

Arrears Management & Prevention Policy in 2014: Sharing successful case strategies and streamlined processes

Ramsey and Washington Counties

Introductions and Questions

- * Presenter Introductions
- * Creating a “parking lot” – What questions about doing arrears managements do you have or what do you want to hear about most?

From November 2012 to April 2013, CSED, with 34 representatives from 25 counties met regularly as the Arrears Management and Prevention Policy (AMPP) Workgroup. Together they created the statewide arrears policy that establishes a uniform arrears management statewide policy.

This policy was introduced by the State in August 2013.

Identifying Cases

- * Child Support staff Initiated Review
- * County Attorney Initiated Review
- * Obligor or Obligee Initiated Review
- * Review Initiated by Data Warehouse Reports
 - *F11 – Cases with Arrears w/12 Months of Payments
 - *F12 – Cases with Active JPB Obligations
 - *F17 -- Cases w/o Arrears Payment
- * Review Initiated by Info Pac Reports

Info Pac Reports

- * Potential Arrears Management Case Identification Report (highest arrears w/both PA & NPA) (QW450501)
- * Potential Arrears Management Cases for PA (top 20 cases per caseworker with highest PA arrears) (QW450502)
- * Paying Cases with Increasing Arrears (cases per county worker where arrears are increasing even when payments are coming in on a monthly basis) (QW450503)
- * Recurring AMPP Report (provides a monthly summary of cases per county worker that has an active arrears management strategy) (QW450505)

Arrears Management Situations for Review

Situation 1 – Required to complete an AMPP review and you must apply an AMPP strategy.

Fact-specific situations that would result in a zero order

- * NCP on SSI or Cash PA
- * NCP incarcerated
- * Receipt of RSDI of less than 120% of FPG
- * NCP Institutionalized
- * Temp. disability, verified by Dr statement or MAXIS

Situation 2 – Required to complete an AMPP review and you may apply an AMPP strategy, if appropriate.

When you become aware of one of these situations, review the case. An AMPP strategy may result

- * Obligor now has custody of the children
- * The couple has reconciled
- * Termination of parental rights
- * Judgment for Pregnancy and Birth Expenses
- * Disestablishment of Paternity

Situation 3 – Use discretion to determine if an AMPP review should be completed and apply an AMPP strategy if appropriate

- * NCP Receipt of non-cash assistance
- * Expired judgments or judgment renewals
- * Employment barriers/issues, including but not limited to:
 - * Underemployment
 - * Unemployed (6 months or more)
 - * Chronic issues with employability (illiterate, etc.)
 - * Criminal history
 - * Poor history of employment
 - * Inability to pay


Situation 3 (continued)

Chronic Health Issues (verified by a Dr. or MAXIS)

Severe short-term health issues

- * Orders originally set by default
- * Orders originally set too high
- * Arrears only cases that are not paying
- * Balance is increasing though payments are being made
- * Length of time it will take to pay off the case
- * Age of arrears
- * Age of obligor
- * Caregiver case is now active
- * Children in foster care
- * Child's death
- * Interstate-jurisdictional issues

CHOOSING AN ARREARS MANAGEMENT STRATEGY



The illustration shows a person in a grey suit climbing a wooden staircase that leads up a hill. The background is a blue sky with white clouds, and the foreground is a white, sandy-looking ground.

Determine your goal:

- * to encourage moderate payment from the obligor who has not paid
- * to encourage work
- * to reward good behavior and encourage more payment
- * to encourage obligor subsistence
- * to eliminate expensive collection activities that can distract CSOs from taking effective action on cases more amenable to payment

Consider a variety of factors:

- * Whether NPA arrears exist
- * The total arrears balance
- * Whether the case is arrears only or if there are still minor children
- * Whether there are cases in other counties (or states)
- * The likelihood of collectability
- * The obligor's willingness/ability to participate, etc.

Making sure we can forgive PA – Checking URA

- * Before proceeding with an arrears management review or request, check to make sure any excess worklist are completed
- * Check the excess screen (EXCS) for the Unreimbursed (URA amount) - If you are forgiving CCH, this is the highest amount of \$ you can forgive
- * Medical obligations and child care obligations do not count in the URA; therefore the PA amounts for these obligations can be forgiven without regard to EXCS screen
- * Update EXCS after PA is forgiven – Only the oldest case of CP's can be updated – may need county or case coordination
- * Because URA is based on CP's receipt of PA, what one county does to forgive PA for an NCP can affect another county's ability to forgive for another NCP who has a child with that CP
- * See State Policy for more direction

Possible Strategies to use:

- * Remove the total public assistance (PA) arrears balance
- * Remove PA arrears equal to the amount of arrears that accumulated during a fact specific situation
- * Agree to a lump sum settlement amount the county would be willing to accept in order to consider the PA balance paid in full. See below for more information.
- * If no payment has been received on arrears during this federal fiscal year, request a payment of any amount and forgive remaining PA arrears
- * If there are only PA arrears or a combination of PA and NPA arrears, determine a dollar for dollar ratio and offer forgiveness accordingly (dollar for dollar or one dollar forgiveness for every two dollars paid)

