

## 42 USCS § 657

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*United States Code Service > TITLE 42. THE PUBLIC HEALTH AND WELFARE (Chs. 1 — 164) > CHAPTER 7. SOCIAL SECURITY (Titles I — XXI) > TITLE IV. GRANTS TO STATES FOR AID AND SERVICES TO NEEDY FAMILIES WITH CHILDREN AND FOR CHILD-WELFARE SERVICES (Pts. A — F) > Part D. CHILD SUPPORT AND ESTABLISHMENT OF PATERNITY (§§ 651 — 669b)*

### § 657. Distribution of collected support

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**(a) In general.** Subject to subsections (d) and (e), the amounts collected on behalf of a family as support by a State pursuant to a plan approved under this part [42 USCS §§ 651 et seq.] shall be distributed as follows:

**(1) Families receiving assistance.** In the case of a family receiving assistance from the State, the State shall—

**(A)** pay to the Federal Government the Federal share of the amount collected, subject to paragraph (3)(A);

**(B)** retain, or pay to the family, the State share of the amount collected, subject to paragraph (3)(B); and

**(C)** pay to the family any remaining amount.

**(2) Families that formerly received assistance.** In the case of a family that formerly received assistance from the State:

**(A) Current support.** To the extent that the amount collected does not exceed the current support amount, the State shall pay the amount to the family.

**(B) Arrearages.** Except as otherwise provided in an election made under section 454(34) [42 USCS § 654(34)], to the extent that the amount collected exceeds the current support amount, the State—

**(i)** shall first pay to the family the excess amount, to the extent necessary to satisfy support arrearages not assigned pursuant to section 408(a)(3) [42 USCS § 608(a)(3)];

**(ii)** if the amount collected exceeds the amount required to be paid to the family under clause (i), shall—

**(I)** pay to the Federal Government the Federal share of the excess amount described in this clause, subject to paragraph (3)(A); and

**(II)** retain, or pay to the family, the State share of the excess amount described in this clause, subject to paragraph (3)(B); and

**(iii)** shall pay to the family any remaining amount.

**(3) Limitations.**

**(A) Federal reimbursements.** The total of the amounts paid by the State to the Federal Government under paragraphs (1) and (2) of this subsection with respect to a family shall not

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exceed the Federal share of the amount assigned with respect to the family pursuant to section 408(a)(3) [42 USCS § 608(a)(3)].

**(B)** State reimbursements. The total of the amounts retained by the State under paragraphs (1) and (2) of this subsection with respect to a family shall not exceed the State share of the amount assigned with respect to the family pursuant to section 408(a)(3) [42 USCS § 608(a)(3)].

**(4)** Families that never received assistance. In the case of any other family, the State shall distribute to the family the portion of the amount so collected that remains after withholding any fee pursuant to section 454(6)(B)(ii) [42 USCS § 654(6)(B)(ii)].

**(5)** Families under certain agreements. Notwithstanding paragraphs (1) through (3), in the case of an amount collected for a family in accordance with a cooperative agreement under section 454(33) [42 USCS § 654(33)], the State shall distribute the amount collected pursuant to the terms of the agreement.

**(6)** State option to pass through additional support with Federal financial participation.

**(A)** Families that formerly received assistance. Notwithstanding paragraph (2), a State shall not be required to pay to the Federal Government the Federal share of an amount collected on behalf of a family that formerly received assistance from the State to the extent that the State pays the amount to the family.

**(B)** Families that currently receive assistance.

**(i)** In general. Notwithstanding paragraph (1), in the case of a family that receives assistance from the State, a State shall not be required to pay to the Federal Government the Federal share of the excepted portion (as defined in clause (ii)) of any amount collected on behalf of such family during a month to the extent that—

**(I)** the State pays the excepted portion to the family; and

**(II)** the excepted portion is disregarded in determining the amount and type of assistance provided to the family under such program.

**(ii)** Excepted portion defined. For purposes of this subparagraph, the term “excepted portion” means that portion of the amount collected on behalf of a family during a month that does not exceed \$100 per month, or in the case of a family that includes 2 or more children, that does not exceed an amount established by the State that is not more than \$200 per month.

**(7)** [Redesignated]

**(b) Continuation of assignments.**

**(1)** State option to discontinue pre-1997 support assignments.

**(A)** In general. Any rights to support obligations assigned to a State as a condition of receiving assistance from the State under part A [42 USCS §§ 601 et seq.] and in effect on September 30, 1997 (or such earlier date on or after August 22, 1996, as the State may choose), may remain assigned after such date.

**(B)** Distribution of amounts after assignment discontinuation. If a State chooses to discontinue the assignment of a support obligation described in subparagraph (A), the State may treat amounts collected pursuant to the assignment as if the amounts had never been assigned and may distribute the amounts to the family in accordance with subsection (a)(4).

**(2)** State option to discontinue post-1997 assignments.

**(A)** In general. Any rights to support obligations accruing before the date on which a family first receives assistance under part A [42 USCS §§ 601 et seq.] that are assigned to a State under that part and in effect before the implementation date of this section may remain assigned after such date.

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**(B)** Distribution of amounts after assignment discontinuation. If a State chooses to discontinue the assignment of a support obligation described in subparagraph (A), the State may treat amounts collected pursuant to the assignment as if the amounts had never been assigned and may distribute the amounts to the family in accordance with subsection (a)(4).

