8.50.125.11 NMAC

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NM - New Mexico Administrative Code > TITLE 8. SOCIAL SERVICES > CHAPTER 50. CHILD SUPPORT ENFORCEMENT PROGRAM > PART 125. FEES, PAYMENTS, AND DISTRIBUTIONS

§ 8.50.125.11. DISTRIBUTION OF COLLECTIONS (EXCEPT FOR FEDERAL INCOME TAX REFUND OFFSETS)

Specific terms used in this section are derived from 42 USC 657 and 45 CFR 300 through 303.

A. In accordance with federal regulations, for purposes of distribution in a IV-D case, amounts collected, except for amounts collected through federal income tax refund offset, must be distributed as follows:

(1) monthly payment ordered for current ongoing support;

(2) monthly payment ordered for judgment on arrears;

(3) current support delinquency;

(4) past due support delinquency;

(5) in each of the categories above, the payment is prioritized in the following order: child support, medical support, spousal support; any payment that is insufficient to meet the entire obligation will be applied in the order stated above.

B. The requirement to apply collections first to satisfy the current support obligation is critical in all IV-D cases to ensure that payment records are consistent in interstate cases, regardless of whether the amount applied to current support is paid to the family (as in a former assistance case) or retained by the state to recover unreimbursed assistance in a current assistance case.

C. Current assistance cases: The state will (not exceeding the cumulative amount of unreimbursed assistance paid to the family):

(1) pay to the federal government the federal share of the amount collected that is applied to assigned support;

(2) retain the state share of the amount collected that is applied to assigned support; and

(3) reduce the cumulative amount of unreimbursed assistance by the total amount collected that is applied to assigned support and disbursed under Paragraphs (1) and (2) of Subsection, C of 8.50.125.11 NMAC and distribute collections exceeding the cumulative amount of unreimbursed assistance to the family in excess of Paragraphs (1) and (2) of Subsection, C of 8.50.125.11 NMAC to satisfy never assigned support, unassigned support and conditionally assigned support.

D. The order in which collections are applied to satisfy assigned and unassigned arrearages in current assistance cases differ by state.

(1) For collections made prior to January 23, 2023, the state of New Mexico has selected the following option:

(a) collections will be first applied to current support;

(b) additional collections will be applied to temporarily assigned arrearages or conditionally assigned arrearages;

(c) additional collections will be applied to permanently assigned arrearages and

(d) additional collections will be applied to never assigned arrearages, unassigned pre-assistance arrearages and unassigned during assistance arrearages.

(2) For collections made effective on or after January 23, 2023, the state of New Mexico has selected the following option:

(a) collections will be first applied to current support;

(b) additional collections will be first applied to permanently assigned arrearages;

(c) additional collections will be applied to temporarily assigned arrearages or conditionally assigned arrearages; and

(d) additional collections will be applied to never assigned arrearages, unassigned Pre-assistance arrearages and unassigned during assistance arrearages.

E. Former assistance cases:

(1) For collections made prior to October 1, 1998, the state shall:

(a) first, distribute the amount collected to satisfy the current monthly support obligation and pay that amount to the family;

(b) second, distribute any amount above the current monthly support obligation to arrearages owed to the family or assigned to the state; the federal statute does not specify the order in which collections are applied to satisfy arrearages; the state must have procedures that specify the order in which assigned arrearages will be satisfied; if the state distributes any amount to assigned arrearages, the state must pay to the federal government the federal share of the amount so collected; the state must retain the state share of the amount so collected, with one exception; the state may retain or pay to the family the state share of collections applied to arrearages that accrued while the family was receiving assistance after October 1, 1996.

(2) For collections made on or after October 1, 1998, or earlier at state option, the state shall:

(a) distribute the amount collected to satisfy the current monthly support obligation and pay that amount to the family;

(b) distribute any amount above the current monthly support obligation to satisfy never-assigned arrearages and pay that amount to the family;

(c) distribute any amount above amounts distributed in Subparagraphs (a) and (b) of this section to satisfy unassigned pre-assistance arrearages and conditionally-assigned arrearages in any order and pay that amount to the family;

(d) distribute any amount above amounts distributed in Subparagraphs (a), (b) and (c) of this section to satisfy permanently-assigned arrearages; the state must pay the federal government the federal share of the amount collected that is applied to assigned support; the state must retain the state share of the amount so collected with one exception; the state may retain or pay to the family the state and federal share of collections applied to arrearages that accrued while the family was receiving assistance after October 1, 1996;

(e) reduce the cumulative amount of unreimbursed assistance by the total amount distributed under subparagraph (d), distribute collections exceeding the cumulative amount of unreimbursed assistance to satisfy unassigned during-assistance arrearages and pay those amounts to the family.

