

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

Publication/ Revision Date: March 12, 2020	Chapter Number: 6.0	Chapter Title: Enforcement
	Section Number: 6.15	Section Title: Bankruptcy

Table of Contents

1. Overview 1

2. Types of Bankruptcy 2

 2.1 Chapter 7 – Liquidation 2

 2.2 Chapter 11 – Reorganization 2

 2.3 Chapter 12 – Family Farmer Reorganization 2

 2.4 Chapter 13 – Individual Reorganization 2

3. Child-Support-Related Changes to the Bankruptcy Code 3

4. Bankruptcy Act of 2005 and Child Support..... 3

 4.1 Definitions – Applies to Chapters 7, 11, 12 and 13..... 4

 4.2 Priorities – Applies to Chapters 7,11,12 and 13..... 4

 4.3 Confirmation and Discharge – Applies to Chapters 11, 12, and 13 4

 4.4 Exceptions to the Automatic Stay – Applies to Chapters 7, 11, 12 and 13..... 5

 4.5 Nondischargeability – Applies to Chapters 7, 11, 12 and 13 6

 4.6 Continuation of Liens – Applies to Chapters 7, 11, 12 and 13 6

 4.7 Preferential Transfers – Applies to Chapters 7, 11, 12 and 13 6

 4.8 Disposable Income – Applies to Chapter 12 Only 6

 4.9 Duties of Trustees – Notice – Applies to Chapters 7, 11, 12 and 13 7

5. IV-D Staff Actions When an NCP Files for Bankruptcy 8

 5.1 Initial Actions 8

 5.2 Recall All Child-Support-Related Bench Warrants..... 9

 5.3 Bankruptcy Court Dismisses Action or Discharges Debts 9

 5.4 Debtor Falls Behind in Obligations Before the Discharge of Debts..... 10

6. Notices From the Bankruptcy Trustee 10

 6.1 OCS Distribution Process for NCP Bankruptcy Notices 11

 6.2 Bankruptcy Notices Not Associated With Cases on MiCSES 12

7. Electronic Filing 12

 7.1 Registration – Access Levels for PACER..... 13

 7.2 Fees/Cooperative Reimbursement Program (CRP) 13

 7.3 Specifications 13

[Exhibit 6.15E1: Bankruptcy Notices Log](#)

1. Overview

Bankruptcy is the legal process to discharge an insolvent individual’s debts. Only debts accrued before the non-custodial parent (NCP) files the bankruptcy petition (pre-petition) are included in the bankruptcy. Child support obligations and arrearages cannot be discharged in bankruptcy, and they are enforceable after the debts are discharged.

On April 20, 2005, President Bush signed the Bankruptcy Act (effective on October 17, 2005). The Bankruptcy Act expanded the ability of Friend of the Court (FOC) and Office of Child Support (OCS) staff to enforce child support cases after the NCP has filed for bankruptcy protection.¹

This manual section describes the child-support-related sections of the federal Bankruptcy Act of 2005² and provides instructions for handling child support cases when the NCP has filed for bankruptcy. This manual section aids IV-D staff³ actions in bankruptcy cases. It does not directly address any IV-D rules or requirements. IV-D offices are encouraged to confirm their chosen course of action on bankruptcy cases with their own bankruptcy law experts.

2. Types of Bankruptcy

2.1 Chapter 7 – Liquidation

A trustee collects and sells the debtor's non-exempt property and distributes the proceeds to creditors. Approximately 62 percent of bankruptcy petitioners file under Chapter 7.⁴

2.2 Chapter 11 – Reorganization

A business or individual creates a reorganization plan to pay off debts. The debt amount must be at least \$250,000 in unsecured debt or \$750,000 in secured debt.

2.3 Chapter 12 – Family Farmer Reorganization

Provides family farmers a chance to reorganize their debts and keep their farms. Total debts must not exceed \$1.5 million.

2.4 Chapter 13 – Individual Reorganization

The individual agrees to a repayment plan and uses future earnings to pay creditors. The debt amount must be less than \$250,000 in unsecured debt, or \$750,000 in secured debt.