**(c) Definitions.** As used in subsection (a):

**(1) Assistance.** The term “assistance from the State” means—

**(A)** assistance under the State program funded under part A [42 USCS §§ 601 et seq.] or under the State plan approved under part A of this title [42 USCS §§ 601 et seq.] (as in effect on the day before the date of the enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 [enacted Aug. 22, 1996]); and

**(B)** foster care maintenance payments under the State plan approved under part E of this title [42 USCS §§ 681 et seq.].

**(2) Federal share.** The term “Federal share” means that portion of the amount collected resulting from the application of the Federal medical assistance percentage in effect for the fiscal year in which the amount is distributed.

**(3) Federal medical assistance percentage.** The term “Federal medical assistance percentage” means—

**(A)** 75 percent, in the case of Puerto Rico, the Virgin Islands, Guam, and American Samoa; or

**(B)** the Federal medical assistance percentage (as defined in section 1905(b) [former 42 USCS § 1396d(b)], as such section was in effect on September 30, 1995) in the case of any other State.

**(4) State share.** The term “State share” means 100 percent minus the Federal share.

**(5) Current support amount.** The term “current support amount” means, with respect to amounts collected as support on behalf of a family, the amount designated as the monthly support obligation of the noncustodial parent in the order requiring the support or calculated by the State based on the order.

**(d) Gap payments not subject to distribution under this section.** At State option, this section shall not apply to any amount collected on behalf of a family as support by the State (and paid to the family in addition to the amount of assistance otherwise payable to the family) pursuant to a plan approved under this part [42 USCS §§ 651 et seq.] if such amount would have been paid to the family by the State under section 402(a)(28) [former 42 USCS § 602(a)(28)], as in effect and applied on the day before the date of the enactment of section 302 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 [enacted Aug. 22, 1996].

**(e) Amounts collected for child for whom foster care maintenance payments are made.**

Notwithstanding the preceding provisions of this section, amounts collected by a State as child support for months in any period on behalf of a child for whom a public agency is making foster care maintenance payments under part E [42 USCS §§ 670 et seq.]—

**(1)** shall be retained by the State to the extent necessary to reimburse it for the foster care maintenance payments made with respect to the child during such period (with appropriate reimbursement of the Federal Government to the extent of its participation in the financing);

**(2)** shall be paid to the public agency responsible for supervising the placement of the child to the extent that the amounts collected exceed the foster care maintenance payments made with respect to the child during such period but not the amounts required by a court or administrative order to be paid as support on behalf of the child during such period; and the responsible agency may use the payments in the manner it determines will serve the best interests of the child, including setting such payments aside for the child’s future needs or making all or a part thereof available to the person responsible for meeting the child’s day-to-day needs; and

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(3) shall be retained by the State, if any portion of the amounts collected remains after making the payments required under paragraphs (1) and (2), to the extent that such portion is necessary to reimburse the State (with appropriate reimbursement to the Federal Government to the extent of its participation in the financing) for any past foster care maintenance payments (or payments of assistance under the State program funded under part A [42 USCS §§ 601 et seq.]) which were made with respect to the child (and with respect to which past collections have not previously been retained);

and any balance shall be paid to the State agency responsible for supervising the placement of the child, for use by such agency in accordance with paragraph (2).

## History

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### HISTORY:

Aug. 14, 1935, ch 531, Title IV, Part D, § 457, as added Jan. 4, 1975, P. L. 93-647, Part B, § 101(a), 88 Stat. 2356; Nov. 12, 1977, P. L. 95-171, § 11, 91 Stat. 1357; Aug. 13, 1981, P. L. 97-35, Title XXIII, Subtitle A, ch 2, § 2332(e), 95 Stat. 862; July 18, 1984, P. L. 98-369, Division B, Title VI, Subtitle B, Part 2, § 2640(b), 98 Stat. 1145; Aug. 16, 1984, P. L. 98-378, §§ 7(a), 11(a)(1), (2), 98 Stat. 1315, 1317, 1318; Oct. 22, 1986, P. L. 99-514, Title XVIII, Subtitle B, Ch 1, § 1883(b)(6), Subtitle C, Ch 3, § 1899(a), 100 Stat. 2917, 2957; Dec. 22, 1987, P. L. 100-203, Title IX, Subtitle B, Part 3, § 9141(a)(1), 101 Stat. 1330-321; Oct. 13, 1988, P. L. 100-485, Title I, Subtitle A, § 102(b), 102 Stat. 2346; Aug. 22, 1996, P. L. 104-193, Title III, Subtitle A, § 302(a), 110 Stat. 2200; Aug. 5, 1997, P. L. 105-33, Title V, Subtitle F, Ch 3, §§ 5532(a), (b)(1), (c)–(h), 5547, 111 Stat. 626, 632; Dec. 14, 1999, P. L. 106-169, Title III, § 301(a), (c), Title IV, § 401(j), (k), 113 Stat. 1857, 1858; Feb. 8, 2006, P. L. 109-171, Title VII, Subtitle C, §§ 7301(b)(1)(A), (B)(i), (iii), (2), (c), 7310(b), 120 Stat. 141, 143, 147.

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