



MINNESOTA FAMILY SUPPORT & RECOVERY COUNCIL

2017 ANNUAL CONFERENCE

## Intersection of Child Protection and Child Support

Jennifer Ryan  
Assistant Itasca County Attorney

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### Child Protection Agency's Responsibilities



When a child is involved in juvenile protection system, the Agency must:

- (1) consider the other parent for day-to-day care of the child, if the child is removed from one parent; (see Minnesota Statutes, section [260C.219](#));
- (2) consider maternal and paternal relatives for placement in a timely manner when the child is in foster care (see Minnesota Statutes, sections [260C.212](#), subdivision 2, and [260C.221](#)); and
- (3) make a timely permanency decision for a child in foster care through required planning and services for BOTH parents and involvement of relatives (see Minnesota Statutes, sections [260.012](#); [260C.001](#), subdivision 2, paragraph (b), clause (7), item (ii); [260C.219](#); and [260C.221](#)).

Easy, right?

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### What if the child has no legally recognized father?



- In the past, the court might have adjudicated a father within the CHIPS file. No formal summons, complaint, notice, rights, etc. were used. Do you see any problems with this process?
- Juvenile Protection Procedure Rule 50 no longer allows for adjudication of paternity in the CHIPS file.
- A separate paternity file must be initiated.

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**Limitations in Paternity Case**

- When a parentage matter and a juvenile protection matter regarding the same child are pending at the same time, the family court has jurisdiction to determine parentage, the child's name, and child support.
- The family court shall not make determinations regarding custody or parenting time until the juvenile court makes an order under Rule 50.06, subdivision 2.

Juvenile Protection Procedure Rule 50, Subd. 3

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**Real Life Applicability**

<p><b>CHIPS File</b></p> <ul style="list-style-type: none"> <li>Mother ordered to cooperate with the establishment of paternity</li> </ul>	<p><b>PATERNITY File Initiated</b></p> <ul style="list-style-type: none"> <li>GT ordered</li> <li>Summons and Complaint specifically references CHIPS file, and asks that custody and parenting time be ordered upon conclusion of the CHIPS matter</li> </ul>
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- Itasca County honors the "one Judge, one Family" policy.
- We bypass the Expedited Process, and bring the matter in District Court before the same Judge that has the CHIPS.
- First hearing on the Paternity file is scheduled to occur on the same date and time as the next CHIPS hearing.

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## Outcome at Paternity Hearing



- Adjudication and child's name ordered
- Custody and parenting time left for determination upon completion of the CHIPS matter
- Ongoing Support set to \$0, but specifically indicate that this does not prevent the Agency from seeking reimbursement for foster care.

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## Considerations



- Past Support
- Birthing Expenses
- Finalizing determinations of custody and parenting time

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## Discussion and Questions



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### SUMMARY OF EXEMPT PROPERTY (MINN. STAT. §§ 510.02, 550.37)

“Exempt property” means property or money that by law cannot be taken from you to pay a judgment or debt. This summary is provided to help you claim your exemptions on the Financial Disclosure Form. Most exemptions apply only to debtors who are individuals (not corporations). Because this is only a summary, you may find that a specific piece of your property or type of income is not covered. If you have any questions about whether something is exempt, seek legal advice.

**PENALTIES: IF THE COURT FINDS THAT YOU CLAIMED AN EXEMPTION IN BAD FAITH, YOU MAY BE ASSESSED COSTS, REASONABLE ATTORNEYS FEES, AND AN AMOUNT NOT TO EXCEED \$100.** (Minn. Stat. § 550.135, subd. 12)

**1. Homestead (residence owned and occupied by the debtor) is exempt to a value of \$390,000, or if used primarily for agricultural purposes, \$975,000.**

- a. The Homestead may include up to 160 acres of land if located in a rural area. If located in the laid out or platted portion of a city, the exempt area cannot exceed one-half acre.
- b. The proceeds of a sale of a homestead are exempt for one year after sale; does not apply to child support and maintenance arrearages.
- c. A mobile home that you live in as a home is exempt.
- d. The Homestead exemption does not apply to mortgages, tax liens, mechanics liens, and certain claims against an estate. (See Minn. Stat. § 510.05).

**2. Wages and Earnings**

- a. All of your after tax earnings below 40 times the federal minimum wage or seventy-five percent (75%) of your after tax earnings, whichever is greater. For child support judgments, the exemption is based on the date of the judgment and other support obligations. (See Minn. Stat. § 571.922) This money remains exempt for 20 days after deposit in a bank or other financial institution.
- b. Earnings of your minor child and any child support paid to you.
- c. All of your earnings if you receive or have received public assistance based on need within the past six months, or if you have been an inmate of a correctional institution within the last six months. These funds remain exempt for 60 days after deposit in a bank or other financial institution.

**3. Business Assets (combined value of property in a and b not to exceed \$13,000)**

- a. Farm equipment, livestock, produce, and standing crops, if your main occupation is farming, not exceeding \$13,000.
- b. Tools, machines, office furniture, and inventory reasonably necessary in your trade or business, not to exceed \$11,500.
- c. (Builders) Proceeds of payments received by a person for improvements to real estate within meaning of Minn. Stat. § 514.01.

**4. Various benefits, pensions, and insurance**

- a. Relief based on need (this includes programs like MFIP, Work First, General Assistance, Supplemental Social Security Income, Medical Assistance, and Minnesota Supplemental Assistance).
- b. Social Security benefits (Old Age, Survivors, or Disability Insurance).
- c. Reemployment compensation, workers' compensation, veteran's benefits (remain exempt for one year after receipt), and benefits payable for accident or disability.
- d. A stock bonus, pension, individual retirement account, or annuity or similar plan or contract received on account of illness, disability, death, age, or length of service to the extent your aggregate interest under all plans and contracts does not exceed a present value of \$69,000 plus an additional amount reasonably necessary for the support of the debtor or debtor's dependents. (Note: ERISA qualified benefits are not exempt after disbursement or if withdrawn prior to retirement, and exemptions in paragraph d. do not apply to support orders. Minn. Stat. § 518A.26, subd. 21.)
- e. Insurance money received by surviving spouse or child as a result of the death of a spouse or parent, not exceeding \$46,000. Add \$11,500 for each additional dependent. Debtor's value in unmaturing life insurance contract not exceeding \$9,200.
- f. Rights to sue for personal injury.

**5. Personal Property (Note: personal goods are not exempt from secured claims to collect the purchase price.)**

- a. One motor vehicle not exceeding \$4,600 in value, or \$46,000 if the vehicle has been modified at a cost of not less than \$3,450 to accommodate a physical disability making a disabled person eligible for a parking certificate under Minn. Stat. § 169.345.
- b. All money received on a claim on account of damage to or destruction of exempt property.
- c. All wearing apparel, one watch, utensils and food stuffs without regard to value. Household furniture, appliances and furnishings not exceeding \$10,350.
- d. A pew in church and a burial plot.

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# FIDM

Putting Together the Pieces of the FIDM Puzzle  
Best Practice Tips

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Financial Institution Data Match (FIDM)



- A collection tool mandated by the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) - 42 United States Code, section 666a (17)
- Matches obligors and financial accounts on a quarterly basis.
- Method #1 - The financial institution submits all accounts.
- Method #2 - The financial institution submits matched accounts.

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FIDM Selection Criteria - M.S. 552.06

Arrears - Equal to or greater than 5 times the total current monthly child support obligation.

