



# LEGISLATIVE PROPOSALS TO MODERNIZE THE CHILD SUPPORT PROGRAM

Revised And Approved by NCSEA Board of Directors

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## Table of Contents

Introduction .....	3
I. End Retained Child Support Collections for TANF Cases .....	4
A. 100 Percent Family Distribution in Current TANF Cases .....	4
B. 100 Percent Family Distribution in Former TANF Cases .....	5
C. Funding Considerations for Full Family Distribution Proposals .....	5
II. Enhance Enforcement Measures .....	6
A. Strengthen Income Withholding .....	6
B. Federal Mandates .....	7
C. State Mandates .....	7
III. Increase Intergovernmental Case Processing Effectiveness .....	8
A. Intergovernmental Income Withholding to Unemployment Agencies .....	8
B. Employer Reporting to NDNH .....	8
IV. Update and Strengthen Federal Performance Measures .....	10
A. Paternity Establishment .....	10
B. Support Order Establishment .....	11
C. Collections on Current Support .....	12
D. Collections on Child Support Arrearages .....	12
E. Cost Effectiveness .....	12
V. Expand Employment and Fatherhood Services and Assistance for Parenting Time Agreements .....	14
A. Employment and Related Services as Allowable Use of Program Funding .....	14
B. Improving Noncustodial Parent Access to WIOA Workforce Programs .....	15
C. Assistance with Parenting Time Orders as Allowable Use of Program Funding .....	15
D. Updated Support for Access and Visitation Programs .....	15
VI. Strengthen the Funding Base for the Child Support Program .....	17
A. Increase Incentive Pool .....	17
B. Expand Allowable Program Expenditures Eligible for FFP .....	17



C. Address Appropriate Funding for Parental Engagement Programs .....	18
D. Allow States Flexibility to Determine Appropriateness of Charging Fees .....	18
APPENDIX: PROPOSED PERFORMANCE MEASURES TABLES .....	19
Table A-1: Paternity Establishment Percentages.....	20
Table A-2: Support Order Percentages .....	21
Table A-3: Collections on Current Support Percentages .....	22
Table A-4: Collections on Arrearages Percentages .....	23
Table A-5: Cost Effectiveness Percentages .....	24



## Introduction

The National Child Support Engagement Association (NCSEA) is taking the historic step of proposing a package of legislative changes to modernize the Title IV-D Child Support Enforcement Program (program). This package is intended to further bolster the effectiveness of a program that has become an outsized component of the safety net for one-parent households. While Congress has enacted various pieces of legislation through the years to strengthen the program, there has been no comprehensive update to the program since enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA).

This document presents a summary of proposed legislative changes. A companion document provides the rationale for each of the proposed changes.

In response to an initial round of comments, the original legislative proposal was modified by the NCSEA Board of Directors on April 18, 2024, and again on December 2, 2024.



## I. End Retained Child Support Collections for TANF Cases

In this section, NCSEA proposes two legislative changes. The first ends retained child support collections for all current recipients of cash assistance under the Temporary Assistance for Needy Families (TANF) program and distributes the collections to recipient families. The second ends recoupment of TANF benefits for all former recipients of TANF and distributes them to families. These changes are intended to increase self-sufficiency of one-parent families and streamline administration of the child support program.

### A. 100 Percent Family Distribution in Current TANF Cases

Current law requires states to retain at least a portion of child support payments made to TANF and Title IV-E foster care recipients. These retained payments are then shared between the state and federal governments to recover TANF and Title IV-E benefits previously provided to families rather than paying child support directly to the households. NCSEA proposes disbursing all child support collected directly to the family while the family receives TANF assistance. The child support disbursed to the family would be disregarded for the purposes of determining the type and amount of assistance. This would ensure all child support collected while on TANF would be paid to those families.

