

Arrearages: What are they?

A GUIDE TO ADDRESSING FREQUENTLY ASKED QUESTIONS



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Where can I get more information?

If you need additional information about your case or services available, contact your CSEA support specialist.

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Website

<http://www.co.summit.oh.us/prosecutor/childsupp.htm>

To obtain a listing of Ohio County Child Support Agencies and phone numbers, please visit:

<http://www.jfs.ohio.gov/county/cntydir.stm>

To view a listing of all States Child Support Agencies and phone numbers, please visit:

<http://ocse.acf.hhs.gov/int/directories/index.cfm?fuseaction=main.extivdlist>

What is a child support arrearage?

An arrearage is delinquent or past due monies owed for support. It is calculated at the end of the month by comparing the amount of child support that was owed during the month with the amount paid for the month. Any excess payments are applied against previously accumulated arrears or applied to the future. Any shortage is added to previously accumulated arrears.

Sometimes, arrearages are accumulated due to a retroactive date in an order. Most times, arrears are accumulated by a failure to pay. If the arrearage is equal or greater than one month of support obligation, the case is delinquent and many enforcement remedies may be utilized upon issuance of a default notice to the Obligor.

What is the current collection activity for the State of Ohio?

As reported by the Federal Office of Child Support for SFY2007:

- Statewide collections in Ohio total \$1,791,957,354.19 in IV-D collections.
- Paternities established total 57,334.
- The total IV-D case total is 983,873 (as of June 30, 2007).
- Approximate amount of IV-D collections distributed to children and families for FFY 2007 totaled \$170,440,784.98.

Why is analysis of arrearages important to consider?

The statistics point to the importance of the economy and other socioeconomic factors that influence the child support program. The importance of enforcement strategies that include employment assistance is implied. The statistics also suggest the importance of setting child support orders at reasonable amounts, especially when income is being imputed.

In addition, the statistics suggest the need to consider arrears forgiveness programs for arrearages owed to the government when an obligor is making current support payments or when other conditions are met.

Traditional and punitive measures of enforcement will always be important, but such measures must be accompanied by good policy, customer service, and public education efforts.

The Summit County CSEA supports continued analysis of arrearages in Ohio's child support cases. The analysis is necessary to gain insight into the composition of the child support debt, develop strategies to collect child support from those able to pay, and to continue to make use of the tools available for enforcement. It is also important for state policies and practices to help prevent the accumulation of large amounts of debt and assist with measures to get the debt paid.

What is known about the amount of arrearages owed to the government, as opposed to the arrearages owed to a parent or caretaker?

Of all arrearages in Ohio, 46% are due to the state of Ohio, rather than to families. Nationally, the government is owed nearly half of all arrearages. When there is an arrearage owed to the government, the obligee has participated in a public assistance program.

Looking at income characteristics for obligors, or those who owe child support in Ohio, what is some information that is known?

In Ohio:

- Obligor making between \$0 and \$10,000 annually owe about 31% of the arrearages.
- Obligor making between \$10,001 and \$20,000 annually owe about 14% of the arrearages.
- Obligor making between \$20,001 and \$40,000 annually owe about 12% of the arrearages.
- Obligor making more than \$40,000 owe about 4% of all arrearages.
- Each state reports wages in a Quarterly Wage File. 39% of the obligors in Ohio have no wage record available in the Quarterly Wage File.
- Obligor reporting an income of less than \$40,000 owe 96% of the state's arrearages.

What is meant by the payment hierarchy in the Support Enforcement Tracking System (SETS)?

SETS adheres to a payment hierarchy, applying payments from the obligor in a specific order. The hierarchy is as follows:

1. Current Support
2. Arrearages owed to a parent or caretaker
3. Arrearages owed to the state
4. Processing charge, the statutorily included fee of 2% of the monthly order

It is important to keep in mind that the processing charge is paid by the obligor. It sometimes does not appear this way in the eyes of the obligee, as the payments will vary based on the hierarchy, even if regular payments are made by the obligor. Questions sometimes do arise when the regular weekly amount varies due to the processing charge being paid.