

**Michigan IV-D Child Support Manual**  
**Michigan Department of Health and Human Services**

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**1. Michigan Department of Health and Human Services (MDHHS) IV-D Referable Public Assistance Programs**

The following paragraphs briefly discuss the various MDHHS IV-D referable public assistance programs<sup>1</sup> as they relate to the child support program.

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<sup>1</sup> MDHHS assistance programs are referable to IV-D when the need to cooperate with child support services exists.

### 1.1 Temporary Assistance for Needy Families (TANF)-Funded Benefits: Family Independence Program (FIP)

A family must meet several nonfinancial and financial eligibility factors to be eligible for FIP. Recipients of FIP receive a monthly grant (money) based on the number of people in the household and the income available to the household. The less income available per person in the household, the more money the family receives in the monthly FIP grant. The FIP grant supplements the family's income to meet the family's financial needs – a predetermined financial threshold necessary to meet basic living requirements. If the family's income exceeds the family's financial need (as determined by the predetermined threshold), the family's grant is reduced or the family may no longer be eligible for FIP benefits. (For more information, reference [Section 3.03, "Case Updates and Member Demographics,"](#) in the *Michigan IV-D Child Support Manual*.)

One of the conditions for receiving the FIP (TANF) grant requires FIP recipients to assign to the state their rights to support. When an individual or a family begins receiving FIP benefits, the receipt of FIP triggers the assignment of currently charging support<sup>2</sup> obligations for Child Care (CC), Child Support (CS), Payee Bonus (PB), and Spousal Support (SS).<sup>3</sup> While the family does not have to repay the FIP grant, the support due from the non-custodial parent (NCP) while the family is receiving FIP is assigned to the state to reimburse the state for the FIP grant the family received. The portion of the FIP grant remaining unreimbursed is known as the unreimbursed grant (URG). (Ref: Subsection 2.1, "Assignment Rules," in this manual section for more information.)

### 1.2 Medicaid Benefits

A family must meet several nonfinancial and financial eligibility factors to be eligible for Medicaid. According to MDHHS policy, members receiving FIP assistance usually receive Medicaid. Custodial parties (CPs) receiving Medicaid for their dependents are required to assign to the state<sup>4</sup> their rights to medical support (Medical Support – Client [MS] debt type).<sup>5</sup>

The amount of Medicaid benefits is not tracked as part of the FIP URG within the Michigan Child Support Enforcement System (MiCSES). MDHHS tracks the amount of state-retained medical support. The amount of state-retained medical support is limited to the amount of medical support that is ordered or provided in benefits, whichever is less, and comes due during the period that Medicaid benefits are provided to the family.

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<sup>2</sup> Ref: [Section 5.10, "Debt Types,"](#) of the *Michigan IV-D Child Support Manual*.

<sup>3</sup> 42 United States Code (USC) 608(a)(3). The Deficit Reduction Act (DRA) of 2005 changes assignment to assign current support only, without arrears assignment.

<sup>4</sup> Section 1912(a)(1)(A) of the Social Security Act, 42 Code of Federal Regulations (CFR) 433.145, 42 CFR 433.146, 42 CFR 433.147, 42 CFR 433.154, and 45 CFR 302.51.

<sup>5</sup> Ref: [Section 6.06, "Medical Support,"](#) of the *Michigan IV-D Child Support Manual*.

### 1.3 Medicaid Deductible (Formerly Spend-Down) Cases<sup>6</sup>

As with FIP, a family's income must not exceed a predetermined threshold of the family's financial need for the family to be eligible for Medicaid programs. However, unlike eligibility requirements for FIP, the state recognizes the family's contribution for medical costs and reduces their income accordingly. In other words, when a family pays money toward medical expenses, the medical expenses reduce the family's "income" when determining eligibility for Medicaid.

Families who become eligible for Medicaid benefits only after paying for qualified medical expenses are given a special kind of assistance called the Medicaid Deductible assistance program – in essence, meeting a "medical deductible" before the family's income is low enough to qualify for Medicaid benefits. (This was formerly called the "spend-down" program, because families had to "spend down" their income on medical expenses to become eligible for Medicaid.) The Medicaid Deductible assistance program is a month-to-month eligibility determination. A family must meet this deductible amount within a month to qualify. After meeting the deductible, the benefits only apply toward medical expenses incurred before the end of the month the deductible was met.

