

DEAR COLLEAGUE LETTER

DCL-06- 16

DATE: May 3, 2006

TO: ALL STATE IV-D DIRECTORS

RE: Implementation of the \$25 Annual Fee in the Deficit Reduction Act of 2005 (DRA)

Dear Colleague:

As you know, the DRA of 2005, Public Law 109-171, was signed by the President on February 8, 2006. We held a meeting in Dallas, Texas on March 14-15 with IV-D directors to discuss the various areas of the Child Support Enforcement program that require changes as a result of the passage of this legislation.

Section 7310 of the DRA of 2005, *Mandatory Fee for Successful Child Support collection for a Family that has Never Received TANF*, amends section 454(6) of the Social Security Act to provide that a State child support plan must provide for the imposition of an annual fee of \$25 in each case in which an individual has never received assistance under a State program funded under title IV-A of the Act and for whom the State has collected at least \$500 of support. In accordance with this section of the DRA of 2005, the statutory State plan amendment is effective October 1, 2006. If State legislation is necessary to amend the State plan to provide for the mandatory \$25 annual fee, the effective date of the statutory provision shall be 3 months after the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of the Deficit Reduction Act of 2005.

There were numerous questions concerning the effective date for this mandatory requirement at the meeting. We continue to get questions concerning the implementation date for the requirement. In order to implement this new requirement, States will be required to submit new State plan amendments setting forth the options and methods that will be used in implementing the \$25 annual fee requirement. In addition, we have determined that the mandatory fee provision can not be implemented until regulations which clarify the implementation and procedures for the collection of the fee are published in final form.

The target date for the publication of the final regulation is October, 2007. New State plan provisions will be provided to the States once the regulations have been finalized

and, based on the effective date of the regulations, States will be informed of the date by which their revised State plan provisions must be submitted.

Questions should be addressed to the appropriate Regional Office.

Sincerely,

Margot Bean
Commissioner
Office of Child Support Enforcement

cc: Regional Program Managers
ACF Regional Administrators
Tribal IV-D Directors