

Appendix 7 Child Support Federal Legislative History

2011 Public Law (PL) 111-291, the **Claims Resolution Act of 2010**, made changes to employer reporting requirements. Under this new provision, employers are now required to report, among other elements, the date that an employee first performs services for pay.

PL 112-40, the **Trade Adjustment Assistance Extension Act of 2011**, amended 42 U.S.C. 653a(a)(2) to provide a definition of the term "newly-hired employee," a term which was not previously defined in the federal laws concerning employer reporting.

2009 PL 111-5, the **American Recovery and Reinvestment Act of 2009 (ARRA)**, temporarily restored states' ability to claim federal matching funds for federal performance incentives earned. States could request matching funds from October 1, 2008 to September 30, 2010.

2006 PL 109-171, the **Deficit Reduction Act of 2005 (DRA)**, made major funding and program changes to the child support and TANF programs. Significant provisions of the DRA included the elimination of pre-assistance assignment no longer requiring families to assign all of their past-due support rights to the state when they receive TANF, requirements that all child support orders include a provision that either or both parents must provide medical support, and that states may enforce medical support obligations against the custodial parent. Additionally, states were also required to provide services to collect co-pays, deductibles, and un-reimbursed medical expenses collected on behalf of a child. IV-D agencies must impose an annual fee of \$25 fee on cases where the custodial has never received TANF and at least \$500 has been collected. States were also allowed to choose to pass through support to families on public assistance, eliminate pre-1997 and post-1997 assignments, and eliminate the distribution exception to intercepted IRS collections, in order for more money to go directly to families. The DRA also eliminated states' ability to claim federal matching funds for performance incentives earned.

In addition, the DRA also created a new federal grants program available for fatherhood and marriage initiatives.

2005 PL 109-8, the **Abuse Prevention and Consumer Protection Act of 2005** (effective October 17, 2005), contained several provisions which allowed child support to continue to be enforced even if a debtor has filed bankruptcy. Child support claims were given priority. Proceedings related to child support for income withholding, license suspension, credit bureau reporting, tax refund intercepts, and enforcement of medical obligations were made exempt from automatic stay provisions. Bankruptcy trustees were required to notify the claim holder and the child support agency of the debtor's last known address.

1999 PL 106-113, the **Consolidated Appropriations Act, 2000**, contained several provisions affecting child support. Section 454A of the Social Security Act was amended by requiring State child support automated data processing and information retrieval systems to disclose to Private Industry Councils certain information on noncustodial parents for the purpose of contacting them regarding their participation in the welfare-to-work program. The Act also provided that if a State plan would be disapproved for failure to establish a disbursement unit for child support payments, but the State had submitted, by April 1, 2000, a corrective compliance plan acceptable to the Secretary, then the Secretary shall not disapprove the State plan for spousal and child support (but the amount otherwise payable to the State will be reduced as a penalty).

The Act also required the Secretary of State, in consultation with the Secretary of Health and Human Resources, to submit a report to Congress on the feasibility of lowering the threshold

Appendix 7

Child Support Federal Legislative History

amount of an individual's support arrearage, from \$5,000 to \$2,500, before the Secretary of State must refuse to issue a passport to such an individual.

PL 106-169, the **Foster Care Independence Act of 1999**, narrowed the hold harmless provision for State share distribution of collected child support.

1998

PL 105-200, the **Child Support Performance and Incentive Act of 1998** (CSPIA), generally provided for an alternative penalty procedure for States that fail to meet Federal child support data processing requirements, and it reformed Federal incentive payments for effective child support performance. The law also required the creation of a Medical Support Working Group to identify any impediments to effective enforcement of medical support and to recommend appropriate remedies. [The Medical Support Working Group's report was issued in August of 2000.]

PL 105-306 included technical amendments to CSPIA that reduced, by 20%, the penalty for State failure to meet the deadline for compliance with child support data processing and information retrieval requirements. This law also amended the effective date for State enactment of certain medical support requirements.

PL 105-200, the **Child Support Performance and Incentive Act of 1998**, provided penalties for failure to meet data processing requirements, reformed incentive payments, and provided penalties for violating inter-jurisdictional adoption requirements. Incentive payments were based on paternity establishment, order establishment, current support collected, cases paying past due support, and cost effectiveness and on a percentage of collections. Incentive payments had to be reinvested in the state's child support program.