Typically, families do not submit eligible medical expenses to MDHHS until after the month the services were provided. As such, the determination of eligibility for the Medicaid Deductible assistance program is almost always retroactive – the notification of eligibility is for Medicaid assistance for a prior month and (due to the nature of the program) will terminate before the current month.

Note: The Office of Child Support (OCS) continues to research the assignability of Medicaid Deductible cases.

### 1.4 Child Welfare Agency Placements

The MDHHS Child Welfare Bureau (Michigan child welfare agency) provides placement and supervision of children who cannot remain in their family homes due to risk of harm.<sup>7</sup> When a child is under the care and supervision of MDHHS, the parents are responsible for the cost of care for that child. If there is a pre-existing child support order for the child, the support under that order must be assigned to the agency that is funding the placement of the child; or, if the child

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<sup>6</sup> Children are rarely associated with Medicaid Deductible cases. According to the Medicaid policy unit, a Medicaid Deductible is only used as a placeholder within their system. The placeholder alerts a Medicaid analyst to review the case and determine what medical assistance program the child is eligible to receive.

<sup>7</sup> Ref: [Children's Foster Care Manual, FOM 721, Foster Care](#).

is in a non-funded placement with an unlicensed provider,<sup>8</sup> support may be redirected to that provider.<sup>9</sup>

For information regarding agency placement case initiation and agency placement assignment, reference [Section 2.85, “Agency Placement – Case Initiation,”](#) and [Section 5.85, “Agency Placement – Financial,”](#) of the *Michigan IV-D Child Support Manual*.

## 1.5 Referable Programs without Assignment Requirements

Even though a family’s income may exceed FIP or Medicaid eligibility thresholds, the family may be eligible for other referable programs. These programs are Child Development and Care (CDC) and the Food Assistance Program (FAP).

Families who receive CDC and FAP assistance benefits are **not** required to assign to the state their rights to child or spousal support as a condition of receiving those benefits.<sup>10</sup> These support obligations remain due and payable to the family. However, families who receive CDC and FAP do have a requirement to cooperate in establishing a support order, or enforcing an existing order unless there is good cause. (Ref: [Section 2.15, “Cooperation/Noncooperation/Good Cause”](#) in the *Michigan IV-D Child Support Manual* for a detailed discussion of the cooperation requirement.)

**Note:** CDC is not an assignable benefit because it does not meet all federal criteria for assignment. As discussed in Subsection 1.1 of this manual section, federal law requires that families receiving TANF-funded benefits must assign their rights to support – but only if the benefits meet certain criteria. The Michigan Department of Education is the agency that issues CDC payments and is responsible for making the payments through the correct funding source. The Michigan Department of Education has determined that the funding used to issue CDC payments does not meet the federal criteria for assignment.

## 2. Assignment Rules and Process

### 2.1 Assignment Rules

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<sup>8</sup> An unlicensed provider is not currently licensed by the State of Michigan to provide care for a child in foster care. An unlicensed provider is not receiving foster care maintenance payments.

<sup>9</sup> Ref: 42 USC 671(a)(17), Michigan Compiled Law (MCL) 400.115b, and MCL 552.605d; State Court Administrative Office (SCAO) Administrative Memoranda (ADM) [2017-02, Administrative Abatement or Redirection of Child Support](#), and [2008-01, Ordering Child Support in Child Protective Proceedings](#).

<sup>10</sup> If the family is receiving both FIP and non-FIP benefits, the family is required to assign the support to the state, but only because of the receipt of FIP benefits.

### 2.1.1 Assignment Requirements

Federal laws in Title IV-A and Title IV-D of the Social Security Act, and Michigan laws<sup>11</sup> govern the assignment of child and spousal support when a family begins receiving assistance.

A Michigan referral for an assistance program requiring assignment (assignable referral) requires assignment whether or not a support order exists. Assignment occurs because the referable assistance case exists. In Michigan, assignment occurs on established MiCSES dockets (IV-D and non-IV-D), on existing MiCSES IV-D cases, and on cases MiCSES initially establishes as a result of the assignable referral. (Ref: Subsection 2.1.3, "Assignment of Support Details" in this manual section for a detailed discussion on assignment by type of assistance program.)

### 2.1.2 Relevance

Relevance is the IV-D program's method for applying incoming referral and assignment information from Bridges to MiCSES. MiCSES determines if any cases that already exist should be modified or changed to reflect the referral and assignment from the assistance program. Additionally, MiCSES determines whether or not any debts on those cases should be assigned. Generally, assistance is relevant for an existing MiCSES case when the:

- MiCSES member and the Bridges assistance member are the same person; and
- Bridges assistance member is an eligible participant in an assistance program.<sup>12</sup>

Refer to Section 3.03 in the *Michigan IV-D Child Support Manual* for more information on relevance.

