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GENERAL LETTER NO. 11-T-6

ISSUED BY: Bureau of Child Support Recovery
Division of Field Operations

SUBJECT: Employees' Manual, Title 11, Chapter T, **DISTRIBUTION**, Contents (page 4), revised; pages 162, 167, and 168, revised; and pages 168a and 168b, new.

Summary

Chapter 11-T is revised to:

- ◆ Clarify when a satisfaction of support may be appropriate due to receipt of Social Security Disability (SSD) dependent benefits.
- ◆ Update the actions taken when a payee gets SSD dependent benefits as a result of disability benefits being awarded to the payor. Examples of these case situations have been added.
- ◆ Update the actions taken when SSD dependent benefits end.

Effective Date

Upon receipt.

Material Superseded

This material replaces the following pages from Employees' Manual, Title 11, Chapter T:

<u>Page</u>	<u>Date</u>
Contents (page 4)	September 14, 2012
162, 167, 168	September 14, 2012

Additional Information

Refer questions about this general letter to your regional collections administrator.

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Corrections to Cases That Did Not Qualify for Satisfaction

Families receiving FIP-UP or FIP-INCAP may have their benefits canceled for various reasons. If IM cancels either type of benefit, when ICAR searches for cases eligible for satisfaction these cases do not qualify for satisfaction.

However, IM may reinstate a case retroactive to the time of the ICAR search, when the family would have qualified for satisfaction. When you become aware after the fact that the family qualified for satisfaction by operation of law for a month when the Unit did not satisfy the obligation, review the case and correct the payment record.

Alternatively, IM may discover after the fact that a family erroneously received FIP-UP or FIP-INCAP during a month when they were not eligible, and ICAR identified the case and satisfied the obligation for the month. When you become aware that the family did not qualify for satisfaction by operation of law for a month when the Unit satisfied the obligation, you must review the case and correct the payment record.

If obligations were satisfied for an unqualified case, determine which months did not qualify for satisfaction and enter a negative adjustment on the Negative Convert Adjustment Entries (NEGADJ) screen for each satisfaction entered in error on the case. See [Collection Services Center](#).

Satisfaction Due to Receipt of SSD Dependent's Benefits

Legal reference: Iowa Code 598.22C

A child may receive Social Security Disability (SSD) dependent benefits as a result of disability benefits awarded to the payor under the federal Social Security Act. When this happens, unless a court orders otherwise, the dependent's benefits fully satisfy and substitute for the support obligation.

When the support order addresses dependent benefits, the monthly amount satisfied and any monthly amount remaining must be taken into account on ICAR.

When the support order does not address the dependent benefits, the actions you take on a case depend on the SSD dependent benefit entitlement date. For information about the specific steps you take, including ICAR entries and notification of case parties, see [Suspension Due to SSD](#).

Suspending Obligations on ICAR

You should suspend obligations on ICAR when the court order contains a temporary suspension provision, usually due to summer visitation by the child with the payor.

A temporary suspension can also occur due to a child receiving Social Security Disability (SSD) benefits. If the order is from another state, you must follow the laws and policies within that state regarding the suspension of support due to the receipt of SSD benefits.

You also may suspend an order during periods when Iowa is not responsible for the enforcement of a case. This type of suspension allows Iowa to properly collect support due the state or collect for a portion of time when collection by Iowa is appropriate.

The support order begins May 10, 2000. The children begin receiving monthly FIP benefits payments in July 2004 and then terminate May 31, 2005. The family now resides in another state and receives TANF through that state, so current support must be paid through that state. You may suspend the obligation starting with the April 1, 2005, payment through the end of the order, if the state where the family currently lives has not requested enforcement by Iowa.

Suspension Due to SSD

Legal reference: Iowa Code 598.22C

When you confirm that a payee gets SSD benefits for the children as a result of disability (SSD) benefits awarded to the payor, you need to suspend either a portion of the obligation or the full obligation, depending upon the court order. Both child support and medical support obligations may be satisfied.

The actions you take on the case depend on the following two factors:

- ◆ Whether the underlying court order contains SSD language.
- ◆ The SSD dependent benefit entitlement date.

Regardless of the children's SSD benefit entitlement date, if the Iowa court order states that the obligation is reduced on a dollar-for-dollar basis due to the receipt of SSD, enter a full or partial suspension, depending on the disability amount and the support obligation amount.

1. The court order acknowledges the receipt of \$200 in SSD benefits for the child. The support is set by the child support guidelines at \$500 per month. The order states that the cash support payable by the payor is \$300 per month.

Enter the obligation as \$500 per month. Then enter a partial suspension of \$200 per month coding it as SSD. ICAR bills the case at \$300 per month as required by the support order. The end date of the suspension is the end date of the obligation.

2. The court order acknowledges the receipt of \$390 in SSD benefits for the child. The support is set by the child support guidelines at \$376 per month. The order states that the cash support payable by the payor is \$0 per month.