PL 105-187, the **Deadbeat Parents Punishment Act of 1998**, established felony violations for the willful failure to pay legal child support obligations in interstate cases.

1997

PL 105-33, the **Balanced Budget Act of 1997**, made a number of amendments to the Social Security Act, including creating the Children's Health Insurance Program in Title XXI to help provide medical coverage to children of working poor families, who are not eligible for private health insurance and who are earning too much to receive Medicaid. The Balanced Budget Act also amended section 454 of the Social Security Act regarding cooperation/good cause, and the FPLS language in section 453 to clarify the authority permitting certain re-disclosures of wage and claim information. Also, this Act authorized for the first time the direct funding of Tribal support programs, with Congress giving OCSE greater flexibility in providing direct funding for such programs and requiring OCSE to promulgate regulations before issuing grants directly to Tribes.

PL 105-34, the **Taxpayer Relief Act of 1997**, amended the Social Security Act by requiring, beginning October 1, 1999, that the Federal Case Registry of Child Support Orders include the names and Social Security Numbers of children on whose behalf child support is owed, and that such information also be included in State case registries. Furthermore, the Secretary of the Treasury shall have access to the Federal Case Registry of Child Support Orders for the purpose of administering the tax provisions that grant tax benefits based on support or residence of a child.

PL 105-89, the **Adoption and Safe Families Act of 1997**, made the Federal Parent Locator Service available to child welfare services for enforcement of custody and support orders.

1996

Title III of the **Personal Responsibility and Work Opportunity Reconciliation Act** (PRWORA) of 1996 (PL 104-193) abolished Aid to Families with Dependent Children (AFDC) and established

Appendix 7 Child Support Federal Legislative History

Temporary Assistance for Needy Families (TANF). Each state was required to operate a **Title IV-D child support program** to be eligible for TANF funds. States had to comply with numerous changes in child support services.

- 1995** PL 104-35 extended the deadline two years for states to have an automated data processing and information retrieval system. The 90 percent match was not extended.
- 1994** PL 103-432, the **Social Security Act Amendments of 1994**, required states to periodically report debtor parents to consumer reporting agencies.
- PL 103-403, the **Small Business Administration Amendments of 1994**, rendered delinquent child support payers ineligible for small business loans.
- PL 103-394, the **Bankruptcy Reform Act of 1994**, did not stay a paternity, child support or alimony proceeding. Child support and alimony were made priority claims.
- PL 103-383, the **Full Faith and Credit for Child Support Orders Act**, required states to enforce other states administrative and court orders.
- 1993** PL 103-66, the **Omnibus Budget Reconciliation Act of 1993**, required states to establish paternity on 75 percent of the children in their caseload instead of 50 percent. States had to adopt civil procedures for voluntary acknowledgement of paternity. The law also required states to adopt laws to ensure the medical compliance in orders.
- 1992** PL 102-537, the **Ted Weiss Child Support Enforcement Act of 1992**, amended the Fair Credit Reporting Act to include child support delinquencies in credit reporting.
- PL 102-521, the **Child Support Recovery Act of 1992**, imposed a federal criminal penalty for the willful failure to pay child support in interstate cases.
- 1990** PL 101-508, the **Omnibus Budget Reconciliation Act of 1990**, permanently extended the federal provision for IRS tax refund offsets for child and spousal support.
- 1989** PL 101-239, the **Omnibus Budget Reconciliation Act of 1989**, made permanent the requirement that Medicaid continue for four months after termination from AFDC.
- 1988** PL 100-485, the **Family Support Act of 1988**, emphasized the duties of parents to work and support their children, underscoring the importance of child support as the first line of defense against welfare dependence. States were required to: 1) develop mandatory support guidelines; 2) meet paternity standards; 3) respond to requests for services within specified time periods; 5) develop an automated tracking system; 6) provide immediate wage withholding; 8) have parents furnish Social Security number when a birth certificate is issued; and 9) notify AFDC recipients of monthly collections.
- 1987** PL 100-203, the **Omnibus Budget Reconciliation Act of 1987**, required states to provide services to families with an absent parent who receives Medicaid and have them assign their support rights to the state.
- 1986** PL 99-509, the **Omnibus Budget Reconciliation Act of 1986**, included an amendment that prohibited retroactive modification of child support awards.