¹ Ref: [federal Office of Child Support Enforcement \(OCSE\) Information Memorandum \(IM\) 05-05, New Federal Bankruptcy Law Contains Child Support Provisions](#) and [OCSE Action Transmittal \(AT\) 06-05, Policy Questions and Responses to Miscellaneous Issues regarding Child Support Provisions of the New Federal Bankruptcy Law, P.L. 109-8](#).

² Public Law (P.L.) 109-8 of 2005 amended 11 United States Code (USC) 101 to 1330.

³ IV-D staff include OCS, FOC and Prosecuting Attorney (PA) staff. Occasionally, PA staff may handle cases in which the NCP has filed for bankruptcy.

⁴ Ref: United States Courts, Judiciary News, [Bankruptcy Filings Continue to Decline](#), published April 22, 2019.

3. Child-Support-Related Changes to the Bankruptcy Code

The federal Bankruptcy Act of 2005 changed how IV-D staff handle child support in cases in which the NCP has filed bankruptcy. The amendments included changes to:

- Definitions;
- Priorities;
- Confirmation and discharge;
- Exceptions to the automatic stay;
- Non-dischargeability;
- Continuation of liens;
- Preferential transfers;
- Disposable income; and
- Duties of trustees.

OCS staff must forward all bankruptcy information, including discharges, received at an OCS office to the appropriate FOC office(s).⁵

4. Bankruptcy Act of 2005 and Child Support

The following table shows the chapters and sections of the Bankruptcy Act that are affected by the bill amendments. Amended sections are shown in parentheses under their corresponding chapter.

Bill Amendment Section	Description of Amendment	Chapter 7	Chapter 11	Chapter 12	Chapter 13
211	Definition of domestic support obligation	Yes (101)	Yes (101)	Yes (101)	Yes (101)
212	Priorities	Yes (507)	Yes (507)	Yes (507)	Yes (507)
213	Plan confirmation	None	Yes (1129)	Yes (1225)	Yes (1325)
213forward	Conversion or dismissal	None	None	Yes (1208)	Yes (1307)
213	Contents of the plan	None	None	Yes (1222)	Yes (1322)
213	Discharge	None	None	Yes (1228)	Yes (1328)
214	Exceptions to automatic stay	Yes (362)	Yes (362)	Yes (362)	Yes (362)
215	Non-dischargeability	Yes (523)	Yes (523)	Yes (523)	Yes (523)
216	Continued liability of liens	Yes (522)	Yes (522)	Yes (522)	Yes (522)
217	Preferential transfer motions	Yes (547)	Yes (547)	Yes (547)	Yes (547)
218	Disposable income	None	None	Yes (1225)	None
219	Duties of trustees	Yes (704)	Yes (1106)	Yes (1202)	Yes (1302)

⁵ Ref: Subsection 6, "Notices From the Bankruptcy Trustee," in this manual section for the forwarding procedures.

4.1 Definitions – Applies to Chapters 7, 11, 12 and 13

“Domestic support obligation” clarifies “debt for child support.”⁶ A “domestic support obligation” is a debt (including interest) owed to a spouse, former spouse, child, child’s guardian, responsible relative or **governmental unit** for alimony, maintenance, or support that accrues before, on or after the date of the order for relief in the case. This definition expands the types and groups of people who can collect support from a bankrupt NCP and allows “interest” on child support to accrue.⁷ Because “governmental unit” is included in “domestic support obligation,” IV-D staff may enforce cases against bankrupt NCPs for state-owed arrears.

4.2 Priorities – Applies to Chapters 7,11,12 and 13

All domestic support obligations, including debts assigned to the state, receive first priority after secured debts. The trustee pays domestic support obligations before any other debt, except the trustee may pay his/her expenses before first priority claims.

4.3 Confirmation and Discharge – Applies to Chapters 11, 12, and 13

In Chapter 11, 12 or 13 cases, the court cannot confirm a bankruptcy plan or discharge an NCP’s debts until all post-petition domestic support obligations are paid. The court also has the option of dismissing or converting Chapter 11, 12 or 13 bankruptcy into Chapter 7 bankruptcy if the NCP fails to pay post-petition domestic support obligations.

In Chapter 13 cases, the court may approve a reorganization plan that does not pay the debts in full, **if** the plan provides that **all** of the debtor’s disposable income received for five years after plan confirmation is used to pay the debts. The five-year period begins the date the first payment under the plan is due.