Once MiCSES identifies relevant MiCSES cases for an assignable referral, it will assign appropriate support for an existing docket.<sup>13</sup> If the docket in MiCSES was not a IV-D case before assistance, it will become one after assignment.

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<sup>11</sup> 42 USC 608(a)(3), MCL 552.454(2), and MCL 722.718

<sup>12</sup> Section 3.03 in the *Michigan IV-D Child Support Manual* discusses an assistance member's participation status code, which tracks eligibility for assistance. Additionally, Section 3.03 discusses the relationship between an assistance member's participation status code and relevance.

<sup>13</sup> For Medicaid assistance, MiCSES only assigns the MS debt type. For FIP assistance, all support debts **except** the MS debt type are assigned. Ref: Section 5.10 in the *Michigan IV-D Child Support Manual* for more information regarding assignable debt types.

The IV-D program retains assignment of support as long as relevance exists for programs requiring assignment.

### 2.1.3 Assignment of Support Details

The assignment rules are as follows, according to assistance type:

#### A. Assignment – FIP

When applicants apply for FIP assistance by completing the *Assistance Application* (DHS-1171),<sup>14</sup> they agree to assign to MDHHS their rights to any spousal or child support that they receive. This means that any support the applicant receives from another person will no longer go to the applicant; instead, it will go to MDHHS to repay MDHHS for the assistance that the applicant receives.

Effective October 1, 2009 the family assigns only current support as a condition of receiving FIP.<sup>15</sup> MiCSES will assign to the state only current support for eligible debt types. If the current support remains unpaid, support will accrue in the permanently assigned arrears (PAA) category while the family receives FIP.

MiCSES will not assign arrears that accrued before the family began receiving FIP assistance, nor will MiCSES assign arrears that were unassigned from the state after the family stopped receiving FIP from a previous period.<sup>16</sup> Therefore, MiCSES will not assign arrears from the following arrears categories to the state:

- Never-assigned arrears (NAA);
- Conditionally assigned arrears (CAA) (arrears that the family previously assigned to the state);
- Unassigned pre-assistance arrears (UPAA); and
- Unassigned during assistance arrears (UDAA).<sup>17</sup>

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<sup>14</sup> *Bridges Administrative Manual*, BAM 115, *Application Processing* states: “The client’s spouse and other adult eligibility determination group (EDG) members in the home must also sign the application in your (the IV-A worker’s) presence if physically able.”

<sup>15</sup> Assignment rules have changed over the history of TANF-funded cash assistance. As of October 1, 2009, Michigan began using the DRA rules of assigning only current support as a condition of receiving FIP. Before the DRA, various rules for assigning support arrears were in place.

<sup>16</sup> Ref: Subsection 2.1.4, “FIP Arrears Assignment Detail” in this manual section.

<sup>17</sup> UPAA and UDAA (previously assigned arrears) will no longer be reassigned.

## 1. Full-Month Assignment

When a “family member”<sup>18</sup> begins receiving FIP assistance:

... as a condition of providing assistance to a family under the State program funded under this part, that a member of the family assign to the State any rights the family member may have (on behalf of the family member or of any other person for whom the family member has applied for or is receiving such assistance) to support from any other person, not exceeding the total amount of assistance so provided to the family.<sup>19</sup>

MCL 552.605c requires that all child support orders be stated in monthly amounts, payable on the first of each month in advance. If a support order does not state the amount of support as a monthly amount, the IV-D worker will convert the support amount stated in the order to a monthly amount using the [Michigan Child Support Formula](#) established by SCAO.

Changes in federal assignment regulations due to the DRA require a family to only assign support that comes due while the family receives assistance. A Michigan support obligation comes due and owing on the first day of the month.<sup>20</sup>

## 2. IV-A Budget Month

When determining FIP program eligibility and the amount of the FIP grant a family will receive, IV-A staff will review the family’s income. Often, the family’s current support (if being paid) is factored into the grant amount for the initial, supplemental or first month’s ongoing grant amount. When the current support no longer is a factor in the grant amount, IV-A staff will record the **last** month in which the family’s current support amount was expected to be received; this is known as the “budget month.” Assignment of support will not occur until the month following the budget month. The reason is because the support may be budgeted or assigned, but not both.