Enter the obligation as \$376 per month. Then enter a full suspension of \$376 per month coding it as SSD. ICAR does not bill a coupon. The end date of the suspension is the end date of the obligation.

If the court order does not contain a reference to receipt of SSD dependent benefits and the children's entitlement date is:

- ◆ Before July 1, 2002 (effective date of 598.22C), suspend the entire obligation and begin a judicial modification of the order to account for the children's receipt of SSD dependent benefits.
- ◆ After July 1, 2002 (effective date of 598.22C), suspend the entire obligation on ICAR and notify the case parties of the actions by sending forms 470-5314, *Satisfaction of Support Due to Social Security Dependent Benefits – Payee*, and 470-5315, *Satisfaction of Support Due to Social Security Dependent Benefits – Payor*.

1. The court order does not acknowledge the receipt of SSD benefits for the children. The SSD benefit entitlement date for the children is April 1, 2002. The support is set at \$500 per month. Enter a full suspension for \$500 per month starting April 1, 2002, and ending the date the obligation ends.

Since the entitlement date is before the effective date of Iowa Code section 598.22C, follow normal procedures to initiate a judicial modification of the order to account for the receipt of SSD.

2. The court order does not acknowledge the receipt of SSD benefits for the children. The SSD benefit entitlement date for the children is October 1, 2013. The support is set at \$276 per month. Enter a full suspension for \$276 per month starting October 1, 2013, and ending the date the obligation ends.

Since the entitlement date is after the effective date of Iowa Code section 598.22C, do not initiate a judicial modification of the order. Instead, send forms 470-5314 and 470-5315 notifying the parents of the actions being taken on the case.

Remember, unless otherwise ordered by the court, dependent benefits paid to the payee as a result of disability benefits awarded to the payor fully satisfy and substitute for the support obligations for the same period of time for which the benefits are awarded. When entering a full or partial suspension on ICAR because a payee received support for the same time period the children were eligible and received SSD dependent benefits, the case may reflect an overpayment. If the dependent benefits stop and the full or partial suspension is ended on ICAR, depending on the overpayment, the case may or may not have an enforceable balance.

NOTE: You need to verify with the Social Security Administration the type of benefits the payor receives after the 65th birthday. Set a calendar flag for the 65th birthday of the payor. The SSD benefits may change and become Social Security Annuity (SSA) benefits or Social Security Retirement (SSR) benefits when the payor turns 65 years old.

If the court order does not contain a reference to receipt of SSD dependent benefits and the SSD dependent's benefits end (e.g., they become SSA benefits, SSR benefits, etc.), end the suspension with the last day of the month the children received SSD benefits and again bill for the entire amount of the court-ordered obligation.

Send form 470-5335, *Notice that Satisfaction of Support Ends Due to Social Security Dependent Benefits Ending*, to both the payee and the payor when the suspension is ended and support is reinstated.

If the court order does contain a reference to receipt of SSD dependent benefits and the SSD dependent benefits end, do not end the suspension on ICAR until directed to do so by a new or modified support order.

Do not send form 470-5335, *Notice that Satisfaction of Support Ends Due to Social Security Dependent Benefits Ending*, when the suspension is ended. The language in the new or modified support order is the notice that support is reinstated.

1. A \$200 per month support order began May 10, 2001. The order does not reference the SSD dependent benefits. The payor made support payments each and every month starting in May 2001. The children began receiving monthly SSD benefit payments of \$300 per month in October 2004. In addition, the payee received a lump-sum SSD payment of \$900 because the children's entitlement date was July 1, 2004.

After entering the full suspension for \$200 per month effective July 1, 2004, ICAR shows an overpayment of \$900. This is because the disability benefits satisfy and substitute for the support obligation, for the same period of time for which the benefits were awarded.

The payor turns 65 years old and effective March 31, 2014, no longer receives SSD benefits. Ending the suspension with an effective date of March 31, 2014, starts the billing effective April 1, 2014. However, because of the \$900 overpayment, CSRU will not start enforcing the support order until an enforceable balance again exists.

2. A \$500 per month support order began July 1, 2013. The court order does acknowledge the receipt of \$200 in SSD benefits for the child. The support is set by the child support guidelines at \$500 per month. The order states that the cash support payable by the payor is \$300 per month. The obligation was entered as \$500 per month. A partial suspension of \$200 per month was entered starting July 1, 2013, with an end date as the obligation end date.

The SSD benefits end effective March 1, 2015, due to some other reason than retirement (i.e., they do not become SSA benefits or SSR benefits, etc.). Do not end the \$200 per month SSD suspension on ICAR until directed to do so by a new or modified support order.

Suspension Process

Suspending a CS or MS obligation involves two screens, the SUSPENSE screen and the SUSPENSION UPDATE screen. ICAR uses information from the OBLIG, OBLIGDST and OBLIGHST screens to complete the suspension process. See 9-E, [CASE SETUP](#), for a description of the OBLIG, OBLIGDST and OBLIGHST screens.