#### **We propose amending:**

- 42 U.S.C. § 608(a)(3) to end the requirement for TANF families to assign to the government child support owed to the family as a condition of receiving assistance;
- 42 U.S.C. § 657(a)(1) to require states to disburse all child support collections to families currently receiving assistance, including collections previously assigned;
- 42 U.S.C. § 657(a)(6) to require the distribution of all previously assigned support directly to families with no requirement to pay to the federal government the federal share of the collection; and
- 42 U.S.C. § 654(34) to end the option to distribute federal income tax refund offsets according to 42 U.S.C. § 657(a)(2)(B) as in effect prior to the enactment of the Deficit Reduction Act of 2005.



## B. 100 Percent Family Distribution in Former TANF Cases

NCSEA proposes similar changes to former recipients of TANF. For any child support collected after a family ceases to receive TANF assistance, the state will disburse the collections directly to the family.

### **We propose amending:**

- 42 U.S.C. § 657(a)(2) to require states to disburse all child support collections to former assistance families; and
- 42 U.S.C. § 657(a) to add a new subsection to require the distribution of all previously assigned support collected in former assistance cases with no requirement to pay to the federal government the federal share of the collection.

**Note:** There is currently no requirement to repay the federal share for states opting to distribute any amount of assigned support collections to former TANF recipients so this would not be a change in policy.

## C. Funding Considerations for Full Family Distribution Proposals

Because many states rely on retained collections from current and former TANF cases to help fund their child support programs, the recommendations to end retained collections is conditioned on the provision of adequate backfill funding. Please see *Section VI. Strengthen the Funding Base of the Child Support Program* for our specific recommendations, which includes our backfill funding discussion.



## II. Enhance Enforcement Measures

NCSEA is committed to increasing child support collections owed to families and children. To achieve this outcome, it is necessary to continuously improve and expand the collection tools available to the child support program enabling it to successfully collect support in cases in which traditional enforcement mechanisms have proven ineffective. The recommendations below reflect: 1) changes in the economy, such as the increase in gig workers; 2) improvements in enforcement mechanisms identified in the ongoing administration of the program; and 3) in the case of unemployment insurance, the need for better coordination with out-of-state agencies that became more compelling during the pandemic.

NCSEA recognizes there remains much room for improvement in child support collections. Except for income withholding, most child support collection actions vary from state to state, both in terms of the processes state laws require and the timing when collection actions are permitted. In addition, the inclination of state legislatures to add or expand existing enforcement tools is often constrained by the competitive disadvantage to certain segments of the business community if the new or expanded enforcement tool is not implemented on a nationwide basis.

The following new or improved tools would increase collections and provide a more efficient and effective child support program.

### A. Strengthen Income Withholding

**New Hire — Independent Contractor.** Amend 42 U.S.C. § 653a to require employers to report information, including names and social security numbers, to the State Directory of New Hires for newly hired individuals who meet the following definition of “independent contractor,” namely:

- An individual, or an individual within a partnership, who receives \$600 or more income during the tax year for work completed in the course of the individual’s trade or business;
- who is not treated as an employee within the meaning of “employee” in chapter 24 of the Internal Revenue Code of 1986; and
- has completed and submitted a W-9 to the employer and is receiving income from the employer that is reportable on a 1099-NEC, 1099-K, or similar form.



## B. Federal Mandates

**Lump-Sum Employer Match.** Create a national process for employer reporting of lump-sum payments to employees who are currently subject to income withholding. Authorize the federal Office of Child Support Services (OCSS) to provide a single point of contact for employers to report lump-sum payments in lieu of reporting to each state in which the employer does business. OCSS would share the results of any match with the employer and with any state that has a child support case involving the employee receiving the lump sum.

**IRS – Fraudulent Tax Refunds.** Prohibit the IRS from holding states liable for fraudulent tax returns and refunds that are later reversed by the IRS.

**Liens – Other State.** Require full faith and credit for lien and levy notices and require OCSS to send lien and levy notices to banks at state request. Currently a state child support agency must request that the corresponding state child support agency send the notice to the bank.

## C. State Mandates

**Insurance Claims.** Mandate states enact laws requiring insurance companies to report pending insurance claims, including the claimant's Social Security number.

**Gambling – Report & Intercept.** Mandate states enact laws requiring the reporting and intercept of gambling proceeds in excess of an amount set by OCSS. This includes on-line and sports betting.