In Chapter 13 cases, the IV-D agencies can charge interest on non-dischargeable debts, only to the extent that there is disposable income remaining after the trustee pays the allowed claims in full. Because Michigan does not charge interest and surcharge is non-dischargeable child support, this section does not apply to Michigan cases.⁸

⁶ Michigan Compiled Law (MCL) 552.602(ff) defines “support”: (i) The payment of money for a child or a spouse ordered by the circuit court, whether the order is embodied in an interim, temporary, permanent, or modified order or judgment. Support may include payment of expenses of medical, dental, and other health care, child care expenses and educational expenses. (ii) The payment of money ordered by the circuit court under the paternity act, MCL 722.711 to 722.730, for necessary expenses incurred by or for the mother in connection with her confinement, for other expenses in connection with the pregnancy of the mother, or for the repayment of genetic testing expenses. (iii) A surcharge under MCL 552.603a. Service fees, processing fees and court fees are not included in the support definition.

⁷ Michigan does not charge interest on child support arrearages per MCL 552.603(8).

⁸ MCL 552.603(8)

4.4 Exceptions to the Automatic Stay – Applies to Chapters 7, 11, 12 and 13

4.4.1 Continuation of Pending Legal Actions

“Domestic support obligation” replaces “alimony, maintenance or support” and allows certain civil actions to be used outside of the automatic stay, including the commencement or continuation of actions for:

- A. Establishing paternity;
- B. Establishing or modifying a domestic support obligation;
- C. Collecting support obligations from property not included in the bankruptcy estate;
- D. Child custody or visitation;
- E. Divorce actions (except for division of property); and
- F. Domestic violence.

4.4.2 Enforcement of Support

IV-D staff may enforce child support using the following enforcement actions:

- A. Court or administratively ordered income withholding from estate property;
- B. License suspension;
- C. Credit reporting;
- D. Tax refund intercept;
- E. Medical support enforcement;
- F. Passport denial;⁹ and
- G. Any other enforcement action used prior to October 17, 2005.

The income withholding provision is especially important in Chapter 11, 12 and 13 cases in which post-petition income and wages become estate property. This provision removes income for child support from the estate property and allows court-ordered income withholding orders for current support and existing arrears collection on Chapters 11, 12 and 13 cases, in addition to Chapter 7 cases.

⁹ OCSE has advised that a U.S. passport is not property of the debtor and, therefore, is not “property of the estate” that would be subject to the bankruptcy automatic stay provisions. Ref: [OCSE AT 06-05, Attachment 1, OCSE’s series of questions and answers regarding child support provisions of P.L. 109-8, the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005](#). Also reference [OCSE Policy Interpretation Question \(PIQ\)-07-04, Additional Information Regarding Enforcing Child Support when the Obligor is in Bankruptcy](#).

4.5 Nondischargeability – Applies to Chapters 7, 11, 12 and 13

Domestic support obligations, including child support, arrears, medical costs and birth expenses¹⁰ owed to the family **and** to the state are **not** dischargeable.¹¹

Support accrued during a divorce action is **not** dischargeable regardless of ability to pay or detrimental effects.

4.6 Continuation of Liens – Applies to Chapters 7, 11, 12 and 13

Exempt property of the debtor is used during and after the bankruptcy to pay debts for taxes and domestic support obligations, but not for any other kinds of debts unless the court dismisses the case. This means liens may be left in place during the bankruptcy and after the debt has been discharged. However, once the debtor has filed for bankruptcy protection, IV-D staff may not perfect a lien until the court dismisses or discharges the bankruptcy.¹²

4.7 Preferential Transfers – Applies to Chapters 7, 11, 12 and 13

A preferential transfer occurs when a debtor tries to protect his/her property from liquidation by transferring property to another person or by paying a certain creditor to the exclusion of other creditors. The NCP typically makes the payment shortly before the filing of the petition. Trustees can void preferential transfers.

The Bankruptcy Act also excludes the “preferential treatment” voiding of “domestic support obligation” payments, including payments assigned to the state. This means if an NCP makes a support payment the day before (s)he files for bankruptcy, the payment can go to the family or to the state, even if it is a preferential transfer.

