

Glossary of Child Support Terms for Employers
(from the Federal Office for Child Support Enforcement)

ADMINISTRATIVE PROCEDURE	Method by which support orders are made and enforced by an executive agency rather than by courts and judges.
AID TO FAMILIES WITH DEPENDENT CHILDREN (AFDC)	Former entitlement program that made assistance payments on behalf of children who did not have the financial support of one of their parents by reason of death, disability, or continued absence from the home; known in many states as ADC (Aid to Dependent Children). Replaced with Temporary Assistance for Needy Families (TANF) under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA).
ALLOWABLE DISPOSABLE INCOME (ADI)	The maximum amount available for child support withholding; calculated by applying the Federal Consumer Credit Protection Act (CCPA) limits to the disposable income.
ARREARAGE	Past due, unpaid child support owed by the parent paying support. If the parent has arrearages, s/he is also said to be “in arrears.”
CCD+	One of two standard formats used for electronic transmission (EFT) of child support withholdings.
CTX	One of two standard formats used for electronic transmission (EFT) of child support withholdings.
CCPA	The Federal Consumer Credit Protection Act (CCPA) defined the limit that may be withheld from earnings to satisfy garnishment of child support collections. Regardless of the number of withholding orders that have been served, the maximum that may be withheld for child support is: 50% Has a second family – no arrearage 60% Single – non arrearage 55% Has a second family – 12+ weeks in arrears 65% Single, 12+ weeks in arrears Many states have set their own limits, which is allowable provided they do not exceed the Federal limits. For example, the maximum amount that may be withheld from an employee’s disposable earnings in Texas is 50%.
CSE AGENCY	Child Support Enforcement Agency; may be operated by state or local government according to the Child Support Enforcement Program guidelines as set forth in Title IV-D of the Social Security Act.
CENTRALIZED COLLECTIONS	An updated feature to state child support enforcement agencies payment processing that enables employers to send child support payments they have collected to a single, centralized site in each state. The centralized payment processing site is called the State Disbursement Unit (SDU).
CUSTODIAL PARENT / PARTY	Person with primary care and control over the child; may be parent, other relative, or someone else. Person who receives child support.
DIRECT INCOME WITHHOLDING	Under UIFSA, a state Child Support Enforcement Agency may send an income withholding order directly to the employer in another state even if the employer does not do business in the first state. This remedy is limited to income withholding.
DISPOSABLE EARNINGS	The portion of an employee’s earning remaining after deductions required by law (e.g., taxes) – it is used to determine the amount of an employee’s pay that is subject to a garnishment, attachment, or child support withholding order.
EDI	Electronic Data Interchange; process by which information about an EFT transaction is electronically transmitted with the funds transfer.
ELECTRONIC FUNDS TRANSFER (EFT)	Transfer of money from one bank account to another or to a CSE agency.
ENFORCEMENT	Obtaining payment of a child support or medical support obligation.
FEDERAL PARENT LOCATOR SERVICE (FPLS)	A service operated by the Federal Office of Child Support Enforcement to help the states locate parents in order to obtain child support payments; also used in cases of parental kidnapping related to custody and visitation determinations; FPLS obtains address and employer information from states and Federal agencies.

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GARNISHMENT	A legal proceeding under which part of a person's wages and/or assets is withheld for payment of a debt. The term is usually used to specify that an income or wage withholding is involuntary.
GUIDELINES	A standard method of setting child support obligations based on the income of the parent(s) and other factors as determined by state law.
IMMEDIATE WAGE WITHHOLDING	Automatic deductions from income which start as soon as the agreement for support is established (see wage withholding).
IMPUTED INCOME	Fringe benefits provided to employees that must be counted as additional income subject to taxation but not counted as additional income for calculation of disposable earnings.
INCOME	As defined by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) income is any periodic form of payment to an individual, regardless of source, including wages, salaries, commissions, bonuses, workers' compensation, disability, pension or retirement program payments and interest. All income (except imputed income) is subject to income withholding for child support, pursuant to a child support order, but is protected by Consumer Credit Protection Act limits and state and Federal laws.
IV-D	Title IV-D of the Social Security Act required that each state create a program to locate noncustodial parents, establish paternity and support, enforce support obligations, and collect and distribute support payments. All welfare recipients are referred to their state's IV-D child support program. States must also accept applications from non-welfare families to assist in collection of child support.
MEDICAL SUPPORT	Legal provision for payment of medical and dental bills.
MULTI-STATE EMPLOYER	An organization that hires and employs people in two or more states. The multi-state employer conducts business within each state and the employees are required to pay taxes in the state in which they work. Additional new hire reporting options are available to multi-state employers.
NACHA	National Automated Clearing House Association; the association that establishes the standards, rules and procedures that enable financial institutions to exchange electronic payments on a national basis.
NATIONAL MEDICAL SUPPORT NOTICE (NMSN)	The notice used by the child support enforcement agency to notify the obligor's (or noncustodial parent) employer and health insurance provider of their legal requirement to provide health care coverage for the child(ren), as required in the child support order.
NON IV-D ORDER	A child support order handled by a private attorney as opposed to a state/local child support enforcement (IV-D) agency. Non IV-D orders pre-dating January 1, 1994 may be subject to different disbursement requirements. A non IV-D order may be converted to a IV-D case when the appropriate application and fees (if applicable) for IV-D services are paid by a parent, or when the custodial party begins receiving Title IV-A services for the benefit of the child(ren).
NONCUSTODIAL PARENT	Parent who does not have primary custody of a child. Also referred to as NCP, or obligor. Parent who pays child support.
OBLIGATION	Amount of money to be paid as child support by the responsible parent.
OBLIGEE	The person to whom a debt is owed.
OBLIGOR	The person who owes a debt. In child support, the obligor is the person (noncustodial parent) ordered to pay child support; the child support payment is his/her obligation.
OBRA '93	The Omnibus Budget Reconciliation Act of 1993. This legislation contains major provisions for insurance providers and employers who offer medical coverage for dependent children. It also created Qualified Medical Child Support Orders (QMCSOs), a tool to circumvent ERISA preemption problems.