**Motor Vehicle Registration.** Mandate states enact laws requiring a Social Security number or other identifier in order to register a motor vehicle. This would support a suspension process that may be even more effective than suspending a driver license.





### III. Increase Intergovernmental Case Processing Effectiveness

When parents live in different states or countries, or one parent lives on tribal land, establishing and collecting child support can be difficult for many reasons. These include varying state laws, processes and procedures, as well as communication issues between and among child support agencies in different states. Child support agencies often need to work together to assist families across these boundary lines. These cases are called “intergovernmental cases.”

The following proposals are designed to increase the efficiency of intergovernmental case processing by streamlining communication and standardizing certain aspects of the program.

#### A. Intergovernmental Income Withholding to Unemployment Agencies

To be comprehensive and uniform, federal legislation must mandate the occurrence of certain enforcement actions, including withholding of unemployment income, in every state. While the Uniform Interstate Family Support Act (UIFSA) mandated employers comply with income withholding orders issued by any state and to treat that order as if it were issued by a tribunal in the employer’s state, not all states have recognized that authority to extend to state unemployment agencies. This lack of uniformity creates disparate results for families when the child support obligor receives unemployment income that may or may not be subject to withholding for child support based solely on the obligor’s state of residence.

##### **We propose amending:**

42 U.S.C. § 666(b) to add a new subsection (12) to require state unemployment agencies honor other state’s child support income withholding orders for unemployment insurance benefits to the same extent they honor intrastate orders for child support and spousal support.

#### B. Employer Reporting to NDNH

In accordance with 42 U.S.C. § 653a, each state is required to have a State Directory of New Hires (SDNH), and every employer is required to report the hiring of a new employee to that state’s directory. The SDNHs share their data with the National Directory of New Hires (NDNH), which, in turn, shares this data back out to all states. Multi-state employers are permitted to select one state in which they do business to report all new employees, regardless of the employees’ state of employment. However, employers have reported a desire to report to one



national database rather than a state database. In addition, reporting directly to the NDNH will expedite the sharing of the new hire information to all other states, thereby streamlining the process and accelerating the receipt of support.

**We propose amending:**

42 U.S.C. § 653a(b)(B) to provide the option for employers to report new hires directly to the NDNH, thereby bypassing SDNH reporting and expediting the process.



## IV. Update and Strengthen Federal Performance Measures

NCSEA recommends a major update to the five federal performance measures, which have guided incentives for the program since enactment of the Child Support Performance and Incentives Act of 1998 (CSPIA). These recommendations reflect the dramatically improved performance of the program, as well as the program’s commitment to reset the performance bar in exchange for increased funding support.

NCSEA recommends the following:

- Adjust the performance levels for all five measures at which a state starts to earn incentives and maximize its incentives
- Change measures for paternity establishment and arrears collection intended to remedy perceived shortcomings in the current formulations
- Repeal the existing paternity establishment penalty
- Grant rulemaking authority to OCSS, in consultation with the states, to readjust the incentive performance levels for each measure in the future, as needed. This authority would not include authority to alter the measures themselves.

No change is recommended in the weights of the five performance measures (full weight for three measures, 75 percent weight for arrears collection and cost effectiveness).

To the extent possible, NCSEA’s recommendations for the new paternity and arrears measures rely on existing lines on OCSS’s Child Support Enforcement Annual Data Reports (OCSS-157) because those lines are already well-defined, programmed into state computer systems, and audited by OCSS. States would be given two years to implement the revised performance measures to allow time for required system changes.

### A. Paternity Establishment

NCSEA recommends adoption of a simplified “same-year” IV-D or statewide paternity establishment measure.

The new proposed IV-D PEP measure would rely on existing OCSS-157 data except for one change in line 6:



Children in IV-D cases open during or at the End of the  
Fiscal Year with Paternity Established or Acknowledged  
Children in IV-D cases open during or at the End of the Current Federal Fiscal  
Year who were Born Out of Wedlock

See form OCSS-157 lines 5 and 6 (with change as noted). States would be required to use consistent methods for counting children in the numerator or denominator: i.e. count cases open either during or at the end of the fiscal year.