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<sup>18</sup> A “family member” or recipient can be someone other than the applicant or grantee. In Michigan, when more than one adult is included in the family, the IV-A worker obtains signatures from all adults in the family (if the grant is going to include benefits for the additional adult family member[s], or support that is due to the adult family member[s]).

<sup>19</sup> 42 USC 608(a)(3)

<sup>20</sup> MCL 552.605c

### 3. How the Budget Month Determines FIP Assignment Dates for Relevant IV-D Cases

The IV-D program determines a FIP assignment date for a relevant IV-D case member using the date the program assistance began and the child support budget month for FIP assistance.

When child support **is budgeted**, the FIP assignment date is the first day of the month following the last month child support **was budgeted**. For example, if FIP assistance began in January, but child support was budgeted for January through May, then assignment will begin in June.

When child support is **not budgeted** and the program begin date is:

- **On** the first day of the month, the assignment date is the program begin date;
- **After the first day** of the month **before** October 1, 2009, the assignment date is the program begin date;<sup>21</sup> or
- **After the first day** of the month **following** October 1, 2009, the assignment date is the first day of the month following the program begin month.

The budget month replaces the PA (public assistance) effective date concept. The PA effective date indicated the first month to assign support. The budget month will tell the IV-D worker the last month the child support was budgeted. Therefore, the following month will be the assignment month.

#### B. Assignment – Medicaid

The assignment of medical support is temporary for unpaid medical support due at the time the Medicaid benefits start, while unpaid medical support that accrues while the family is receiving Medicaid benefits is assigned to the state permanently in the medical support (MEDI) arrears category.

The IV-D program determines an assignment date using the program begin date for relevant MiCSES Medicaid assistance cases.

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<sup>21</sup> On October 1, 2009, MiCSES began assigning current support only at the beginning of the month to comply with the change in policy that occurred with implementation of the DRA.



- When the program begin date is the **first day** of the month, the assignment date is the program begin date;
- When the program begin date is **after the first day** of the month **before** October 1, 2009, the assignment date is the program begin date; or
- When the program begin date is **after the first day** of the month **following** October 1, 2009, the assignment date is the first day of the following month.

Note: Medicaid assignment procedures are different for children in a child welfare agency placement. Refer to Section 5.85 in the *Michigan IV-D Child Support Manual* for more information.

### C. Assignment – Child Welfare Agency Placement<sup>22</sup>

The Michigan child welfare agency determines when a referral for full Title IV-D services is appropriate. One necessary condition of a referral is a court placement of a child under the custody of MDHHS. The Michigan child welfare agency will direct its automated case processing system, the Michigan Statewide Automated Child Welfare Information System (MiSACWIS), to send a referral to MiCSES under certain circumstances.<sup>23</sup>

While the child is in an agency placement, the past-due, current, and future support are assigned. Unpaid support that accrues while the child is in an agency placement is permanently assigned to the entity that funds the child's placement.<sup>24</sup> Support for the child is assigned to:

- The state, when maintenance payments for the child are made from federal IV-E funds or state funds; or
- The county, when maintenance payments for the child were paid by the county from the Child Care Fund (CCF) prior to October 1, 2019.<sup>25</sup>

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<sup>22</sup> Ref: Subsection 1.4, "Child Welfare Agency Placements," in this manual section.

<sup>23</sup> Ref: Section 2.85 in the *Michigan IV-D Child Support Manual* for agency placement case referral criteria.

<sup>24</sup> Ref: Section 5.85 in the *Michigan IV-D Child Support Manual* for specific agency placement assignment information.

<sup>25</sup> Ref: Section 5.85 in the *Michigan IV-D Child Support Manual* for information on county-funded agency placements.

If a child is placed with an unlicensed provider, current support is redirected to the provider<sup>26</sup> rather than assigned to the state. If a provider is approved for FIP after the redirection of support to the provider, the support is assigned. Therefore, IV-D workers must ensure the FIP recipient is the recipient of support and that the monthly support obligation is charging on the case referred by the IV-A program (the case where the provider is named as the CP). IV-D workers must follow FIP assignment policy on that case.

#### 2.1.4 FIP Arrears Assignment Detail

Prior to October 1, 1998, before the effective date of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996, when applicants and recipients went on FIP assistance, all unpaid support arrears were permanently assigned. Any past-due support that existed at the time the family began receiving assistance was paid to the state, up to the total grant amount.

