



Department of Human Resources  
311 West Saratoga Street  
Baltimore MD 21201

Family Investment Administration  
**ACTION TRANSMITTAL**

Control Number: #09-32

Effective Date: MARCH 20, 2009

Issuance Date: April 2, 2009

**TO: DIRECTORS, LOCAL DEPARTMENTS OF SOCIAL SERVICES  
DEPUTY/ASSISTANT DIRECTORS FOR FAMILY INVESTMENT  
DEPUTY ASSISTANT DIRECTORS FOR CHILD SUPPORT  
FAMILY INVESTMENT SUPERVISORS AND CASE MANAGERS  
CHILD SUPPORT SUPERVISORS AND STAFF**

**FROM: KEVIN M. MCGUIRE, EXECUTIVE DIRECTOR, FAMILY INVESTMENT  
ADMINISTRATION  
JOSEPH A. JACKINS, EXECUTIVE DIRECTOR, CHILD SUPPORT  
ENFORCEMENT ADMINISTRATION**

**RE: CHILD SUPPORT — ASSIGNMENT OF RIGHTS TO PRE-ASSISTANCE  
ARREARS**

**PROGRAM AFFECTED: TEMPORARY CASH ASSISTANCE (TCA)**

**ORIGINATING OFFICE: OFFICE OF PROGRAMS**

**SUMMARY:**

The Deficit Reduction Act of 2005 (DRA) has been most widely known for the reauthorization the Temporary Assistance to Needy Families (TANF) program and the expansion of TANF work requirements. However, there are also DRA requirements that change the assignment of rights which allow the custodial parent to retain the rights to their pre-assistance arrears now termed as Family Arrears. Child Support Enforcement Administration (CSEA) will send any money collected that is applied to Family Arrears directly to the TCA customer.

**Positive Impact on Temporary Cash Assistance (TCA) Customers**

The mandatory DRA requirements for the assignment of rights are minimal, but they have a positive impact on our customers because families are no longer required to assign arrears that accrued prior to their being on assistance. Listed below are facts about the change.

1. Customers **APPLYING** for TCA after March 20, 2009 will only be required to assign to the state, arrears that accrue while the customer is on assistance.
2. These requirements affect only new applicants.

3. After March 20, 2009, when a TCA case closes and the customer reapplies at any time after the closing, the new application is covered under the DRA changes. The previous condition of assigning all pre-assistance arrears is still required for the former TCA case and payments made on the pre-assistance arrears will continue to be retained by the State.
4. TCA Customers may have multiple child support cases with different non custodial parents that are covered under the old and new DRA requirements for assignment of rights.
5. Under the new Federal requirements for DRA, child support collections that are paid on the TCA customer's Family Arrears will be sent directly to them from CSEA. Customers should keep this money.

### **Some Facts about Child Support Collections on Family Arrears**

- Child Support collections are only applied to Family Arrears **after** the monthly public assistance current support has been satisfied **AND** the public assistance arrears are paid in full **AND** money remains to be paid to the Family Arrears within the month the payment has been received.
- The money is sent out from CSEA and is not automatically included in CARES income calculations.
- Unless the customer tells the case manager, the case manager may not know the customer received the money except at redetermination or interim change.

**NOTE:** At redetermination or at interim change case managers should review the CARES Client Participation History screen (CDBP) (Option U on the CARES AMEN screen). Use the Customer ID number. Scroll down to locate Child Support cases. Select a current CS ID to review. Use the function keys (F14 or F15) identified at the bottom of the CARES screen. Review the CS cases coded as CU to determine the amount of any child support that was sent to the customer.

### **How to Count the Money for TCA**

1. Child support payments are considered unearned income regardless of whether they are received directly from the non-custodial parent or from CSEA.
2. Unearned income received by a customer that is infrequent or irregular and is less than \$200 over a 6-month period is excluded.

Examples:

Customer receives \$30 every month directly from CSEA. The money is countable unearned income for TCA because it is not infrequent or irregular.

Customer receives \$20 from CSEA in May, \$10 in July and \$100 in September. The money is not countable because there is no way to anticipate when the funds would be received or in what amount and the amount is less than \$200 in six months.

3. Whenever a customer reports receipt of child support, narrate the amount received and the date received. Irregular or infrequent child support that exceeds the \$200 in six months is countable.
4. A child support payment that exceeds two or more months of the TCA grant is considered a lump sum and the lump sum policy applies.
  - Divide the amount of the CS payment by the amount of the TCA grant. The family is ineligible for TCA for that number of months.