Exceptions:

- Compliance with a previously executed written payment agreement; and
- After the judgment has been submitted for federal or state tax intercepts.

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Comprehensive Legal Vision (CLV)  
Enforcement Group – FIDM Sub-group



- The FIDM Sub-group was asked to review and focus on 4 issues.
- This presentation will focus on the main issue we were asked to address:
  - "What types of funds and accounts are exempt from the FIDM levy? We have to string so many statutes and rules together to figure this out ..."
  - Proposed "Best Practice Tips" through revising and creating various forms.

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The CLV FIDM Subgroup - Revised and Created Forms



The forms that were adopted by the Executive Committee:

- FIDM Criteria Checklist;
- Notice of Levy and Exemption Notice (M.S. §552.06)
  - FIDM Levy Exemption Claim Form
  - County's Notice and Response to A FIDM Exemption Claim;

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The CLV FIDM Subgroup - Revised and Created Forms continued



Other forms that were adopted by the Executive Committee:

- FIDM Only Payment Agreement;
- Summary of Exemptions - Chart;  
Note: Minnesota Courts also has a 1 page Exemption Summary form available online
- Consent and Authorization for Levied Funds.

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**FIDM (Pre)-Levy Checklist**  
Adopted July 2015 and is currently available for use.



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**Notice of Levy and Exemption Notice - M.S. §552.06**



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**Notice of Levy and Exemption Notice - continued**

The "Notice of Levy and Exemption Notice" would replace the current "Notice of Levy" (Form F5100). It includes notice of the exemptions as required by M.S. §552.06. It includes a revised and retitled "FIDM Levy Exemption Claim" form, which would replace the current "Claim of Exemption" form. It also includes the newly created "County Notice and Response to a FIDM Exemption Claim"; which would replace the "Notice of Exemption Denial" (Form F5103).

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**FIDM Only Payment Agreement:**

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**Summary of FIDM Exemptions:**

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**Exemption Summary ([www.mncourts.gov/GetForms.aspx](http://www.mncourts.gov/GetForms.aspx)):**

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**Legal Authorities:**

Minnesota Statutes §§ 552.01-552.04 & 552.06;  
 Minnesota Statutes § 518A.71  
 Minnesota Statutes §§ 13B.03 & 13B.05-13B.06  
 Minnesota Statutes §§ 13.08-13.09 & 13.46  
 Minnesota Statutes §§ 550.37 & 550.38  
 Federal Statutes, 42 U.S.C. § 654 (Social Security Act § 454)  
 Federal Statutes, 42 U.S.C. § 666(a)(9); (a)(17); & (c) (Social Security Act § 466)  
 Federal Statutes, 42 U.S.C. § 669  
 Federal Statutes, 42 U.S.C. § 669a  
 Federal Statutes, 45 C.F.R. § 302.12(a)(3)



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**Thank you!**

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## FIDM LEVY CHECK LIST

Date:  
Obligor's Name:  
NPA Arrears:

Child Support Officer:  
Case Number:  
PA Arrears:

Yes No

- 1. Is the Obligor on Public Assistance Income (GA/MFIP/SSI/MA/MNCARE/Work Readiness/MSA/MSA Emergency/SNAP)? (MAXIS-CASE/CURR)
- 2. Is the Obligor currently incarcerated? Has the Obligor been incarcerated in the last 6 months? (NCDE)
- 3. Does the Obligor have physical custody of the joint child(ren)? (CAST)
- 4. Is the Obligor compliant with a court order or payment plan agreement? (PAPD/PALC)
- 5. Is the Obligor in Bankruptcy? (1-866-222-8029 -#66 for MN/BAND)
- 6. Is the Obligor on Active Military Duty (Title 10 Orders)? (NCID)
- 7. Is there a current legal action to address arrears? (REAM/LETL)

**Exempt Wages, Income, Earnings:**

**Children's earnings**  
**Workman's Compensation**  
**Unemployment Wages (REI)**  
**Veterans' Benefits for 1 year**  
**Prison Earnings while incarcerated and for 6 months after release**  
**PA Income while the recipient and for 6 months after benefits end**  
**Insurance payouts to a child/surviving spouse up to \$38,000.00**  
**Association money (Fire Department/Police Department/Beneficiary/Fraternal)**

If you answered YES to any of the questions above, deny the levy.  
If you answered NO to all of the questions above, continue below.

Yes No

- 8. Does the Obligor reside in MN? (NCDD)
- 9. Is the bank in MN? If not, will the bank honor an out of state levy? (FIDM)
- 10. Is the child support court order from MN and/or your county? If not, is the court order registered for Enforcement in your county? Does court order allow for a levy? (SUOL)
- 11. Does the Obligor have multiple cases on PRISM? (Contact the other county worker to discuss the levy.) (NCCB)
- 12. Do the Obligor's social security number and name match the social security number and name reported by the bank? (NCDE/FIDM)

If you answered YES to any of the questions above, approve the levy.

**Worker's Recommendations:**

**CONSENT AND AUTHORIZATION FOR LEVIED FUNDS**

A photocopy, faxed copy or other electronic transfer of this signed *Consent and Authorization for Levied Funds* (Consent) shall serve as an original.

**Court File #:** \_\_\_\_\_ **PRISM #:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**NAME:** \_\_\_\_\_ **DOB:** \_\_\_\_\_

**Address:** \_\_\_\_\_ **Phone:** \_\_\_\_\_

I hereby consent and authorize the \_\_\_\_\_ County Child Support Services and the \_\_\_\_\_ County Attorney's Office, (hereafter \_\_\_\_\_ County) in (city) \_\_\_\_\_, Minnesota 55303, to exchange information concerning my child support/paternity case(s) and my financial account(s) currently subjected to a FIDM levy at the following financial institution:

**Financial Institution's Name:** \_\_\_\_\_

I agree to the following exchanges (check all that apply):

- \_\_\_\_\_ Disclosure of the account balance for the levied financial account(s);
- \_\_\_\_\_ Disclosure of collection and enforcement records (charges, payments, arrears, etc.);
- \_\_\_\_\_ Early **partial** release of the levied funds in the amount of \$ \_\_\_\_\_ to be applied towards my child support arrears;
- \_\_\_\_\_ Early **full** release of the levied funds to be applied towards my child support arrears;
- \_\_\_\_\_ Other (Specify) \_\_\_\_\_

I hereby release \_\_\_\_\_ County and the financial institution from all responsibility and liability relating to the exchange of said information.

I hereby release \_\_\_\_\_ County and the financial institution from all responsibility and liability for any funds that were levied according to this Consent or according to the applicable laws.

This Consent applies only to the *Notice of Support Judgment Levy* dated \_\_\_\_\_.  
**This Consent will expire at the conclusion of this levy process or six months from the date signed.**

I authorize this Consent for \_\_\_\_\_ County and the financial institution named above.

**DECLARATION**

I declare under penalty of perjury that everything I have stated in this document is true and correct. Minn. Stat. § 358.116.

**DATE:** \_\_\_\_\_

\_\_\_\_\_  
Signature

**STATE OF MINNESOTA**

**DISTRICT COURT**

**COUNTY**

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**JUDICIAL DISTRICT**

Obligee Or Obligor's Name,  
Petitioner,

and

Obligor Or Obligee's Name,  
Respondent,.

and

County's Name,  
Intervenor.

