



## Side-by-Side Comparison of Key Child Support Provisions in Welfare Reauthorization Bills Passed by the Senate Finance Committee and the House of Representatives

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The Senate Finance Committee version of H.R. 4 is called the “Personal Responsibility and Individual Development for Everyone (PRIDE) Act of 2003,” and the House-passed version of H.R. 4 is called the “Personal Responsibility and Family Promotion Act of 2003.”

	Current Law	Senate Finance Bill	House Bill
<b>Assignment and Distribution</b>			
<b>Pre-assistance assignment</b>	TANF applicants must assign to the state their rights to unpaid child support owed before and during the assistance period to repay cash assistance.	Eliminates “pre-assistance assignment” requirement. Effective Oct. 1, 2007; states may accelerate effective date.	Current law.
<b>Distribution of child support to families who have left TANF</b>	After a family leaves TANF, support is paid to the family, except for support collected through offsets to obligors’ federal tax refunds. Federal tax offset collections are retained by the state, and shared with the federal government. Child support is distributed to the state or the family depending upon on the date the support is owed.	A state may elect to apply existing distribution rules or to distribute the amount to families to satisfy current support and arrears owed to the family. Effective Oct. 1, 2007; states may accelerate effective date.	The state has the option to distribute any amount collected during the month to former TANF families. The state’s obligation to pay the federal share of the support is waived if the state elects the option. Under the option, distribution would be based on the date the support is collected rather than the date the support is owed. Effective Oct. 1, 2005.
<b>Pass-through of child support to TANF families</b>	States may retain or “pass through” support to families receiving TANF assistance, but in either case states must pay a share of collections to the federal government. If a state passes through support, it may count the support as income or disregard it in determining TANF assistance.	Requires the federal government to waive its share of support to the extent that the state passes through the support to a TANF family and disregards the support in determining TANF benefits, up to \$400 (for one child) and \$600 (for two or more children). Effective Oct. 1, 2007; states may accelerate effective date.	Requires the federal government to waive its share of an <i>increase</i> in a pass-through and disregard amount, up to the greater of a \$50 increase or \$100 pass-through. To qualify, the increase must take effect after Dec. 31, 2001, and amounts must be distributed on or after Oct. 1, 2005.
<b>Pre-1997 assignments</b>	Any rights to unpaid support assigned to a state and in effect on Sept. 30, 1997, must remain in effect.	States have the option to discontinue pre-implementation assignments. Effective Oct. 1, 2007; states may accelerate effective date.	Current law.

	<b>Current Law</b>	<b>Senate Finance Bill</b>	<b>House Bill</b>
<b>State financing flexibility</b>	States may use federal TANF funds or receive credit for state Maintenance of Effort (MOE) funds to pay for the state share of support passed through to current TANF families and disregarded in determining TANF assistance.	States also may receive credit for state MOE funds used to pay for the state share of expanded distribution to former TANF families. Effective Oct. 1, 2007; states may accelerate effective date.	Current law.
<b>States with Section 1115 pass-through waivers</b>	No provision.	A state having a pass-through waiver in effect since Oct. 1, 1997, may continue to pass through support to families and disregard it in determining TANF assistance. The state need not repay the federal share to the extent of the pass-through disregard. Effective Oct. 1, 2007; states may accelerate effective date.	Current law.
<b>Other Child Support Provisions</b>			
<b>Service fee</b>	States must impose an application fee up to \$25, paid by either parent (or the state), except for an individual receiving TANF, Medicaid, foster care, or (in some circumstances) Food Stamps, and may impose other fees for IRS tax offsets, genetic tests, and other costs.	Current law.	In addition to current fees, states must impose an annual \$25 service fee on individuals who never received TANF assistance and for whom the state has collected at least \$500 of support, paid by either parent (or the state). Effective Oct. 1, 2004.
<b>Review and adjustment</b>	States may review and adjust assigned TANF support orders every 3 years, and must review and adjust orders upon the request of either parent.	Requires states to review and adjust assigned TANF support orders every 3 years. Effective Oct. 1, 2005.	Requires states to review and adjust assigned TANF support orders every 3 years. Effective Oct. 1, 2005.
<b>Threshold for passport denial</b>	The Secretary of State must deny passports to obligors who owe more than \$5,000 in past due support.	The threshold for passport denial is lowered from \$5,000 to \$2,500. Effective Oct. 1, 2004.	The threshold for passport denial is lowered from \$5,000 to \$2,500. Effective Oct. 1, 2004.
<b>Federal tax offsets permitted for adult children</b>	The federal tax offset procedure is available to withhold overdue support owed to minor or disabled children from tax refunds due to delinquent obligors.	The definition of "child" is expanded to include those who are not minors. Effective Oct. 1, 2005.	The definition of "child" is expanded to include those who are not minors. Effective Oct. 1, 2005.

