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GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF HUMAN SERVICES
LANSING

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MICHIGAN IV-D ACTION TRANSMITTAL 2005-052

TO: All Friends of the Court (FOCs)
All Prosecuting Attorneys (PAs)
All Office of Child Support (OCS) Staff

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

DATE: August 15, 2005

SUBJECT: Forms Updated with New Surcharge Language

PURPOSE:

This Action Transmittal (AT) describes a change to seven existing forms that incorrectly state surcharge is assessed at an 8% annual rate. The new forms reflect appropriate surcharge language and will be released into the Michigan Child Support Enforcement System (MiCSES) on August 19, 2005.

BACKGROUND:

Effective January 15, 2004, Michigan Compiled Law (MCL) 552.603a was revised to state:

“For a friend of the court case, as of January 1 and July 1 of each year, a surcharge shall be added to support payments that are past due as of those dates. The surcharge shall be calculated at 6-month intervals at an annual rate of interest equal to 1% plus the average interest rate paid at auctions of 5-year United States treasury notes during the 6 months immediately preceding July 1 and January 1, as certified by the state treasurer.”

OCS policy staff identified seven forms with incorrect surcharge language and sought wording change agreement from program partners (Ref: Attachments 1 - 7).

FORMS REQUIRING CHANGES:

Template Markup Language (TML)

OCS policy staff identified two TML forms requiring changes. The TML forms include:

- FEN338 - *Motion for Order to Liquidate Account(s) and Pay Support Arrears*

- FEN320 - *Financial Institution Notice of Lien and Levy and Disclosure* (FEN320 is a packet of information, which includes FEN321.¹ The FEN321 will be modified within that specific packet.)

Oracle Forms

The remaining five forms are Oracle forms. The Oracle forms include the:

- FEN003 - *Notice of Rights and Responsibilities*²
- FEN062 - *Notice of Arrearage/Enforcement*
- FEN071 - *Notice of Lien*³
- FEN153 - *Tax Administrative Review*
- FEN178 - *Tax Administrative Review Pre-populated*

LANGUAGE CHANGES:

MiCSES project staff removed references to 8% surcharge and added the following updated language:

FEN338, 320, 003: “As required by Michigan law, a surcharge will be added to past-due support.”

FEN062: “Additionally, as required by Michigan law, a surcharge will be added to past-due support.”

FEN071: “As of <date> the obligor owes unpaid support in the amount of <dollar amount>. As required by Michigan law, a surcharge will be added to past-due support.”

FEN153 and 178: “This may be the reason the total of your past-due amount owed has increased or still shows that you owe child support since last year’s tax notice. As required by Michigan law, starting in January 1996, payers who are behind on child support payments have had an additional amount, called surcharge, added to the amount that the payer owes. The surcharge becomes additional support to be paid to the person or agency entitled to the support.”

REPRINTING FORMS:

When reprinting the two TML forms, the TML architecture allows MiCSES to save the former form for regeneration of documents. Forms generated before August 19, 2005, printed with the 8% surcharge rate information. Forms generated after August 19, 2005, will print with the revised surcharge language. Forms originally printed **before** August 19, 2005, and subsequently reprinted **after** August 19, 2005, **will contain** the original

¹ The title of this form is also *Financial Institution Notice of Lien and Levy and Disclosure*.

² When printed from MiCSES, the FEN003 has the following identifier in the footer: “FIA116 (11/02)”. Because of the limited scope of this development effort the footer was not fixed but a Remedy ticket has been requested.

³ The FEN071 is listed in the footer of the form as “EN071”. A Remedy ticket has been entered.

language referencing the existing 8% surcharge rate. This will provide an **accurate** record of the form mailed to the customers.

Conversely, when reprinting the five Oracle forms, the Oracle architecture does not allow MiCSES to use former versions of forms to regenerate documents. Forms generated after August 19, 2005, will print with the revised surcharge language. Forms originally printed before August 19, 2005, and subsequently reprinted after August 19, 2005, **will not contain** the original language referencing the 8% surcharge rate. This will provide an **inaccurate** record of the form mailed to the customer.

Although incorrect surcharge information on reprinted Oracle forms is not ideal, the Joint Application Design (JAD) participants determined this was the best short-term solution. The upcoming Document Generation effort will address this Oracle issue when MiCSES phases out the Oracle form generation platform.

LEGAL REFERENCES: Federal
None

State
MCL 552.603a

POLICY REFERENCE: AT 2004-015, *Legislative Changes to Surcharge*
AT 2004-039, *Surcharge Changes for the Michigan Child Support Enforcement System (MiCSES) 3.3 Release*
AT 2005-036, *Surcharge for the Michigan Child Support Enforcement System (MiCSES) 3.5 Release, Ordered on Arrears MiCSES 3.5 Updates, Allocation & Distribution Changes*
State Court Administrative Office Administrative Memorandum 2004-07, *Changes in Surcharge Law*

AT MAINTENANCE: Retain AT until further notice

EFFECTIVE DATE: Upon receipt

REVIEW PARTICIPANTS: Financials Work Improvement Team
Program Leadership Group
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None

ATTACHMENTS:

Attachment 1 - FEN338 - *Motion for Order to Liquidate Account(s) and Pay Support Arrears*

Attachment 2 - FEN320 - *Financial Institution Notice of Lien and Levy and Disclosure* (FEN320 is a packet of information, which includes FEN321. The FEN321 will be modified within that specific packet.)

Attachment 3 - FEN003 - *Notice of Rights and Responsibilities*

Attachment 4 - FEN062 - *Notice of Arrearage/Enforcement*

Attachment 5 - FEN071 - *Notice of Lien*

Attachment 6 - FEN153 - *Tax Administrative Review*

Attachment 7 - FEN178 - *Tax Administrative Review Pre-populated*

MFS/NF