



State of New Jersey

DEPARTMENT OF HUMAN SERVICES
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JON S. CORZINE
Governor

JENNIFER VELEZ
Commissioner

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I want to clarify the details of a newly signed child support law that makes important changes in income thresholds for custodial parents in need of social services. There was a newspaper article recently published that had misinformation and therefore created confusion and tension among families and child support service providers.

The new statute P.L. 2008, c.101 requires the Department of Human Services (DHS) to assess a \$25 annual fee for collection of certain child support payments and authorizes DHS to increase the amount of child support "passed through" to eligible people who are receiving public assistance. The measure, signed this week, was required under the federal Deficit Reduction Act of 2005 (DRA), and is a component of Governor Jon Corzine's anti-poverty agenda.

The pass through provision is a notable accomplishment for New Jersey. It allows some of our welfare clients to retain more of their child support money without risk of becoming ineligible for services. It helps clients of Temporary Assistance for Needy Families (TANF) by allowing an eligible custodial parent with one child to keep the first \$100 of their monthly child support payment while also receiving public assistance.

This change can help families move from public assistance to self-sufficiency. Previously, a TANF family would receive only the first \$50 of child support collections, which was disregarded in determining their eligibility for TANF. Under this new law, the first \$100 received will be passed through to the family and will not affect their eligibility.

Reliable child support is an often overlooked factor in the fight against poverty for children and families. Some custodial parents live in financial distress because of inconsistent child support payments. Their ability to keep more of this money has the potential to make a real difference in how they manage their money each month.

Another provision of the new law requires that states pay to the federal government an annual fee of \$25 in each case in which the custodial parent has never received public assistance, and for which at least \$500 has been collected in a year. Each state was given the authority to determine how to collect that fee; some are charging custodial or non-custodial parents. However, at this point, **New Jersey will be paying the fee out of dedicated funds**, which can only be used for child support purposes, rather than passing it on to either party.

If you have any questions, please do not hesitate to call our [Child Support](#) Hotline within our Division of Family Development at 1-877-NJKIDS-1 (1-877-655-4371).

A handwritten signature in black ink, appearing to read "Jennifer Velez".

Jennifer Velez, Commissioner