(3) For collections made effective on or after January 23, 2023 (other than through federal Income tax refund offset), the state shall:

(a) distribute the amount collected to satisfy the current monthly support obligation and pay that amount to the family;

(b) distribute any amount above the current monthly support obligation to satisfy never-assigned arrearages and pay that amount to the family;

(c) distribute any amount above amounts distributed in Subparagraphs (a) and (b) of Paragraph (3) of Subsection E of 8.50.125.11 NMAC to satisfy unassigned pre-assistance arrearages and pay that amount to the family;

(d) distribute any amount above amounts distributed in Subparagraphs (a), (b) and (c) of Paragraph (3) of Subsection E of 8.50.125.11 NMAC to satisfy unassigned during assistance arrearages and pay those amounts to the family;

(e) distribute any amount above amounts distributed in Subparagraphs (a), (b), (c) and (d) of Paragraph (3) of Subsection E of 8.50.125.11 NMAC to satisfy conditionally-assigned arrearages and pay that amount to the family; the state must pay the federal government the federal share of the amount collected that is applied to assigned support; the state must retain the state share of the amount so collected with one exception; the state may retain or pay to the family the state and federal share of collections applied to conditionally assigned arrearages; and

(f) distribute any amount above amounts distributed in Subparagraphs (a), (b), (c), (d) and (e) of Paragraph (3) of Subsection E of 8.50.125.11 NMAC to satisfy permanently-assigned arrearages and reduce the cumulative amount of unreimbursed assistance by the total amount distributed under Subparagraph (e) and (f) of this Paragraph; the state must pay the federal government the federal share of the amount collected that is applied to assigned support;; the state must retain the state share of the amount so collected with one exception; the state may retain or pay to the family the state and federal share of collections applied to permanently assigned arrearages;

F. Never-assistance cases: All support collections in never-assistance cases must be paid (less any applicable fees) to the family.

G. Collected funds will be distributed to the resident parent, legal guardian, caretaker relative having custody of or responsibility for the child or children, judicially-appointed conservator with a legal and fiduciary duty to the custodial parent and the child, or alternate caretaker designated in a record by the custodial parent. An alternate caretaker is a nonrelative caretaker who is designated in a record by the custodial parent to take care of the children for a temporary time period.

H. When the non-custodial parent has multiple cases with the IV-D agency, payments received from the non-custodial parent through wage withholding shall be distributed among all active cases on a pro-rata basis determined by the total amount of all monthly support obligations. Payments received through administrative enforcement mechanisms shall be distributed among multiple cases on a pro-rata split based on the total amount of arrearages owed at the time of the referral for administrative enforcement, except for reinstatement of license(s). Payments received for the reinstatement of licenses will be applied to the specific case(s) rather than split among multiple cases. Any other direct payments made by the non-custodial parent will be divided among all active cases involving the non-custodial parent.

Statutory Authority

[8.50.125.11 NMAC - Rp, 8.50.125.11 NMAC, 9/1/2022]

Annotations

Research References & Practice Aids

HIERARCHY NOTES:

See 8.50.125 NMAC

8.50.125.12 NMAC

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§ 8.50.125.12. DISTRIBUTION OF COLLECTIONS THROUGH FEDERAL INCOME TAX REFUND OFFSET

Any amount of support collected through federal income tax refund offset may be retained by the state to the extent support arrearages have been assigned to the state up to the amount necessary to reimburse the state for cumulative amounts paid to the family as assistance by the state. The state will pay to the federal government the federal share of the amounts so retained. To the extent the amount collected exceeds the amount required to be retained, the state will pay the excess to the family.