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**COUNTY'S NOTICE  
AND RESPONSE TO  
A FIDM EXEMPTION CLAIM**

Court File No.: CT FILE #  
Case No.: PRISM Case #

**TO:** Obligor's Name here,  
Obligor's Address here

**NOTICE OF RESPONSE TO FIDM EXEMPTION CLAIM**

The County has reviewed this matter and takes the following position regarding your FIDM exemption claim:

\_\_\_\_\_ The County agrees ALL of the funds currently being held are exempt from levy and will release the hold.

\_\_\_\_\_ The County agrees SOME of the funds currently being held are exempt from levy. The County will agree to release \$\_\_\_\_\_. The remaining \$\_\_\_\_\_ will continue to be held and applied to your child support arrears unless you request a hearing for this matter.

\_\_\_\_\_ The County objects to your FIDM Exemption Claim for the following reason(s): \_\_\_\_\_

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The funds will continue to be held and applied to your child support arrears unless you request a hearing in this matter.

Note: If the County does not agree with all or part of the exemption(s) you have claimed, you must file a Motion in the appropriate county to contest this levy within the time allowed by law. If you fail to do so, the levy will be released and applied to your child support arrears. If you file a Motion to contest this levy, you must provide all documents supporting your exemption claim to the Court. Failure to do so could delay the Court's decision or result in your Motion being denied. Please consult an attorney if you need assistance with this matter.

If you file a Motion to contest this levy and obtain a court hearing, you must do so in good faith. If you contest the levy in bad faith, your claim will be denied and the Court may assess against you costs, reasonable attorney's fees and/or other penalties allowed by law.

If a court hearing is held on your claim that your funds are protected, your financial institution will retain the funds until it receives an order from the Court or upon mutual agreement between you and the County.

Date: \_\_\_\_\_

\_\_\_\_\_  
Child Support Officer's Name OR  
Assistant County Attorney's Name  
County Name  
Address  
Phone Number  
Fax Number

Today's date

NCP's Name  
Address  
City, State ZIP

Re: CP Name and NCP name  
Child Support Case:  
Court File Number:

Dear NCP Name,

Thank you for contacting me regarding your child support case.

Enclosed with this letter is a FIDM Payment Agreement to stop future financial institution levy actions. Please sign the Payment Agreement and return it to us. A return envelope is included. Once the FIDM Payment Agreement is returned, signed and dated, we will update your information. Then a copy of the document will be mailed back to you as confirmation of the agreement.

Failing to comply with this Payment Agreement may result in future financial institution levy actions.

It is important that you keep us updated with your most recent contact information and current situation.

Please contact me if you have any questions or concerns regarding this agreement or your child support case.

Sincerely,

\_\_\_\_\_ County

Name  
Title  
Phone

**FIDM PAYMENT AGREEMENT**  
**UNDER MINNESOTA STATUTES SECTION 518A.69**

Name: NCP Name

Court File #: \_\_\_\_\_

PRISM #: \_\_\_\_\_

This is a payment plan for current and/or past due support to avoid future FIDM levies.

Checked Items Apply:

- I agree to pay to the Minnesota Child Support Payment Center the lump sum amount of \$\_\_\_\_\_ by \_\_\_\_\_. I also agree to make the monthly payments as indicated below.
- I agree to pay to the Minnesota Child Support Payment Center \$\_\_\_\_\_ per month beginning \_\_\_\_\_ and ending \_\_\_\_\_. I understand I may have to sign a new Payment Agreement when this term ends. If my child support order is modified, I agree to pay 120% of the new ordered amount.
- I agree to pay to the Minnesota Child Support Payment Center a monthly payment in the sum of my child support amount, currently \$\_\_\_\_\_, plus an additional 20% of that amount toward the outstanding arrearages for a total of \$\_\_\_\_\_ beginning \_\_\_\_\_. If my child support order is modified, I agree to pay 120% of the new ordered amount.
- I agree to pay to the Minnesota Child Support Payment Center a monthly payment toward arrears in the amount of \$\_\_\_\_\_ beginning \_\_\_\_\_. If the court changes my arrears payment, I agree to pay the new ordered amount.
- \_\_\_\_\_

I understand the following:

1. My employer must still deduct my child support payments according to law and court order.
2. I may have to increase my payments if my obligation changes as a result of a Cost-of-Living-Adjustment.
3. This agreement does not modify any court orders regarding my support obligation.
4. This agreement does not constitute a forgiveness of any arrearages or interest that have accrued in this case.
5. If I pay less than my current monthly child support obligation, what I haven't paid will be added to my debt.
6. \_\_\_\_\_ County or the other party may use other collection methods in this matter. If money is collected by other methods (such as involuntary payments), I must still pay the amounts required by this agreement.
7. Failure to pay may result in the termination of this agreement and further enforcement actions against me.
8. **This agreement is not final until signed by a representative of \_\_\_\_\_ County Child Support Services.**

I have read this agreement. I understand it. I agree to comply with it.

I am freely and voluntarily entering into this agreement.

Signed name: \_\_\_\_\_ Date: \_\_\_\_\_

NCP Name

Mail payments to: MN Child Support Payment Center, PO Box 64326, St. Paul, MN 55164

Include MCI# \_\_\_\_\_ on the check or money order.

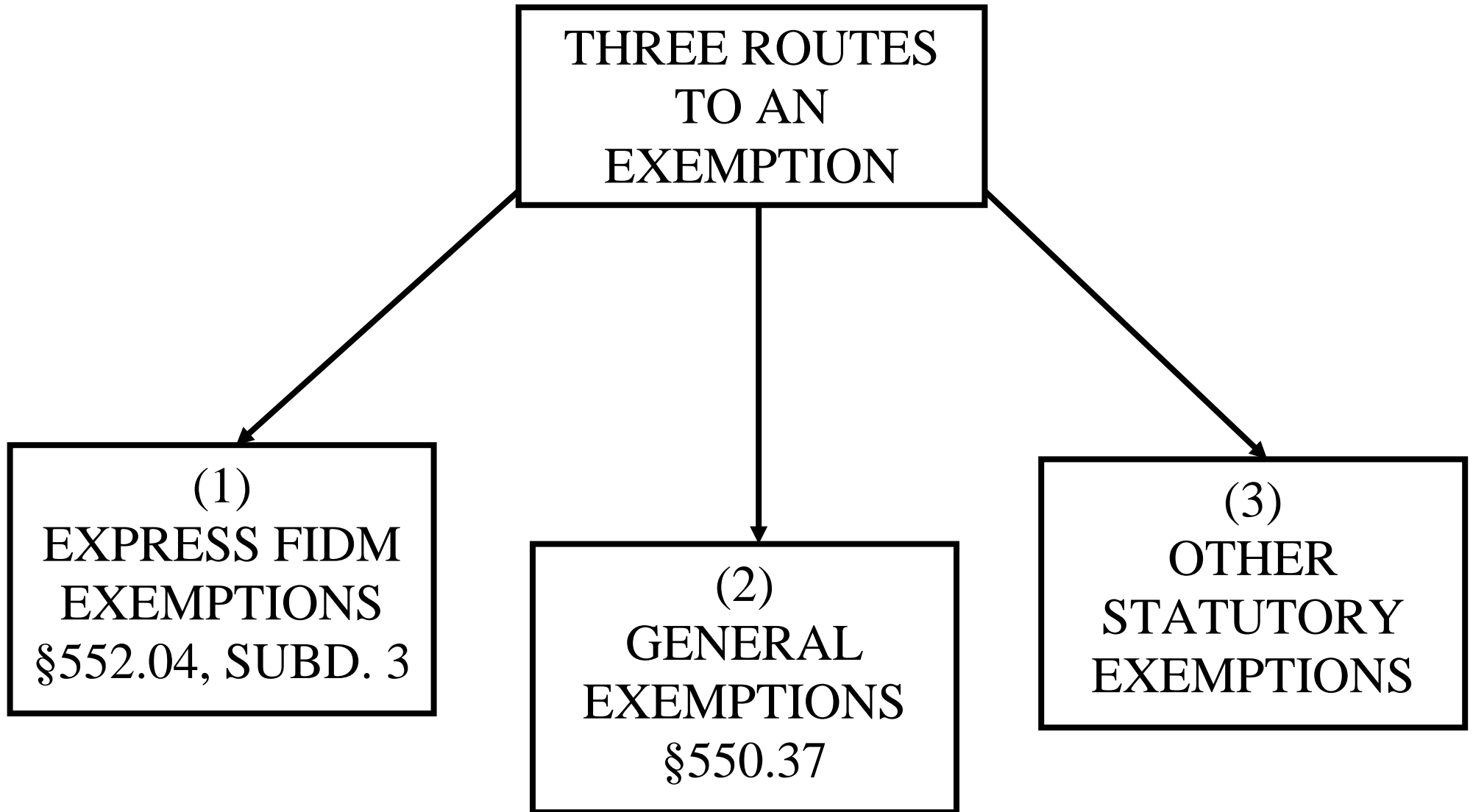
Approved by: \_\_\_\_\_ Date: \_\_\_\_\_

