

# Legislative Finance Committee FINANCE FACTS Understanding

**Understanding State Financial Policy** 

## **Child Support**

The Child Support Enforcement Division of the Health Care Authority collects child support from noncustodial parents, mostly for families receiving Temporary Assistance for Needy Families, as part of the state's effort to reduce family dependency on public assistance. The division helps families on assistance for free and will provide services to families not on assistance for a fee. In addition to collecting payments, the division, working under the authority of the Title IV-D of the federal Social Security Act, is also involved in locating parents, establishing paternity and court orders for financial and medical support (for families in the Medicaid program), and monitoring and enforcing those obligations.

### **Establishing Support**

New Mexico uses a set of guidelines to establish the level of support required of a noncustodial parent. The amount is based on the child's needs, the incomes of both parents and the amount of time the child spends with each parent. Divorce settlements typically include support orders when children are involved, except under extraordinary circumstances. However, any parent, whether previously married or not, can be ordered to pay child support.

New Mexico law assumes the husband at the time of birth is the father of a child. Unmarried fathers can voluntarily acknowledge paternity, and most hospitals provide unmarried fathers with the paperwork at the birth of their child. The Child Support Enforcement Division can order genetic testing to establish paternity.

#### Collections

Support orders include a provision for wage withholding unless both parents and the courts agree on other payment methods. Under wage withholding, the support payment is deducted from the noncustodial parent's paycheck, like taxes, and the division distributes the payment to the custodial parent.

If a parent fails to pay, the state can intercept the parent's income tax refund and a portion of any unemployment benefits. Noncompliant parents can lose professional or occupational licenses or drivers' licenses, and a noncustodial parent who flees a state to avoid paying child support can be arrested.

The Uniform Interstate Family Support Act adopted by all 50 states also allows for an enforcement official or a private attorney to refer a case for action in another state, provides for interstate wage withholding, and requires every state to defer to child support orders from the court of the child's home state.

In addition, the division can use the Federal Parent Locator Service to look for parents whose whereabouts are unknown. The service has access to Department of Defense records, the National Personnel Records Center, and the Social Security Administration, among other resources. States also report newly hired employees to the National Directory of New Hires, also part of the Federal Parent Locator Service.

#### Help for Noncustodial Parents

Starting in FY19, the division began a support program for parents with child support obligations. Prior to any contempt enforcement action, staff review each case for the parent's ability to pay. Under Step Up, a collaborative project with the Workforce Solutions Department, parents are offered help with unemployment benefits, resume building, and job placement, as well as other training.

### Public Assistance Obligation

Public assistance families are required to cooperate with child support enforcement as a condition for receiving cash assistance. The division collects the child support payment and uses most of it to offset the assistance payment to the family. Part of the payment is passed through to the family as an incentive to cooperate with the division.

#### For More Information:

- •General information on child support in New Mexico is available through the Health Care Authority website: <a href="www.hsd.state.nm.us/LookingForAssistance/Child\_Support.aspx">www.hsd.state.nm.us/LookingForAssistance/Child\_Support.aspx</a>.
- •Most state laws related to child support are covered in Articles 4 through 6A of Chapter 40.
- •U.S. Department of Justice information on child support enforcement is at <a href="https://www.justice.gov/criminal-ceos/child-support-enforcement">https://www.justice.gov/criminal-ceos/child-support-enforcement</a>.
- •The website for the federal Office of Child Support Enforcment is <a href="https://www.acf.hhs.gov/css/faq/what-is-role-of-federal-office-child-support">https://www.acf.hhs.gov/css/faq/what-is-role-of-federal-office-child-support</a>.