



STATE OF MICHIGAN
DEPARTMENT OF HUMAN SERVICES
LANSING



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GOVERNOR

MICHIGAN IV-D ACTION TRANSMITTAL 2006-026

TO: Office of Child Support (OCS) Staff
Friend of the Court (FOC) Staff
Prosecuting Attorney (PA) Staff

FROM: Marilyn F. Stephen, Director
Office of Child Support

DATE: March 24, 2006

SUBJECT: REVISED: Amnesty Program

PURPOSE:

This Action Transmittal (AT) introduces the Amnesty Program and describes OCS and FOC responsibilities.

Also provided is the *2005 Child Support Amnesty Program Summary* (Ref: Appendix D) that lists the findings of the Amnesty Program. A change bar in the left margin of this AT signifies revisions made to the original published version.

BACKGROUND:

The Amnesty Program, Public Acts 564, 567 and 568 of 2004, will take effect on October 1, 2005, and continues until December 31, 2005. The program will grant amnesty from enforcement activities to eligible payers who apply during the open enrollment time period. Enforcement activities include Michigan criminal and civil penalties provided for by law for the payer's failure or refusal to pay support prior to applying for the program.

PROGRAM ACTIONS AND POLICY INFORMATION:

1. **General Overview** – The Amnesty Program waives enforcement penalties for failure or refusal to pay support for participating payers from October 1, 2005, through December 31, 2005. **The Amnesty Program only applies to support arrearages accrued before the payer applies for the Amnesty Program.** The Amnesty Program requires that payers pay arrears under “support” debt types.¹ These debt types include:

¹ For more information regarding debt type assignment, see AT 2005-006, *Allocation Changes: Reclassification of Debt Types in the Michigan Child Support Enforcement System (MiCSES)*.

- CS – Child Support;
- OS – Out of State;
- PB – Payee Bonus;
- CC – Child Care;
- SS – Spousal Support;
- MR – Medical Reimbursement;
- MS – Medical Support – Client;
- ED – Education Credit;
- PC – Payee Confinement;
- MD – Medical Support – Medicaid; and
- WF – County Foster Care.

An eligible payer must comply with one of two payment arrangements for the Amnesty Program:

- **Option one** allows the eligible payer to pay 100% of support arrears with the completed *Child Support Amnesty Request Form* (DHS-443) (Ref: Appendix A).
- **Option two** allows the eligible payer to pay 50% of the support arrears with the completed DHS-443 and the remaining 50% by December 31, 2005.

The Amnesty Program does not authorize payment arrangements that extend beyond the Amnesty Program period. The payer's amnesty terminates on December 31, 2005, or when all support arrears are paid, whichever comes first. Additionally, **the Amnesty Program does not forgive any arrears or surcharges.**

If a payer completes option one of the Amnesty Program with a 100% payment of arrears, there will be no enforcement suspension or exemption set within the system. If no arrears exist, the system will automatically adjust enforcement remedies for the federal tax refund offset, multi-state financial institution data match (FIDM), passport denial, credit reporting and income withholding notices (IWNs).² In addition, because the Amnesty Program is only concerning the arrears that accrued before application and 100% of those arrears are paid, the Amnesty Program for that payer is completed.

OCS policy staff developed a script to assist partners who may receive calls regarding this program (Ref: Appendix B).

² MiCSES will automatically delete federal and state tax refund offset, FIDM, and passport denial requests. MiCSES will automatically send a delete credit reporting record to the credit reporting agency. The IWN withholding amount will be automatically reduced or terminated depending on the existence of current support or other past-due obligations.

OCS policy staff developed the *Amnesty Tracking Spreadsheet* (Ref: Appendix C) for individual FOC workers to complete as amnesty requests are processed in the FOC office.

Each county must designate an FOC Amnesty Coordinator. The FOC Amnesty Coordinator will compile the individual FOC worker spreadsheets into a single *Amnesty Tracking Spreadsheet* for the office and submit the completed spreadsheet to OCS.

