



DEPARTMENT OF
CHILDREN AND FAMILIES
Secretary Reggie Bicha
201 East Washington Avenue, Room G200
P.O. Box 8916
Madison, WI 53708-8916
Telephone: 608-266-8684
Fax: 608-261-6972
www.dcf.wisconsin.gov

DEPARTMENT OF HEALTH SERVICES
Secretary Karen Timberlake
1 West Wilson Street
P.O. Box 7850
Madison, WI 53707-7850
Telephone: (608) 266-9622
FAX: (608) 266-7882
www.dhs.wisconsin.gov

**State of Wisconsin
Governor Jim Doyle**

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

FROM: Janice Peters, Director
Bureau of Working Families
Division of Family and Economic Security

DFES OPERATIONS MEMO					
No: 10-30					
DATE: MARCH 31, 2010					
FS	<input type="checkbox"/>	MA	<input type="checkbox"/>	BC+	<input type="checkbox"/>
SC	<input type="checkbox"/>	CTS	<input 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	<input type="checkbox"/> *
				EP	
PRIORITY: Medium					

**SUBJECT: WISCONSIN WORKS (W-2) POLICY UPDATES ON COOPERATION WITH
CHILD SUPPORT AND CHILD SUPPORT ASSIGNMENT AND DISTRIBUTION**

CROSS REFERENCE: Administrator's Memo 09-08
Operations Memo 09-26
W-2 Policy Manual Chapters 3 and 16

EFFECTIVE DATE: Immediate

PURPOSE

The purpose of this Memo is to provide:

- Clarification on the Wisconsin Works (W-2) Agency's communication and collaboration with the local Child Support Agency (CSA) regarding W-2 applicant's/participant's cooperation with Child Support;
- Updates about the assignment of Child Support payments to the State of Wisconsin as a condition of receiving W-2 cash assistance; and
- Updates about the distribution of Child Support payments.

OVERVIEW

This Memo focuses on improvements to:

- Communication and collaboration between the W-2 Agency and CSA; and

- Updated information by W-2 Agencies to W-2 applicants/participants about assignment and distribution of Child Support payments, to improve W-2 applicants'/participants' choices regarding the financial well-being of their families.

As a result of the federal Deficit Reduction Act (DRA) and other federal changes, the following updated information about assignment and distribution of Child Support payments increase the amounts received by current and former W-2 participants:

- Effective October 1, 2009, W-2 applicants/participants are no longer required, as a condition of receiving W-2 cash assistance, to assign to the State any previously accrued Child Support arrears.
- Also effective October 1, 2009, assignments to the State for all temporarily and conditionally assigned Child Support arrears were released and "rolled over" to be owed to the family.
- Effective April 1, 2010 and retroactive to January 1, 2010, former W-2 participants will receive one hundred percent (100%) of collected past-due Child Support.
- Effective October 1, 2010, current W-2 participants will receive seventy-five percent (75%) of collected current and past-due Child Support (increased from approximately forty percent [40%] previously).

COOPERATION WITH CHILD SUPPORT

As noted above, W-2 law and policy require W-2 applicants/participants to fully cooperate with Child Support as a condition of receiving W-2 services. The CSA makes the determination about whether a W-2 applicant/participant is cooperating with Child Support. However W-2 agencies are encouraged to contact the local CSA as appropriate regarding an applicant's/participant's cooperation with Child Support and regarding any other Child Support issues affecting the W-2 applicant's/participant's family. This is consistent with the W-2 Basic Assumption that "W-2 participants are parents as well as job seekers" which states "W-2 also assists parents who are connected to other programs or supports integrate those activities with the family's services plans."

POLICY UPDATE ON ASSIGNMENT OF CHILD SUPPORT

W-2 law and policy require an individual who receives W-2 cash assistance to assign to the State any Child Support as a condition of receiving the W-2 benefits.

Prior to October 1, 2009, W-2 applicants/participants were required to assign to the State any past-due Child Support amounts i.e. arrears, as a condition of receiving W-2 cash assistance. However effective October 1, 2009, W-2 applicants/participants are no longer required to assign previously accrued Child Support arrears as a condition of receiving W-2 cash assistance.

Also effective October 1, 2009, the assignments to the State for temporarily and conditionally assigned Child Support arrears were released. The Child Support program "rolled" those previous assigned Child Support arrears to family-owed Child Support arrears. When current or former W-2 participants were not receiving W-2 cash assistance during any time period prior to October 1, 2009, this change eliminated Child Support arrears assigned to the State as a condition of receiving W-2 cash assistance. However when current or former W-2 participants were receiving W-2 cash assistance during any time period prior to October 1, 2009, this change does not eliminate the Child Support arrears, assigned to the State as a condition of receiving W-2 cash assistance, which accrued during any W-2 cash assistance time period (i.e. permanently assigned Child Support arrears).

After October 1, 2009, when current Child Support is not paid for W-2 cash assistance participants so past-due Child Support amounts accrue, then those past-due Child Support amounts still are assigned to the State.

