

Act to Bring Child Support Home

Lead Sponsors: Senator Creem, Representative Wolf

Bringing child support home—

- Keeps child support dollars in Massachusetts instead of sending them to the federal government,
- Encourages custodial parents to pursue child support because they know their children will benefit,
- Encourages noncustodial parents to work and pay child support, strengthening connections between noncustodial parents and their children, and
- Increases families' non-welfare income, helping them leave TAFDC and stay off TAFDC.

How much will this bill cost?

Because the federal government will waive its half of the collection, the bill is estimated to yield an annual gain of \$25.1 M for families at a reduction in child support recovery to the state of \$11.2 M.

The gain of \$25.1 M for families will generate a stimulus effect in the local economy of \$46 M, most of which is paid for with child support that otherwise would be sent to Washington.

Child Support is for Families

This bill brings child support home by paying it to needy families instead of the federal government.

Child support for children receiving TAFDC

Families receiving TAFDC are required to assign their child support rights to the state. Currently, Massachusetts pays the family a maximum of only \$50 a month of the child support it collects for their children, regardless of the number of children. The rest is split between the state and the federal government.

A new federal law encourages states to send families more of the child support: if the state lets the family keep up to \$100 a month in child support for one child and \$200 a month for two or more children, the federal government will waive its claim to half of those amounts.

The bill would send families the full amount permitted by federal law so needy children get more of the support that is paid for them.

Child support for children after TAFDC ends

Currently, families who get TAFDC must assign their rights to current support and also their rights to any uncollected back support (arrears) due before TAFDC began. When the family goes off assistance, the state sends half of any arrears that are collected to the federal government and keeps the rest to repay itself for the past TAFDC instead of sending it to the children for whom it was paid.

Under a new federal law, if the state pays the family all child support collected after TAFDC ends, it doesn't have to pay the federal government any of the collection. **The bill directs DOR to implement this option so that children in former TAFDC families get all of the child support that is paid for them.**

To co-sponsor the Senate bill, contact Catherine Anderson in Sen. Creem's office, Catherine.Anderson@state.ma.us, 617-722-1639.

To co-sponsor the House identical House bill, contact Kathleen Hornby in Rep. Wolf's office, Kathleen.Hornby@state.ma.us, 617-722-2400.

For more information: Mass. Law Reform Institute, 617-357-0700 (Deborah Harris, x 313, dharris@mlri.org; Ruth Bourquin, x 333, rbourquin@mlri.org; Deborah Silva, x 340, dsilva@mlri.org; Jeff Wolf, x 305, jwolf@mlri.org); Family Economic Initiative, Elizabeth Toulan, 617-603-1626 (etoulan@gbis.org).

AN ACT TO BRING CHILD SUPPORT HOME

SECTION 1. Section 21 of Chapter 18 of the General Laws, as appearing in the 2006 Official Edition, is hereby amended by inserting after the first sentence the following:-- In enforcing its subrogation rights, the department shall not require any recipient to assign support arrears which accrued before the family began receiving assistance.

SECTION 2. Section 2 of chapter 118 of the General Laws, as so appearing, is hereby amended by inserting at the end of the first paragraph the following:-- Child support collections shall be paid to a recipient of benefits under this chapter to the extent that the federal government will waive or not have a claim to a federal share of such collections pursuant to 42 U.S.C. section 657. Any amounts paid to the family under this provision shall be disregarded in determining the amount of assistance provided to the family.

SECTION 3. Subsection (b) of section 2 of chapter 119A of the General Laws, as so appearing, is hereby amended by inserting at the end the following:-- Pursuant to Title IV, Part D of the Social Security Act, in the case of former recipients of assistance, the IV-D agency shall pay to the family all support payments collected, including payments on arrears assigned to the state and payments collected through federal tax refund offset.

SECTION 4. The Commonwealth shall discontinue any assignments, made between October 1, 1997 and the effective date of this section, of rights to support obligations accruing before the date on which a recipient began to receive public assistance. The IV-D agency shall treat support amounts collected pursuant to such discontinued assignments as if the amounts had never been assigned and shall distribute the amounts to the recipient.

SECTION 5. Notwithstanding any general or special law to the contrary, the IV-D agency may collect child support paid on behalf of current or former recipients of transitional aid to families with dependent children benefits funded solely with state funds, and if such collections are made, the Commonwealth shall apply the same policies with regard to payment and disregard of such collections as are applied to current or former recipients of benefits funded in whole or in part with federal funds.

SECTION 6. The department of revenue shall submit a report on or before July 1, 2009 to the chairs of the house and senate committees on ways and means and the chairs of the joint committee on revenue setting forth in detail the steps the department has taken and plans to take to implement sections 1 through 5 effective October 1, 2009; provided further, that said report shall include a timetable for accomplishing each of the steps the department determines is necessary to implement sections 1 through 5 effective October 1, 2009.

SECTION 7. Sections 1 through 5 shall take effect on October 1, 2009.