From October 1, 1998 through September 30, 2009, according to PRWORA rules, applicants and recipients who began receiving assistance were required to temporarily assign their unpaid support to the state as a condition of receiving FIP assistance. The state retained collections toward these temporarily assigned arrears (TAA) while the family remained on assistance. When assistance ended, the temporary assignment of arrears ended and became CAA. CAA, which were typically paid to the family, were paid to the state only if collected via a federal tax refund offset (FTRO).

As of October 1, 2009, under the DRA, when families go on FIP assistance, pre-assistance arrears are no longer assigned. Only arrears that accrue while the family is on assistance are permanently assigned to the state. Pre-assistance arrears (NAA, CAA, UPAA and UDAA) will remain payable to the family. CAA, which are typically paid to the family, will continue to be paid to the state only if collected via FTRO. TAA that exist as a result of a pre-DRA assignment will remain temporarily assigned to the state until the family no longer receives assistance.

When the assistance ends, these TAA will become conditionally assigned to the state (they will become CAA). This means that under the DRA assignment rules, CAA may exist on a current-assistance family; before the DRA, CAA existed only on former-assistance families. When

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<sup>26</sup> This is done through either an administrative or judicial redirection. Ref: Section 5.85 in the *Michigan IV-D Child Support Manual* and SCAO ADM 2017-02 for more information regarding the redirection of support.

assistance ends, any PAA that exceed the URG will become payable to the family (will become UDAA).

#### A. Assignment Limitation

The amount of support the state may retain is limited to the amount of FIP grant the family has ever received, or the amount of assigned court-ordered support, whichever is less. This limitation ensures that the amount of money the state retains never exceeds the court-ordered obligation amount, and never exceeds the URG.<sup>27</sup>

#### B. Unreimbursed Grant (URG)

The URG is the difference between the total value of the public assistance grant received by a family and the total amount of collections received and retained by the state. When a family member is receiving FIP assistance, if a support collection exceeds the URG amount for that family, the excess amount will be sent as a payment to the family.

## 2.2 FIP Assignment Examples

### 2.2.1 First-of-Month Assistance and Assignment and Budget Month

Individuals must prove financial need to receive FIP benefits. Generally, financial need exists when the IV-A recipient's total countable monthly income is less than the standard FIP monthly payment (i.e., the FIP grant amount). When a IV-A worker includes support as income and compares it to the standard FIP amount, this is called the IV-A budgeting process. The IV-A worker identifies the last month that support is expected to be in the home as the budget month. Beginning November 11, 2010, the IV-A program will provide the budget month to the IV-D program.<sup>28</sup>

To illustrate the budget month concept, if FIP assistance begins in January, but child support was budgeted for January through May, then assignment begins June 1.

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<sup>27</sup> Ref: [Section 5.40, "Public Assistance Impacts: Unreimbursed Grant, Linking, and Pass-Through \(Client Participation Payment\)," in the Michigan IV-D Child Support Manual](#) for the rules on limitation of assignment regarding state-retained support.

<sup>28</sup> Ref: Subsection 2.1.4, "FIP Arrears Assignment Detail," in this manual section for further discussion of budget month.

**Example 1:**

Mary Sanchez is a CP and an Eligible Adult<sup>29</sup> on a IV-D case, and is the mother of Norman Sanchez, an Eligible Child. In September, Mary applied for FIP assistance for herself and for Norman. Mary's ex-husband Michael is ordered to pay both spousal support (on Mary's behalf) and child support (on behalf of Norman) to Mary. The IV-A worker budgeted support for the family through November. MiCSES will assign Mary's child support and the spousal support to the state on December 1 because the following conditions apply:

- Spousal support is payable to Mary on behalf of Mary, and Mary is an Eligible Adult on her grant; and
- Child support is payable to Mary on behalf of Norman, and Norman is an Eligible Child member for whom Mary is receiving assistance.

A. Redirection of Support

Michigan law<sup>30</sup> provides for redirecting child support payments when a child changes residence and no longer lives with the CP.<sup>31</sup>

The following third-party redirection order examples describe when child support is assigned to the state.

**Example 2:**

The IV-A case indicates that its members, the mother (an Eligible Adult), and child (an Eligible Child) are eligible, and receive FIP assistance together in the household with no other adults. Because of a IV-D redirection order years ago when the child lived with her, the grandmother became and currently is the payee on the support order. The grandmother is not receiving assistance.

