

Office of Child Support **POLICY SHEET**

SUBJECT

Payment Proration

PS# 10-02

POLICY

Payments will be prorated across a Non-Custodial Parent's (NCP) cases. The payment will be applied based on the following hierarchy:

1. Current support: (1) child support; (2) spousal support; (3) medical support, and then;
2. NPA arrears: (1) child support; (2) spousal support; (3) medical support, and then;
3. Surcharge: (1) NPA child support; (2) NPA medical support, and then;
4. PA arrears: (1) child support; (2) spousal support; (3) medical support, and then;
5. Fees: (1) OSA interest; (2) spousal interest; (3) civil penalty; (4) attorney fees, and then;
6. Future support.

Note: The list of fees above is not all inclusive and may be subject to the specifics of the court order in regard to what order they are paid.

If the payment is from withheld wages, the payment will be prorated across the cases with garnishment orders. If the payment is from an NCP, it will be applied across all non-garnishment cases. If the payment is from a lottery offset, it will be applied across all NCP cases in arrears.

Exceptions: There are some exceptions to this policy. They are listed below with the special handling or "approach" that shall be used by OCS staff.

- **Court-ordered contempt repayments:** If these are ordered by the court, they will be applied to the corresponding case. To ensure money is applied appropriately when the case is under the purge order, OCS staff must notify the Cash Receipts Unit (CRU) to enter an "O" held reason and a red flag on the case.
- **Federal and State Tax offsets:** These are processed automatically on certified cases and do not require any special OCS handling.
- **Administrative Liens, Trustee Process, License Actions, and Passport Denials:** Refer to Intercept for all these actions. Whenever these actions are being taken, the resulting funds will be applied to the case(s) on which the administrative enforcement action was taken. For some of these enforcement remedies, certification is required. In those instances, any money would only be split amongst the certified cases. When negotiating a settlement using one of these remedies, be sure the NCP pays enough money to cover all the current support obligations AND the arrears that are being settled.

- **Settlements and Judicial License Actions:** Whenever these actions are being taken, the resulting funds will be applied to pay all current support on all cases first. Once all current support is fulfilled, any remaining money will be applied to the case(s) where the action was taken. When negotiating a settlement using one of these remedies, be sure the NCP pays enough money to cover all the current support obligations AND the arrears that are being settled.

RATIONALE

OCS wants to handle proration the same in wage withholding cases and non-custodial parent direct payment cases. The regulations at 45 C.F.R. § 303.100(a)(5) states:

“If there is more than one notice for withholding against a single non-custodial parent, the State must allocate amounts available for withholding giving priority to current support up to the limits imposed under section 303(b) of the Consumer Credit Protection Act (15 U.S.C. 1673(b)). The State must establish procedures for allocation of support amount to families, but in no case shall the allocation result in a withholding for one of the support obligations not being implemented.”

Date	Action	Description
10/01/2010	Created	
03/24/2014	Revised	
01/09/2015	Revised	Further broke out payment hierarchy
09/14/2015	Revised	Added fraudulent tax return information based on federal guidance
12/04/2023	Revised	Clarified payment hierarchy; Removed fraudulent tax return information with recoupment data based on relevance to this Policy; it is addressed in Overpayment Recoupment Policy, PS 09-07 instead; Applied standardized formatting
12/20/2023	Revised	Incorporated OSA Interest into payment hierarchy within Fees