Adjust arrears payback amount through stipulation or court order

- * Look at what monthly installments would be over 5 years as a guideline for a realistic arrears payback schedule, if it would be less than the payback in the current order
- * Reduce PA arrears if non-monetary conditions are met such as – participation in a father project, job search reporting, obtaining a job, job retention, cooperating with the review and adjust process
- * Require the obligor to apply for RSDI or SSI benefits or appealing as appropriate

Require the obligor to obtain a GED or high school diploma or any activity that will improve obligor's employability

- * Remove PA interest arrearage or give credit for PA interest that has already been paid by reducing PA principal arrearage
- * Consider other appropriate actions consistent with this policy

LUMP SUM PAYMENT

- * The CSO may determine that a lump sum payment of a percentage of PA arrearage is an appropriate strategy for cases. When the obligor pays the percentage the county requests, the CSO should eliminate the remainder of the public assistance arrearage.
- * Do not consider this strategy an ongoing arrearage management strategy. The purpose of eliminating these arrearage is to assist the obligor in meeting the monthly current support obligation(s).

APPROVAL PROCESS

A CSO must gain supervisor's approval, either through direct approval or a committee, before taking action. Counties will create and maintain an approval process that is appropriate for them, recognizing that Arrearage Management Prevention and Policy (AMPP) is an administrative process, not a legal process.

CAAD Activities

Once the CSO decides to review a case for Arrears Management, she/he must enter one of three possible case activities:

- E9851 – REVIEWED FOR ARREARS MANAGEMENT/ NO ACTION
- E9852 – REVIEWED FOR ARREARS MANAGEMENT/ APPROVAL REQUESTED
- E9853 – REVIEWED FOR ARREARS MANAGEMENT/ MORE INFO NEEDED

If more info is requested, you may need to add E9854 – ARREARS MANAGEMENT/ADDITIONAL INFO NOT RETURNED if the information is not returned.

Upon review, the supervisor chooses to add one of the following three case activities:

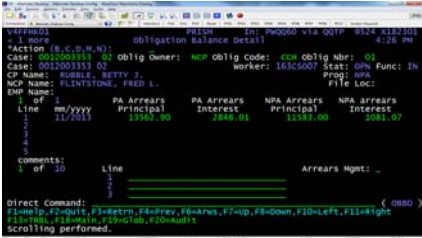
- E9855 – SUPERVISOR APPROVED ARREARS MANAGEMENT STRATEGY
- E9856 – SUPERVISOR APPROVED RECURRING ARREARS MANAGEMENT
- E9857 – SUPERVISOR DENIED ARREARS MANAGEMENT STRATEGY

Follow-up Actions

- * Updating OBAL – Y for Arrears Management (also use Y if the CP is forgiving NPA arrears). This creates a CAAD note, E9870. Modify the note to put your financial information
- * DORD Letter F9850 to NCP notifying NCP of arrears management action

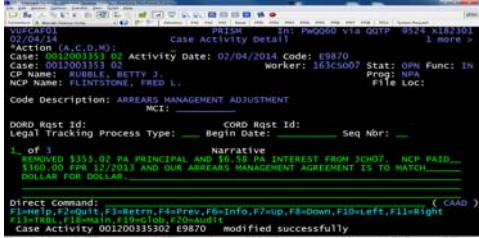
Follow up actions (display).

If financial adjustments are made, i.e., removing arrears, use the OBBD screen and update the Arrears Management field:



Line	PA Arrears	PA Arrears Interest	NPA Arrears	NPA Arrears Principal	NPA Arrears Interest
1	12/2013	1395.00	1698.01	1395.00	1001.00

The entry in the Arrears Mgmt field on the OBBD screen creates a CAAD note, E9870. Modify the note to put your financial information:



Code Description: ARREARS MANAGEMENT ADJUSTMENT
 DORD Rqst Id: _____ CORD Rqst Id: _____
 Legal Tracking Process Type: _____ Begin Date: _____ Seq Nbr: _____
 Narrative
 *ADDED 1395.00 PA PRINCIPAL AND 1698.01 PA INTEREST FROM 12/07. NCP PAID 1395.00 ON FRM 12/2013 AND OUR ARREARS MANAGEMENT AGREEMENT IS TO MATCH DOLLAR FOR DOLLAR.

Follow up actions:

If the supervisor has approved, the CSO may have to:

- * contact the CP (if the proposal includes NPA arrears);
- * make a proposal to the NCP;
- * or notify him/her of the County's decision to take an action.

- * When the CP is involved in NPA arrears management, use CAAD E9865 – NPA CP APPROVED ARREARS MANAGEMENT STRATEGY.
- * To notify the NCP, use DORD F9850 – NOTICE OF ARREARS MANAGEMENT ACTION.