The new proposed statewide PEP measure would rely on existing OCSS-157 data:

Children in the State with Paternity Established or  
Acknowledged during the Fiscal Year  
Children in the State Born out of Wedlock  
during the Fiscal Year

See form OCSS-157 lines 8 and 9.

This proposal is intended to improve on the current measure by:

- Simplifying the measure by removing the two-year lookback, which can contribute to percentages in excess of 100 percent and is difficult to explain to stakeholders.
- Further rationalizing the IV-D PEP measure by including cases with non-marital children open at any time during the year in the denominator, which precludes the chance of the PEP exceeding 100 percent.
- Strengthening the incentive effect of the measure by raising the minimum level at which states earn incentive payments and raising the maximum, which rewards higher levels of performance.

NCSEA proposes to change the applicable percentage for paternity establishment performance levels as shown in Table A-1 in the Appendix.

## B. Support Order Establishment

NCSEA recommends maintaining the current measurement for support order establishment but updating the table of support order establishment percentage levels as shown in Table A-2 in the Appendix.



## C. Collections on Current Support

NCSEA recommends maintaining the current measurement for collection on current support but updating the table of percentages as shown in Table A-3 in the Appendix.

## D. Collections on Child Support Arrearages

NCSEA recommends replacing the current measure for collecting child support arrears with the following new proposed measure:

$$\frac{\text{Total amount of Support Distributed as Current Support During the Fiscal Year} + \text{Total amount of Support Distributed as Arrears during the Fiscal Year}}{\text{Total amount of Current Support Due for the Fiscal Year}}$$

[See form OCSS-157 lines 24-25, 27]. In practical terms, this measure incentivizes states to reduce the statewide IV-D arrears total by collecting more in arrears than the amount of current support that is not collected in the month when due (“new arrears”). Using the new measure, a percentage larger than 100 percent is possible if the state is successful in reducing its overall arrears (i.e., collecting more total arrears than new arrears accruing during the year).

This proposal is intended to improve the current measure by:

- Measuring total arrears collection rather than the number of cases in which there is some collection toward arrears, even if minimal
- Applying a proportionate approach, which levels the playing field between states which establish larger orders on average and states with smaller average orders
- Strengthening the incentive in the measure by raising the minimum and maximum levels at which incentives are earned

NCSEA proposes to change the applicable percentage for performance level as shown in Table A-4 in the Appendix.

## E. Cost Effectiveness

NCSEA recommends maintaining the current measurement for cost effectiveness but updating the table of percentages as shown in Table A-5 of the Appendix.



NCSEA supports removing system modernization costs from the measure when they are incurred, but if the costs are retained in the measure, the costs should be amortized across ten years or alternatively the period of time used in the state’s Advanced Planning Document.<sup>1</sup>

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<sup>1</sup> NCSEA previously adopted a resolution recommending the costs associated with system modernization be excluded from the cost effectiveness measure. [https://www.ncsea.org/wp-content/uploads/2020/09/Resolution-Supporting-Removal-of-the-Systems-Modernization-Disincentive-from-the-Cost-Effectiveness-Performance-Measure\\_2020.pdf](https://www.ncsea.org/wp-content/uploads/2020/09/Resolution-Supporting-Removal-of-the-Systems-Modernization-Disincentive-from-the-Cost-Effectiveness-Performance-Measure_2020.pdf).



## V. Expand Employment and Fatherhood Services and Assistance for Parenting Time Agreements

NCSEA proposes broadened use of program funds to: 1) assist underemployed and unemployed noncustodial parents to increase their earnings capacity and pay child support; and 2) assist parents in reaching parenting time agreements to foster involvement of both parents in their children's upbringing, with suitable safeguards to prevent domestic violence. To further bolster employment potential of noncustodial parents, NCSEA recommends that such parents be designated as a priority category in the Work Innovation Opportunity Act (WIOA) workforce program, and that WIOA provide for strengthened relationships with the child support program. In addition, NCSEA proposes updated funding for the access and visitation grants that would adjust for erosion of their funding levels from inflation. NCSEA further proposes that recipients of Access and Visitation or Healthy Marriage grants be directed to coordinate with the appropriate state child support agency.

