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TO: **Income Maintenance Supervisors**
Income Maintenance Lead Workers
Income Maintenance Workers
Training Staff
W-2 Agencies
Workforce Development Boards
Job Center Leads and Managers

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BEM/DWS OPERATIONS MEMO					
No:	06-21				
DATE:	05/23/2006				
FS	<input checked="" type="checkbox"/>	MA	<input checked="" type="checkbox"/>	SC	<input type="checkbox"/>
CTS	<input checked="" type="checkbox"/>	CC	<input type="checkbox"/>	W-2	<input checked="" type="checkbox"/>
FSET	<input type="checkbox"/>	EA	<input type="checkbox"/>	CF	<input type="checkbox"/>
JAL	<input type="checkbox"/>	JC	<input type="checkbox"/>	RAP	<input type="checkbox"/>
WIA	<input type="checkbox"/>	Other	EP	<input type="checkbox"/>	★
PRIORITY: HIGH					

SUBJECT: **UPDATED W-2 and CTS CHILD SUPPORT PASS THROUGH CHANGES**

CROSS REFERENCE: Operations Memo 05-50, dated 12/05/2005
W-2 Manual, Chapter 3 and Chapter 16
Caretaker Supplement Handbook, Section III
Operations Memo 02-40, dated 06/21/2002
Child Support Bulletin 05-28, dated 11/21/2005
Child Support Bulletin 06-02, dated 1/23/2006

EFFECTIVE DATE: Immediately

PURPOSE:

This memo is the second in a series of Operations Memos (OM) that provide guidance to Wisconsin Works (W-2), Caretaker Supplement (CTS), and Income Maintenance (IM) agencies regarding a reduction of the Federal share of assigned child support (CS) pass through that

became effective on January 1, 2006. This memo obsoletes previous OM 02-40, dated June 21, 2002, and provides:

1. Supplemental policy and procedural information to OM 05-50.
2. More detailed information on how CS payments for W-2, CTS, and IM participants receiving assigned CS may be affected by this Federal change.
3. More detailed explanation of how this change affects CS payments received by Custodial Parent of an Infant (CMC) recipients receiving assigned CS.

BACKGROUND

Operations Memo (OM) 05-50 provided initial information on the end of the federal waiver that allowed Wisconsin to pass through all child support payments to participants who received W-2 or CTS cash assistance. It also provided information about how assigned child support will decrease for these participants by the amount of the federal share retained in a phased approach during CY 2006.

POLICY

Receipt of W-2 or CTS cash assistance requires participants to “assign” their rights to child support to the state. The “assignment” of support means that child support collections can be retained by the state to pay back the federal and state costs of the cash assistance paid to W-2 and CTS participants. In most states, the entire amount of assigned support is retained by the state to recover assistance costs. However, from October 1997 to December 2005, Wisconsin was operating under a federal waiver to pass through all assigned child support to the family.

As of January 1, 2006, the federal waiver is being phased out and by October 1, 2006 the state will retain the full federal share of collections to pay the federal government for its costs in providing W-2 and CTS cash assistance. However, the state share of child support collections will continue to be passed through to W-2 and CTS recipients.

ASSIGNED CHILD SUPPORT PASS THROUGH EXAMPLE TABLE

The following table provides examples to demonstrate how assigned CS payments can be affected by the CS assignment pass through changes. However, this table is not representative of all possible situations. W-2, CTS, and IM participants receiving assigned child support who have questions should be referred to their local child support agency for more detailed information and for answers regarding their own child support changes.

Starting *February 2006*, any W-2 and CTS participant affected by an assigned CS payment reduction will receive a KIDS generated "**Child Support Collections Notice**" (Form DES-10869) during the month immediately following any reduced CS payment. The notice identifies the amount of the payment that was retained, the amount sent to the custodial parent, and the child support agency that can help answer questions.

ASSIGNED CS PASS THROUGH EXAMPLE TABLE

Case/Placement Type	Comments	CS Pass Through Reduced
Current CSJ, W-2 T, or CTS	Cash Assistance* is received	YES
Former CSJ or W-2 T	Only CS arrears affected if received for a previous W-2 T or CSJ period	Arrears Only
Former CTS Before 01/01/06	Current and arrears CS payments not affected	NO
Former CTS Who Left Program After 01/01/06	CS arrears may be affected. Current CS payments not affected	Arrears Only
CC, FS, and/or MA	Cases with no W-2 or CTS cash assistance received	NO
CC, FS, or MA with W-2 or CTS Cash Assistance	Combined cases receiving CSJ, W-2 T, or CTS cash assistance	YES
W-2 Case Management Only	No cash assistance received	NO
CMC Placement with No Prior Cash Assistance	No previous AFDC, CSJ, W-2 T, CMC, or CTS cash assistance received	NO
CMC Placement with Prior Cash Assistance	Previous AFDC, CSJ, W-2 T, CMC, or CTS cash assistance received	YES
Trial Job	No direct cash assistance	NO
W-2 Manual, Chap. 17 Emergency Assistance	Emergency cash and other assistance	NO
W-2 Manual, Chap. 18 CSJ, W-2T, and TJ Emergency Payment	One time emergency W-2 cash payment for new CSJ, W-2 T, and TJ participants	NO

