



# **Resolution in Support of New Tools to Improve Child Support Collections**

## **Introduction**

The National Child Support Enforcement Association (NCSEA) is committed to increasing child support collections owed to families and children. To achieve this outcome, it is necessary to continuously improve and expand the collection tools available to child support professionals enabling them to successfully collect support in cases that are not subject to traditional enforcement mechanisms.

NCSEA recognizes that there remains much room for improvement in child support collections. With the exception of income withholding, most child support collection actions vary from state to state, both in terms of the processes required by various state laws and the timing when collection actions are permitted. In addition, the inclination of state legislatures to add or expand existing enforcement tools is often constrained by the competitive disadvantage to certain segments of the business community if the new or expanded enforcement tool is not implemented on a national level. This resolution focuses on potential additions and improvements to the child support enforcement tools mandated by federal law and to the sources of information that can be used to increase the amount of child support collected.

## **Background**

The 1996 Personal Responsibility Work Opportunity Reconciliation Act (PRWORA) provided numerous enforcement tools for which states were required to enact legislation, program into their automated systems, and implement. However, there are still gaps in the enforcement process leaving thousands of dollars available and beyond reach for individual families.

Accordingly, enforcement tools should be comprehensive, uniformly applied across all states, automated and simultaneous to achieve the maximum amount of collections for the family. To be comprehensive and uniform, Federal legislation must mandate the occurrence of certain enforcement actions in every state. If collections are not achieved after a state implements all of the enforcement tools, it is likely that the individual non-custodial parent simply does not have the resources to pay child support and needs assistance from the child support agency to secure job training placement, or referral for other resources.

Creating an on-line lien registry for motor vehicles in all states supports the existing registries in some states by removing an incentive for potential vehicle sales to occur in a neighboring state where a registry may not exist. In addition, on-line functionality allows



for satisfaction of any lien by the buyer and seller of a vehicle even outside normal office hours when a child support worker is not available.

### **Congressional Actions**

Improvements in federal law identified by NCSEA fall into four types: expand and enhance existing enforcement tools, improve access to information, mandate new collection tools, and improve interaction with the Internal Revenue Service.

#### **Expand and enhance existing enforcement tools**

- a) Require the United States Department of State to develop a process for revoking passports similar to the current process for denying passports to delinquent child support obligors.
- b) Mandate states enact laws requiring insurance companies to report pending insurance claims, including the social security number of the claimant.
- c) Mandate states enact laws creating centralized on-line lien registries that apply to all real property, vehicles, and other property of an obligor by operation of law.
- d) Mandate states enact laws requiring a Social Security number or other identifier in order to register a motor vehicle that would support a suspension process that may be even more effective than suspending a driver license.
- e) Require states to create electronic registries of professional licenses to which professional licensing authorities are required to submit information on a periodic basis.
- f) Require states to honor income withholding orders for unemployment insurance benefits from another state, including orders which combine child support and spousal support.
- g) Require the Bureau of Prisons to honor an income withholding order without the consent of the inmate. Many federal inmates earn income from prison employment that could be withheld for payment of child support however the Bureau of Prisons has taken the position that current law does not allow them to do so.
- h) Require full faith and credit for lien and levy notices and require OCSE to send lien and levy notices to banks on state request. Currently a state child support agency must request the service of the corresponding state child support agency who then sends the notice to the bank.



### **Improve access on non-custodial parent locate, income, and assets information**

- a) Require cell phone companies, cable companies, and utilities participate in an electronic data match with state child support agencies, multi-state child support consortia, or the federal Office of Child Support Enforcement.
- b) Mandate states enact laws requiring the reporting of independent contractors on a similar basis to the current reporting of new employees (see [NCSEA Resolution on New Hire Reporting and Income Withholding Changes for Independent Contractors](#)).
- c) Mandate states enact laws to create a central database of delinquent obligors that must be checked by probate administrators, executors, or attorneys when a probate is filed.

### **New collection tools**

- a) Mandate states enact laws requiring the reporting and intercept of gambling proceeds in excess of an amount set by the federal Office of Child Support, and the inclusion of similar requirements in Indian gaming compacts.
- b) Authorize the federal Office of Child Support Enforcement to share the results of any match with the employer and any state that has a child support case involving the employee receiving the lump sum through a single point of contact for employers to report lump-sum payments in lieu of reporting to each state in which the employer does business.

### **Improve internal interaction with IRS**

- a) Prohibit the Internal Revenue Service from holding states liable for fraudulent tax returns and refunds which are later reversed by the IRS.
- b) Authorize IRS information to be disclosed by state and tribal child support agencies for child support purposes with parents (including attorneys and other third parties authorized by the parent), courts, attorneys, public assistance agencies, and vendors providing services to a government child support agency (see [NCSEA resolution on Confidentiality of IRS Information](#)).
- c) Authorize tribal child support programs to access IRS and federal Office of Child Support Enforcement databases and processes on a similar basis to existing access by state child support agencies.



## **Regulatory Actions**

As the lead federal agency for the child support program, and as the agency responsible for certain grants, NCSEA believes the Office of Child Support Enforcement (OCSE) is in position to consider certain specific actions to improve child support collections.

**Multi-State Consortia or Federal Initiatives:** Encourage development of federal or multi-state efforts to exchange information with employers, insurance companies, financial institutions, and other business partners of child support. This encouragement should include use of available federal grant funds as seed money for creating multi-state consortia when appropriate to simplify and streamline the interaction between child support agencies and business partners.

**Federal Class Actions:** Contact the Judicial Conference of the United States to recommend a change to the Federal Rules of Civil Procedure to require notification to Child Support following certification of a class action and, prior to payment of any claim to a class member, notification by one of the parties to the action (as provided by the court) of the social security number or other personal identifier of any claimant. Following any successful federal rule change, encourage states to seek similar changes in state rules of procedure regarding class actions.

**Employer Lump-Sum Reporting:** Create a single point of contact tool for employers to report lump-sum payments in lieu of reporting to each state in which the employer does business and share the match results back to states to be able to provide communication back to employers.

**THEREFORE, NCSEA resolves to support amendments to federal law and regulations that expand and improve the effectiveness of existing child support collection tools, add new collection tools, and improve access to information. These amendments would benefit the child support program and the families it serves.**

**Adopted by the NCSEA Board of Directors on August 11, 2020**