**NOTE:** Lump sum calculations must be completed offline.

**Example 1:**

TCA grant for one adult and two children: \$574

Non-custodial parent wins the lottery for \$5,000. CSEA sends the customer \$2,500.

$\$2,500 / \$574 = 4.3$  months

The family is ineligible for TCA for four months (count only full months and disregard the portion of the month). Close the TCA case after the adverse action period expires.

**Example 2:**

Family receives TCA in the amount of \$805 for one adult and four children. One of the children has a different father. That child's father paid child support in the amount of \$500. CSEA sent the family \$100 of the collected amount. Exclude the payment as infrequent or irregular since there is no expectation of another payment.

If the family continues to receive child support payments and the payments exceed \$200 in six months count the money as unearned income.

5. TCA customers who receive any child support payments directly from a non custodial parent must continue to turn these payments over to the State.
6. If the support ordered amount (SOA) (monthly child support) exceeds the TCA grant amount and CSEA collects at least an amount equal to the SOA, the TCA case will be closed.

Example: TCA family of 3 with a monthly grant of \$574. The SOA is \$650. CSEA collects \$650. The TCA case will be closed.

## **Food Supplement Program (FSP) Reminders**

- As in TCA, the child support payments are excluded if they are infrequent or irregular and cannot be reasonably anticipated, provided the amount does not exceed \$200 every 6 months.
- As simplified reporters, households are not required to report the child support payments unless the payment causes the household's income to exceed 130 percent of the federal poverty level. However, if it is reported or the agency becomes aware of the payment, the case manager must take appropriate action.
- Non-recurring lump sum payments are counted as a resource in the month received, rather than income.
- Child support payments received by TCA recipients, which must be turned over to Child Support Enforcement Administration (CSEA) as part of TCA eligibility, are not counted for the Food Supplement Program (FSP Manual 211.3J).

### **ACTION DUE:**

Effective March 21, 2009, case managers should tell customers about the change in the requirements for assignment of child support rights. Attached is an informational sheet that can be given to the customer as a handout.

**INQUIRIES:** Please direct all TCA inquiries to Marilyn Lorenzo at 410-767-7333 or [mlorenzo@dhr.state.md.us](mailto:mlorenzo@dhr.state.md.us) or Gretchen Simpson at 410-767-7937 or [gsimpson@dhr.state.md.us](mailto:gsimpson@dhr.state.md.us). Please direct all Child Support policy questions to Kathleen Childs at 410-767-7311 or [kchilds@dhr.state.md.us](mailto:kchilds@dhr.state.md.us) or Julia Koch at 410-767- or [jkoch@dhr.state.md.us](mailto:jkoch@dhr.state.md.us).

cc: DHR Executive Staff  
FIA Management Staff  
Child Support Management Staff  
Constituent Services  
Help Desk

## **Information about Child Support for Families Applying for or Receiving TCA**

Federal rules about child support for families applying for Temporary Cash Assistance (TCA) have changed.

The rule change affects only families who are applying for TCA after March 20, 2009. The changes do not affect Child Support Enforcement cases that you may already have. Families applying or reapplying for TCA must still agree to cooperate with child support. You must still turn over to Child Support Enforcement any child support received directly from the child's parent.

Under the new rules, you only need to assign to the State your child support, whether it is paid or not, while you are on TCA. Any child support owed to you before you came on TCA is yours to keep. We call that child support Family Arrears. Money is applied to Family Arrears when money is left over after:

- The amount of child support we collect in a month is equal to or more than the amount of current support owed to the state (because you are on assistance) **AND**
- The amount of back child support owed to the state has been paid in full

Child Support Enforcement will send you any child support that is collected and paid to your Family Arrears. You may keep this money even if you are getting TCA. However, you must tell your case manager you received it.

You must turn over to Child Support Enforcement any money you get directly from the parent of your child. Listed at the bottom of the page is the address for Child Support Enforcement. Send a check or money order only. Do not send cash. If you do not turn the money over to Child Support Enforcement Administration, you may have to pay back any TCA that you were not eligible for.

If you have been on TCA before, you may have a child support case that falls under the old rules. The old rules require you to assign to the State all child support arrears. This includes the amount of arrears from before you went on TCA. This requirement still applies.

Child Support Enforcement/SDU  
P.O. Box 17396  
Baltimore, MD 21297