DHR Department of Human Resources 311 W. Saratoga St. Baltimore, MD. 21201-3521	**FIA ACTION TRANSMITTAL**
Issuance Date: SEPTEMBER 3, 1996	**Effective Date:** OCTOBER 1, 1996
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TO: DIRECTORS, LOCAL DEPARTMENTS OF SOCIAL SERVICES
DEPUTY/ASSISTANT DIRECTORS FOR FAMILY INVESTMENT
FAMILY INVESTMENT SUPERVISORS

FROM: KEVIN MAHON, EXECUTIVE DIRECTOR, FIA
CLIFFORD LAYMAN, EXECUTIVE DIRECTOR, CSEA

RE: DEDUCTION FOR CHILD SUPPORT PAYMENTS

PROGRAM AFFECTED: TEMPORARY CASH ASSISTANCE (TCA) AND FOOD
STAMPS

ORIGINATING OFFICE: OPA/ DIVISION OF PROGRAM POLICY AND
REGULATION

BACKGROUND

Current policy does not permit paid child support as a deduction from income to determine eligibility and the benefit amount for TCA. Only when income was deemed to the unit, such as from a stepparent, was child support an available deduction. In order to encourage payment of child support and to have consistency in the income calculation, a deduction from income will be permitted for paid child support. The policy applies to members in a TCA assistance unit and to all food stamp households. For members outside an assistance unit whose income is considered, such as stepparents or ineligible aliens, a deduction for alimony is permitted in addition to the child support.

NEW POLICY

Control cases will continue to follow current regulations.
Effective October 1, 1996, for treatment and experimental groups, child support payments paid by a member of the assistance unit to or for a child outside the assistance unit is an allowable deduction from income other than from TCA. To be entitled to the deduction the assistance unit member must:

•   Have a legal obligation to pay, and

•   Actual payments must be made.

Also included are:

- Child support payments made to a third party, such as, a landlord or utility company, in accordance with a court order,

- Legally obligated payments made to obtain health insurance, and

- Arrearages, if there is a 3-month record of child support payments.

Not included are:

- Alimony payments - unless the payor is a stepparent or ineligible alien not in the assistance unit

- Payments made for a property settlement

- Amounts paid over the obligated amount, except for allowable arrearages

Calculating the Deduction

- For households with a history of 3 or more months of paying child support, average at least 3 months of child support, taking into account any anticipated changes.

- For households with less than a 3 month record, estimate the anticipated payments based on available information.

- The child support deduction is deducted from countable income. The deduction cannot exceed the countable income and cannot be deducted from TCA.

Examples

#1   Mr. and Mrs Smith are receiving TCA for themselves and their two children. Mr. Smith receives $50 weekly in Worker's Compensation benefits. He has a support obligated amount of $20 weekly and pays regularly. The allowable child support deduction is $80 ($20x4).

#2   Ms. Jones is receiving TCA for herself and three children. She is working part time earning $120 every two weeks. She has a support obligated amount of $100 per week for the support of another child in the care of the child's grandmother. She is paying $50 per month on the court order. The allowable child support deduction is $50.

#3   Mr. Johnson is receiving TCA for himself and two children. He receives $80 per month Veterans Benefits. His support obligated amount is $125 and he pays this amount. The allowable deduction is $80.

ACTION REQUIRED

AIMS

Enter the child support deduction amount on the AIMS 2 using the deduction code "P56". The system will subtract the deduction from any income other than TCA.

For food stamps, enter the child support deduction amount on the AIMS 3 using deduction code "F54". The system will subtract the deduction from income.

CARES

During Option "O" (Interview), "P" (Processing). or "R" (Interim Change), on the SHEL screen, enter the amount of child support paid outside of the unit in the new field titled "CS Outside". Enter the amount of child support paid in the "Amount" field, the appropriate frequency in the "FREQ" field and the appropriate verification in the "VERF" field. The following values are valid for these new fields:

FREQ	VERF
WE -Weekly	LE - Letter
BW - Bi-weekly	PH - Photocopy of Check
MO - Monthly	NO - Not Verified
AC - Actual	CT - Court Order
BM - Bi-monthly	DC - Divorce Decree
QU - Quarterly	
SA - Semi-monthly	
AN - Annually	

The new fields will also be used for food stamp child support which is paid to someone outside the home. It is no longer necessary to use the workaround in Action Transmittal IMA OPA #96-13 issued October 26, 1995.

FOR PAYMENT ACCURACY it is necessary to delete amounts entered on the CARE screens as a part of the workaround.

ACTION DUE

The new policy is effective October 1, 1996, for all treatment and experimental groups. Control cases follow current regulations.

INQUIRIES

Please direct questions to Kay Finegan at (410) 767-7939.

cc: DHR Executive Staff
          FIA Management Staff
          Constituent Services
          OIM Help Desk