Your Name, Child Support Services



A copy of the final agreement was given/mailed to NCP Name on \_\_\_\_\_

# FIDM EXEMPTIONS – MINN. STAT. § 552.04, subd. 3



*See Attached Table for Summary Detail of Each Exemption*

Note: This table only identifies the debtor's options in defending against a levy with a statutory exemption – it does not identify the various other statutory defenses available, such as mistake of fact and bankruptcy.

## Summary Table of Exempt Property – Provisions/Exceptions for Child Support Purposes

Exemption	Statute	Detail
<b>Real Property</b>		
Homestead (3) <sup>1</sup>	Minn. Stat. § 510.02	<b>Provisions</b> § Exempt to a value of \$390,000 or \$975,000 if used for agricultural purposes. § Homestead may include up to 160 acres of land.
		<b>Exceptions</b> § Proceeds of a sale of a homestead <i>are not</i> exempt for one year after the sale for child support purposes. <i>See</i> Minn. Stat. § 510.07.
<b>Wages, Earnings, and Benefits</b>		
Wages (3)	Minn. Stat. § 571.922	<b>Provisions</b> § All earnings, except those subject to garnishment, are exempt.
		<b>Exceptions</b> § Earnings subject to garnishment per statute are not exempt. Garnishment may not exceed: (1) 50% of obligor's disposable income if the obligor is supporting a spouse or dependent child and the judgment is 12 weeks old or less; (2) 55% of the obligor's disposable income if the obligor is supporting a spouse or dependent child and the judgment is over 12 weeks old; (3) 60 % of the obligor's disposable income if the obligor is not supporting a spouse or dependent child and the judgment is 12 weeks old or less; or (4) 65% of the obligor's disposable income if the obligor is not supporting a spouse or dependent child and the judgment is over 12 weeks old.
Public Assistance – MFIP, GAMC, SSI, MA, DWP, etc. (2)	Minn. Stat. § 550.37, subd. 14	<b>Provisions</b> § All government assistance based on need – including MFIP, general assistance medical care, Supplemental Security Income, medical assistance, MinnesotaCare, payment of Medicare part B premiums or receipt of part D extra help, MFIP diversionary work program, work participation cash benefit, Minnesota supplemental assistance, general assistance , and food support– is exempt.
Earnings if on Public Assistance (2)	Minn. Stat. § 550.37, subd. 14	<b>Provisions</b> § All earnings or salary of a person who is a recipient of government assistance based on need are exempt. § Earnings shall be exempt for 6 months after the debtor returns to employment and after all public assistance has been terminated.
Inmate Salary and Earnings (2)	Minn. Stat. § 550.37, subd. 14.	<b>Provisions</b> § The salary and earnings of an inmate of a correctional institution are exempt. § Earnings shall be exempt for 6 months after the debtor returns to employment and after all public assistance has been terminated.

Child Support paid to Judgment Debtor (2)	Minn. Stat. § 550.37, subd. 15	<p><b>Provisions</b></p> <p>§ Any child support paid to any debtor is exempt.</p>
Earnings of Minor Child (2)	Minn. Stat. § 550.37, subd. 15	<p><b>Provisions</b></p> <p>§ Any earnings of a minor child of any debtor are exempt.</p>
Stock Bonus, Pension, IRA, Annuity (2)	Minn. Stat. § 550.37, subd. 24	<p><b>Provisions</b></p> <p>§ Certain benefits received as an employee are exempt for purposes of garnishment. These include payments and the right to receive payments under a stock bonus, pension, profit sharing, annuity, individual retirement account, Roth IRA, individual retirement annuity, simplified employee pension, or similar plan or contract on account of illness, disability, death, age, or length of service.</p>
		<p><b>Exceptions</b></p> <p>§ Under subdivision (b), the exemptions above do not apply when the debt is owed under a support order as defined in Minn. Stat. § 518A.26, subd. 21.</p>
Insurance Proceeds (2), (3)	Minn. Stat. § 550.39	<p><b>Provisions</b></p> <p>§ Net amount payable to any insured or to any beneficiary is exempt under any policy of accident or disability insurance or under accident or disability clauses attached to any policy of life insurance.</p>
	<p>Minn. Stat. § 550.37, subd. 10</p> <p>Minn. Stat. § 550.37, subd. 23</p>	<p>§ All money received by, or payable to, a surviving spouse or child from insurance payable at the death of a spouse, or parent, not exceeding \$46,000. The \$46,000 exemption is increased by \$11,500 for each dependent of the surviving spouse or child.</p> <p>§ A debtor's aggregate interest not to exceed \$9,200 in any accrued dividend or interest under or loan value of any unmatured life insurance contract owned by the debtor under which the insured is the debtor or an individual of whom the debtor is a dependent.</p>
		<p><b>Exceptions</b></p> <p>§ One Minnesota case has held –in regard to disability insurance payments – that the marital dissolution statute takes precedence over Minn. Stat. § 550.39, allowing attachment of disability payments in support cases. <i>See Mortiz v. Moritz</i>, 368 N.W.2d 337 (Minn. Ct. App. 1985).</p> <p>§ In addition, the bankruptcy court has held that Minn. Stat. § 550.39 is unconstitutional. <i>See In re Reiland</i>, 377 B.R. 232 (Bankr. D. Minn. 2007). However, the Court's order in <i>In re Reiland</i> was subsequently vacated. <i>See Reiland v. Sullivan</i>, 2008 WL 4876758 (D. Minn. 2008).</p>
Personal Injury (2)	Minn. Stat. § 550.37, subd. 22	<p><b>Provisions</b></p> <p>§ Rights of action for injuries to the person of the debtor or of a relative whether or not resulting in death are exempt.</p>