Example:

Doc ID: 163C0007000032
 WASHINGTON CO COMMUNITY SERVICES
 CHILD SUPPORT UNIT
 1484 4TH ST N PO BOX 30
 STILLWATER MN 55082-0030
 Telephone: 651-430-6455

FRED L. FLINTSTONE
 1214 HALE STREET
 ST PAUL, MN 55104

02/04/2014
 RE Case: 001200333800

Notice of Arrears Management Action

 [This information is available in accessible format for individuals with
 disabilities by calling 651-431-4339, toll free 800-457-3804, or by
 using your preferred relay service. For other information on disability
 rights and protections, contact the agency's ADA coordinator.]

Dear Fred L. Flintstone:

In order to manage support arrears, the parties, including the public authority when arrears have been assigned to the public authority, may forgive unpaid support arrears owed by one party to another. A party may agree to forgive only arrears owed to that party.

This letter is to inform you that the following action(s) have been taken on your case in order to manage your past due support and prevent future accumulation of arrears:

Due to your current circumstances of receipt of General Assistance and Group Residential Housing, the child support office has made the decision to forgive the remaining amount of support arrears that you owed to the State of Minnesota \$79.14 in public assistance arrears has been forgiven and removed from your case, leaving a balance of \$0.00 on your case. This balance includes any public assistance and non-public assistance arrears that you owe.

If you have any questions about these actions on your child support case, contact your child support office at the phone number below.

Sincerely,

Doc ID: 163C0007000032 (SMIN0001 P9850.001)

Arrears management and prevention strategies are a positive way to assist obligors in supporting their families, meeting their own needs at an adequate level of subsistence, increasing their incentive to work, and reducing child support arrears that may never be collected or that provide a barrier to current collections.

IMPLEMENTATION,
STREAMLINING,
CASE EXAMPLES & STRATEGY



Washington County implementation

- * All enforcement CSO's are expected to complete at least one AMPP review per month
- * Each CSO uses Washington County form, [Arrears Management Request List](#) to track cases on which to do an AMPP review
- * When conducting the review, CSO takes notes on Washington County form, [AMPP Research Notes](#)
- * The CSO enters CAAD notes including data about history of case and reasons for AMPP proposal. Supervisor reviews and enters decision on CAAD. (See examples of Washington County CAAD notes)
- * Enforcement CSO makes 1-time financial adjustment or tracks recurring arrears management

Washington County - – how to encourage payment on current support

- * Require case to be reviewed for AMPP prior to contempt referral
- * Enforcement CSO's expected to engage NCP in AMPP process and predominantly use \$ for \$ strategy or similar strategies that reward NCP for payments

Example of Documentation used by Washington County to Request AMPP Approval

- * (Full CAAD note example in handout)
- * Example 1 Summary:
 - * NPA Arrears of \$30,000 on another county's case
 - * Both NPA and PA arrears on our case
 - * Low wage history for years and poor payment history
 - * NCP now making payments but arrears increasing
 - * Goal to reward good payment behavior and encourage obligor subsistence
 - * Offered strategy of giving \$2.00 credit on PA arrears for every \$1.00 paid

Another Example of Washington County CAAD Note On PRISM

- * (Full CAAD note example in handout)
- * Example 2 Summary:
 - * Support set on presumption of ability to earn and no proof in later years that NCP ever earned that amount
 - * NCP recently began paying 120% consistently
 - * Recently Court found earnings to be lower and support was modified to a lower amount
 - * 2-part strategy applied:
 - * Lump sum forgiveness for PA interest
 - * \$1.50 credit for \$1.00 paid on an ongoing basis
 - * Strategy applied to reward good payment behavior and to encourage obligor subsistence

Ramsey County implementation

Assigned staff who identify and complete arrears managements

- * Prescribed forms for different types of arrears management; build into case processes
- * Streamlined many arrears management – CAAD note only, no paper forms, no attorney approval needed (just supervisor approval)
 - * Many different short form categories (meet category = automatically qualifies for forgiveness)
 - * Developed templates for CAAD notes
- * More \$1 for \$1 cases – some proposals reviewed at unit meetings
- * Reviewing cases at extended hours/open house sessions –Show up – get help!
- * Make arrears management review a regular part of arrears only (or other) caseload management
- * Does the cost to collect exceed the debt?

Ramsey County – how to encourage payment on current support

- * Require case to be looked at for arrears management prior to contempt referral
- * With contempt referral, if appropriate, case can be entered into \$1 for \$1 PA arrears management if NCP is making payments consistently (see handout for form). \$1 for \$1 automatically will terminate if NCP misses 3 consecutive months of payments. (handout of form)
- * Other examples:
 - * FATHER Project agreements – one NCP has had over \$120,000 in PA arrears forgiven and is now a consistent payer (handout of form)
 - * Another case we forgave \$10,000 for NCP obtaining GED (Open House attendee)

Ramsey County CAAD Example 1 - Cost to Collect Exceeds Benefit (Also Reunited Party)

(Full CAAD note example in handout)
 Example 1 Summary:

