

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action: Do Pass

Vote: 9 - 0 - 1

Yeas: Garrett, Hicks, Nolan, Schaufler, Tomei, Wand, Whisnant, Barker, Krieger

Nays: 0

Exc.: Olson

Prepared By: Bill Taylor, Counsel

Meeting Dates: 5/19

WHAT THE MEASURE DOES: Removes the cap on child support arrearages based on the applicable federal minimum hourly wage standard so that the amount withheld each month is an amount equal to the last ordered monthly support order. Stipulates that if there is no ordered monthly support order, then an amount withheld is equal to the arrearages amount. Stipulates if there is neither, then the amount withheld is calculated based on a statutory formula. Removes the 15 percent cap for collection of arrearages from unemployment benefits and increases the cap to 50 percent from the current 25 percent for the collection of arrearages from lump sum payments. States that the exemptions from execution on a Public Employee Retirement System (PERS) pension apply to 50 percent of the amount paid rather than 75 percent. Limits the amount that can be withheld when the withholding is from: (1) Social Security disability benefits; (2) black lung benefits; or, (3) veterans disability benefits. Limits the amount that can be withheld for arrearages if the person has an obligation to pay current child support or is unable to meet basic needs. Defines basic needs. Applies to actions to enforce support orders after the effective date of the measure.

ISSUES DISCUSSED:

- Who receives the money
- Reaching lump sum payments such as lottery winnings

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: The State of Oregon has the responsibility for collecting child support from parents subject to an order to pay child support. Currently, the obligor must be left with a monthly post-tax income of at least \$1,160 a month. If the parent is receiving unemployment, then only 15 percent of the benefit paid or an amount equal to the monthly obligation, whichever is less, may be collected. If the parent receives a lump sum payment for an insurance settlement or lottery winnings, only 25 percent of that lump sum can be used to pay arrearages. This is considerably more generous than most other states and results in Oregon having a very poor record in collecting past-due child support.