Associations (2)	Minn. Stat. § 550.37, subd. 11	<p><b>Provisions</b></p> <p>§ All money, relief, or other benefits payable from any association – fire department, police department, beneficiary association, or fraternal benefit association – are exempt from attachment.</p>
RSDI (3)	<p>42 U.S.C. § 407</p> <p>Minn. Stat. § 550.39</p> <p>42 U.S.C. § 659</p>	<p><b>Provisions</b></p> <p>§ The right of any person to any future payment of federal old-age, survivors, and disability insurance benefits is not assignable and none of the moneys paid or payable under these programs shall be subject to execution or garnishment.</p> <p>§ It is theoretical that one could infer an actual Minnesota exemption – separate from the express federal exemption above – from Minn. Stat. § 550.39, which exempts the net amount payable to any insured under “any” policy of accident or disability insurance. But note that the bankruptcy court has held that Minn. Stat. § 550.39 is unconstitutional. <i>See In re Reiland</i>, 377 B.R. 232 (Bankr. D. Minn. 2007). However, the Court’s order in <i>In re Reiland</i> was subsequently vacated. <i>See Reiland v. Sullivan</i>, 2008 WL 4876758 (D. Minn. 2008).</p> <p><b>Exceptions</b></p> <p>§ 42 U.S.C. § 659 provides federal consent to income withholding, garnishment, or any similar levy of all “moneys due from, or payable by, the United States...to any individual...in like manner and to the same extent as if the United States...were a private person.”</p> <p>§ Social security benefits are not exempt from garnishment or other legal process to enforce child support per 42 U.S.C. § 659. <i>Sward v. Sward</i>, 410 N.W.2d 442 (Minn. Ct. App. 1987).</p> <p>§ Social Security Title II disability benefits, otherwise exempt from execution, are subject to garnishment for child support. <i>DeTinne v. DeTinne</i>, 815 F. Supp. 394 (D. Kan. 1993). But note that <i>DeTinne</i> was superseded by statute as stated in <i>Jacobson v. United States</i>, 29 A.3d 1103 (N.J. Super. Ct. App. Div. 2011).</p> <p>§ The right to collect child support payments that had been assigned to state agency continued to be “child support” within meaning of federal law allowing such right to be enforced against federal disability benefits. <i>See Kinckerbocker v. Norman</i>, 938 F.2d 891 (8th Cir. 1991).</p>
Reemployment Compensation (3)	Minn. Stat. § 268.192, subd. 2.	<p><b>Provisions</b></p> <p>§ Unemployment benefits are exempt from levy, execution, attachment, or any other remedy provided for the collection of debt.</p>

Workers Compensation (3)	Minn. Stat. § 176.175, subd. 2.	<p><b>Provisions</b></p> <p>§ Any claim for compensation owned by an injured employee or dependents is exempt from seizure or sale for the payment of any debt or liability.</p> <p><b>Exceptions</b></p> <p>§ Worker’s compensation lump-sum settlements prior to petitions may not be exempt under Minnesota exemption statutes as rights of action for injuries or as employee benefits. <i>See Gagne v. Christians</i>, 172 B.R. 50 (D. Minn. 1994) (Holding that lump-sum proceeds – in the context of a Chapter 7 bankruptcy proceeding – were not exempt under Minnesota statute when received pre-petition). Further, in the bankruptcy court held that Minn. Stat. § 176.175, subd. 2 did not give debtor an exemption for the actual proceeds of a workers’ compensation settlement. <i>See In re Johnson</i>, 300 B.R. 471 (Bankr. D. Minn. 2003). However, the Court later reversed the decision in <i>In re Johnson</i>, holding that the term “claim” in Minn. Stat. § 176.175, subd. 2 is broad enough to include lump-sum payment that injured worker received in settlement of her workers’ compensation claims and was not limited to future payments. <i>See Johnson v. Iannacone</i>, 314 B.R. 779 (D. Minn. 2004).</p>
Veteran’s Benefits (3)	Minn. Stat. § 550.38.	<p><b>Provisions</b></p> <p>§ Veterans’ pension, bonus, adjusted compensation, allotment, or other benefits are exempt for one year.</p>
<b>Personal Property</b>		
Damage claims (2)	Minn. Stat § 550.37, subd. 9	<p><b>Provisions</b></p> <p>§ All money from any claim on account of the destruction of, or damage to, exempt property is exempt from attachment.</p>
Value (2)	Minn. Stat. § 550.37	<p><b>Provisions</b></p> <p>§ Under subd. 12a, one motor vehicle is exempt to the extent the value does not exceed \$4,600, or \$46,000 to the extent the vehicle has been modified, at a cost of not less than \$3,450.</p> <p>§ Under subd. 4(a), all wearing apparel, one watch, utensils, and foodstuffs of the debtor and the debtor’s family are exempt.</p> <p>§ Under subd. 4(b), household furniture, appliances, phonographs, radio and television receivers of the debtor or the debtor’s family are exempt up to \$10,350 in value.</p> <p>§ Under subd. 4(c), the debtor’s aggregate interest, not exceeding \$2,817.50 in value, in wedding rings or other religious or culturally recognized symbols of marriage exchanged between the debtor and spouse at the time of marriage and in debtor’s possession is exempt.</p> <p>§ Under subd. 5, farm equipment, livestock, produce and standing crops so long as they are products of a primary occupation in farming, are exempt up to \$13,000 in value.</p> <p>§ Under subd. 6, tools, implements, machines, instruments, office furniture, stock in trade and library reasonably necessary in trade or business are exempt up to \$11,500 in value.</p> <p>§ Note that under subd. 7, there is a combined limitation on subs. 5 and 6 of \$13,000.</p>

Other Exemptions (2)	Minn. Stat. § 550.37	<p><b>Provisions</b></p> <p>§ Under subd. 2, the family Bible, library and musical instruments are exempt from attachment.</p> <p>§ Under subd. 3, a seat or pew in any house or place of public worship and a lot in any burial ground are exempt.</p>
<b>Express FIDM Exemptions – General Exemptions Mentioned in the FIDM Statute</b>		
General (1)	Minn. Stat. § 552.04, subd. 3	<p><b>Provisions</b></p> <p>§ The following property is not subject to attachment by notice of support judgment levy:</p> <p>§ (1) any indebtedness or money due to the debtor, unless at the time of the service of the notice of support judgment levy the same is due absolutely or does not depend upon any contingency</p> <p>§ (2) any judgment owing by the third party to the judgment debtor, if the third party’s property is liable on an execution levy upon the judgment</p> <p>§ (3) any debt owing by the third party to the judgment debtor for which any negotiable instrument has been issued or endorsed by the third party</p> <p>§ (4) any indebtedness or money due to the judgment debtor with a cumulative value of less than \$10; and</p> <p>§ (5) any disposable earnings, indebtedness, or money that is exempt under state or federal law to the extent the exemptions apply in cases of child support enforcement.</p>

Last updated July 2014

<sup>i</sup> See FIDM Exemptions Flow Chart for identification.

§ (1) à Express FIDM Exemptions under § 552.04

§ (2) à General Exemptions under § 550.37

§ (3) à Other Exemptions under miscellaneous statutory provisions

MINNESOTA FAMILY SUPPORT & RECOVERY COUNCIL

2017 ANNUAL CONFERENCE




# Workers' Compensation

How to Handle Lump-sum Settlements  
 Karen Ann Roesler  
 Office of the Hennepin County Attorney  
 612-348-7401

9/18/2017 MFSRC Annual Conference 1

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## Notice—what should happen



- NCP has reported employment.
- CSO has sent out income withholding pursuant to Minn. Stat. Sec. 518A.53.
- INW is in place and paying child support.
- Employer notifies CSO when NCP's status changes.
- CSO is able to follow-up with the Workers' Compensation insurer by sending a notice of income withholding.
- Workers' Compensation pays child support via INW.

