



Summary of “Personal Responsibility, Work, and Family Promotion Act of 2000,” introduced by Rep. Herger (H.R. 4090 substitute amendment)

Child Support Distribution and Other Child Support Provisions

The bill would give states the option to distribute all support to former TANF families:

- Sec. 302 would allow states to distribute all collected support to families who have left TANF assistance, effective October 1, 2004. This provision would give states the option to eliminate the federal tax offset exception. States would not be required to pay a federal share on collections distributed to former TANF families.
- The bill does not address the requirement in current law that as a condition of receiving TANF assistance, families must assign to the state their rights to unpaid support owed before they began receiving assistance (“assignment of pre-assistance arrears”).
- The bill does not expand the authority of states to use TANF funds to increase child support payments to families or to claim increased payments as “qualified state expenditures” under TANF maintenance of effort requirements.

The bill would provide for limited federal participation in pass-through of child support to TANF families:

- Sec. 301 would provide for a limited waiver of the federal share of collections when a state opts to distribute support to families receiving TANF assistance and to disregard the support in determining the amount and type of assistance, applicable to amounts passed through after October 1, 2004.
- Sec. 301 would not require a state to pay the federal government a share of collections on an *increase* in the passed through amount. The federal share would be waived on a \$50 increase over a current pass-through amount, or on an amount that would increase the total pass-through amount to \$100, whichever is greater. For the limited waiver to apply, the state would have to increase its pass-through after December 31, 2001.

The bill would require states to charge a service fee to families who never received TANF.

- Sec. 304 would require states to impose an annual \$25 service fee on families who have never received TANF assistance, which would be paid by the individual applying for services, recovered from the absent parent, or paid by the state out of its own funds, effective Oct. 1, 2003. It is not clear from the language whether this fee would be limited to families with collections, or how this fee would relate to existing application and other fees and costs specified in the current law.

The bill would require states to review and adjust TANF orders:

- Sec. 303 would require states to review the support orders of TANF families who have assigned their rights to support to the state at least once every three years, and to adjust the orders in accordance with state guidelines, to apply a cost of living adjustment, or to use automated identification and adjustment methods, effective Oct 1, 2004.

The bill would allow unemployment compensation programs to use new hire information:

- Sec. 306 would authorize state employment security agencies to obtain information from the National Directory of New Hires in order to help detect fraud in the unemployment compensation system, effective Oct. 1, 2003.

The bill would lower the threshold for passport denial from \$5,000 to \$2,500:

- Sec. 307 would authorize the denial, revocation, or restriction of passports to noncustodial parents whose child support arrearages exceed \$2,500, effective Oct. 1, 2003.

The bill would allow federal tax offsets on behalf of adult children owed support:

- Sec. 308 would allow states to use the federal tax intercept program to collect past-due support on behalf of non-TANF children who are no longer minors, effective Oct. 1, 2004.

The bill would allow withholding of veterans' disability benefits to pay child support:

- Sec. 309 would allow child support to be withheld from veterans' disability compensation payments, provided that the obligor is 60 days or more in arrears,

effective Oct. 1, 2004. Not more than 50% of any payment could be withheld. Alimony could not be withheld under this provision.

The bill would expand the federal administrative offset program by allowing offsets of Social Security benefits to collect child support.

- Sec. 310 would expand the authority of the federal administrative offset program to allow for offsets of Social Security benefits to collect unpaid support in cases enforced by the state.

The bill would maintain OCSE technical assistance and FPLS funding:

- Sec. 311 would authorize the Secretary to use 1% of the federal share of collections, or a greater amount of appropriated funds, for technical assistance and training, and 2% of the federal share of collections, or a greater amount of appropriated funds, for operation of the Federal Parent Locator Service. The provisions would make existing set-aside funding permanent and would allow for appropriations in addition to the set-asides.

The bill would require HHS to submit a report on undistributed collections:

- Sec. 305 would require the Secretary of HHS to submit a report on state procedures used to locate custodial parents with undistributed collections no later than 6 months after enactment.

Prepared by Vicki Turetsky - 4/18/02