4.8 Disposable Income – Applies to Chapter 12 Only

The disposable income under Chapter 12 is:

Income
– Amount needed for maintenance and support of NCP or dependent
– Amount needed for domestic relations obligation that first becomes payable after filing of petition (post-petition)
– Amount needed for the payment of expenditures necessary for the continuation, preservation and operation of the debtor’s business
Disposable income

¹⁰ Birth expenses were previously referred to as “confinement expenses.”

¹¹ Genetic testing is not a domestic support obligation and therefore is dischargeable in bankruptcy.

¹² Ref: [Michigan IV-D Child Support Manual Section 6.27, “Liens – FIDM/MSFIDM,”](#) and the [State Court Administrative Office \(SCAO\) Administrative Memorandum \(ADM\) 2017-03, Liens for Past Due Support](#) for information on filing liens.

Pre-petition support obligations and the amount necessary for support of the NCP and his/her dependents reduce the NCP's income before it becomes estate property. This section is rarely used. The majority of bankruptcy filings that IV-D staff will receive will involve Chapter 7 and Chapter 13 filings.¹³

4.9 Duties of Trustees – Notice – Applies to Chapters 7, 11, 12 and 13

Trustees must provide the following notices to the CP and the IV-D agency.

4.9.1 Notice to the CP of the:¹⁴

- A. Availability of IV-D services to collect child support;
- B. Address and telephone number of the IV-D agency;
- C. Granting of the discharge;
- D. NCP's last-known address;
- E. Name and address of the NCP's last-known employer; and
- F. Name of each creditor that holds non-discharged or reaffirmed claims.

4.9.2 Notice to the IV-D agency of the:

- A. CP's name, addresses and telephone number;
- B. Granting of the discharge;
- C. NCP's last-known address;
- D. Name and address of the NCP's last-known employer; and
- E. Name of each creditor that holds non-discharged or reaffirmed claims.

Note: IV-D staff or the CP may ask any creditor to provide the NCP's last-known address. IV-D staff may change the mailing or residential address based on creditor- or trustee-provided information. However, IV-D staff cannot change the NCP's legal address based on creditor- or trustee-provided information, unless it meets the requirements of SCAO policy for change of legal address.¹⁵ IV-D staff must also follow policy regarding the family violence indicator, address confidentiality, and maintenance and verification of case data.¹⁶

¹³ 11 USC 1325 defines disposable income for Chapter 13 as income not reasonably necessary to be expended for maintenance and support of the NCP and the NCP's dependents. It does not include the "domestic relations obligation" definition.

¹⁴ Confidentiality rules prevent IV-D staff from providing CP information to the trustee.

¹⁵ Ref: [SCAO ADM 2019-01, *Friend of the Court Guidelines for Determining, Changing or Suppressing Addresses of Parties and Nonparties.*](#)

¹⁶ Ref: *Michigan IV-D Child Support Manual* Sections [1.10, "Confidentiality/Security,"](#) [1.15, "Family Violence,"](#) [3.03, "Case Updates and Member Demographics,"](#) and [3.15, "Addresses."](#)

5. IV-D Staff Actions When an NCP Files for Bankruptcy

When a IV-D staff member learns that an NCP has filed for bankruptcy, (s)he will verify the filing according to office policy.¹⁷ **FOC staff do not need to send copies of the trustee's notices to the Michigan State Disbursement Unit (MiSDU).**

5.1 Initial Actions

Once the IV-D staff member verifies the NCP filed the petition, (s)he will enter the information into the Michigan Child Support Enforcement System (MiCSES) as follows:

5.1.1 On the DEMO screen:

- A. Set the bankruptcy status by double-clicking on the *Bankruptcy* field and selecting "R" (relief from stay);

Note: If the *Bankruptcy* field is marked "Y," IV-D staff will change the field to "N" before selecting "R." "N" will allow enforcement remedies to begin but indicates there is no bankruptcy. "R" is a status indicator that allows enforcement remedies to continue and indicates the NCP is in bankruptcy.

