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DIVISION: Employment & Transitional Supports

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TO: Commissioners; TA Directors; FS Directors; WMS Coordinators; CAP/TOP Coordinators

FROM: Russell Sykes, Deputy Commissioner, Division of Employment and Transitional Supports

SUBJECT: Edit Change to Unearned Income Source Code 06 (Child Support Payments) and Unearned Income Source Code 02 (Alimony/Spousal Support Non-Arrears)

EFFECTIVE DATE: June 19, 2006

CONTACT PERSON: Temporary Assistance Bureau at 1-800-343-8859; extension 4-9344

ABEL Transmittal 06-2, issued June 6, 2006, advised districts of an edit change for unearned income source code "06-Child Support Payments" and unearned income source code "02-Alimony/Spousal Support-Non-Arrears". This edit change allows districts to complete and store Temporary Assistance (TA) budgets that use these two codes with an effective date of six months (the current month plus five months) as opposed to the previous three months (current month plus two months). The Transmittal advised districts that this change became effective May 29, 2006. This date was incorrect and the change became effective on June 19, 2006 rather than the earlier date as indicated in the original Transmittal.

The purpose of this change is to reduce the number of budget reauthorizations districts are required to complete before a local child support office can begin accepting child support payments. This generally occurs when there is a voluntary child support agreement between the custodial parent and the absent parent. Although support rights are considered as assigned to the district when the applicant signs the application form (LDSS-2921), child support offices cannot accept these payments made on a voluntary basis in the absence of actual child support order.

TA cases which include child support budgeted using an unearned income source code "06" are entitled to receive a disregard of up to the first \$50 of current child support collected. Cases which may include both voluntary agreements and court ordered child support are entitled to only one disregard of up to \$50. For cases with both voluntary agreements and support orders, districts must use the appropriate IV-D indicator code on Screen 1 of WMS to exclude any additional disregard from being given in the form of a pass-through payment.

Social Services Law § 131-a(8)(v) and Office regulations § 352.15 require that the first \$50 per month of current child support received directly by a household prior to the date the respondent is required to make the support payments directly to the district must be disregarded when determining need, although there has been no federal reimbursement for this disregard since October 1, 1996. For Family Assistance (FA, Case Type 11) and Safety Net Assistance-Federally Participating (SNA-FP, Case Type 12) cases, districts must continue to process the pass-through payment, when support is directly received by the household, using instructions issued in GIS 96 TA/DC033 (issued September 20, 1996). This GIS instructed districts on FA and SNA-FP cases with direct support budgeted, to reduce the semi-monthly grant in an amount equal to \$25 (or one-half of the child support disregarded) and authorize the new, reduced grant. Districts must then authorize a recurring semi-monthly payment in the amount of \$25 (or one-half of the

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monthly child support disregarded) using Payment Type Code "18-Child Support Disregard" and Special Claiming Category Code "P-FNP Payment". Edits require that when a Payment Type "05-Case Recurring Grant" and a Payment Type Code "18-Child Support Disregard" are entered in a case that the sum of their associated amounts must equal the semi-monthly or monthly grant amount in the stored ABEL budget. In those instances where support is received directly by the district, each district's fiscal claims continue to be adjusted to remove the federal share of the monthly pass-through payments.

Once the child support office begins collecting child support on behalf of the recipient, the district must immediately change the unearned income source code "06-Child Support Payments" to unearned income source code "13-Child/Spousal Support Assigned to Agency" and not wait until the expiration of the effective date of the current TA budget.

Edits impacting unearned income source code "02-Alimony/Spousal Support (Non-Arrears)" were also changed to allow for the same six month (current month plus five months) effective period for case types "11-FA", "12-SNA-FP" and "13-ADC-FC".

Districts are reminded of the importance of including child support income on the ABEL budget both as a way to track those cases receiving child support directly, or with an active support order. It is important to remember that when properly budgeted and verified, child support income can be an effective way of moving a family to self-sufficiency, and closing the TA case.

When unearned income source "06-Child Support Payments" is entered on the ABEL budget and an "S-Surplus" appears in the CD/AMT field, the district should proceed to deny or close the TA case due to excess income. When unearned income source "13-Child/Spousal Support Assigned to Agency" is entered on the ABEL budget and a "W-Warning" appears in the CD/AMT field, the district must review the child support budgeted to see if the correct amount is budgeted and to see if the child support is regularly paid. If so, and the child support causes the case to be income ineligible for TA, the TA case must be closed due to excess income using the appropriate excess income code. Also note, as part of the monthly IV-D MRB/A process a message "PA Warning" appears on the monthly IV-D Eligible's Report for cases that may be TA ineligible due to excess income. Districts must review these cases to determine if the correct child support amount is budgeted and to see if the child support is regularly being paid. If so, and the child support causes the case to be income ineligible for TA, the TA case must be closed due to excess income using the appropriate excess income code.

Including child support in the budget is also an effective way to demonstrate to a recipient that the amount of TA received netted against child support collected, may make transitional benefits and child care in lieu of TA a more attractive choice than receiving recurring TA.