- * PA Arrears of \$1,361
- * Parties are reunited on PA in another state
- * Children are 20 and 16
- * NCQW are from 2008 and 2012 only
- * Very minimal income and all employers are temp agencies

Short Form – PA Less than \$2,000 and (Cost to Collect Exceeds Benefit)
 Also see Example 3 on Handout (IV-E example where we will likely not collect most of PA due on IV-E)

Ramsey County CAAD Example 2 – PA Interest Forgiveness

(Full CAAD note example in handout)

- * Arrears Only Case, child was over age 20. NCP owes \$40,822 of which PA Arrears are \$11,020. NCP has outstanding PA Interest of \$4,872 and has paid \$298 in PA Interest. We combine those for forgiveness of \$5,171.
- * Template requires giving the total figures paid/due, principal and interest, for PA and NPA. (handout on TRLI/EXCS includes short cuts for calculating figures on TRLI)

PA Interest

About Interest Forgiveness:

- * Interest doesn't encourage compliance.
- * Forgiving interest encourages compliance.
 - * NCP's are incredibly grateful.
 - * Helpful in current support cases where we cannot stop interest.
- * Simple and Easy to do! Can make it part of a case review and available to everyone.
- * CAAD notes easier for supervisor to review than paper forms and files.
- * In 2013 approximately 25% of our Arrears Managements were PA Interest (mostly arrears only but now moving into current support cases)

Final example: Using PA Interest in Current Support Cases

Example of Forgiving PA Interest in Current Support cases – CSO Initiated on Partial Payer Case (NCP responded to CSO memo about partial payments – CSO first tried to call NCP. This agent new to the case, prior phone contact was in 2003.) NCP has two cases.

- * Case 1 - Child age 15 – Charging \$303 basic, \$19,000 NPA Arrears and \$6,200 PA Arrears.
- * Case 2 – 2 kids, one child emancipated, one child age 14. Charging \$507 basic, \$26,500 NPA Arrears and \$7,000 PA Arrears.
- * Difficulty paying both cases in full as he works in sales and earnings vary. Taxes get intercepted and pay towards arrears but NCP doesn't qualify to stop interest due to partial payments. NCP is living with his mother because he cannot afford to live alone. Due to change in job situation he is now able to pay 120%.
- * Forgave \$3,014 on one case (\$1,599 outstanding and \$1,414 paid) and \$3,375 on other case (\$93 outstanding and \$3,282 paid)
- * Total balances reduced from about \$60,000 to \$53,000. Not a lot but shows we are willing to work with him.
- * Cases are receiving 120% payments.

AMPP RESEARCH NOTES

NCP Name: _____ Case # _____ Date: _____

Support obligations and what they were based on:

Criminal history and times of incarceration:

Times on PA:

Other obligations to pay:

Miscellaneous: (Wage history, periods of unemployment, custody of the child)

Amount of arrears: (PA) _____ (NPA) _____

AGREEMENT TO FORGIVE PUBLIC ASSISTANCE CHILD SUPPORT ARREARS
CONTEMPT CASE

This Agreement to Forgive Child Support Arrears is entered into between _____, the parent who is ordered to pay support (hereinafter referred to as the "Obligor"), and Ramsey County Child Support, regarding IV-D Case number _____, Custodial Parent: _____.

ROLE OF THE COUNTY ATTORNEY'S OFFICE AND RIGHT TO AN ATTORNEY

1. I understand that the County Child Support Office, the County Attorney's Office and other employees of the County do not represent me and cannot give me legal advice.
2. I know I have the right to have an attorney of my choice represent me. I waive my right to have an attorney of my choice represent me.

REQUEST TO COMPROMISE ARREARS

3. The Obligor currently owes the State of Minnesota \$_____ in child support arrears as of _____, _____. The Obligor is currently in proceedings for contempt of court.
4. This agreement does not affect the arrears owed to the custodial parent.
5. Of the amount owed to the State of Minnesota, the agreement is that Ramsey County, on behalf of the State of Minnesota, will forgive ___ dollar(s) of arrears for every dollar the obligor pays on the case balance when the obligor has paid three consecutive months of the purge conditions. This agreement does not become effective unless and until the obligor meets this condition. The total amount eligible to be forgiven may change if the public assistance arrears balance changes.
6. This agreement will end if the Obligor misses three consecutive months of payment.
7. The arrears on the case will be adjusted on a quarterly basis to reflect the terms of this agreement. The Obligor will receive written notice when arrears have been forgiven.

CONSEQUENCES OF COMPROMISING ARREARS:

8. I understand that once child support arrears are paid in full and/or forgiven, all collection efforts with respect to the arrears will stop.
9. I understand that once this Agreement is signed by all parties the County can never reinstate or seek payment of the arrears forgiven.
10. I have had sufficient time to read and review this document and I freely and voluntarily sign this Agreement.
11. This document contains the entire understanding and agreement of the parties, and there has been no verbal or other written promises or conditions by anyone except as stated in this document.
12. I understand that this agreement does not affect the County's ability to use additional enforcement remedies to collect the arrears balance.