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## Notice—what regularly happens



- NOTHING, until the Employee's attorney has an absolute deadline.
- The job NCP got injured on was never reported to the "public authority."
- The WC claim is denied, so there are no ongoing payments.
- All too often, the other sides' lack of planning becomes your emergency.
  - Prepare for quick turn-around-times for your responses.

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**Notice—what it means**

- Contact from ANY attorney means the WC claim is in litigation.
- “Best practices” include getting your County Attorney involved early in the process.
  - Gather information for your CA.
    - Caption of the Workers’ Compensation claim.
    - Date of Injury (DOI).
    - Worker Identification (WID).
    - Name and contact information for NCP’s attorney.
    - Name and contact information for WC defense attorney.

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**Request information, cont’d**

- Determine the status of the claim.
  - Settlement Conference.
  - Mediation.
  - Settled with a lump-sum payment.
  - Other.
- Note the “warning signs” of potential settlement.
  - NCP requests arrears information.
  - Either WC attorney requests an Affidavit of Arrearage.

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**Intervention—a different kind**

- Workers’ Compensation includes “intervention” in its claims.
- Either of the Workers’ Compensation attorneys can serve the “public authority” Child Support Agency with a Notice of Intervention.
  - Deliver a Notice of Intervention to the County Attorney for follow-up.
- If there is NO response to a Notice of Intervention, payment of child support arrears may be ignored.

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**Child Support—no “intervention” in Workers’ Compensation claims**



- Pursuant to Lukascicz vs. Lukascicz, child support is NOT allowed to file a Motion to Intervene.
  - Child support is NOT medical care.
- In lieu of filing a Motion to Intervene, the Child Support Agency can sequester a lump-sum, pursuant to Minn. Stat. Sec. 518A.71.

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**Sequestration**



- If there is no Claim Petition (i.e., the claim is NOT yet in litigation), send a letter to the Department of Labor and Industry—Exhibit 1.
- If a Claim Petition has been filed, send a letter to the Office of Administrative Hearings—Exhibit 2.
- Copy the CSO and the CP on the letter.

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**Responsibility of the WC defense attorney**



- “Payor of funds” has statutory responsibilities pursuant to Minn. Stat. Sec. 518A.53, subd. 11, only if the employer/insurer has been served with a notice of income withholding.
- The WC defense attorney should provide the amount of the settlement, and the conditions of settlement.

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### Responsibility of the NCP's WC attorney



- Advise NCP of the lump-sum statutory requirements for payment of child support arrears.
- Settle arrears with the "public authority," represented by the CA.
- Settle arrears with the CP directly, pursuant to Minn. Stat. Sec. 518A.62.
  - If the arrears all are NPA, then the CP needs to sign the Stipulation for Settlement.
    - The CA can provide the settlement language, and approve as to form.

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### Responsibility of the County Attorney



- Review the status of the WC claim.
- Advise the "public authority" on how to fulfill the requirements of Minn. Stat. Sec. 518A.53.
  - Serve the employer with notice of income withholding.
  - Serve the WC insurer with notice of income withholding.
  - Request an Affidavit of Arrearage, and serve by US mail, on the WC defense attorney.
- Notify WC defense attorney of lump-sum payment responsibility—Exhibit 3.
- Notify CP of settlement—Exhibit 4.

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### Responsibility of the County Attorney



- Provide settlement language and payment instructions—Exhibit 5.
  - Most WC settlements are "full, final, and complete," meaning that there will be no further ongoing payments for the current DOI.
  - Child support arrears settlements generally need to be "to date."
- Sign the Stipulation for Settlement and return it to the attorney who drafted it.
- Request to be included in the distribution of the fully executed Stipulation for Settlement.

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### Responsibility of the County Attorney



- Provide the fully executed Stipulation for Settlement to the CSO to save to ECF and provide to the Payment Center.
- Provide the Award on Stipulation to the CSO to save to ECF and provide to the Payment Center.
- Monitor PRISM for payment, which is required to be made within 14 days of the filing of the Award on Stipulation.
  - There are penalties within the WC system for late payment.

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### Responsibility of the County Attorney



- File management.
  - Annotate your files.
  - Consider keeping a spreadsheet of lump-sum activity.
- Be courteous throughout the process, and thank everyone involved in reaching the lump-sum settlement, to encourage future contact with the WC bar.

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### Thank you for including me in your program!



- Karen Ann Roesler
- 612-348-7401
- karen.roesler@hennepin.us

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**WORKERS'  
COMPENSATION  
DAY-TO-DAY FILE MANAGEMENT  
MFSRC CONFERENCE  
OCTOBER 3, 2017**

**KAREN ANN ROESLER  
OFFICE OF THE HENNEPIN COUNTY ATTORNEY  
CHILD SUPPORT DIVISION  
612-348-7401**

**[KAREN.ROESLER@HENNEPIN.US](mailto:KAREN.ROESLER@HENNEPIN.US)**

## I. Notice.

- A. Review the CAAD notes regarding reports of work injury, and whether income withholding is in place pursuant to Minn. Stat. § 518A.53; if not, have the Child Support Officer file a notice of income withholding with the employer.
- B. If income withholding is in place with the employer, make sure that the assigned CSO files a notice of income withholding with the Workers' Compensation insurer. If the employer is self-insured, then there is no need for an additional notice of income withholding, because the current one remains valid.
- C. Contact the Workers' Compensation attorney (could be either for the employee or the employer/insurer) to find out if there is a litigated Workers' Compensation claim. Obtain the following information:
  - a. Caption of the case from the Workers' Compensation Claim Petition.
  - b. Date(s) of injury.
  - c. Worker Identification Number—commonly referred to as the “WID,” which is used in lieu of the employee’s Social Security number.
  - d. Status of the claim, which could include the following statuses:
    - i. Admitted injury—there are ongoing wage-replacement benefits being paid on the same payroll schedule as regular wages.
    - ii. Denied injury—the employee reports an injury, the employer denies that it happened at work, and there are no current wage replacement benefits being paid.
    - iii. Whether the claim has settled with a lump-sum settlement (see II A, B, and C below).
    - iv. Whether a Stipulation Status Conference has been scheduled; if so, the date.
- D. Notice of Intervention served on the Child Support Agency
  - a. Either the employee’s or the employer/insurer’s attorney may serve a Notice of Intervention on the Child Support Agency, because the parties in Workers' Compensation litigated claims are required to give notice to “providers” that there is a pending claim that the provider may have an interest in pursuing for payment.
  - b. Pursuant to Lukaswicz vs. Lukaswicz, 494 N.W. 2d 507 (Minn. App. 1993), Child Support is not allowed to file a Motion to Intervene in a Workers' Compensation claim.
  - c. Child Support is allowed to sequester a lump-sum settlement pursuant to Minn. Stat. § 518A.71.
  - d. If the Workers' Compensation claim is not yet litigated, send a sequestration letter to the Department of Labor and Industry (see Ex. 1).
  - e. If the Workers' Compensation claim is litigated, send a sequestration letter to the State of Minnesota Office of Administrative Hearings via e-mail (see Ex. 2).

