



FREQUENTLY ASKED QUESTIONS REGARDING THE ANNUAL FEE

- **Why is this fee being assessed?**

This fee is required pursuant to federal law. Section 454(6)(B)(ii) of the Social Security Act requires all IV-D Child Support Agencies to charge an annual fee of \$35 on all cases that meet the statutory criteria.

- **What are the criteria?**

- The custodial parent has never received Temporary Assistance for Needy Families (TANF) benefits.
- MDHS has disbursed at least \$550 in child support to the custodial parent.
- The custodial parent is not receiving Supplemental Nutrition Assistance Program (SNAP) benefits at the time the threshold amount of \$550 is met.

- **Will this fee be charged annually?**

Yes. Beginning October 1 of each year, MDHS will begin calculating the amount of child support that is disbursed to the custodial parent. When a minimum of \$550 is disbursed to the custodial parent between October 1 and September 30, the fee will be assessed to the case.

- **When will MDHS begin deducting this payment from support collected?**

For Federal Fiscal Year 2019, which begins on October 1, 2018, MDHS will begin deducting this fee on January 1, 2019, from cases in which the requirements for the fee assessment have been met. MDHS will deduct the fee from child support collected until the fee is paid in full.

- **Will payments received and disbursed prior to October 1, 2018 be included in the calculation to determine if the threshold has been met for this fiscal year?**

No. Only payments received and disbursed to the custodial parent after October 1, 2018 will be included for this fiscal year.

- **What happens if MDHS is unable to collect the entire fee before September 30th of each year?**

If the entire fee is not collected before September 30 in each fiscal year that it is assessed, the fee obligation will carry forward to the next fiscal year. MDHS will deduct the fee from payments that are received the next fiscal year before any support is disbursed to the custodial parent that year. Once the fee obligation has been paid in full, subsequent payments will be disbursed according to policy. Any payments disbursed to the custodial parent, will be calculated towards the \$550 threshold for the current year.

- **Will the parent responsible for paying child support ever be assessed the \$35 fee?**

No, the payment applied to the \$35 fee will be treated as a support payment and credited towards the support obligation.

- **If I wish to close my case to avoid paying the \$35 fee, may I do so?**

If there are no fees owed to MDHS, you may close your non-assistance case at any time through a written request. However, if \$550 dollars is disbursed to you prior to the closure of your case, the \$35 fee will be assessed. If there is an income withholding order on your case, collections will continue to be paid through the state disbursement unit. If the parent responsible for paying support changes employers, MDHS will not provide any services to collect unless you reopen your case.