Name of Obligor

Date

APPROVAL

Signed by County Representative, (Print Name and Title Below)

Date

DETERMINING PAYMENTS AND POTENTIAL EXCESS SUPPORT WHEN COMPLETING AN ARREARS MANAGEMENT

DETERMINE WHAT WAS PAID USING TRLI

Principal:

(includes amounts paid to pa/npa current and pa/npa arrears principal)

1) Principal paid to current

Sort by: **Owner:** NCP **TranType:** DPR **AmtType:** CPA

***** Transaction *****				Amt	Obl	Oblig	Debt	
Disbrs	Tran							
Date	Type	Amount	SRD	Owner	Type	Nbr	Type	Type
07/05/01	DPR	150.00	07/05/01	NCP	CPA	01	CCH	NPA
07/05/01	DPR	50.00	07/05/01	NCP	CPA	01	CMS	AFC
06/15/01	DPR	150.00	06/15/01	NCP	CPA	01	CCH	NPA
06/15/01	DPR	50.00	06/15/01	NCP	CPA	01	CMS	AFC
05/22/01	DPR	150.00	05/22/01	NCP	CPA	01	CCH	NPA
05/22/01	DPR	50.00	05/22/01	NCP	CPA	01	CMS	AFC
02/26/01	DPR	150.00	02/25/01	NCP	CPA	01	CCH	NPA
02/26/01	DPR	50.00	02/25/01	NCP	CPA	01	CMS	AFC

There is no way to sort further into what paid pa and npa current payments so you will need to manually add the amts paid to NPA and AFC.

2. Payments to PA arrears principal

Sort by: **Owner:** NCP **TranType:** DPR **Amt:** APA and then Shift F12 for the total

3. Payments to NPA arrears principal

Sort by: **Owner:** NCP **TranType:** DPR **Amt:** ANA and then shift F12 for the total

4. Check for payment adjustments to/from principal

Sort by: **Owner:** NCP **TranType:** RPR **Amt Type:** ____

Sort by: **Owner:** NCP **TranType:** NAP **Amt Type:** ____

(example:) 07/19/01 RPR -50.00 07/05/01 NCP CPA 01 CMS AFC

This example is a payment adjustment that removed \$50.00 from PA current so you would subtract this from your PA principal paid total.

INTEREST

1. Payments to PA interest

Sort by: **Owner:** NCP **TranType:** DIN **AmtType:** API and then shift F12 for the total

2. Payments to NPA interest

Sort by: **Owner:** NCP **TranType:** DIN **AmtType:** ANI and then shift F12 for the total

3. Check for payment adjustments to/from interest

Sort by: **Owner:** NCP **TranType:** RIN **AmtType:** ____

Sort by: **Owner:** NCP **TranType:** NAI **AmtType:** ____

Like the principal adjustment above, you would add/subtract the RIN and NAI amounts from the interest amounts paid DIN.

DETERMINING POTENTIAL EXCESS

EXCS

*Action (B,C,D,M,N): _
MCI: Date: 12/2012 Active: Y
MCI: Name:
SSN: DOB: 11/01/59 Gender: F Number of Cases: 7
Unreimbursed IVA From CSES: 38663.00
Maxis Case Number/s: 00217526
Unreimbursed IVA From Last Month: 87353.46 Unissued Excess
Unreimbursed IVA Adjustment: _____0.00 From Previous Months: _____0.00
IVA Grant This Month: 250.00 Unadjusted Excess
Owed to IVA: 87603.46 This Month: 0.00
PA \$ Collected This Month: 0.00 (See Panel 2 for Actual Excess
Unreimbursed IVA For 01/2013 : 87603.46 Due To The CP)

When we are looking for potential excess we are comparing the amount of **Unreimbursed IVA (URA)** with the PA arrears balance. The PA balances that we are concerned with are on the following obligations CCH, CSP, JCH, and JSP (medical obligations and child care obligations are NOT counted toward excess).

If: Unreimbursed IVA (URA) > the amount of PA arrears we are forgiving
then: We are not forgiving any potential excess support and we can go ahead with the arrears management

If: Unreimbursed IVA (URA) < the amount of PA arrears we are forgiving
then: URA amount is the most we can forgive

caution 1: The amount of URA may not be correct in all situations. Further review will be needed if the CP received public assistance prior to MAXIS on any of his/her cases, whether open or closed, and this has not already been reviewed or if there is a comment on the bottom of the EXCS screen that indicates that the CP's MCI number has been combined with another.

caution 2: The excess program runs the 1st or 2nd weekend of the month. During the week prior to excess running, the excess screen will show all \$0.00's. To see what the URA is, you will need to B-browse and change the Date From field to the prior month.

UPDATING URA AFTER PA ARREARS ARE FORGIVEN

Forgiving PA arrears reduces the amount of URA (unreimbursed IVA). After PA arrears are forgiven, you must update the EXCS screen and remove the amount of PA arrears from the URA.

