

# House Research Act Summary

**CHAPTER:** 118

**SESSION:** 2007 Regular Session

**TOPIC:** Child support

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## Overview

This act makes technical corrections to the child support law, allows modifications of child support based on a child's country of residence, and decreases the percent of interest charged on child support arrears.

### Section

- 1** **Contents.** Amends § 518.68, subd. 2. Adds to the notice form sent to all parties that the public authority may remove or resume the medical support offset under specific circumstances; that the public authority may suspend or resume interest on child support judgments under specific circumstances; and that only the basic support obligation is subject to the cost of living adjustment.
- 2** **Providing income information.** Amends § 518A.28. Instructs the state court administrator to prepare a financial affidavit form that parties may use to disclose financial information. Allows the parties to provide financial information on a substantially similar affidavit form. Current law provides that the commissioner of human services is responsible for preparing this form and that the form must be used by the parties.
- 3** **General.** Amends § 518A.32, subd. 1. Clarifies that potential income applies to orders for past support or reimbursement of the public authority.
- 4** **Parent not considered voluntarily unemployed, underemployed, or employed on a less than full-time basis.** Amends § 518A.32, subd. 3, including the headnote. Clarifies that potential income applies to parents employed on a less than full-time basis. Adds that a parent is not considered voluntarily unemployed, underemployed, or employed on a less than full-time basis due to a verified disability or due to incarceration, except when

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incarceration is due to nonpayment of support. This section is made effective retroactively to January 1, 2007.

- 5 **Caretaker.** Amends § 518A.32, subd. 5. Clarifies that potential income applies to parents employed on a less than full-time basis.
- 6 **Economic conditions.** Amends § 518A.32, subd. 6. Clarifies that potential income applies to parents employed on a less than full-time basis.
- 7 **Modification.** Amends § 518A.39, subd. 2.
- Adds a factor when determining whether an order is unreasonable and unfair: a change in the availability of appropriate health care coverage or a substantial increase or decrease in health care costs.
  - Adds a factor to consider when determining whether there has been a substantial change in circumstances: a deviation in support was granted because the child has been a resident of a foreign country for a year, and the child no longer resides in the foreign country or the factor is no longer applicable.
- 8 **Child care costs.** Amends § 518A.40, subd. 1. Specifies that the child care costs are the total amount received by the child care provider from the obligee and any public agency.
- 9 **Change in child care.** Amends § 518A.40, subd. 4. Provides clarification regarding when the public authority can suspend or resume collecting child care support. Specifies that the public authority must verify the accuracy of the information about the change of child care expenses with the obligee.
- 10 **Definitions.** Amends § 518A.41, subd. 1. Provides in the definition of health care coverage that this means medical, dental, or other health care benefits provided by one or more health plans. Clarifies that a person eligible to carry insurance may include a party's spouse or parent.
- 11 **Order.** Amends § 518A.41, subd. 2. Adds that any child support order must state how unreimbursed or uninsured medical expenses will be allocated between the parents.
- 12 **Determining appropriate health care coverage.** Amends § 518A.41, subd. 3. Instructs the court to consider the comprehensiveness of a parent's health care coverage by considering what benefits are included in the coverage.
- 13 **Ordering health care coverage.** Amends § 518A.41, subd. 4.
- Provides that if a child is receiving public coverage, the amount of the noncustodial parent's contribution toward that coverage is determined by applying the noncustodial parent's parental income for child support (PICS) to the premium table for public coverage. If the noncustodial parent's PICS exceeds the eligibility requirements, then the contribution is the amount of the premium for the highest eligible income on the premium schedule.
  - Adds that if a child does not have dental coverage, the court may order a parent that has dental coverage available to cover the child.
  - Adds that if a child has only medical and dental coverage, the court may determine whether other health care coverage is appropriate, and order the parent with that

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coverage available to cover the child.

- 14 Medical support costs; unreimbursed and uninsured medical expenses.** Amends § 518A.41, subd. 5. Specifies that medical support is not subject to a cost of living adjustment.
- 15 Spousal or former spousal coverage.** Amends § 518A.41, subd. 12. Adds clarifying language.
- 16 Enforcement.** Amends § 518A.41, subd. 15. Changes "health and dental insurance" to "health care coverage."
- 17 Offset.** Amends § 518A.41, subd. 16. Allows the medical support offset against spousal maintenance payments. Clarifies the public authority's responsibilities and procedures in removing or resuming an offset.
- 18 General factors.** Amends § 518A.43, subd. 1. Adds that a deviation in child support may be allowed if a child has resided in a foreign country for more than one year, and that country has a higher or lower cost of living than this country.
- 19 Result of hearing.** Amends § 518A.75, subd. 3. Provides clarifying language that the cost of living adjustment applies to basic support.
- 20 Child support judgment by operation of law.** Amends § 548.091, subd. 1a.
- Provides that the interest rate on the unpaid amount of child support is the rate as defined in section 549.09, subdivision 1, not to exceed 18 percent. Current law sets the interest rate 2 percent higher than the rate defined in section 549.09, subdivision 1.
  - States that the public authority must stop charging interest when the obligor makes the request to stop charging interest; the public authority provides full IV-D child support services; and the obligor, through the public authority, has made 12 consecutive months of complete and timely support payments including current support and arrears.
  - Allows the public authority to resume collecting interest if the obligor ceases making complete and timely payments.
  - Provides the procedures the public authority must follow in giving notice and responding to a party who contests its decision to terminate or resume collection of interest payments.

**Effective date.** This section is effective January 1, 2008.