

DEPARTMENT OF BENEFIT PAYMENTS

744 P Street
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September 17, 1976

ALL-COUNTY LETTER NO. 76-120

TO: ALL COUNTY WELFARE DIRECTORS
ALL DISTRICT ATTORNEYS
ALL ADMINISTRATIVE SERVICE OFFICERS
ALL FISCAL SUPERVISORS
ALL AUDITOR CONTROLLERS

SUBJECT: EAS 43-106.2, 43-106.3, 43-201.33, 43-203.1, 43-203.2,
44-111.3(e) -- REMOVAL OF MANDATED DISREGARD PAYMENTS
REFERENCE: FROM CHILD SUPPORT REGULATIONS

Attached are emergency regulations which amend the child support program by removing the disregard payment. The regulations were filed with the Secretary of State on September 17, 1976, and will be effective on October 1, 1976.

Public Law 93-647 enacted Title IV-D of the Social Security Act mandating the Child Support Enforcement Program. As an incentive for cooperation, 40 percent of the first \$50 of child support collections was paid to the AFDC family as a disregard payment and treated as exempt for purposes of the income and property limitations. The provision of the federal act which authorizes this payment expires on September 30, 1976.

State law allows for special treatment of certain child support payments during such times that federal law ceases to provide for a child support disregard. (See Welfare and Institutions Code § 11450.1 amended Stats. 1976, Ch. 827, § 1, p. ____, urgency.) Section 11450.1 also provides that the special treatment of child support payments is conditional on federal financial participation in the cost of providing for such special treatment.

We have been advised by the U.S. Department of Health, Education, and Welfare that federal financial participation in the special treatment of child support payments will not be available. Therefore, the attached emergency regulations remove all provisions authorizing disregard payments.

All child support collections received through September 30, 1976 which represent payment on the required support obligation for the

month of collection remain eligible for the disregard. Such disregarded payments will continue to be exempt from income and property limitations at the time they are paid to the AFDC family.

AFDC families will be informed of the change in federal law in an insert to be mailed with the November Medi-Cal cards. A copy of this insert will be sent to all county welfare departments prior to November 1.

It should be noted that no individual notices of action are required if the family only ceases to receive disregard payment. The Medi-Cal card insert will adequately inform families of the reason for this change. However, the Medi-Cal card insert will not suffice as adequate notice to any family whose AFDC eligibility or grant is otherwise affected. Therefore, you should send appropriate notices of action (Form ABCD 239) to all individuals or families who not only lose disregard payments, but who also will have a reduction in their normal AFDC grant or a termination of their eligibility.

Fiscal Instructions

The following fiscal instructions for ending the disregard payment in the Child Support Program applies to all child support collections received on or subsequent to October 1, 1976.

CS 278M - Child Support Form

Section B, Line 2(c). The disregard computation (Line 2(b) x 40% or \$20, whichever is less) will not be made. The Current Collection entered on Line 2(b) will be posted to Line 2(d) Collection Remaining when performing the distribution.

Section C. The disregard payment amount will be left blank.

GS 278L - Child Support Case History and List of Authorizations

The disregard column will be left blank.

CS 801 - Child Support Payroll Form for Collections and Disbursements

The disregard column will be left blank.

CS 800 - Summary Report of Child Support Payments

All blank lines and columns due to the ending of the disregard payment will be deleted from these forms in a future form revision.

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Contact Reference:

Regulation: Child Support Bureau at 916/322-6384

Fiscal Instruction: Child Support Fiscal Section
at 916/445-7046

Sincerely,

Marion J. Woods

MARION J. WOODS
Director

Attachment

cc: CWDA