an age at which child support is no longer legally obligated, or changes in the legally obligated amount.

## Length of Certification Period

Consistent with current rules on length of certification, households with no history of child support payments or with extreme monthly variations in payment would be certified for no longer than three months. This allows for the development of a payment history before assignment of a longer certification period with a deduction based on averaged payments.

Households with a stable payment history may be certified for longer periods of six to twelve months depending on other household characteristics.

# Collecting Child Support Obligation Information

Page 6 of the Application for Food Stamp Benefits form (FSP-1) and the Child Support Obligation and Payment Inquiry (FSP/CS) will be used to collect information regarding a food stamp household member's legal child support obligation and payment history.

#### PACES Data Entry and Benefit Determination

Once the monthly child support deduction has been determined, the amount must be entered on the PACES Worksheet:

- Use Block 10 of the FIW1 section Assets;
- Enter the child support deduction as Type "D"; and
- Enter the monthly amount rounded down to the nearest whole dollar to a maximum of \$9999.00.

#### PACES Data Entry and Benefit Determination (continued)

Note: If a recipient has multiple child support obligations, combine the obligations. Only one entry can be made for each assigned client number.

PACES will use the child support payment deduction in the calculation of food stamp eligibility and benefit level. The child support payment amount will be listed as one of the "DEDUCTIONS ALLOWED" in the Food Stamp Explanation section of the PACES client notice.

#### Obsolete Material

This Field Operations Memo obsoletes Field Operations Memo 95-30.

#### Questions

Policy-related questions must be referred to the Policy Hotline at (617) 348-8478 by your Hotline designee.

Systems-related questions should be referred to the Systems Customer Support Services at (617) 348-5290.