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TESTIMONY ON SENATE BILL 1505

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Presented by:

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The Oregon Child Support Program mission is to enhance the well-being of children by providing child support services to families. We establish and enforce child support orders for more than 250,000 families. We are concerned that SB 1505 has the possibility of affecting the consideration of income in determining an appropriate child support order. Although this bill appears to only involve the treatment of income for the purpose of spousal support actions, this change could lead to similar proposals regarding child support calculations. Such a change would result in lower child support awards, and could result in a failure to meet the basic needs of children of parents who receive Veterans benefits.

The question of whether Veterans benefits should be considered in setting support awards was thoroughly considered in *Rose v. Rose*, 481 US 619 (1987). The United States Supreme Court found no impediment in a state's use of Veterans benefits as a source of income in setting child support awards. The Court found that Veterans benefits were intended as source of support for the Veteran and their family, thus consideration of such benefits as income for setting family support awards, was not prohibited. Including Veterans benefits in child support calculations is the practice in the majority of the states.

Although SB 1505 is solely concerned with spousal support, the statutory scheme uses a common definition of income for both types of support:

25.010 Definitions for support enforcement laws. As used in ORS chapters 25, 107, 109 and 416 and any other statutes providing for support payments or support enforcement procedures, unless the context requires otherwise:

(7) "Income" is any monetary obligation in excess of \$4.99 after the fee described in ORS 25.414 (6) has been deducted that is in the possession of a third party owed to an obligor and includes but is not limited to:

- (a) Compensation paid or payable for personal services whether denominated as wages, salary, commission, bonus or otherwise
- (b) Periodic payments pursuant to a pension or retirement program
- (c) Cash dividends arising from stocks, bonds or mutual funds;
- (d) Interest payments;
- (e) Periodic payments from a trust account;
- (f) Any program or contract to provide substitute wages during times of unemployment or disability;
- (g) Any payment pursuant to ORS chapter 657; or
- (h) Amounts payable to independent contractors.

This definition is very broad, encompassing most sources of income, including Veterans benefits. We use a similar definition in our calculations to establish and modify child support, as required by the Child Support Guidelines, which apply to all Oregon child support orders, pursuant to ORS 25.275. Consideration of all income sources for each parent allows children to share parental resources to the maximum extent. This comports with ORS 25.25.275(2)(a) and (b):

- (a) The child is entitled to benefit from the income of both parents to the same extent that the child would have benefited had the family unit remained intact or if there had been an intact family unit consisting of both parents and the child.
- (b) Both parents should share in the costs of supporting the child in the same proportion as each parent's income bears to the combined income of both parents.

We would ask that consideration of SB 1505 carefully guard against influencing the income definition for determining child support, to serve the best interests of children.

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