Budgeting Child Support Income

This session covers the unique budgeting requirements that pertain to child support income.

Goals:

- ❖ Differentiate between current and arrears child support
- ❖ Identify the child support budgeting method
- ❖ Apply the verification process
- ❖ Determine countable child support income

Only current support is countable

Verification process includes the use of internal resources & self-declaration

Child Support

The income belongs to the child

When payments are received from multiple absent parents, they must be averaged separately

Current Child Support

Only child support payments for the current obligation are countable. Payments made to back child support, or arrears, are exempt as income. Therefore, only payments received for the current obligation are countable. When a payment is made that applies to both current and arrears support, the payment must be separated so the arrears are not counted in the gross amount.

On the KAECSES-CSE system, current child support is listed with a code of **CCS**. Arrears child support is listed with a code of ACS.

Internal Resources to Verify Child Support

Several resources can be used to obtain verification of the child support income. Internal resources should be utilized when available. The graph below lists the internal resources that must be used first.
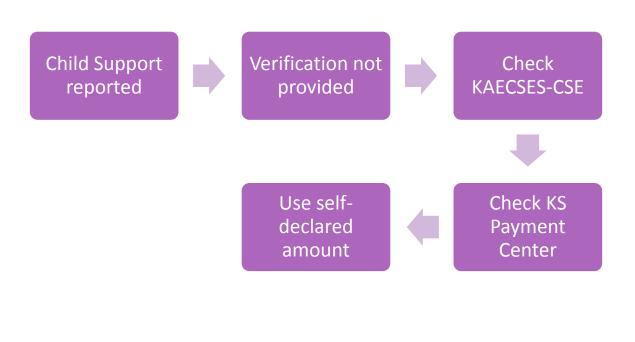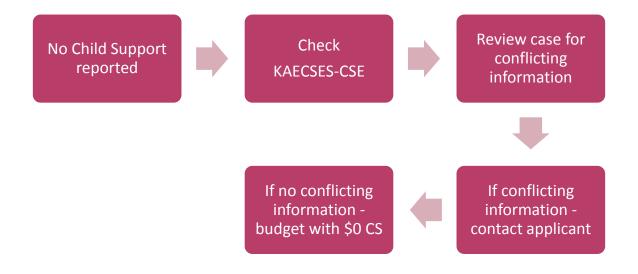
KAECSES - CSE	KS Payment Center
• Used in the operations of SRS Child Support Enforcement (CSE) • The PACC screen identifies payments received. • Linking to the OPAY screen from PACC will identify the name of the absent parent making the payment. • The CSLN screen is sometimes helpful when clarification is needed.	• Payments can be found on the website www.kspaycenter.com when the court order number is known. • Using the PI's SSN, you can obtain the last 4 payments through the automated telephone system at 1-877-572-5722.

Verification Process

```
Child Support          Verification not          Check
reported          →    provided          →       KAECSES-CSE
                                                      ↓
Use self-              Check KS
declared          ←    Payment
amount                 Center
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No Child Support       Check                     Review case for
reported          →    KAECSES-CSE          →    conflicting
                                                  information
                                                      ↓
If no conflicting      If conflicting
information -      ←    information -
budget with $0 CS      contact applicant
```

Self-declaration of Child Support

When child support income verification is not found on KAECSES-CSE or the Kansas Payment Center, then the amount declared on the application by the consumer is used. If the consumer later provides clarification regarding the amount of child support received, this statement can also be used in the determination.

As always, staff must apply the prudent person concept and may request additional information when necessary. If no child support is mentioned on the application, but information in the file indicates that child support was being received, then requesting additional information would be appropriate.

Example 1

Applicant does not report child support

Elilgibility Specialist checks KAECSES-CSE for child support - nothing found

In a review of the case file, there is no prior mention of child support being received

$0 child support is used

Example 2

Applicant reports $145 monthly in child support

Eligibility Specialist checks KAECSES-CSE and does not find verification.

Court order # not provided, so the ES uses the SSN and calls the KS Payment Center - no payments found

Nothing exists to queston the amount reported by the applicant

$145 monthly child support is used

Income of the Child

While the parent in the home is actually the recipient of the payments, the income is considered to belong to the child. The income is entered onto the income worksheet and system as the child's income. If the payment is made for siblings in the household, the payment must also be divided equally among the children so a portion is counted for each child.

If the assistance plan doesn't include the child who is receiving child support income, it is not used in the eligibility determination.

Multiple Absent Parents

The most challenging part of budgeting child support income is when multiple absent parents are making payments through the KAECSES-CSE system. Each of the payments received by the PI must be analyzed to determine which parent has made the payment so the income may be applied to the correct child(ren.)

Administrative Fees

The SRS CSE office and the Kansas Payment Center retain administrative fees for collecting child support payments from absent parents and distributing them to the residential parent. These fees are counted in the total payment amount when budgeting. Consider the amount of the payment before the fee is deducted as the gross income.

Using a Three-Month Average

If information is available in KAECSES-CSE or the Kansas Payment Center a minimum of three months should be included in the average. There are times when it is more appropriate to use four months in the average, such as when the absent parent is making payments every other month.

When using information provided by the applicant, establish a representative amount based on what has been submitted.

Child Support Just Beginning

When budgeting child support, it is important to look for the pattern of receipt. If the child support income has just begun, it is not appropriate to average a full three months. In these cases, the worker will have to determine the '***representative***' amount of child support. How much income is expected to continue? Has a pattern been established since the child support began? Months that child support has been received for a full calendar month, can be included in the average.

Lump Sum Child Support Payments

Lump sum payments are defined as occasional and non-recurring. These types of payments are exempt as income. Especially during the tax season, it is common for a lump sum child support payment to be received when the absent parent's income tax refund is garnished for child support. These payments are excluded from the average.

Example 1

Janet applies for medical coverage on January 14th for her three children. She receives child support for two of her children. The worker searches the KAECSES-CSE system for payments received in the months of October, November, and December. The following information is found:

October - $0 child support received

November -   11/3/09 $83.00

                    11/19/09 $114.00

                    11/25/09 $109.00

December - $0 child support received

Total received = $306.00 divided by 3 months = $102.00 monthly

The monthly child support is then divided among the two children it is intended for.

> **$102.00**
> **Div by 2 =**
> **$51.00 monthly**
> **Per child**

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Example 2

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Charles applies for medical coverage on February 23rd for his two children Jackson and Brittany. Both children receive child support, but from different absent parents. The worker searches the KAECSES-CSE system for payments received in the months of November, December, and January. The following information is found:

Month	Jackson		Brittany	
November	$0		11/10/09	$125.00
			11/24/09	$125.00
December	12/7/09	$75.00	12/15/09	$125.00
	12/14/09	$75.00		
	12/21/09	$75.00		
	12/28/09	$75.00		
January	1/4/10	$75.00	1/5/10	$125.00
	1/11/10	$75.00	1/19/10	$125.00
	1/18/10	$75.00		
	1/25/10	$75.00		

Because the children are each receiving child support from a different parent, a separate average must be completed for each child.

<table>
<tr><th>Jackson</th><th>Brittany</th></tr>
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The pattern of $0 support with consistent payments beginning in December leads the worker to question the history of child support. Through further research in KAECSES-CSE, the worker finds that child support just began in December. Therefore, in this case it is more appropriate to average only Dec and Jan.

Total = $600.00 divided by 2 months =

$300.00 monthly

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Total Received = $625.00
Divided by 3 months =
$208.33 monthly

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