Transmittal No: 96 LCM-102

Date: November 19, 1996

Division: Management Support and Quality Improvement

TO: Local District Commissioners

SUBJECT: Claiming Instructions - $50 Child Support Disregard

ATTACHMENTS: None

The purpose of this LCM is to identify the claiming instructions related to the changes in reimbursement for the $50 Child Support Disregard.

Section 302 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PL 104-193) eliminates federal financial participation for the $50 monthly child support disregard payment for ADC and ADC-U recipients. This change appears to be effective October 1, 1996. Current State law continues to require that for ADC, ADC-U, PG-ADC and HR recipients the first $50 per month of current support income must be disregarded.

All ADC and ADC-U cases with support collection assigned to the local district should be reported on the Schedule A-1 (Title IV-D, Summary of Collection and Distribution) on line 17 (Disregard Payments) in column 3 (Non-ADC). No monies should be reported on line 17 under column 2 (ADC). The Disregard payment for ADC receipts would also be subtracted from line 2 (Repayment-current) column 3 (Non-ADC) and not from line 2, Column 2 (ADC) thus increasing the ADC and decreasing the Non-ADC amounts calculated on line 4. This may result with a negative number on line 19 of column 3 of the Schedule A-1.

You should reduce the refunds reported on the Schedule A (DSS-187, Consolidation of Rolls and Computation of Federal State Aid) on line 2b, column 6 (ADC) by the amount of these disregard payments.
For those few situations where the direct support income is included in the ABEL budget, before the support collection is assigned to the local district, the disregard amount should be reported on line 1b (FNP) in column 6 (ADC) or column 7 (ADC-U) of the Schedule A (Aid to Dependent Children). This will require the recurring grant to be divided between the FP and the FNP portions. Districts other than the City of New York (NYC) should authorize the portion of the recurring grant that represents the disregard with a payment type of 18 with a special claiming category of P (FNP).

In NYC a list of the affected cases is being prepared and will be transmitted to NYC fiscal claiming staff.

If you have any questions, please contact Roland Levie - Region 1-4 at 1-800-343-8859, extension 4-7549 or dial direct at (518) 474-7549; USER ID# FMS001; or to Marvin Gold - Region 5 at (212) 383-1733; USER ID# 0FM270.

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