

**137-055-6021**

**Allocation, Distribution, and Disbursement: General Provisions**

(1) The Department of Justice will disburse support payments within two business days after receipt if sufficient information identifying the payee is provided, except:

(a) Support payments received as a result of tax refund intercepts will be allocated, and, as appropriate, distributed and disbursed within 30 calendar days of receipt or, if applicable, within 15 calendar days of an administrative review or hearing. If the state is notified by the Secretary of the U.S. Treasury (the Secretary) or the Oregon Department of Revenue that an offset on a non-assistance case is from a refund based on a joint return, distribution or disbursement may be delayed, up to a maximum of six months, until notified by the Secretary or the Department of Revenue that the obligor's spouse has been paid their share of the refund;

(b) Support payments received from a garnishment will be disbursed as provided in OAR 137-055-4520;

(c) Support payments for future support will be distributed and, as appropriate, disbursed as provided in section (14) of this rule;

(d) Support payments for less than five dollars:

(A) May be delayed until a future payment is received which increases the payment amount due the family to at least five dollars; or

(B) Will be retained by the Department if case circumstances are such that there is no possibility of a future payment, unless the obligee:

(i) Has direct deposit;

(ii) Receives ReliaCard payments; or

(iii) Requests issuance of a check, if the obligee does not have direct deposit or has an exemption from receiving ReliaCard payments.

(e) When an obligor contests an order to withhold, funds will be disbursed pursuant to OAR 137-055-4160(5).

(2) Except as provided in OAR 137-055-6260, the Department will distribute support payments received on behalf of a family who has never received assistance to the family, first toward current support, then toward support arrears, not to exceed the amount of arrears.

(3)(a) The Department may send support payments designated for the obligee to another person or entity caring for the child or children if physical custody has changed from the obligee to the other person or entity; however, prior to doing so, the Department will require a notarized statement of authorization from the obligee or a court order requiring such disbursement.

(b) The Department will redirect payments for the child who qualifies as a child attending school under ORS 107.108 and OAR 137-055-5110 only in accordance with OAR 137-055-5110.

(4) Collections applied to current support will be distributed in the following priority: first to current child support, second to current medical support, and third to current spousal support. If a court order requires payment of "family support," collections applied to current support will be distributed first to current child support and second to current medical support.

(5) When a case converted from the Child Support Enforcement Automated System (CSEAS) to the Origin child support automated system, any combined child and spousal support arrears were converted by dividing the existing arrears into separate accounts based on the ratio of the current support obligation for both categories. When there was only child support or only spousal support accruing as current support at the time of conversion, this division was as follows:

(a) If there was only a current child support obligation at the time of conversion, then child and spousal arrears were converted as child support arrears.

(b) If there was only a current spousal support obligation at the time of conversion, then child and spousal arrears were converted as spousal support arrears.

(6) Upon request of a party asserting that the conversion division between child and spousal arrears is inaccurate, the administrator will perform an audit and if appropriate adjust the converted balances.

(7) For Oregon support orders or modifications, a prorated share (unless otherwise ordered) of current child or medical support payments received within the month due or an equal share of arrears payments, will be disbursed directly to the child who qualifies as a child attending school under ORS 107.108 and OAR 137-055-5110.

(8) Any payment received on arrears will be disbursed in prorated shares, based on the proportionate share of each support obligation in relation to the total amount owed.

(9) If the obligor has a current support obligation for multiple children on a single case, those children have different assistance statuses and the order does not indicate a specified amount per child, current support payments will be prorated based upon the number of children and their assistance status. Support payments in excess of current

support for these cases will be distributed and, as appropriate, disbursed as provided in OAR 137-055-6022.

(10) Unless a federal tax refund intercept collection is disbursed to assigned support, the Department will retain the fee charged by the Secretary. Despite the fee, the Department will credit the obligor's case for the full amount of the collection and reduce the arrears balance owed to the obligee. If the collection is disbursed to assigned support, the Department will pay the fee.

(11) Unless a state tax refund intercept collection is disbursed to assigned support, the Department will retain the fee charged by the Department of Revenue. Despite the fee, the Department will credit the obligor's case for the full amount of the collection and reduce the arrears balance owed to the obligee. If the collection is disbursed to assigned support, the Department will pay the fee.

(12) Within each arrears type in the sequence of payment distribution and disbursement in OAR 137-055-6022, 137-055-6023 or 137-055-6024, the Department will apply the support payment to the oldest debt in each arrears type.

(13) Any excess funds remaining after arrears are paid in full will be processed as provided in OAR 137-055-6260.

(14) The Department will distribute and, as appropriate, disburse support payments representing future support on a monthly basis when each such payment actually becomes due. No amounts may be applied to future months unless current support and all arrears have been paid in full, except that if a collection from income withholding was remitted in the amount requested, the Department may either disburse the amount or hold it, even if the amount exceeds arrears owed at the time the payment was received.

Stat. Auth.: ORS 25.020, 25.610, 180.345

Stats. Implemented: ORS 18.645, 25.020, 25.610

Effective: August 7, 2020