* Cash Assistance means cash benefits received directly by a W-2 participant typically for more than 4 months or CTS cash benefits received.

ASSIGNED CHILD SUPPORT PASS THROUGH SUMMARY**W-2, CTS, AND IM PROGRAM PARTICIPANTS**

Former W-2 participants who receive an assigned CS arrears payment after January 1, 2006, for arrears that accumulated before and during the period they previously received CSJ or W-2 T cash payments can have the CS arrears payment affected by this change. However, current child support payments should not be affected for these former W-2 participants.

Former CTS participants who receive child support arrears or current payments and left the CTS program prior to January 1, 2006, are not subject to CS assignment/payment reduction.

Former CTS recipients who left the CTS program on or after January 1, 2006, may be subject to CS arrears assignment/payment reduction. However, current CS payments for this former CTS recipient group should not be affected.

Current CTS, CSJ, certain CMC, and W-2T participants on January 1, 2006, and later can have both assigned current and arrears CS payments reduced.

W-2 Case Management placements (CMS, CMF, CMU, CMM, CMP, CMN) and Trial Job (TJ) placements are not subject to CS assignment/reduced CS payments.

Child Care (CC), FoodShare (FS), and Medical Assistance (MA) participants are not subject to CS assignment/reduced CS payments, unless they also receive W-2 CSJ, certain CMC, W-2 T, or CTS cash assistance.

W-2 Manual, Chapter 17, Emergency Assistance (EA), and W-2 Manual, Chapter 18, Emergency Payments, do not effect CS payments.

W-2 CUSTODIAL PARENT OF AN INFANT (CMC PROGRAM PARTICIPANTS)

Certain CMC placements can have their assigned CS affected by this change. CMC individuals who previously received AFDC, W-2 CMC, W-2 T, CSJ, or CTS cash assistance can have their assigned CS pass through affected by this change.

An individual in a W-2 CMC placement who did not previously receive AFDC, CSJ, W-2 T, CMC or CTS cash assistance is not subject to CS assignment/CS pass through reduction unless they participate in a subsequent W-2 or CTS cash payment position.

W-2 AND CTS CS PASS THROUGH CHANGE NOTIFICATION

PREVIOUS CS PASS THROUGH CHANGE NOTIFICATION

A mass information mailing to those who could possibly be affected by the CS pass through change was completed by the DWD Bureau of Child Support (BCS) in December 2005 per OM 05-50. In addition, separate W-2 and CTS CS pass through information handouts were provided as attachments to OM 05-50 for handout to new W-2 and CTS applicants until updated BCS information brochures became available.

CURRENT W-2 AND CTS PARTICIPANT CHILD SUPPORT INFORMATION BROCHURE

A new child support information brochure for current W-2 and CTS participants has been developed to replace the previous OM 05-50 attachment handouts. This brochure provides consolidated W-2 and CTS CS pass through information and should be provided to CTS and W-2 applicants by the W-2 and CTS agencies instead of the OM 05-50 handouts. This brochure can be obtained in English (DWSC-15111-P), Spanish (DWSC-15 111-S-P), and Hmong (DWSC-15111-H-P) versions from the following DWD Website locations:

English Version at:

http://www.dwd.state.wi.us/dwd/publications/dws/child_support/pdf/dwsc_15111_p.pdf

Spanish Version at:

http://www.dwd.state.wi.us/dwd/publications/dws/child_support/pdf/dwsc_15111_s_p.pdf

Hmong Version at:

http://www.dwd.state.wi.us/dwd/publications/dws/child_support/pdf/dwsc_15111_h_p.pdf

Limited numbers of printed versions of this new brochure in all three languages should be available from DOA document sales in May 2006.

Former W-2 Cash Recipient Child Support Information Brochure

A new child support information brochure for former W-2 cash recipients has also been developed. W-2 agencies should provide this brochure to participants leaving W-2 who

received any W-2 cash benefits and assigned CS during their W-2 participation. This brochure can also be provided to any former W-2 participant who contacts a W-2 agency for general information about the recent CS pass through change.