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OFFSET	Amount of money taken from a parent's state or Federal income tax refund to satisfy a child support debt.
ORDER	Direction of a magistrate, judge, or properly empowered administrative officer.
ORDER/NOTICE TO WITHHOLD CHILD SUPPORT	The standard form to be used by all states to request income withholding for child support. According to the Uniform Interstate Family Support Act (UIFSA), this form may be sent directly from the initiating state to the employer of the parent paying child support in another state.
PATERNITY	Legal determination of fatherhood. Paternity must be established before child or medical support can be ordered.
PRWORA	Personal Responsibility and Work Opportunity Reconciliation Act of 1996 a.k.a. Welfare Reform. This legislation provides a number of requirements for employers, public licensing agencies, and financial institutions, as well as state and Federal child support agencies, to assist in the location of noncustodial parents and the collection of child support.
PUBLIC ASSISTANCE	Money granted from the State/Federal Temporary Assistance for Needy Families (TANF) program to a person or family for living expenses; eligibility based on need.
QMCSO	Qualified Medical Child Support Order; an order, decree or judgment, including approval of a settlement agreement, issued by a court or administrative agency of competent jurisdiction, that provides for medical support for a child of a participant under a group health plan or provides for health benefit coverage to such child.
STATE DISBURSEMENT UNIT (SDU)	The single site for child support payment processing in each state. Upon implementation of centralized collections, each state will designate its State Disbursement Unit, or SDU, to which all withheld child support payments should be sent.
TANF	Temporary Assistance for Needy Families; time-limited assistance payments to poor families. Created by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, the program provides parents with job preparation, work and support services to help them become self-sufficient. TANF replaces the Aid to Families with Dependent Children (AFDC) welfare program.
UIFSA	Uniform Interstate Family Support Act – Legislation that was drafted by the National Conference of Commissioners on Uniform State Laws to revise and replace URESA and RURESAs. The Act provides for sending withholding orders to employers across state lines. PRWORA mandated that all states pass legislation requiring UIFSA to be adopted without modification by January 1, 1998.
WAGE WITHHOLDING	A procedure by which scheduled deductions are automatically made from wages or income to pay some debt such as child support; may be voluntary or involuntary.

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Acronyms

ACF	Administration for Children and Families
AFDC	Aid to Families with Dependent Children
CCD+	Cash Concentration and Disbursement “Plus”
CCPA	Consumer Credit Protection Act
CP	Custodial Parent / Party
CSE	Child Support Enforcement
CTX	Corporate Trade Exchange
EDI	Electronic Data Interchange
EFT	Electronic Funds Transfer
FCR	Federal Case Registry of Child Support Orders
FEIN	Federal Employer Identification Number
FPLS	Federal Parent Locator Service
IV-A	Title IV-A of the Social Security Act
IV-D	Title IV-D of the Social Security Act
NACHA	National Automated Clearing House Association
NCP	Noncustodial Parent
NDNH	National Directory of New Hires
NH	New Hire
NMSN	National Medical Support Notice
OCSE	Federal Office of Child Support Enforcement
PRWORA	Personal Responsibility and Work Opportunity Reconciliation Act of 1996
QW	Quarterly Wage
SDNH	State Directory of New Hires
SDU	State Disbursement Unit
SSN	Social Security Number
SWA	State Workforce Agency (formerly State Employment Security Agency-SESA)
TANF	Temporary Assistance for Needy Families
UI	Unemployment Insurance
URESA	Uniform Reciprocal Enforcement of Support Act