2. **Eligibility** – A payer with a Michigan-enforced child support order that has a support arrears debt is eligible to apply for the Amnesty Program if:
 - 2.1. A felony warrant has not been issued against the payer for failure to pay child support; or
 - 2.2. The payer is not arrested between October 1, 2005, and December 31, 2005, on a bench warrant for failure to pay child support.
3. **Special Consideration for Interstate Cases** – A payer may be eligible for the Amnesty Program if Michigan is the responding state on an interstate case. The responding state is responsible for all enforcement remedies except Federal Offset Programs.³ The initiating state is the only agency able to enforce Federal Offset Programs. The FOC worker will suspend or exempt enforcement remedies for the payer eligible for the Amnesty Program including the Federal Offset Programs on MiCSES (Ref: Section 8.5 of this AT). While Michigan may suspend or exempt the payer from enforcement, the other state may enforce.
4. **Ineligibility** – A payer is **not** eligible to apply for the Amnesty Program as a result of:
 - 4.1. A felony warrant being issued against the payer for failure to pay child support; or
 - 4.2. The payer being arrested between October 1, 2005, and December 31, 2005, on a bench warrant related to the payer’s refusal to pay support.
5. **Payer Notification** – OCS will notify all potentially eligible payers of the program at least 60 days before October 1, 2005.
 - 5.1. **Coupons** – Coupons for August through December will contain the following language:

“Limited Time Amnesty Program – No enforcement 10/1/05 through 12/31/05 for parents who initially pay at least half of their past-due

³ Federal Offset Programs include federal tax refund offset, FIDM, administrative offset, and passport denial.

support and the rest by 12/31/05. See <http://www.michigan.gov/dhs> or call 1-866-540-0008. Applications accepted starting 10/1/05.”

- 5.2. **Check Stubs** – Between August 1, 2005, and December 31, 2005, check stubs will contain the following language:

“Limited Time Amnesty Program – Tell your payers! No enforcement 10/1/05 through 12/31/05 for parents who initially pay at least half of their past-due support and the rest by 12/31/05. See <http://www.michigan.gov/dhs> or call 1-866-540-0008. Applications accepted starting 10/1/05.”

- 5.3. **Web site** – Between July 22, 2005, and December 31, 2005, the Department of Human Services’ public Web site at <http://www.michigan.gov/dhs> will contain information regarding the Amnesty Program. A link to the DHS-443 and a Frequently Asked Questions document will also be available on the Web site.

6. **Amnesty Application** – OCS policy staff developed the DHS-443 for payers to complete and submit to participate in the Amnesty Program. The DHS-443 includes instructions, rules and general information. Payers must provide the completed DHS-443 along with a payment to their local FOC office. The payment must indicate participation in the Amnesty Program, the payer’s name and the corresponding order number.⁴

Payers may request amnesty for more than one order. Payers must submit a separate DHS-443 and payment for each order. Only an FOC worker in the FOC office enforcing the order may accept and approve amnesty.

7. **Amnesty Timeframe** – The amnesty period is effective October 1, 2005, through December 31, 2005. Effective immediately, FOC workers will provide the DHS-443 to a requesting payer.
8. **Initiating a Payer into the Amnesty Program** – Starting October 1, 2005, the FOC worker will receive completed DHS-443s, approve amnesty for eligible payers, and:

- 8.1. **Enter information on the *Amnesty Tracking Spreadsheet*** regarding each eligible amnesty participant and actions taken. The FOC worker will retain the completed DHS-443 within the appropriate court file;

⁴ To accommodate payers, the DHS-443 uses the word “case” in place of “order.” Both the terms “case” and “order” relate to the court docket number assigned to the child support order for which the payer is requesting amnesty.