**II. Responsibilities of the attorney for the employer/insurer a/k/a “payor of funds.”**

- A. The “payor of funds” is required by statute to provide notice of a lump-sum payment of \$500 or more to the “public authority,” pursuant to Minn. Stat. § 518A.53, subd. 11. **Note the references in this section of the statute to Workers’ Compensation statutory requirements.**
- B. Send a letter to the attorney for the employer/insurer to remind them of this responsibility (see Ex. 3).
- C. Request that the Child Support Officer prepare an Affidavit of Arrearage.
  - a. If the claim is not in litigation, have the Child Support Officer serve the insurer with the Affidavit and its cover letter that includes payment instructions.
  - b. If the claim is in litigation, a “best practice” is to have the attorney for the Child Support Agency serve the attorney for the employer/insurer with the Affidavit of Arrearage.
  - c. Note that Affidavits of Arrearage are to be served by US mail pursuant to Minn. Stat. § 518A.53, subd. 11(2).

**III. Responsibilities of the attorney for the employee/Non-Custodial Parent regarding a lump-sum settlement.**

- A. The attorney for the employee/NCP is to settle the child support arrears with whomever has authority in your county to sign settlements.
- B. A “best practice” is to have the attorney for the Child Support Agency review and participate in all lump-sum settlements.
- C. When the arrears are all or mostly Non-Public Assistance arrears, the attorney for the employee/NCP will need to negotiate the settlement directly with the Custodial Parent, pursuant to Minn. Stat. § 518A.62.

**IV. Responsibilities of the attorney for the “public authority” Child Support Agency.**

- A. Respond promptly to requests from the Workers’ Compensation attorneys. They are bound by strict deadlines, and can be penalized for not meeting their deadlines.
- B. Develop your own templates (see Ex. 1-5).
- C. Educate the attorneys for the employee/NCP and the employer/insurer of your role, including that you do not represent the Custodial Parent, pursuant to Minn. Stat. § 518A.62.
- D. When the arrears are owed to the CP, send a letter to the CP providing information on how to get in touch with the attorney for the employee/NCP (see Minn. Stat. § 518A.47, subd. 1(c) and Ex. 4).
- E. Annotate your files so that you can follow your cases from start to finish, and so that a colleague can review your work in your absence.

- F. Send copies of correspondence to the Child Support Officer for the child support case so that there is a record in ECF of Workers' Compensation activity.
- G. Provide settlement language and your signature section to the attorney, so that payment is made properly (see Ex. 5).
- H. Sign the Stipulation for Settlement.
  - a. Provide a copy to the CSO, to save to ECF.
  - b. If the settlement involves multiple counties, the CSO must provide a copy of the Stipulation for Settlement and the Award on Stipulation to the Minnesota Child Support Payment Center so that payments are allocated properly to each PRISM case.
- I. Save the Award on Stipulation.
  - a. Provide a copy to the CSO, to save to ECF.
- J. Coordinate notice to the CP with the CSO, so that when payment is processed the CP learns of it promptly.
  - a. Lump-sum settlements are to be paid within fourteen (14) days of the filing of the Award on Stipulation with the Office of Administrative Hearings.
  - b. Calendar your file to review PRISM for payment.
- K. Develop a calendaring system for your Workers' Compensation files so that you review them regularly.
- L. Keep your own statistics on how much you collect in arrears from lump-sum settlements.
- M. Thank the Workers' Compensation parties for settling the Child Support arrears.
- N. Call or e-mail me with your questions.
  - a. 612-348-7401
  - b. karen.roesler@hennepin.us



## STATUTORY AUTHORITY

### **518A.53 INCOME WITHHOLDING.**

Subd. 11. **Lump-sum payments.** Before transmittal to the obligor of a lump-sum payment of \$500 or more including, but not limited to, severance pay, accumulated sick pay, vacation pay, bonuses, commissions, or other pay or benefits, a payor of funds:

- (1) who has been served with an order for or notice of income withholding under this section shall:
  - (i) notify the public authority of the lump-sum payment that is to be paid to the obligor;
  - (ii) hold the lump-sum payment for 30 days after the date on which the lump-sum payment would otherwise have been paid to the obligor, notwithstanding sections 176.221, 176.225, 176.521, 181.08, 181.101, 181.11, 181.13, and 181.145, and Minnesota Rules, part 1415.2000, subpart 10; and
  - (iii) upon order of the court, and after a showing of past willful nonpayment of support, pay any specified amount of the lump-sum payment to the public authority for future support; or
- (2) shall pay the lessor of the amount of the lump-sum payment or the total amount of the judgment and arrearages upon service by United States mail of a sworn affidavit from the public authority or a court order that includes the following information:
  - (i) that a judgment entered pursuant to section 548.091, subdivision 1a, exists against the obligor, or that other support arrearages exist;
  - (ii) the current balance of the judgment or arrearage; and
  - (iii) that a portion of the judgment or arrearage remains unpaid.

The Consumer Credit Protection Act, title 15 of the United States Code, section 1673(b), does not apply to lump-sum payments. **Note: Minnesota statute is in conflict with Federal law; there is a policy change and update, effective August 2017, such that CCPA now applies to lump-sum payments.**

### **518A.47 PROVISION OF LEGAL SERVICES BY THE PUBLIC AUTHORITY.**

(c) Data disclosed by an applicant for, or recipient of, child support services to an attorney employed by, or under contract with, the public authority is private data on an individual. However, the data may be disclosed under section 13.46, subdivision 2, clauses (1) to (3) and (6) to (19), under subdivision 2, and in order to obtain, modify or enforce child support, medical support, and parentage determinations.

### **518A.62 CHILD SUPPORT DEBT AND ARREARAGE MANAGEMENT.**

In order to reduce and otherwise manage support debts and arrearages, the parties, including the public authority where arrearages have been assigned to the public authority, may compromise unpaid support debts or arrearages owed by one party to another, whether or not docketed as a judgment. A party may agree or disagree to compromise only those debts or arrearages owed to that party.

### **518A.71 SECURITY; SEQUESTRATION; CONTEMPT.**

In all cases when maintenance or support payments are ordered, the court may require sufficient security to be given for the payment of them according to the terms of the order. Upon neglect or refusal to give security, or upon failure to pay the maintenance or support, the court may sequester the obligor's personal estate and the rents and profits of real estate of the obligor, and appoint a receiver of them. The court may cause the personal estate and the rents and profits of the real estate to be applied according to the terms of the order. The obligor is presumed to have an income from a source sufficient to pay the maintenance or support order. A child support or maintenance order constitutes prima facie evidence that the obligor has the ability to pay the award. If the obligor disobeys the order, it is prima facie evidence of contempt. The court may cite the obligor for contempt under this section, section 518A.72, or chapter 588.

# **EXHIBIT 1**

[name & save before adding date]

Department of Labor and Industry  
Workers Compensation Division  
443 Lafayette Road North  
St. Paul, MN 55155

In re: [Employee's name]  
WID:  
DOI:  
DOB:

To Whom It May Concern:

I am writing on behalf of the Hennepin County Human Services and Public Health Department Child Support Services (hereinafter "Hennepin County Child Support"), following receipt of a Notice to Potential Intervenors dated [date], for the above-referenced Workers' Compensation claim.

Pursuant to Lukaswicz vs. Lukaswicz, 494 N.W. 2d 507 (Minn. App. 1993), Hennepin County Child Support is not permitted to file a Motion to Intervene in the above-referenced Workers' Compensation claim. Instead, Hennepin County Child Support may seek sequestration of a lump-sum settlement, pursuant to Minn. Stat. § 518A.71.