	<b>Current Law</b>	<b>Senate Finance Bill</b>	<b>House Bill</b>
<b>Veteran's disability pay</b>	Veteran's pay for a service-connected disability is subject to child support withholding if the veteran has waived a portion of retired or retainer pay in order to receive the disability pay.	Veteran's pay for a service-connected disability is not subject to withholding for alimony unless the veteran has waived a portion of retired or retainer pay in order to receive the disability pay. Effective Oct. 1, 2005.	Veteran's pay for a service-connected disability is not subject to withholding for (1) alimony or (2) child support less than 60 days past due. Not more than 50% of this pay may be withheld. Effective Oct. 1, 2005.
<b>Longshore and harbor workers' compensation</b>	Workers' compensation generally is subject to income withholding or seizure to enforce child support, except that benefits under the Longshore and Harbor Workers' Compensation Act are exempt.	The exemption for longshore and harbor workers' compensation is eliminated, and states may withhold or seize benefits in like manner and to the same extent as similar benefits under a state workers' compensation program.	Current law.
<b>Multi-state financial institutions data match and asset seizure (MSFIDM)</b>	States must enter into agreements with financial institutions doing business in the state to conduct quarterly data matches and to seize assets held on behalf of non-custodial parents who owe past-due support.	The U.S. Department of Health and Human Services (HHS) is authorized, through the Federal Parent Locator Service (FPLS), to (1) assist states in reaching agreements with interstate financial institutions; (2) to perform data matches with institutions entering such agreements; and (3) to seize assets and transfer them to states. States must provide notice to obligors, provide for contested case procedures, and ensure that due process protections are consistent with those in federal tax offset procedures.	Current law.
<b>Gambling winnings interception</b>	States must be able to intercept or seize periodic or lump-sum payments from judgments, settlements, and lotteries.	HHS is authorized, through the FPLS, to (1) conduct data matches with information provided by gambling establishments; (2) intercept gambling winnings of an individual owing past-due support; and transfer them to states. A gambling establishment may retain 2% of withheld income.	Current law.
<b>Insurance settlement match</b>	States must be able to intercept or seize periodic or lump-sum payments from judgments, settlements, and lotteries.	HHS is authorized, through the FPLS, to (1) match information about insurance claims, settlements, awards, and payments maintained by insurers and their agents, and (2) furnish matching data to states.	Current law.

	<b>Current Law</b>	<b>Senate Finance Bill</b>	<b>House Bill</b>
<b>Social Security benefit match</b>	The federal debt collection procedure does not allow for administrative offsets of Social Security Administration payments.	Social Security Title II (OASDI) payments are subject to federal administrative offsets to collect past-due support. Effective Oct. 1, 2004.	Social Security Title II (OASDI) payments are subject to federal administrative offsets to collect past-due support. Effective Oct. 1, 2004.
<b>Uniform Interstate Family Support Act (UIFSA)</b>	States must enact the UIFSA provisions in effect on August 22, 1996.	Requires states to enact UIFSA provisions adopted as of August 2001. Amends continuing exclusive jurisdiction, determination of controlling orders, and enforcement of modified order provisions in Full Faith and Credit for Child Support Orders statute (FFCCSO).	Current law.
<b>Tribal child support</b>	States may enter into cooperative agreements with an Indian tribe or tribal organization receiving federal child welfare funds to operate a child support program.	Indian tribes and tribal organizations may access data maintained by the FPLS, and enter into cooperative agreements with states (whether or not the tribes receive federal child welfare funds).	Current law.
<b>Access and visitation grants</b>	States receive \$10 million per year for state grants to support and facilitate non-custodial parents access to and visitation of their children, including mediation, counseling, education, parenting plans, drop-off centers, visitation guidelines and enforcement, and alternative custody arrangements.	State grant allotments increase to \$20 million by fiscal year 2007. Allotments to Indian tribes and tribal organizations of \$1.67 million by fiscal year 2007 are provided for.	Current law.
<b>Corrective action year</b>	State TANF funds are subject to a 1-5% penalty reduction if HHS finds that a child support program fails to meet performance and data reliability standards or to substantially comply with federal requirements and if the state failed to take sufficient corrective action “with respect to the succeeding fiscal year.”	The corrective action year is defined as the period that begins with the date the HHS Secretary makes an adverse finding and ends on September 30 of the fiscal year following the finding year.	Current law.
<b>Technical assistance funding</b>	An amount equal to 1% of the federal share of collections is appropriated for federal Office of Child Support Enforcement research, technical assistance, and training.	An amount equal to 1% of the federal share of collections, or the amount appropriated for FY 2002, whichever is greater, is appropriated for such activities.	An amount equal to 1% of the federal share of collections, or the amount appropriated for FY 2002, whichever is greater, is appropriated for such activities.

	<b>Current Law</b>	<b>Senate Finance Bill</b>	<b>House Bill</b>
<b>Federal Parent Locator Service (FPLS) funding</b>	An amount equal to 2% of the federal share of collections is appropriated to operate the FPLS.	An amount equal to 2% of the federal share of collections, or the amount appropriated for FY 2002, whichever is greater, is appropriated to operate the FPLS.	An amount equal to 2% of the federal share of collections, or the amount appropriated for FY 2002, whichever is greater, is appropriated to operate the FPLS.
<b>Use of new hire data for unemployment compensation</b>	No provision.	State employment security agencies may obtain information from the National Directory of New Hires for purposes of administering the unemployment compensation program. Effective Oct. 1, 2004.	State employment security agencies may obtain information from the National Directory of New Hires for purposes of administering the unemployment compensation program. Effective Oct. 1, 2004.
<b>Undistributed child support collections</b>	No provision.	Within 6 months, the HHS Secretary must submit a report to Congress on the procedures used by states to locate custodial parents, estimated undistributed support amounts, timeframes, and recommendations.	Within 6 months, the HHS Secretary must submit a report to Congress on the procedures used by states to locate custodial parents, estimated undistributed support amounts, timeframes, and recommendations.
<b>Effective date</b>	Not applicable.	Upon enactment, unless specified otherwise or if state legislation is needed, 3 months after the first day of the first calendar quarter beginning after the close of the first regular session of the next state election.	Upon enactment, unless specified otherwise or if state legislation is needed, 3 months after the first day of the first calendar quarter beginning after the close of the first regular session of the next state election.