No notification of former W-2 participants is required by W-2 agencies since the DWS Bureau of Child support has already notified those individuals. Individuals with specific CS questions should be referred to the local child support agency for answers.

This brochure can be obtained in English (DWSC-15110-P), Spanish (DWSC-15 110-S-P), and Hmong (DWSC-15110-H-P) versions from the following DWD Website locations:

English version at:

http://www.dwd.state.wi.us/dwd/publications/dws/child_support/pdf/dwsc_15110_p.pdf

Spanish version at:

http://www.dwd.state.wi.us/dwd/publications/dws/child_support/pdf/dwsc_15110_s_p.pdf

Hmong version at:

http://www.dwd.state.wi.us/dwd/publications/dws/child_support/pdf/dwsc_15110_h_p.pdf

Limited numbers of printed versions of this new brochure in all three languages should be available from DOA document sales in May 2006.

UPDATED CHILD SUPPORT NOTICE OF ASSIGNMENT FORM FOR W-2 AND CTS AGENCY USE

Per OM 05-50 guidance, W-2 and CTS agencies should continue to use the updated Form DWSP-2477-E (R10/2005 version), "**Notice of Assignment for Child Support, Family Support, Maintenance, and Medical Support**" for new program applicants. Spanish (Form DWSP-2477-S) and Hmong (Form DWSP-2477-H) versions of this updated form have now been added to the DWD Website and all three versions can be found at:

<http://dwd.wisconsin.gov/dwd/forms/viewsort/default.asp?ID=NEW>

Simply enter "2477" in the " Form Number" block and then click on "Search" when you reach the above link. All three language versions of this form will appear in a selection list. Simply click on the version needed. The electronic version must be used for client copy and agency record, since printed versions of this multi-language form will not be available.

For current W-2 participants receiving assigned child support who have signed only the older version of Form 2477 (dated before 10/2005), please have the W-2 participant sign the updated Form 2477 in their next scheduled face to face meeting or review. It is not necessary to schedule a special meeting to have the updated form signed, since failure to sign the new form will not prevent child support pass through change actions.

Guidance for CTS participant signing of the updated Form 2477 was provided in OM 05-50.

DWS BUREAU OF CHILD SUPPORT INFORMATION

While specific child support case questions should be provided to the local child support agency for assistance, the DWS Bureau of Child Support Website has information concerning child support. Answers to frequently asked questions concerning the CS pass through change plus other information for custodial and non-custodial parents on child support can be found.

To view various helpful information pieces, it is suggested that the below website link be used as a starting point on the BCS internet information site:

<http://www.dwd.state.wi.us/bcs/parents.htm>

CTS GROSS INCOME TEST AND CHILD SUPPORT INCOME CHANGES

When determining CTS eligibility for cases with assigned child support, CTS workers need to be aware that the amount of child support retained by the State for the federal share of pass through and the amount of child support actually received are both used in the CTS gross income test. To provide accurate CTS gross income test calculation, the amount of child support actually received is entered under code CSCC and the amount of retained child support is entered under code CSSU on the Cares Worker Web "Unearned Income" page. This will ensure that both amounts are used in the gross income test for CTS eligibility. If the case passes the gross income test, CTS will use only the child support received amount in the net income test.

Example: The total assigned child support is \$1000/month with \$600 retained by the state for the federal pass-thru share change and \$400 actually being received. At application, the \$1000 is entered under CSCC on the child's line. Once CTS is open, the worker has to enter the \$600 amount of retained child support under CSSU and change the amount that the child receives under CSCC to \$400. These two amounts will be added and used with other income against the gross income test. If amounts are over the gross income test, they are not eligible for CTS. If they are under the gross income test, only the \$400 of actually received child support will be used in the net income test

FOODSHARE ACTIONS FOR CHILD SUPPORT INCOME CHANGES

For FoodShare (FS) cases impacted by a reduction in child support payment, IM agencies should act on this change as you would with any other reported change. Anticipated changes are referenced in **FSHB 6.1.3.2**, which states "Reported changes that will increase a person's FS benefit will be effective the 1st of the month following the report month if required verifications are received w/in 10 days." Types of acceptable verification include the above noted "**Child Support Collections Notice**" (DES -10869), KIDS/CARES data exchange screens, or a statement from the child support agency worker of the reduction.

For MA cases impacted by a reduction in child support payment, IM agencies should act on this change as you would any other reported change.

CONTACTS

BEM CARES Information & Problem Resolution Center