- B. Enter the petition filing date in the *Petition File DT* field;
- C. Enter a future date in the *Petition End DT* field. The "R" code requires the entry of the *Petition End DT* field. Because the actual end-date is unknown, IV-D staff:

1. Will enter a high end-date such as 12/31/9999; and
2. May create a reminder alert to review the case periodically.

- D. Select the bankruptcy type from the drop-down box:

1. 7 – Chapter 7;
2. 11 – Chapter 11; or
3. 13 – Chapter 13.¹⁸

5.1.2 On the *Notes Processor* (NOTE) screen, enter a note indicating that a bankruptcy petition was filed after October 17, 2005;

¹⁷ Some counties may have access to the PACER system and can obtain bankruptcy case information online. FOC staff may verify bankruptcy information on PACER and use it to update the *Member Demographics* (DEMO) screen. Counties that do not have access to PACER will follow their county policies to verify bankruptcy information. Ref: Subsection 7 of this manual section for more information about PACER.

¹⁸ MiCSES does not have a bankruptcy type for Chapter 12. National Child Support Enforcement Association (NCSEA) training materials recommend IV-D staff treat Chapter 12 cases like Chapter 13 cases. IV-D staff will select Chapter 13 from the *Bankruptcy Type* drop-down and make a note on the NOTE screen that it is a Chapter 12 bankruptcy.

5.1.3 On the *Tax Offset Information and Update (TAXI)* screen, exclude the NCP from the multistate financial asset lien and levy (Financial Institution Data Match [FIDM]);¹⁹ and

5.1.4 On the *Enforcement Processor (ENFP)* screen:

- A. Close any show cause chains; and
- B. Move the *Qualified Domestic Relations Order (QDRO)* chain to the *Review for Scheduling QDRO Motion Hearing (RQDRO)* minor activity.

5.2 Recall All Child-Support-Related Bench Warrants

OCS recommends that IV-D staff recall all child-support-related bench warrants. While bench warrants are issued for failure to appear rather than for failure to pay child support, arresting on the failure to appear could result in a danger of violating the automatic stay. The court may also be in violation of the automatic stay by using a performance bond.

- If the court determines the bench warrant is to remain in place, IV-D staff will, at the time of the hearing on the bench warrant, indicate to the court that the NCP has filed for bankruptcy and the case is subject to the automatic stay.
- If the court determines the bench warrant will not remain in place, IV-D staff will close the *Show Cause Bench Warrant (SCBW)* chain.

5.3 Bankruptcy Court Dismisses Action or Discharges Debts

When the bankruptcy court dismisses the bankruptcy action or discharges the debts, IV-D staff will:

5.3.1 Do the following on the DEMO screen:

- A. Set the bankruptcy status by double-clicking on the *Bankruptcy* field;
- B. Select “N” (no); and
- C. Enter the date the judge granted the discharge or dismissed the petition in the *Bankruptcy End DT* field.

5.3.2 Remove all enforcement exclusions on the TAXI screen; and

¹⁹ Bankruptcy **does not** exclude cases from tax refund offset and passport denial. Additionally, existing liens do not have to be removed, but cannot be levied against. OCS and FOC staff should not take any action on existing liens. (Ref: OCSE PIQ-07-04.)

5.3.3 Continue the income withholding notice (IWN).²⁰

5.4 Debtor Falls Behind in Obligations Before the Discharge of Debts

If, before the discharge of the bankruptcy debts, the debtor falls behind in his/her post-petition domestic support obligation(s), several things may occur:

5.4.1 IV-D staff may petition for an order to show cause on the post-petition unpaid support. IV-D staff can determine whether the post-petition domestic support is paid by finding the difference between charges and payments since the bankruptcy filing. The *Support Order Summary* (SLOG) screen provides information that assists IV-D staff in making this determination. The SLOG screen defaults to all cases, but IV-D staff may select one case or all cases. The SLOG screen provides the:

- A. Month in which the payment information relates (Month);
- B. Type of assistance (Assistance Type);
- C. Total monthly charges (Total MTH Charges);
- D. Child support paid (C/S Paid); and
- E. Month-to-date arrears paid (M-T-D Arrears Paid).