Example of URA adjustment. We are forgiving \$30,250.00 in PA arrears.

```
*Action (B,C,D,M,N):      M
MCI:      Date: 12/2012  Active: Y
MCI:      Name:
SSN:      DOB: 11/01/59  Gender: F  Number of Cases: 7
Unreimbursed IVA From CSES:      38663.00
Maxis Case Number/s: 00217526
Unreimbursed IVA From Last Month:      87353.46  Unissued Excess
Unreimbursed IVA Adjustment:      - 30250.00  From Previous Months: _____0.00
IVA Grant This Month:      250.00  Unadjusted Excess
Owed to IVA:      87603.46  This Month:      0.00
PA $ Collected This Month:      0.00  (See Panel 2 for Actual Excess
Unreimbursed IVA For 01/2013 :      87603.46  Due To The CP)
```

>enter<

```
*Action (B,C,D,M,N):      _
MCI:      Date: 12/2012  Active: Y
MCI:      Name:
SSN:      DOB: 11/01/59  Gender: F  Number of Cases: 7
Unreimbursed IVA From CSES:      38663.00
Maxis Case Number/s: 00217526
Unreimbursed IVA From Last Month:      87353.46  Unissued Excess
Unreimbursed IVA Adjustment:      _____0.00  From Previous Months: _____0.00
IVA Grant This Month:      250.00  Unadjusted Excess
Owed to IVA:      87603.46  This Month:      0.00
PA $ Collected This Month:      0.00  (See Panel 2 for Actual Excess
Unreimbursed IVA For 01/2013 :      57353.46  Due To The CP)
```

\$57,353.46 is the new URA after PA arrears are forgiven.

1) You must be the assigned worker on the case to make an adjustment to the EXCS screen (if you have multiple caseloads then the number you are signed in needs to match the number under which the case is assigned).

2) If CP has multiple open cases, then the oldest open case is the only case on which EXCS can be adjusted.

Example 1 – Washington County CAAD Note to Request AMPP Approval

E9852 REVIEWED FOR ARREARS MANAGEMENT / APPROVAL
REQUESTED

REVIEWED CASE FOR POTENTIAL ARREARS MANAGEMENT. CASE FALLS UNDER THE CATEGORY OF SITUATION 3 OF AMPP POLICY. THINGS TO CONSIDER ON THIS CASE ARE: POOR PAYMENT HISTORY; BALANCE IS INCREASING, THOUGH NCP IS MAKING PAYMENTS; LENGTH OF TIME IT WILL TAKE TO PAY OFF THE CASE. FROM REVIEW OF NCP'S WAGE HISTORY OVER THE PAST 5 YEARS, HE EARNED UNDER \$10,00 ANNUALLY FOR ALL YEARS UNTIL 2012, WHEN HIS EARNINGS WERE \$24,000. NCP HAS A 9 YEAR OLD CHILD ON HENNEPIN COUNTY CASE. THAT CASE HAS SUPPORT AT \$361 PLUS \$34,000 IN ARRS. \$30,000 OF IT IS OWED TO THE CP. WASHINGTON COUNTY HAS THIS CASE WITH 10 YEAR OLD CHILD, SUPPORT SET AT \$202. ARREARS OF \$12,000 OF WHICH \$6200 OWED TO CP AND \$5800 OWED TO THE STATE OF MN. THE APPROACH TO THE STRATEGY WILL BE TO ENCOURAGE THE NCP TO CONTINUE TO PAY CONSISTENTLY BUT ALSO TO REWARD GOOD BEHAVIOR AND TO ENCOURAGE OBLIGOR SUBSISTENCE. WITH THE HIGH NPA ARREARS BALANCES, IT WILL BE QUITE SOME TIME BEFORE THE PA ARREARS BALANCES CAN BE PAID AND OUR GOAL WILL BE TO ENCOURAGE PAYMENT OF CURRENT SUPPORT AND PAYMENT ON THE ARREARS OWED TO THE MOTHERS. ON WASHINGTON COUNTY CASE, THE INTEREST THAT HAS BEEN CHARGED ON THE PA ARREARS IS OVER \$2400 OF \$6200 BALANCE. I PROPOSE TO OFFER A RECURRING ARREARS MANAGEMENT STRATEGY OF: REVIEW PAYMENTS EVERY MONTH AND GIVE \$2.00 CREDIT ON PA ARREARS FOR EVERY \$1.00 NCP HAS PAID THE PREVIOUS MONTH. THE DETAILS OF MY REVIEW WILL BE PROVIDED TO HENNEPIN COUNTY ALSO TO SEE IF THEY WISH TO CONSIDER A SIMILAR STRATEGY TO PROPOSE TO THE NCP.