A. Current assistance cases: Support collections through federal income tax refund offsets in current assistance cases are retained by the state up to the cumulative amount of unreimbursed assistance paid to the family. Collections over and above the cumulative amount of unreimbursed assistance are paid to the family. The order in which collections are applied to satisfy assigned and unassigned arrearages in current assistance cases differ by state.

(1) For collections made prior to January 23, 2023 the state of New Mexico has selected the following option:

(a) collections will first be applied to temporarily assigned arrearages or conditionally assigned arrearages;

(b) additional collections will be applied to permanently assigned arrearages; and

(c) additional collections will be applied to never assigned arrearages, unassigned pre-assistance arrearages and unassigned during assistance arrearages.

(2) For collections made on or after January 23, 2023, the state of New Mexico has selected the following option:

(a) collections will be first applied to current support (***pass through*** described in Section 8.50.125.13 NMAC may apply here);

(b) additional collections will be first applied to permanently assigned arrearages;

(c) additional collections will be applied to temporarily assigned arrearages or conditionally assigned arrearages; and

(d) additional collections will be applied to never assigned arrearages, unassigned pre-assistance arrearages and unassigned during assistance arrearages.

B. Former assistance cases: For support collections made through federal income tax refund offsets in former assistance cases, the state shall:

(1) distribute the amount collected to satisfy the current monthly support obligation and pay that amount to the family;

(2) distribute any amount above the current monthly support obligation to satisfy never-assigned arrearages and pay that amount to the family;

(3) distribute any amount above amounts distributed in Paragraphs (1) and (2) of this subsection to satisfy unassigned pre-assistance arrearages and pay that amount to the family;

(4) distribute any amount above amounts distributed in Paragraphs (1), (2) and (3) of this subsection to satisfy unassigned during assistance arrearages and pay those amounts to the family;

(5) distribute any amount above amounts distributed in Paragraphs (1), (2), (3) and (4) of this subsection to satisfy conditionally-assigned arrearages and pay that amount to the family; the state must pay the federal government the federal share of the amount collected that is applied to assigned support; the state must retain the state share of the amount so collected with one exception; the state may retain or pay to the family the state and federal share of collections applied to conditionally assigned arrearages; and

(6) distribute any amount above amounts distributed in Paragraphs (1), (2), (3), (4) and (5) of this subsection to satisfy permanently-assigned arrearages and reduce the cumulative amount of unreimbursed assistance by the total amount distributed under Paragraph (5) and (6) of Subsection B of 8.50.125.12 NMAC; the state must pay the federal government the federal share of the amount collected that is applied to assigned support; the state must retain the state share of the amount so collected with one exception; the state may retain or pay to the family the state and federal share of collections applied to permanently assigned arrearages and conditionally assigned arrearages.

C. Never-assistance cases: Support collections through federal income tax refund offsets in non-assistance cases are paid to the family.

Statutory Authority

[8.50.125.12 NMAC - Rp, 8.50.125.12 NMAC, 9/1/2022]

Annotations

Research References & Practice Aids

HIERARCHY NOTES:

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§ 8.50.125.13. CURRENT ASSISTANCE PASS THROUGH PAYMENTS

At the discretion of the New Mexico legislature, the IV-D agency may disburse an amount based on budget availability (refer to NMSA § 27-2B-7 and disregard for child support payments in 8.102.520.9 NMAC for allowable amount), to the IV-A service recipient from collections on current support. Under no circumstances is a current or former IV-A recipient entitled to receive said amount as part of the arrearages owed to them. The disbursement to the custodial party, up to the maximum amount, shall only be made if the recipient is currently receiving TANF and the IV-D agency collects a payment from the non-custodial party. If the non-custodial party pays less than the maximum amount allowed to pass through, the custodial party shall only receive the amount of the payment collected. Neither the IV-D agency nor the IV-A agency will pay the difference to the custodial party between the maximum pass through amount and the amount paid by the non-custodial party. If the custodial party has more than one IV-D case, they will only receive the lower of the amount of the maximum disregard or the current monthly collection received on all cases. A pass through payment is in addition to, not in lieu of, the monthly TANF payment.

Statutory Authority

[8.50.125.13 NMAC - N, 9/1/2022]

Annotations

Research References & Practice Aids

HIERARCHY NOTES:

See 8.50.125 NMAC

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