Because the existing order with the grandmother as the payee is **not relevant** to the IV-A case (grandmother is not on the IV-A case), child support on the order with the grandmother as the payee is **not assigned**. IV-D staff must seek to reverse the redirection order since the mother now has physical custody of the child, according to the IV-A records. Until the existing order is changed or terminated, and a new order is established payable to the mother, child support will go to the grandmother pursuant to the existing order.

<sup>29</sup> Eligible Adult is a participation status code. Other examples of participation status codes are Eligible Child and Excluded Adult. For more information on participation status codes, reference Section 3.03 of the *Michigan IV-D Child Support Manual*.

<sup>30</sup> MCL 552.605d

<sup>31</sup> Ref: SCAO ADM 2017-02 for related policy regarding the redirection of support.

**Example 3:**

The IV-A case indicates that the mother (an Eligible Adult) and child #1 (an Eligible Child) receive cash assistance together in the household. The grandmother is listed as another adult in the household, but is not considered for FIP eligibility (an Excluded Adult). (The family grant does not include assistance on the grandmother's behalf.) Because of a IV-D redirection order when the child lived with her, the grandmother became the payee on the support order years before.

Because the existing order is **not relevant** to the IV-A case, child support is **not assigned**. The grandmother does not receive FIP assistance; the family grant does not include an amount on the grandmother's behalf.

**Example 4:**

The IV-A case indicates that the mother (an Eligible Adult) and child #1 (an Eligible Child) receive cash assistance together in the household, and the mother's spouse (an Eligible Adult) and his child (child #2) (an Eligible Child) are listed as part of the household for whom assistance is being paid. The mother is receiving cash assistance on behalf of all family members listed on the case, including her spouse (i.e., she is the grantee).

Both the mother and her spouse signed the DHS-1171. Therefore, child support due the mother for child #1 and child support due the mother's spouse for child #2 are **assigned** because:

- Both adults are part of the family unit receiving cash assistance;
- The mother and her spouse are CPs on their respective MiCSES cases and dockets; and
- The assistance includes an amount for child #2 on the mother's spouse's behalf.

**B. Minor Parent Assignment**

When the FIP grantee is requesting assistance for his/her child (minor parent) as well as his/her grandchild, any support due and payable to the minor parent on behalf of the grandchild is assigned.

A three-generation family may live in the same household: grandparent (an Eligible Adult), child (who is an unemancipated minor parent [an Eligible Child]), and grandchild (an Eligible Child). When the grandparent is the grantee on the assistance case, the grandparent assigns any support due and payable to the grandparent on behalf of the minor parent. Additionally, because the minor parent is a family member for whom grant assistance is being paid, the minor parent's support **for her child** is also assigned to the state.

Both IV-D cases are **relevant**, assuming the grandparent and the minor parent are payees on their IV-D cases.

**Example 5:**

Allison Smith is the mother of Betty Smith. Betty is a 15-year-old mother and unemancipated minor. Allison's ex-husband, Allen, pays Allison child support on behalf of Betty on IV-D case #123. Allison provides food, clothes, and shelter to Betty. Betty is mother to Cindy Smith. Allison, Betty and Cindy live together. Cindy's father is ordered to pay Betty child support on behalf of Cindy on IV-D case #456.

When Allison Smith applies for assistance as an Eligible Adult, Allison assigns to the state support due to her from Allen on IV-D case #123. Because the grant includes assistance on Betty's (an Eligible Child) and Cindy's (another Eligible Child) behalf, the support due to Betty for Cindy is also assigned to the state. Both IV-D cases are **relevant** to the single IV-A case.

C. Minor Parent Leaves His/Her Parent's Home

When the minor parent and his/her child move out of the grandparent's home, the support due to the minor parent is no longer assigned to the state, unless the minor parent is receiving assistance under another grant (the minor parent's own grant, or as a dependent on another grant).

**Example 6:**

Two years have passed since Allison, Betty, and Cindy began receiving assistance in Example 5. Betty and Cindy moved out of Allison's home. In the month when Betty and Cindy are no longer members of Allison's household, child support due to Betty on behalf of Cindy is no longer assigned to the state and is payable directly to Betty. IV-D case #123 remains **relevant** to the IV-A case, but IV-D case #456 is **no longer relevant** to the IV-A case.

2.2.2 Mid-Month FIP Assistance Dates

When a family member begins receiving assistance in the middle of the month, the entire monthly court-ordered support amount for their FIP-assignable obligations is assigned to the state beginning with the first of the following month, or the first of the month following the budget month, whichever is later.