The total monthly charges from the time the petition was filed minus the child support paid equals the amount of arrears to be included in the show cause. Pre-petition arrears must not be included. Because MiCSES does not print the partial arrears balance on the *Motion and Order for Show Cause*, IV-D staff must locally print the *Motion and Order for Show Cause* and change the arrears balance on the form;

5.4.2 The bankruptcy court will be unable to confirm Chapter 11 and 13 bankruptcy plans; and/or

5.4.3 The bankruptcy court will be unable to discharge the debts.

Note: The bankruptcy trustee and attorneys may request evidence that an NCP has paid all post-petition child support in order to confirm a bankruptcy plan or discharge debts. IV-D information is confidential; consequently, the **NCP** must request the payment history and provide it to the bankruptcy trustee, attorneys and the U.S. Bankruptcy Court.

6. Notices From the Bankruptcy Trustee

The bankruptcy trustee is required to provide certain notices to the IV-D agency. OCSE has indicated that each state child support agency must identify a single bankruptcy reporting contact to whom bankruptcy trustees will send notices.²¹ OCS

²⁰ The IWN can continue if there is a court order for support. The language of the Bankruptcy Act is vague as to whether another income withholding order is needed. OCS and FOC staff determined that the original child support order will suffice.

²¹ Ref: OCSE AT 06-05.

staff have advised all Michigan bankruptcy trustees to send the required notices, pleadings and correspondence to OCS staff at the following address:²²

Department of Health and Human Services
Office of Child Support
P.O. Box 30478
Lansing, MI 48909
Attn: Bankruptcy Claims

6.1 OCS Distribution Process for NCP Bankruptcy Notices

When any OCS staff member receives a notice from a bankruptcy trustee, (s)he must forward the notice to the above OCS Central Operations address for bankruptcy claims. Upon receipt of a notice, Central Operations staff will:

- 6.1.1 Determine all counties that have a case for the NCP²³ by searching the MiCSES *Case Search List* (CLST) screen.
- 6.1.2 Log the receipt of notices/documents from the trustee into the [Bankruptcy Notices Log \(Ref: Exhibit 6.15E1\)](#). Central Operations staff will enter the following information into the log:
 - A. Name of each FOC county where the NCP has a case;
 - B. NCP's name;
 - C. Court docket number(s) (for each county where the NCP has a case); and
 - D. The date OCS received the notice from the trustee.
- 6.1.3 Scan (digital image) the bankruptcy notice received from the trustee.
- 6.1.4 Upload the scanned notice to the MiCSES *Historical Reprints* (FHST) screen with:
 - A. "Court Documents" selected for the *Category*; and
 - B. The bankruptcy case member's Member ID as the Unique Identifier.²⁴
- 6.1.5 Immediately (typically within three business days) send an email to the designated bankruptcy contact(s) at the affected FOC office(s) as listed on the mi-support [Partner Contact Information](#) page. Central Operations staff will not fax a copy of the documents to FOC offices.

²² OCS sent letters to Michigan bankruptcy trustees to notify them of the address in May 2007. Trustees may also find Michigan's address as well as addresses of other state agencies on the [United States Department of Justice website](#).

²³ Central Operations staff will not send notices for cases in which the bankruptcy debtor is the CP or dependent child. Central Operations staff will process notices received for the CP or dependent in the same manner as notices that are not associated to a MiCSES case.

²⁴ Ref: [FHST screen documentation](#) on mi-support for information about uploading documents.

Note: FOC offices may change their bankruptcy contact information by sending an email with the new contact information to DIT-MICSES-Helpdesk@michigan.gov. Help Desk staff will forward the updates to OCS so that Central Operations staff will notify the correct contact person.

6.1.6 Complete the Bankruptcy Notices Log by entering:

- A. The date the Central Operations staff member uploaded the bankruptcy notice to MiCSES and the date (s)he notified the FOC via email; and
- B. The Central Operations staff member's initials, indicating the task is complete.

OCS will not retain a copy of the notices, and Central Operations staff will not make notes on the NOTE screen. After uploading the notice and informing FOC staff, OCS will deposit bankruptcy notices and corresponding documents in a locked shredding bin. If FOC staff have a question about when Central Operations staff received and uploaded the documents, they may call 517-241-7800, and Central Operations staff will check the Bankruptcy Notices Log.

6.2 Bankruptcy Notices Not Associated With Cases on MiCSES

The state child support agency does not need to take any action on a trustee notice if the state does not have an associated case.²⁵ The state child support agency must treat these notices received in error as “confidential” according to state agency security procedures. Central Operations staff who receive notices not associated with any case will destroy these documents by placing them in a locked shredding bin.

