



GARNISHING FEDERAL BENEFITS FOR CHILD SUPPORT

Federal Benefit Payments and Child Support

A variety of federal benefit payments deposited into a bank account are protected by statute from garnishment for commercial debts, regardless of whether the benefits are needs- or employment-based. While federal and state case law has held that this broad protection does not extend to garnishments for child support, there are separate statutory protections for SSI benefits which exempt them from garnishment.

Treatment of Supplemental Security Income (SSI)

- SSI benefits are completely exempt from child support income withholding and garnishment by law and regulation, both at the source and once deposited into bank accounts. OCSE issued policy in DCL-00-103, PIQ-09-01, and DCL-13-06 to ensure states understand and comply with the SSI benefit exemptions.
- Accounts that belong to SSI beneficiaries who have representative payees are covered by the same protections against garnishment as accounts held directly by the beneficiary.
- Other types of Social Security benefits such as disability and retirement payments are **not** exempt. Under the Social Security Act, federal benefits that are based on employment are legally available to pay child support.

State Garnishment Practices

OCSE is urging state and tribal child support agencies to implement automated and manual safeguards to ensure that exempt federal benefits are not garnished. Most states limit their use of bank garnishments to ensure that noncustodial parents are not left destitute. OCSE encourages all states to adopt strong policies and procedures in this area.

- Virtually all states have procedures to protect SSI from bank garnishment, and most states have automated safeguards in place to block the garnishment of exempt benefits.
- Out of 52 states, territories, and the District of Columbia:
 - 21 state child support agencies do not take action to freeze a bank account if they are receiving regular support payments through income withholding (including from non-exempt benefits);
 - 19 states use discretion on a case-by-case basis to determine whether to freeze the account; and
 - the remaining states have processes for handling hardship situations or have other provisions in place to ensure some money is left in the account.

Related Statistics

- Approximately 3% of child support debtors receive Supplemental Security Income (SSI) benefits and 5% receive Social Security disability or retirement benefits.
- The majority of noncustodial parents who receive SSI have incomes below \$10,000 a year, while the majority of individuals receiving Social Security disability or retirement benefits have incomes above \$10,000 a year.
- 70% of child support arrears are owed to families; most funds garnished from bank accounts go to families.
- 94% of all child support collections made by the child support program are paid to families, while only 6% are retained by states to reimburse cash assistance benefits.
- In FY 2011, the child support program collected \$27.3 billion, with \$26 billion going to families. For a family with income below the federal poverty level that receives it, child support is 40% of the family's income on average.

Further Guidance

- OCSE's Dear Colleague letter: [DCL-13-06](#)
- Guidance from the Department of Treasury:
www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title31/31cfr212_main_02.tpl