

# Fund Family-Centered Reform of Child Support in DC

Fair Budget Coalition in Collaboration with Legal Aid DC

## Recommendation

\$3.79 million to fund Family-Centered reform of child support in DC

## What's At Stake?

Non-custodial parents (parents without physical custody of a child) want to support their children but 100% of child support payments do not make it into the household if families receive Temporary Assistance for Needy Families (TANF) benefits. In order to receive cash assistance through the TANF program, DC requires recipients to surrender their child support payments to a designated agency. DC withholds the child support payments as a means to “pay back” the cash assistance provided through the TANF program.

When the District keeps child support, non-custodial parents are less likely to comply with their child support orders. Because the children of non-custodial parents do not receive the parent’s support payments, non-custodial parents sometimes pay out of both pockets—some payments to the District and some informal support to their children in addition to the child support collected by the government. Sometimes, non-custodial parents stay away from formal employment to avoid wage withholding that does not benefit their children which can lead to non-payment and debt.

## What's the Solution?

DC must adopt a family-centered framework for its child support system which includes expanding the distribution of child support collections so that more money goes to families. DC can implement 4 primary changes to pursue a more progressive child support system:

1. When custodial parents are receiving child support services and TANF from DC, DC “allows up to \$150 of a non-custodial parent’s child support payment to ‘pass-through’ or go directly to the custodial parent each month.” Instead of the District taking the full child support amount, families are able to receive \$150 of the child support. **We recommend that DC raises the pass-through amount to \$200 so families get more financial support.**
2. Illinois and California are taking steps to release all child support payments in collections to custodial parents who receive TANF. **We recommend that DC follow these progressive examples and release 100% of child support in collections for current and former TANF recipients.**

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3. The Federal Offset Program collects past-due child support from non-custodial parents by withholding a portion or all of their tax refund. **We recommend that DC eliminate the tax refund offset option so that tax refunds go directly to non-custodial parents.**

4. In order to receive TANF benefits, parents must transfer “their rights to receive some or all of their child support payments to the District ” to reimburse the District for TANF benefits received. This is called “assignment of rights.” Under the Deficit Reduction Act, states have the option to cancel certain old assignments made before 2009 because the owed child support payments are often uncollectable especially if the custodial parent is no longer receiving TANF. **We recommend that DC cancels all assignments made before 2009.** Canceling old child support assignments can ensure that child support assignments are not built on outdated or inaccurate information.

Implementing these 4 changes to the child support process can bring funds back into the home in a way that is equitable to children and both custodial and non-custodial parents. Getting benefits such as TANF should not be a barrier to children receiving the financial stability they deserve.



#### Citations

- Legislative Analyst’s Office. Analysis of Child Support Program Proposals, <https://lao.ca.gov/Publications/Report/4550>, 2022.
- DC Child Support Services Division. \$150 Pass Through, <https://cssd.dc.gov/page/150-pass-through>, nd.
- U.S. Department of Health & Human Services. *When is a child support case eligible for the Federal Tax Refund Offset Program?*, <https://www.acf.hhs.gov/css/faq/case-eligible-federal-tax-refund-offset-program>, 2022.
- Child Support Services Division. Assignment of Rights, <https://cssd.dc.gov/page/assignment-rights>, nd.