7. Electronic Filing

Both the Eastern and Western Districts of the U.S. Bankruptcy Courts have mandated electronic filing. Filers and users of the bankruptcy courts use the PACER system to file and view documents with the bankruptcy courts.²⁶

Each U.S. Bankruptcy Court has its own registration requirements. IV-D staff wanting to use PACER must check with the specific court for registration requirements.

²⁵ Ref: Attachment 1 of OCSE AT 06-05.

²⁶ The Eastern District mandated the use of electronic filing in [Administrative Order Adopting Local Rule 5005-2, Administrative Order Regarding Mandatory Electronic Case Filing, effective August 1, 2005](#). The Western District mandated the use of electronic filing in [Administrative Order 2004-06, Mandatory Electronic Case Filing, effective January 1, 2005](#).

7.1 Registration – Access Levels for PACER

There are two access levels for PACER: Filer and User.

- Filer – Filers include attorneys and trustees who will be filing documents on the system. Filers must go through training to receive their password. The bankruptcy court provides the PACER training. The registering IV-D staff member must contact the bankruptcy court for training information.
- User – Entities authorized to appear on behalf of child support creditors are users. Users must register online²⁷ to receive a login and password. Users generally receive one login and password. Entities may obtain additional passwords by making a written request showing sufficient business need. The primary user is responsible for all passwords assigned to the location.

7.2 Fees/Cooperative Reimbursement Program (CRP)

For Internet viewing, the PACER system charges eight cents per page²⁸ retrieved, regardless of whether the user reads, downloads or prints the page. There is a \$2.40 maximum charge per document, even if more than 30 pages are retrieved.

Government agencies must pay PACER fees for use, but PACER does not charge users if less than \$10 in fees accrues for any quarter.

The entire cost of accessing the bankruptcy court electronic reporting system is IV-D reimbursable if the IV-D staff member subscribes to the service for IV-D purposes. The IV-D staff in FOC or PA offices will treat the amount as an “Other Direct” expense for billing purposes.²⁹ If non-IV-D county staff are included in the subscription, then the local office staff must allocate the cost to all users through the indirect cost plan, and the local office share of the total cost will be treated as a “Central Services” cost.³⁰ Reference [Michigan IV-D Action Transmittal \(AT\) 2007-012, Requirement to Report Billed Central Services, Including Internal Service Funds \(ISFs\) Information, in Indirect Cost Allocation Plans \(CAPs\) and Timelines for Submitting Indirect Cost Plans](#), for additional information on other direct expenses and central services costs.

7.3 Specifications

- Pages are submitted, viewable, and printable in PDF format; and
- Full specifications for the PACER system and demonstrations are available at <http://pacer.psc.uscourts.gov/>.

²⁷ Registration is available on the court website. Eastern District of Michigan – www.mieb.uscourts.gov, Western District of Michigan – www.miwd.uscourts.gov.

²⁸ PACER considers a page to be 54 lines of data.

²⁹ Section C, line 3 of the *Title IV-D Cooperative Reimbursement Expenditure Report* (DHS-286).

³⁰ Section D, line 4 of the DHS-286.

SUPPORTING REFERENCES:

Federal

11 USC 101 to 1330
11 USC 522(f)(1)(A)(i), (ii)
11 USC 523(a)(5)
11 USC 1325

Nevettie v Doering, 227 BR 724 (1998)

P.L. 109-8 of 2005

OCSE AT 06-05 and Attachment 1
OCSE IM 05-05
OCSE PIQ-07-04

U.S. Bankruptcy Court, E.D. Michigan,
Administrative Order Adopting Local Rule
5005-2, *Administrative Order Regarding
Mandatory Electronic Case Filing*

U.S. Bankruptcy Court, W.D. Michigan,
Administrative Order 2004-06, *Mandatory
Electronic Case Filing*

State

MCL 552.602(ff)
MCL 552.603(8)
MCL 552.603a
MCL 722.711 to MCL 722.730

SCAO ADM 2017-03
SCAO ADM 2019-01

REVISION HISTORY:

[IV-D Memorandum 2020-008](#)