However, MDHHS may authorize FIP benefits be paid to a family beginning in the second half of the month. This allows the family to receive grant money during the month the need was identified instead of

mandating the family wait until the start of the next month before receiving FIP. When this happens, the IV-A worker will budget the anticipated support amount.

Note: For example, when MiCSES receives a FIP certification with an effective date of October 16, the current support for the month of October will remain due to the family. IV-D workers will be able to view the assistance date on the *Bridges Case Information* (BRDG) screen or the *Member Assistance History* (MAHI) screen. If October is the last (or only) budgeted month, the current support will be assigned to the state on the first of November. IV-D workers will be able to view the October budget month on the MAHI screen.<sup>32</sup> IV-D workers may view this information as soon as MiCSES receives the assistance referral record.

#### 2.2.3 Unpaid Support That Accrues for the Family Member While the Family Receives Assistance

Any unpaid support that accrues for an assigned support obligation while the family is receiving FIP assistance is permanently assigned to the state, and is placed in the PAA category in MiCSES.

#### 2.2.4 Unpaid Support That Accrued Before the Family Began Receiving Assistance

PRWORA required the temporary assignment of past-due support to end when the family no longer receives assistance. MiCSES converted the TAA to CAA when the family stopped receiving a FIP grant. After the implementation of the DRA, although no new arrears will be assigned to TAA, existing TAA will continue to be moved to CAA when the family member leaves assistance. The state will retain CAA collections **only** when the following conditions are met:

- A. The arrears were included in the tax refund intercept request;
- B. The collection was made via FTRO; **and**
- C. The collection does not exceed the URG amount.<sup>33</sup>

#### 2.2.5 Determining Pre- or Post-DRA – Effective October 1, 2009

A. When the earliest begin date on the MAHI screen is:

1. Before October 1, 2009, it is a **pre-DRA** period of assistance; or

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<sup>32</sup> Ref: Section 5.40 of the *Michigan IV-D Child Support Manual* for further information.

<sup>33</sup> Ref: [Section 6.21, "Tax Refund Offset,"](#) and [Section 5.35, "Allocation/Distribution,"](#) of the *Michigan IV-D Child Support Manual*.

2. On or after October 1, 2009, it is a **post-DRA** period of assistance.

- B. When the period of assistance begins **pre-DRA**, MiCSES will assign existing positive family arrears to the state, following PRWORA assignment rules. MiCSES will move NAA to TAA, CAA to TAA, UPAA to TAA, and UDAA to PAA. MiCSES will not move negative arrears.
- C. When the period of assistance begins **post-DRA**, MiCSES will follow DRA assignment rules and will not assign existing family arrears to the state. Arrears in the NAA, CAA, UPAA and UDAA categories will remain in their respective categories.

#### 2.2.6 Assign Arrears Process Roll Forward – Effective October 1, 2009

- A. When a retroactive transaction (arrears adjustment, non-cash credit, negative offset, change in obligation amount, certification, or decertification) is applied to the balances of that particular month of FIP assistance on a FIP assignable obligation, the Assign Arrears process must determine where to apply the roll-forward amount.
- B. The Assign Arrears process will determine if the month of assistance is pre-DRA or post-DRA.
  - 1. When the period of assistance begins **pre-DRA**, MiCSES will assign family arrears to the state.
  - 2. When the period of assistance begins **post-DRA**, MiCSES will leave family arrears in their respective categories. Likewise, MiCSES will leave state arrears in their respective categories.

#### 2.2.7 *Obligation Arrears Adjustment* (OBAA) Screen – Effective October 1, 2009

- A. IV-D workers must be able to adjust arrears categories appropriately based on the assignment date of the obligation. MiCSES will enable or disable manual access to the fields on the OBAA screen according to whether the month is pre- or post-DRA, and the assignment status of the obligation.
- B. MiCSES will determine if the month displayed on the OBAA screen is part of a pre-DRA or post-DRA period of assistance.



1. When the IV-D worker selects the *Arrears, Non-Cash Credit* or *Negative Offset* radio button, and the period of assistance begins **pre-DRA**, IV-D workers may adjust state arrears.
2. When the IV-D worker selects the *Arrears* or *Non-Cash Credit* radio button, and the period of assistance begins **post-DRA**, IV-D workers may adjust family or state arrears.
3. When the IV-D worker selects the *Negative Offset* radio button, and the period of assistance begins **post-DRA**, IV-D workers may adjust arrears – however, they may adjust CAA, but not TAA.