- 8.2. **Accept payment** in the form of cash or a certified cashier's check along with the completed DHS-443;⁵
- 8.3. **Receipt the payment** into MiCSES with a receipt type "4" for a special instruction payment.⁶ The FOC worker will manually allocate and distribute the amnesty payment to the order in which amnesty was granted and only to the following support debt types in this order:
- 1) CS – Child Support;
 - 2) OS – Out of State;
 - 3) PB – Payee Bonus;
 - 4) CC – Child Care;
 - 5) SS – Spousal Support;
 - 6) MR – Medical Reimbursement;
 - 7) MS – Medical Support – Client;
 - 8) ED – Education Credit;
 - 9) PC – Payee Confinement;
 - 10) MD – Medical Support – Medicaid; and
 - 11) WF – County Foster Care.
- 8.4. **Determine if the payer has met the requirements of payment arrangement option one or option two.**
- 8.4.1. Payers who have met the requirements of payment arrangement **option one** have completed the Amnesty Program. The Amnesty Program only waives enforcement for the support arrears accrued before applying. Any arrears accrued after the point of application are not exempt from enforcement. Review and close existing enforcement activities for support arrears covered under the Amnesty Program. For option one payers, the FOC worker may proceed to step **9.5** of this AT.
- 8.4.2. Payers who have paid the initial 50% requirement of **option two** are granted amnesty until the remaining balance is paid or until December 31, 2005, whichever comes first. For option two payers, the FOC worker must continue with the following steps starting with **8.5**.
- 8.5. **Suspend open major activity chains for the payer on the Enforcement Processor (ENFP) screen.** The FOC worker will

⁵ The FOC worker may choose to accept additional forms of payment according to the FOC's policy and practice.

⁶ For instructions on how to receipt payment into MiCSES, see: http://mi-support.cses.state.mi.us/training/Manuals/MiCSES/FOC/pg/Tab09_Receipting/09.1_Online_Receipt_PG.pdf

suspend **all** major activity chains with the **exception** of the *IWN* and the *Unemployment IWN* chains by:

- 8.5.1. Entering the eligible IV-D case identification (ID) number in the *IV-D Case ID* field;
- 8.5.2. Entering "**SUSP**" (suspend) in the *Status* field for each of the major activities; and
- 8.5.3. Entering "**WI**" (worker deems ineligible) in the *Reason Code* field.⁷

Note: To allow for the receipt of IWN payments for participating Amnesty Program payers, enforcement actions on the ENFP screen will be suspended. Suspension of enforcement actions will not automatically stop new actions from taking place. Therefore, the FOC worker must verify a payer is not participating in the Amnesty Program before initiating new enforcement actions on the ENFP screen. The FOC worker may choose to review the *Amnesty Tracking Spreadsheet* for his/her caseload, or the *Notes Processor (NOTE)* screen. The FOC worker who initiates and terminates a payer's amnesty will add a note for each step.

The FOC worker must **not** exempt the order from enforcement on the *Support Order Processing (SORD)* screen. The SORD exemption process will close all IWN chains and not allow the allocation or distribution of IWN receipts.

- 8.6. **Exempt the payer on the *Tax Offset Information and Update (TAXI)* screen** from the Federal Offset Program. The FOC worker will exempt the payer by:

- 8.6.1. Entering the payer's member ID in the *IV-D Member ID* field; and
- 8.6.2. Placing a "**Y**" in the *TAX*, *PAS*, and *FIN* fields on the *Federal Exclusions* tab for the IV-D case number on which amnesty was granted.

Special Consideration for State Tax Refund Offset Program (STRO) – Unlike the FTRO program which continuously adds and deletes payers throughout the year, the STRO program accepts adds only in November of the tax year. If a payer submitted for STRO is subsequently "deleted" or "exempted" for that STRO year, the payer may not be resubmitted for that STRO tax year.

⁷ For more information on suspending major activity chains on the ENFP screen, see: http://mi-support.cses.state.mi.us/systems/micses/grgs/enf/enfp_suspendclose_major_activity.pdf

The Amnesty Program only provides for exemption from enforcement for the set 90-day time period, October 1, 2005, through December 31, 2005. Because the annual STRO add file is created during this time-period, if the payer is exempted from STRO on MiCSES when applying for the Amnesty Program, the payer would be exempted from STRO for the entire year. Therefore, payers participating in the Amnesty Program will not be immediately exempted from STRO during the program period. MiCSES will automatically delete payers from the STRO program who successfully complete the Amnesty Program (pay all arrears covered in the Amnesty Program) when existing arrears fall below the STRO thresholds.

8.7. **Exempt the payer on the *Credit Agency Referral (CBOR)* screen** from the submission of information to the credit bureau. The FOC worker will exempt the payer by:

8.7.1. Entering the payer's member ID in the IV-D Member ID field; and

8.7.2. Placing a "Y" in the *Exclude Referral* field and "CA" (Cancel Referral User Override) in the *Reason Code* field for the IV-D case number on which amnesty was granted.