POLICY UPDATE ON PASSED-THROUGH CHILD SUPPORT PAYMENTS

As of October 1, 2006, Wisconsin passed-through the full State share of Child Support collected for the month, with the pass-through amount adjusted each year to the current State share percentage amount (of approximately forty percent [40%]). Due to changing federal requirements and increased federal financial participation, the Wisconsin 2009-11 Biennial Budget Act (2009 Wisconsin Act 28) changed the pass-through percentage of collected past-due Child Support and current Child Support.

Effective April 1, 2010 retroactive to January 1, 2010, one hundred percent (100%) of collected past-due Child Support will be passed-through to former W-2 participants. Effective October 1, 2010, seventy-five percent (75%) of collected current and past-due Child Support will be passed-through to current W-2 participants.

See the Child Support Payments Chart below for a summary of the changes in Child Support payment amounts to current and former W-2 participants.

CHILD SUPPORT COLLECTION DISTRIBUTION HIERARCHIES

When an individual is receiving W-2 cash assistance, Caretaker Supplement or Kinship Care benefits, then Child Support arrears assigned to the State are paid before family-owed arrears. When there are no current assistance payments such as W-2, Caretaker Supplement or Kinship Care, then the W-2 participants is paid the family-owed arrears before arrears assigned to the State are paid to the State. Note: Assigned Child Support paid to the State is paid up to the amount of the total assistance received (e.g. W-2 cash assistance).

Because current and former assistance cases may have both assigned and unassigned Child Support arrears, multiple hierarchies have been developed by the Bureau of Child Support to accommodate the distribution rules when an individual is receiving or not receiving assistance. These distribution hierarchies are beyond the scope of this Memo. However any questions about distribution of Child Support may be addressed to the appropriate local Child Support Agency.

NEXT STEPS

W-2/Child Support Collaboration Project

The Department of Children and Families (DCF)/Division of Family and Economic Security (DFES)/Bureau of Working Families (BWF) is participating in a federal project with the DCF/DFES/Bureau of Child Support (BCS) and University of Wisconsin/Institute for Research on Poverty (IRP) to strengthen communication and collaboration between the W-2 and Child Support programs. One of the primary goals of the project is to improve information on Child Support policy for W-2 applicants so they can make informed decisions regarding W-2 participation and improve the financial well-being of their children. This "Partnership to Strengthen Families" project includes training.

Training: Training will be provided on the Child Support updates in this Memo. For information, please check the Training Times newsletter or the DCF Partner Training Services (PTS) Learning

Center website which is located at the following web address:

<https://wss.ccdet.uwosh.edu/stc/DCF>.

W-2 Forms on Child Support: Operations Memo 09-26 addresses the Child Support forms and publications that must be distributed during the W-2 application process. These forms will be updated as appropriate for the changes in this Memo.

Policy Manual Update

The W-2 Policy Manual will be updated in future Manual Releases to incorporate the Child Support policies from this Operations Memo.

CONTACTS

For W-2 policy questions: Bureau of Working Families (BWF) Regional Office

For W-2 CARES processing questions: W-2 Help Desk

*Program Categories – FS – FoodShare, MA – Medicaid, BC+ – BadgerCare Plus, SC – Senior Care, CTS – Caretaker Supplement, CC – Child Care, W-2 – Wisconsin Works, FSET – FoodShare Employment and Training, CF – Children First, EA – Emergency Assistance, JAL – Job Access Loan, JC - Job Center Programs, RAP – Refugee Assistance Program, WIA – Workforce Investment Act, *Other EP – Other Employment Programs.

DCF/DFES/BWF/JM

Child Support Payments Chart

Group	Effective Date	Amount Paid to Family	Child Support Payment Types	Comments
Current W-2 participants in W-2 program since 9/30/09 or earlier	Through 9/30/10	Approx 40% (% adjusted annually)	1) Current & 2) Past-due (arrears)	Remaining approx 60% of current & past-due are paid to State*
Same (as immediately above)	Starting 10/1/10	75%	1) Current & 2) Past-due (arrears)	Remaining 25% of current and past-due will be paid to State*
Current W-2 participants in W-2 program since 10/1/09 or later	Through 9/30/10	Approx 40% (% adjusted annually)	1) Current & 2) Any past-due (arrears) from the period of W-2 participation	Remaining approx 60% of current & any past-due during period of W-2 participation are paid to State*
Same (as immediately above)	Starting 10/1/10	75%	1) Current & 2) Past-due (arrears) from the period of W-2 participation	Remaining 25% of current and any past-due during period of W-2 participation will be paid to State*
Same (as immediately above)	On-going	100%	Past-due (arrears) from period prior to W-2 participation**	
Former W-2 participants	Ongoing	100%	Current	
Same (as immediately above)	4/1/10 retroactive to 1/1/10	100%	Past-due (arrears)	100% of both current and past-due (arrears) will be paid to family***

* Assigned Child Support paid to the State is paid up to the amount of the total assistance received (e.g. W-2 cash assistance).

** Any unpaid i.e. past-due Child Support during W-2 participation is assigned to the State and paid to current W-2 participants at approx 40% through 9/30/10 or paid to current W-2 participants at 75% starting 10/1/10.

*** Approx 40% was the amount paid to the former W-2 participants prior to 4/1/10 however effective 4/1/10 those payment amounts to W-2 participants are restored to 100% retroactive to 1/1/10.