By this letter, Hennepin County Child Support gives notice that there are child support arrears on [Employee's name]'s child support case[s] at this time. Hennepin County Child Support would seek sequestration of a lump sum settlement pursuant to Minn. Stat. § 518A.71, to collect child support arrears.

For your reference, [Employee's name]'s Hennepin County child support case[s] [has or have] the following Minnesota court file number[s]:

Sincerely,

Karen Ann Roesler  
Assistant County Attorney  
Phone (612) 348-6392  
Attorney for Hennepin County

KAR:kr

Cc:                   , Esq.  
                          , Esq.  
                          [Obligee's name]



OFFICE OF THE HENNEPIN COUNTY ATTORNEY

MICHAEL O. FREEMAN COUNTY ATTORNEY

**EXHIBIT 2**

[save first]

State of Minnesota  
Office of Administrative Hearings  
Workers Compensation Division  
P.O. Box 64620  
St. Paul, MN 55164

Via e-mail at: [OAH.Interventions@state.mn.us](mailto:OAH.Interventions@state.mn.us)

In re: [Employee's name]  
WID:  
DOI:  
DOB:

To Whom It May Concern:

I am writing on behalf of the Hennepin County Human Services and Public Health Department Child Support Services (hereinafter "Hennepin County Child Support"), following receipt of a Notice to Potential Intervenors dated [date], for the above-referenced Workers' Compensation claim.

Pursuant to Lukaswicz vs. Lukaswicz, 494 N.W. 2d 507 (Minn. App. 1993), Hennepin County Child Support is not permitted to file a Motion to Intervene in the above-referenced Workers' Compensation claim. Instead, Hennepin County Child Support may seek sequestration of a lump sum settlement, pursuant to Minn. Stat. § 518A.71.

By this letter, Hennepin County Child Support gives notice that in the event there are child support arrears on [Employee's name]'s child support case[s] at the time of a lump sum settlement regarding the above-referenced Workers' Compensation claim, that Hennepin County Child Support would seek sequestration of a lump sum settlement pursuant to Minn. Stat. § 518A.71.

[Employee] has [one, two, etc.] ( ) child support case[s] in Hennepin County. I am sending individual letters for them, so that the custodial parents can each receive a copy. [Employee's] Hennepin County child support case has the following file numbers:

[DC File No.] PRISM [CA file no.]

Sincerely,

KAREN ANN ROESLER  
Assistant Hennepin County Attorney  
Child Support Division  
Telephone: (612) 348-6392  
HCAO.CSD@hennepin.us

KAR:kr

Cc: , Esq.  
, Esq.  
[Obligee's name]

## **EXHIBIT 3**

[DATE & SAVE]

Re:

PRISM:  
CA File No.:

Dear \_\_\_\_\_ :

I represent Hennepin County Human Services and Public Health Department Child Support Services (a/k/a Hennepin County Child Support, a/k/a public authority).

Our records show that \_\_\_\_\_ paid Child Support on behalf of [NCP] from \_\_\_\_\_ through \_\_\_\_\_.

If the Workers' Compensation claim results in a lump-sum payment, there are additional responsibilities for you[r insurance company] as a "payor of funds." Please provide me with written notice of any lump-sum settlement, so that I can review whether there are child support arrears for the employee's Hennepin County child support case. I make this request pursuant to Minn. Stat. § 518A.53, subd. 11, excerpted below:

**Subd. 11. Lump-sum payments.**

Before transmittal to the obligor of a lump-sum payment of \$500 or more including, but not limited to, severance pay, accumulated sick pay, vacation pay, bonuses, commissions, or other pay or benefits, a payor of funds:

- (1) who has been served with an order for or notice of income withholding under this section shall:
  - (i) notify the public authority of the lump-sum payment that is to be paid to the obligor.

If there are arrears at the time of a lump-sum Workers' Compensation settlement, then Hennepin County Child Support would seek to sequester the lump-sum pursuant to Minn. Stat. § 518A.71.

Please feel free to send your lump-sum notice to me via the general office e-mail address shown below, or by US Mail at the address on this letterhead.

Sincerely,

Karen Ann Roesler  
Assistant County Attorney  
Phone (612) 348-6392  
Attorney for Hennepin County  
[HCAO.CSD@hennepin.us](mailto:HCAO.CSD@hennepin.us)

KAR:kr

Cc: \_\_\_\_\_ (Child Support Officer)

## EXHIBIT 4

Re:

WID:

DOI:

PRISM:

Child Support Court File:

CA File No.:

Dear Ms. \_\_\_\_\_ :

I represent Hennepin County Human Services and Public Health Department Child Support Services (a/k/a Hennepin County Child Support, a/k/a public authority). I gave notice to the State of Minnesota Office of Administrative Hearings of Hennepin County Child Support's interest in the outcome of the above-referenced Workers' Compensation claim in a letter dated \_\_\_\_\_. I sent a copy of this letter to you.

I received notice that the Workers' Compensation claim has settled.

It is likely that \_\_\_\_\_, who is \_\_\_\_\_'s attorney, will contact you regarding settling the amount of child support arrears that are due to you. You can reach attorney \_\_\_\_\_ by phone at \_\_\_\_\_.

Child support arrears owed to you through today's date are: \_\_\_\_\_. You can check for updated status of your child support arrears at: [www.childsupport.dhs.state.mn.us](http://www.childsupport.dhs.state.mn.us) or you can contact your child support officer.

I do NOT represent you in reaching a decision about what amount of settlement you should accept from the lump-sum settlement.

You have choices regarding how to handle your settlement:

- You can request payment in full for all arrears owed to you.
- You can accept payment of a portion of the arrears, and keep the rest of the arrears open on your account.
- You can agree to something else.

You must have the settlement payment made through the Minnesota Child Support Payment Center so that your account is given credit for any payment made to you.

Sincerely,

Karen Ann Roesler  
Assistant County Attorney  
Phone (612) 348-6392  
Attorney for Hennepin County

KAR:kr

Cc: \_\_\_\_\_ (Child Support Officer)

## **EXHIBIT 5**

**[CA File No., Name of NCP]—SETTLEMENT LANGUAGE—SAVE—create Word document to send to WC attorney**

**WID:** [number]

**DOI:** [date of injury]

From the net lump sum the Employer and Insurer shall pay \$[Amount], on behalf of [CP/Obligee], to the Minnesota Child Support Payment Center, P.O. Box 64326, St. Paul, MN 55164-0326, in partial satisfaction TO DATE through [date] of the Employee [Employee Name]'s outstanding child support arrears in Hennepin County PRISM case number [PRISM No.], MCI number [number]. Said payment shall satisfy the Employer and Insurer's obligations with regard to the settlement herein pursuant to Minn. Stat. §518A.53.

Here is my signature section:

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Karen Ann Roesler (0147333)  
Office of the Hennepin County Attorney  
Child Support Division  
110 South 4<sup>th</sup> Street  
Suite 300  
Minneapolis, MN 55401  
612-348-7401  
[HCAO.CSD@hennepin.us](mailto:HCAO.CSD@hennepin.us)

**Make Check Payable To:**

Minnesota Child Support Payment Center  
P.O. Box 64326  
St. Paul, MN 55164-0326

**Please include the following information on the payment check:**

Name of Obligor:

MCI No.:

**Note:** There is no Tax ID number because the payments are made to a person.