Another Example of Washington County CAAD Note On PRISM

E9852 REVIEWED FOR ARREARS MANAGEMENT / APPROVAL
REQUESTED

SUPPORT WAS ORIGINALLY SET AT \$704.00 / MONTH IN 2006 BASED ON NCP'S PRESUMED ABILITY TO EARN \$19 / HOUR. IT IS DIFFICULT TO DETERMINE WHETHER THIS PRESUMPTION WAS CORRECT OR NOT. NCP HAS NO WAGES REPORTED THROUGHOUT THE YEARS UNTIL HIS RECENT JOB. NCP ONLY PAID OCCASIONALLY AND USUALLY TO SATISFY WRITS, UNTIL HE GOT HIS CURRENT JOB IN 12/2013. SINCE THEN, WE HAVE RECEIVED 120% THROUGH INCOME WITHHOLDING. NCP FILED A MOTION TO MODIFY AND THE COURT FOUND HIS INCOME TO BE \$1700 / MONTH AND SET HIS SUPPORT @ \$559.00 / MONTH. I WOULD LIKE TO PURSUE A RECURRING ARREARS MANAGEMENT STRATEGY BASED ON SEVERAL FACTORS: 1) NCP MAY HAVE POOR HISTORY OF EMPLOYEMENT (THOUGH HE MAY HAVE BEEN PAID IN CASH IN THE PAST); 2) ORIGINAL ORDER MAY HAVE BEEN SET TOO HIGH BASED ON IMPUTED INCOME; 3) ARREARS BALANCE IS INCREASING THOUGH THE NCP IS MAKING CONSISTENT PAYMENTS NOW.

THE GOAL OF THIS STRATEGY WOULD BE TO REWARD GOOD BEHAVIOR AND TO ENCOURAGE OBLIGOR SUBSISTENCE . STRATEGY 1: REMOVE PA ARREARS = TO THE AMOUNT OF PA INTEREST THAT HAS BEEN CHARGED OVER THE YEARS, TOTALING \$7,882.94. STRATEGY 2: RECURRING ARREARS MANAGEMENT ACTION OF GIVING NCP \$1.50 CREDIT OF PA ARREARS FORGIVENESS FOR EVERY \$1.00 PAID PER MONTH. WE HAVE BEEN PURSUING CONTEMPT AND REVIEW HEARINGS ON THIS CASE SINCE 2008. THE ABOVE STRATEGY MAY ENCOURAGE NCP TO CONTINUE MAKING PAYMENTS AND WILL ALLOW US TO DISCONTINUE THE CONTEMPT ACTION.

MFSRC HANDOUT – SEPTEMBER 2014 – “AMPP IN 2014: SHARING SUCCESSFUL CASE STRATEGIES AND STREAMLINED PROCESSES”

RAMSEY COUNTY CAAD EXAMPLES FOR ARREARS MANAGEMENT

Example 1 – Forgiving balance with reunited family open PA, low PA balance and cost to collect would exceed benefit of collection

CAAD NOTE SUBMISSION:

RECOMMENDATION TO FORGIVE PA ARRS BALANCE THIS IS <\$2,000. ARREARS BALANCE IS \$1,361.51 PA. REQUEST TO FORGIVE ENTIRE BALANCE AS COST OF ADDT'L ENFORCEMENT REMEDIES WOULD EXCEED THE DEBT. PARTIES ARE REUNITED. WI ORDER FROM 5/2013 SET SUPPORT AT \$0 AS PARTIES ARE TOGETHER. CONFIRMED WITH WISCONSIN (INTD TRANSACTION) THAT PARTIES ARE RECEIVING PUBLIC ASSISTANCE. 2 CHILDREN ON THIS CASE, ONE AGE 20 AND ONE MINOR AGE 16. IN ADDITION TO NOT BEING COST EFFECTIVE TO ENFORCE, IT IS IN THE BEST INTEREST OF THIS INTACT HOUSEHOLD TO FORGIVE PA ARREARS RESULTING IN MORE MONEY REMAINING IN THE HOME TO SUPPORT THIS FAMILY. QUARTERLY WAGES FOR NCP ARE FROM THE YEARS 2008 AND 2012 ONLY. VERY MINIMAL INCOME FROM ALL EMPLRS AND ALL EMPRS ARE TEMP AGENCIES AS WELL. TOTAL ARR: \$1,361.51 (ALL PA PRINC, \$0 INT – WI ORDER) TOTAL PMTS: \$507.79 (\$320.86 PA PRINC, \$186.93 NPA PRINC). RECOMMENDATION DOES NOT INCLUDE ANY POTENTIAL EXCESS.

Example 2 – Standard CAAD Template for Forgiving PA Interest

INTEREST ARREARS MANAGEMENT EXCESS REVIEWED. Child XXX, dob x/x/XX, NCP XXX, dob x/x/xx. PAYBACK 5/1/11 COLA \$231 + \$50 + \$56.20 20% = \$337.20.