Appendix 7 Child Support Federal Legislative History

- 1984** PL 98-378, the **Child Support Amendments of 1984**, expanded federal oversight to increase uniformity among states. States were required to enact statutes to improve enforcement. Federal Financial Participation (FFP) rates were adjusted to encourage reliance on performance-based incentives. Audit provisions were altered to evaluate a state's effectiveness. States were required to improve their interstate enforcement. States were mandated to provide equal services for AFDC and non-AFDC families alike.
- PL 98-369, the **Tax Reform Act of 1984**, included two tax provisions for alimony and child support.
- 1982** PL 97-253, the **Omnibus Budget Reconciliation Act of 1982**, allowed access to information obtained under the Food Stamp Act of 1977.
- PL 97-252, the **Uniformed Services Former Spouses' Protection Act**, authorized military retirement or retainer pay to be treated as property.
- PL 97-248, the **Tax Equity and Fiscal Responsibility Act of 1982**, included several provisions affecting IV-D, including reducing the FFP and incentives. In addition, Congress repealed the mandatory non-AFDC collection fee retroactive to 1981, making it an option. States were allowed to collect spousal support for non-AFDC cases. Military personnel were required to make allotments from their pay if delinquent.
- 1981** PL 97-35, the **Omnibus Reconciliation Act of 1981**, amended IV-D in five ways: 1) IRS was authorized to withhold tax refunds for delinquent child support; 2) IV-D agencies were required to collect spousal support for AFDC families; 3) IV-D agencies were required to collect fees from parents delinquent in child support; 4) obligations assigned to the state were no longer dischargeable in bankruptcy proceedings; and 5) states were required to withhold a portion of unemployment for delinquent support.
- 1980** PL 96-272, the **Adoption Assistance and Child Welfare Act of 1980**, amended the Social Security Act as follows: 1) FFP for non-AFDC was made permanent; 2) states could receive incentives on interstate AFDC collections; and 3) states had to claim expenditures within two years.
- PL 96-265, the **Social Security Disability Amendments of 1980**, increased federal matching funds to 90 percent for automated systems. Matching funds were made available for court staff. IRS was authorized to collect arrearages for non-AFDC families. IV-D agencies were allowed access to wage data.
- 1978** PL 95-598, the **Bankruptcy Reform Act of 1978**, repealed section 456(b) of the Social Security Act (42 USC §656(b)), which had barred the discharge in bankruptcy of assigned child support arrears. (PL 97-35 in 1981 restored this section.)
- 1977** PL 95-142, the **Medicare-Medicaid Antifraud and Abuse Amendments of 1977**, enabled states to require Medicaid applicants to assign the state their rights to medical support. Incentives were made for states securing collections on behalf of other states.
- PL 95-30 amended section 454 of the Social Security Act, including garnishment of federal employees, bonding employees who handle cash and changing incentive rates.

Appendix 7 Child Support Federal Legislative History

- 1976** PL 94-566 required state employment agencies to provide addresses of obligated parents to state child support agencies.
- 1974** PL 93-647, the **Social Security Amendments of 1974**, created **Title IV-D of the Social Security Act, the child support program**. The program was designed for cost recovery of state and federal outlays on public assistance and for cost avoidance to help families leave welfare and to help families avoid turning to public assistance.
- 1967** PL 90-248, the **Social Security Amendments of 1967**, allowed states access to IRS for addresses of obligated parents. Each state was required to establish a single child support unit for AFDC children. States were required to work cooperatively.
- 1965** PL 89-97, the **Social Security Amendments of 1965**, allowed welfare agencies to obtain addresses and employers of obligated parents from the U.S. Department of Health, Education and Welfare.
- 1950** PL 81-734, the **Social Security Act Amendments of 1950**, added section 402(a)(11) to the Social Security Act (42 USC 602(a)(11)). The law required state welfare agencies to notify law enforcement officials when providing AFDC to a child. The Uniform Reciprocal Enforcement of Support Act (URESAs) was approved.