### 2.3 Automated MiCSES Assignment Process

MDHHS sends assistance status information daily from Bridges to MiCSES via an electronic file. This file includes information that allows MiCSES to determine if certain support obligations have been assigned to the state or unassigned to the family due to the receipt or discontinuance of assistance. MiCSES automatically processes this electronic file and uses it to update the members' program status and related information. If there are assignable obligations, MiCSES assigns or unassigns current charges based on assignment changes.

MiCSES also creates records that were processed automatically but may need review. MiCSES logs these on the *FIA Interface Error Log (FERR)* screen.<sup>34</sup> IV-D workers are encouraged to review the FERR screen and update the MAHI screen, if appropriate.<sup>35</sup>

### 2.4 Manual Updates to a Member's Assistance Status

MiCSES automatically maintains the member's assistance status on the MAHI screen, but occasionally, manual intervention is required.

The MAHI screen allows IV-D staff with the Assistance Adjuster role the ability to modify assistance information. Updating assistance information will affect amounts in the various arrears categories. Modifying this data has potential impacts on multiple IV-D cases/members in MiCSES and must be done only under specific circumstances. Reference Section 3.03 in the *Michigan IV-D Child Support Manual* for when it is or is not appropriate to update assistance information for a member. Section 3.03 also explains how IV-D staff can obtain the Assistance Adjuster role.

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<sup>34</sup> Ref: [MiCSES Quick Reference Guide: FERR – Resolve Errors on the FIA Interface Error Log](#).

<sup>35</sup> Ref: Section 5.40 of the *Michigan IV-D Child Support Manual*.

## 2.5 Retroactive Notification of Assistance

When MiCSES receives a late (retroactive) assistance status update, MiCSES will retroactively modify the assigned and unassigned current support and arrears based on the effective date of the status updates and participation status codes.

### **Example 7: Pre-DRA Retroactive Assistance Change**

On September 30, 2008, MiCSES reflected that a member was not on assistance from July through September 2008.

On October 1, 2008, MiCSES received a retroactive change of assistance status back to August 1, 2008. MiCSES will update the member's history from non-assistance in August and September to on-assistance.

As a result of the retroactive change in assistance, for these two pre-DRA months, the arrears for these months should have been assigned to the state. Therefore, MiCSES will increase PAA and decrease family arrears (TAA) with the amount of unpaid support from August and September.<sup>36</sup>

Post-DRA, a retroactive assistance change is illustrated in the following example:

### **Example 8: Post-DRA Retroactive Assistance Change**

MiCSES originally reflected no assistance history on the MAHI screen.

Today, MiCSES receives a retroactive change of assistance status for the previous two months. There was no budgeting of support. MiCSES will update the MAHI screen to change the non-assistance for the previous two months to on-assistance.

As a result of the missing assistance information, current charges due on behalf of this individual for these months were payable to the family. However, charges should have been payable to the state. Therefore, MiCSES will increase PAA by the amount of unpaid support for the affected months. Remaining NAA will stay in NAA. This will accurately reflect how the arrears would have accrued had the change of assistance been received in a timely manner.

**SUPPORTING REFERENCES:** Federal  
DRA of 2005, Public Law 109-171  
PRWORA, Public Law 104-193

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<sup>36</sup> Reference the limitation of assignment examples in Section 5.40 of the *Michigan IV-D Child Support Manual* to see how the various arrears categories are adjusted for the FIP assignable obligations.

Section 1912(a)(1)(A) of the Social Security Act  
42 USC 608(a)(3)  
42 USC 657  
42 USC 659(i) (2)  
42 USC 671(a)(17)

42 USC 1396a(a)(10)(A)(i)(I)  
42 CFR 433.145  
42 CFR 433.146  
42 CFR 433.147  
42 CFR 433.154  
45 CFR 260.31  
45 CFR 260.32  
45 CFR 302.32  
45 CFR 302.51

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OCSE AT 97-17

State

MCL 400.115b  
MCL 552.23(2)  
MCL 552.454(2)  
MCL 552.502a  
MCL 552.509  
MCL 552.602(ff)  
MCL 552.605c  
MCL 552.605d  
MCL 700.5103  
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*Bridges Administrative Manual, BAM 115, Application Processing*

*Bridges Eligibility Manual, BEM 255, Child Support  
and BEM 503, Income, Unearned*

*Children's Foster Care Manual, FOM 721, Foster  
Care*

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