TOTAL ARREARS OWED \$40822.16 (\$11020.55 PA + \$29801.61 NPA). NPA ARREARS \$29801.61 (\$24172.92 PRIN + \$5628.69 INT). PA ARRS \$11020.55 (\$6147.58 PRIN + \$4872.97 INT). PRIN PAID \$15481.74 ALL NPA. INT PAID \$5297.63 (\$298.72 PA + \$4998.91 NPA). TOTAL PAID \$20779.37. NCP PAID TO PA INT SUCH THAT IF INT WEREN'T CHARGING THE PA PRIN BALANCE WOULD BE REDUCED. REQUEST TO FORGIVE OUTSTANDING PA INT \$4872.97. REQUEST TO APPLY PA INT PAID TO PA PRIN BAL \$298.72. TOTAL PA ARRS OWED \$11020.55. AMOUNT TO BE WAIVED \$5171.69 (\$4877.97 + \$298.72). BALANCE PA ARRS IF ARRS MANAGEMENT APPROVED \$5848.86

Example 3 – IV-E Case. CAAD NOTE Example

THIS IS THE IV-E FC CASE. CHILD & CHARGING CURRENTLY IN NON-IVE CASE. (THAT CASE HAS 1 MONTH OF ARREARS). PRIMARY DAD/MOM CASE HAS \$5,053.07 NPA ARREARS, \$14,604.60 OF PA ARREARS (FOR A TOTAL OF \$19,657.67) THA WOULD RECEIVE MONEY BEFORE THIS CASE. W/THE CURRENT 20% PAYBACK BEING \$70 PER MONTH, THE PRIMARY CASE WILL TAKE OVER 23 YEARS TO PAY OFF. REQUESTING ARREARS MANAGEMENT FOR THIS CASE'S \$10073.61 OF PA ARREARS. IT IS NOT COST EFFECTIVE TO TRY TO COLLECT. ENFORCEMENT REMEDIES WILL CONTINUE ON NON-IVE AND THEN COLLECTION WOULD CONTINUE ON PRIMARY CASE. NO MONEY HAS EVER APPLIED TO PA PRINCIPAL ON THIS CASE, AND A TOTAL OF \$185.88 HAS BEEN PAID TO PA INTEREST ON THIS CASE.

OFFICE OF THE RAMSEY COUNTY ATTORNEY

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Human Services Division

ARREARS MANAGEMENT AGREEMENT – This agreement to be implemented when the Participant qualifies for Step 1.

This agreement is between NCP Name (participant's name), Goodwill Easter Seals/FATHER Project, and Ramsey County Child Support. This is an agreement to participate in an arrears management program with Ramsey County Child Support. Eligibility for enrollment in this arrears management program is conditioned upon my enrollment as a participant of the FATHER Project, a program of Goodwill Easter Seals. As a participant in the arrears management program, I agree to the following terms:

- I agree to participate in the FATHER Project and follow the terms and conditions of their program, including following my fatherhood plan, and agree to work faithfully towards its goals and objectives. My plan may include training, GED classes and attending group sessions.
- I agree to keep in contact with my FATHER Project advocate and with child support.
- I will respond to all contact from Ramsey County Child Support and be in compliance with my child support case plan.
- I have at least one child support case in Ramsey County with current charging or with a repayment amount for arrears. The Ramsey County child support case(s) subject to this agreement are:

Case Number	Custodial Parent	Child(ren) names	Current Charging	PA Arrears

- I understand that Ramsey County will continue to take all Federal and State tax refunds during my enrollment in this arrears management agreement.
- I understand that any arrears that are owed to the Custodial Parent are not included in this agreement.
- I understand that I must pay child support on all of my court ordered obligations which may include cases I have in other counties. The current total amount due each month at this time is \$_____, which includes current support plus payment towards arrears. I understand that I can enroll in this arrears forgiveness agreement even if I am not currently able to pay my full child support. However, I understand that if I am employed I am expected to be paying my child support to be able to qualify for arrears forgiveness.
- I understand that any new arrears that accrue after the date this agreement is signed are not included in this agreement.
- I understand that the amount of arrears that may be forgiven is based on public assistance, and this amount may change.

I understand the terms of the arrears forgiveness subject to this agreement to be:

Step 1. I will receive 35% forgiveness of the public assistance arrears owed when I have completed 12 parenting groups.

Step 2. After qualifying for Step 1, if I pay 6 months of current support (120% with arrears) on all my cases within the following 12 months, I will receive an additional 50% forgiveness of the public assistance arrears on my cases. I understand that the six months of payment need not be consecutive but they must be voluntary payments (tax intercepts do not count towards the 6 months of current support).

Step 3. After step 2 is completed, I will receive **\$1 of arrears forgiveness for every \$1 paid toward current support or arrears** on the cases under this agreement until the remaining original balance eligible for arrears forgiveness is forgiven. I understand my cases will be reviewed and adjusted every quarter for forgiveness.

I understand that I can qualify for Step 2 or Step 3 even if my participation with the FATHER Project has ended, but only if I left the program in good standing.

List cases, PA balances, and amounts to be forgiven if each step is completed:

	Case Number(s)	Amount to be forgiven
Starting PA balance		\$
At Step 1 (35%)		\$
At Step 2 (50%)		\$
At Step 3 (15%)/ Remainder of Balance		\$

Signatures:

Date:

Participant

FATHER Project Advocate

Support Enforcement Agent

Supervisor, Ramsey County Child Support
