

North Carolina Department of Health and Human Services
Division of Social Services
Child Support Enforcement

Post Office Box 20800, Raleigh, NC 27619-0800 Courier # 55-41-12
Telephone (919) 255-3800

Beverly Eaves Perdue, Governor
Lanier M. Cansler, Secretary

Sherry S. Bradsher, Director

May 25, 2010

Dear County Director of Social Services,

Insurance Match Program

North Carolina is now receiving information concerning individuals owing past-due child support with information maintained by insurers (or their agents) concerning insurance claims, settlements, awards, and payments nationwide. The goal is to identify those individuals who are delinquent in their child support payments before these individuals receive any insurance proceeds.

To streamline the insurance match process and reduce the burden on insurers, OCSE designed, developed and implemented an efficient, cost effective and centralized Insurance Match Program and is providing insurance match data to State CSE agencies.

A report of the matches will be sent to the Insurance Match Coordinator in the Central Office who will compile an excel spreadsheet that will be emailed to local supervisors. The email will come from the following email account: cse.insurancematchcoordinator@dhhs.nc.gov. The report will include agent number, NCP name, DOB, address, insurer organization name and address, contact name, claim type, claim number and if available email account, phone number, fax number, and occupation. Agents will need to review the data and follow-up on the insurance settlement information as appropriate. The CSE Manual has been updated – Chapter P, Section 14. The first report is expected to be sent Thursday, April 1 and will continue to be sent weekly as matches come in.

If you have any questions, please contact Policy and Training Unit @ (919) 255-3800.

Income Withholding Process

Maximum percentages to withhold

N. C. State law (G.S. 110-136.6) allows the employer to withhold specific maximum percentages from an NCP's disposable income to pay towards the ordered current support, arrears frequency amount, medical insurance premiums, \$2.00 processing fee per withholding retained by the employer, and other fees as ordered by the court.

These percentages are:

- **25%** of Unemployment Insurance Benefits (UIB), regardless of the number of support orders;

Mission Statement

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- **40%** of disposable income when withholding for ONE support order;
- **45%** of disposable income when withholding for MULTIPLE support orders and the NCP is providing direct support for a spouse or other dependent children;
- **50%** of disposable income when withholding for MULTIPLE support orders and the NCP is not providing direct support for a spouse or other dependent children; and,

This statute also provides that when there are income withholding orders for child support and alimony or postseparation support payable to the client, the total amount withheld can not exceed the amounts allowed under the **Federal Consumer Credit Protection Act (CCPA)**.

- **50%** of disposable income if the NCP is supporting a current spouse or child;
- **55%** of disposable income if the NCP is supporting a current spouse or child AND the NCP is 12 weeks or more in arrears;
- **60%** of disposable income if the NCP is NOT supporting a current spouse or child; and
- **65%** of disposable income if the NCP is NOT supporting a current spouse or child AND the NCP is 12 weeks or more in arrears.

RE: Withholding from LUMP SUM payments:

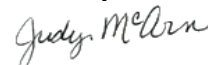
Withholding can be from any type of the NCP's disposable income, including (but not limited to) regular wages, overtime pay, vacation pay, or lump sum payments. **However**, once the payor has withheld the total monthly amount that is indicated on the Income Withholding For Support document (DSS-4702), no further withholding can be required from any additional income (examples: severance pay; longevity pay; etc.) paid to the NCP during that month. CSE must not advise an employer or other payor to withhold more than the required withholding amount or the maximum amount allowed by State law.

For more information, see the CSE Policy & Procedures Manual:

CHAPTER	P	Enforcement
TOPIC	11	Income Withholding
SECTION	B	Income Withholding Policy
ITEMS	16 - 19	Maximum Allowable Percentage

If you have any questions, please contact Policy and Training Unit @ (919) 255-3800.

Sincerely,



Judy McArn
Assistant Chief of Program Operations

CSE-4-2010

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