

**CALIFORNIA DEPARTMENT OF CHILD SUPPORT SERVICES**

P.O. Box 419064, Rancho Cordova, CA 95741-9064



April 27, 2009

EBLAST

TO: IV-D DIRECTORS

SUBJECT: DIRECT INCOME WITHHOLDING OF UNEMPLOYMENT BENEFITS PAID  
BY EMPLOYMENT AGENCIES OUTSIDE CALIFORNIA

On April 15, 2009, the Rhode Island Office of Child Support Services announced that Rhode Island's Department of Labor and Training will no longer honor direct income withholding orders from other states for unemployment compensation benefits due to the volume of such requests and a decrease in staff resources.

The Department of Child Support Services (DCSS) also advises that California's Employment Development Department does not accept direct income withholding orders from other states. DCSS garnishes unemployment compensation benefits through an electronic interface as authorized under Family Code section 17518.

However, the Office of Child Support Enforcement [45 Code of Federal Regulations section 302.65(b); PIQ-99-04] authorizes direct withholding of unemployment compensation benefits provided that the following conditions are met:

1. The State's Employment Agency must be defined as an "employer" under the State's statutory enactment of the Uniform Interstate Family Support Act; **and**
2. The State or local agency must reimburse the other State's Employment Agency for any costs associated with processing the income withholding order. Such a fee agreement must be in place before the income withholding order is submitted to the Employment Agency.

DCSS does not have any fee agreements for direct withholding of unemployment compensation benefits. In the absence of a fee agreement, a request for income withholding must be submitted to the other state's IV-D Agency; if that state's Employment Agency allows direct income withholding.

If the Employment Agency does not allow direct income withholding a Uniform Interstate Support Act transmittal must be sent as required by the other state's IV-D Agency. If you have any questions or concerns regarding this matter, please contact Rick Bermudez at (916) 464-5883.