8.8. **Enter a note on the NOTE screen** regarding the payer's participation in the Amnesty Program. The FOC worker will note that the ENFP chains have been suspended and an exemption has been set on TAXI and CBOR.

9. **Terminating a Payer's Amnesty Program Participation** – Upon the payer's completion of the Amnesty Program,⁸ or the closure of the Amnesty Program on December 31, 2005, whichever comes first, the FOC worker will:

9.1. **Enter information on the *Amnesty Tracking Spreadsheet*** regarding each eligible amnesty participant and actions taken.

9.2. **Lift the suspension of all major activities on the ENFP screen by:**

9.2.1. Entering the eligible IV-D case ID in the *IV-D Case ID* field; and

9.2.2. Selecting "RLSE" for the *Status* field for each of the suspended major activity chains.

9.3. **Lift the exemption on the TAXI screen by:**

⁸ A payer completes the Amnesty Program before December 31, 2005, by paying the balance of the support arrears accrued before the date of his/her application for the Amnesty Program.

- 9.3.1. Entering the payer's member ID in the *IV-D Member ID* field;
and
 - 9.3.2. Placing an "N" in the *TAX*, *PAS*, and *FIN* fields on the *Federal Exclusions* tab for the IV-D case number on which amnesty was granted.
 - 9.4. **Lift the exemption on the CBOR screen by:**
 - 9.4.1. Entering the payer's member ID in the IV-D Member ID field;
and
 - 9.4.2. Placing an "N" in the *Exempt Referral* field for the IV-D case number on which amnesty was granted.
 - 9.5. **Enter a note on the NOTE screen regarding** the payer's status in the Amnesty Program. The FOC worker will include information regarding the payer's completion of the program, whether or not (s)he paid the entire support arrears balance, and that Tax Offset Programs, Credit Reporting and enforcement activities on ENFP have resumed.
 - 9.6. **Provide the completed *Amnesty Tracking Spreadsheet* to the FOC Amnesty Coordinator.**
10. **Amnesty Program Termination – The designated FOC Amnesty Coordinator will submit a single completed *Amnesty Tracking Spreadsheet* for the FOC office** to Ryann Moore, OCS Policy Analyst, by January 14, 2006. The single spreadsheet will include the entire listing of cases and payers who participated in the Amnesty Program for the FOC office. If there were no payers who applied for the Amnesty Program, the FOC Amnesty Coordinator will note that on the submitted *Amnesty Tracking Spreadsheet*. The FOC Amnesty Coordinator must submit only one *Amnesty Tracking Spreadsheet* through confidential email to MooreR6@michigan.gov or first class mail:

Office of Child Support
Program Development Division
Attn: Ryann Moore
P.O. Box 30478
Lansing, MI 48909-7978

The *50% of Arrears* and the *Arrearage Paid in Full* columns on the *Amnesty Tracking Spreadsheet* are automatically calculated according to the information the FOC worker manually enters in the *Initial Arrearage Amount*, *Amount of First Payment* and *Total Additional Payment Amount* columns.

AMNESTY PROGRAM RESULTS:

Upon the completion of the Amnesty Program, OCS policy staff collected information provided by FOC staff on the *Amnesty Tracking Spreadsheets*. OCS policy staff combined this information and created a summary of findings (Ref: Appendix D, *2005 Child Support Amnesty Program Summary*).

LEGAL REFERENCES: Federal
None

State
MCL 400.233b
MCL 552.511
MCL 750.161a

POLICY REFERENCE: None

AT MAINTENANCE: Obsolete: AT 2005-042, *Amnesty Program*.
Retain AT until further notice.

EFFECTIVE DATE: Upon receipt.

REVIEW PARTICIPANTS: Cheryl Webster, Michigan State Disbursement Unit
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ATTACHMENTS: Appendix A: *Child Support Amnesty Request Form*, DHS-443
Appendix B: *Amnesty Script*
Appendix C: *Amnesty Tracking Spreadsheet*
Appendix D: *2005 Child Support Amnesty Program Summary*

MFS/RM