

\$25 Federal Collection Fee

The **Federal Budget Deficit Reduction Act (BDRA)** of 2005 requires each state to pay a \$25 fee on each case that receives over \$500 in child support collections within a federal fiscal year. Effective October 1, 2007, Child Support Services began charging the \$25 fee to the parent who is court ordered to pay support. This fee is charged on each of the parent's cases that qualify.

Below is a list of questions and answers to help explain how this collection fee is assessed and collected.

Q. What authority do you have to take this fee?

A. The federal rule for this fee is contained in the Budget Deficit Reduction Act 2005 as amended under sections 454 (6) (b) of the Social Security Act, codified at 42 United States code 654 (6) (b) and the Idaho State Administrative Rule 16.03.03.304.05.

Q. Why are you charging the fee?

A. This is a federal requirement for all States to pay this fee on all qualifying cases. A \$25 collection fee is being charged by the federal government one time each year, every year for every case that receives at least \$500 in payments. This fee is charged by the federal government to help with the deficit in their child support budget.

Q. What if I have more than one case?

A. The fee will be charged on each case with different children that you pay \$500 in support. If you have more than one case for the same child, you will only be charged the fee on one of the cases.

Q. Do I have to pay the \$25 on each payment that I make?

A. No. The fee will only be charged one time each year, and will only be charged when you have paid a total of \$500.00. Each payment you pay will be counted and when the total you have paid equals \$500 the fee will be charged.

Q. How often will I have to pay the fee?

A. Once every federal fiscal year (if the total payments equal or exceed \$500). A federal fiscal year is from October 1st to September 30th of each year.

Q. Why doesn't the Custodial Parent (CP) have to pay the fee?

A. The State of Idaho determined the fee will be charged to the parent who is ordered to pay child support. This is a collection fee charged by the federal government and will need to be paid by the person paying support.

Q. How does the fee get paid?

A. The \$25.00 will be charged on the first payment after the total you have paid exceeds \$500.00. For example: If you pay \$300.00 in 10/07 the full \$300 will be sent to the custodial parent (CP). If you pay another \$300.00 in the same year, the fee will be charged. That doesn't mean that the CP will not receive the full \$300 payment. If you owe child support arrears, those arrears will be paid first. The fee debt will not have a payment applied to it until all other child support debts are paid.

Q. I live in another state and that state is also collecting the fee, why?

A. If you live in another state and Idaho is sending the payments through the state you live in, Idaho will not charge the fee. The Child Support agency in the state where you live will be responsible for collecting the fee.

Q. Can I pay the fee up front by check or by an online payment?

A. Yes. You do not have to wait until it is pulled from any other payment.

Q. Will the \$25 be taken out of support owed to me?

A. No. Child Support owed to you will be paid first. The fee will not be paid until all other child support debts are paid within the same month.