### A. Employment and Related Services as Allowable Use of Program Funding

NCSEA recommends expanding the allowable activities for which federal financial participation (FFP) is available under Title IV-D to include employment and related services for noncustodial parents. These activities could include case management, job readiness, placement and retention, employment training, subsidized employment, transportation, and other employment support costs. These costs could be incurred for either noncustodial parents referred by courts or for noncustodial parents requesting the services voluntarily. Additional allowable costs would include development of electronic case management system enhancements to support managing the referrals, participation, monitoring, and reporting.

The child support program would establish the service delivery model, make initial assessments and referrals to services, monitor results, and manage the program as the fiscal and lead agency. The child support program will not provide employment and other services, except for limited direct referrals to employment where appropriate, instead partnering with other government agencies and community partners for these services.

Federal regulations were changed in fall 2024 to authorize use of FFP for employment and related services. For a program change of this magnitude, we support that it be embedded in



federal law. In addition, unlike the regulation, the use of IV-D funding for these purposes would be capped annually at three percent of a state's IV-D administrative costs.

## B. Improving Noncustodial Parent Access to WIOA Workforce Programs

NCSEA recommends two policy changes to improve noncustodial parents' access to WIOA workforce programs: 1) Require WIOA agencies to recognize unemployed and underemployed noncustodial parents as a priority population. This would ensure that such parents have access to WIOA services on the same basis as other priority groups. 2) Include child support agency representatives as permissible members of Workforce Boards. This would help strengthen the relationship between the workforce and child support programs and improve services to noncustodial parents.

## C. Assistance with Parenting Time Orders as Allowable Use of Program Funding

NCSEA recommends expanding the allowable activities for which federal financial participation is available to include establishment of parenting-time orders ancillary to the financial child support obligation. Allowable activities would include case management, mediation services, and assistance in developing agreed orders.

Such activities would be accompanied by suitable safeguards to prevent domestic violence, including training, screening, and assessment.

Allowable activities under this provision would be limited to establishment or modification of a parenting-time order in conjunction with establishment or modification of a child support financial order. It would not include activities related to enforcement of a parenting time order.

The use of IV-D funding for these purposes would be capped annually at one percent of a state's IV-D administrative costs.

## D. Updated Support for Access and Visitation Programs

NCSEA recommends that funding for existing Access and Visitation grant programs be updated to adjust for inflation in recognition of their effectiveness. Congress authorized Access and Visitation grants to all states in the welfare reform legislation (PRWORA) enacted in 1996. These grants have been useful in facilitating arrangements for parenting time for both parents. However, the authorized amount for these grants has never been increased. NCSEA recommends that the authorized amount be adjusted to compensate for the effects of inflation





and increased to a level that would enable states to broaden the services that they provide under this program.



## VI. Strengthen the Funding Base for the Child Support Program

Over time, the Title IV-D child support program has assumed a much larger role in reducing poverty and is now recognized as an important component in the nation's social safety net for one-parent families. In recognition of this evolution, NCSEA recommends selected expansions to program expenditures allowable for federal financial participation (FFP), and updated incentive funding based on federal performance measures (*See Section IV, Update and Strengthen Performance Measures*) to improve the efficiency, effectiveness, and impact of the program.

### A. Increase Incentive Pool

To replace state funds lost when retention of child support ends for current and former TANF recipients, NCSEA recommends increasing the incentive pool by 150 percent. Restoring funding losses is necessary to avoid damage to the operation of the child support program and a reduction in services.

#### **We propose amending:**

- 42 U.S.C. § 655(a)(1) to increase the size of the incentive pool; and
- 42 U.S.C. § 658a(f) to redetermine state reinvestment of incentive funds prospectively after state replacement of retained collections with additional funding under these suggestions.

### B. Expand Allowable Program Expenditures Eligible for FFP

NCSEA recommends including as allowable FFP program expenditures that states choose to incur to provide effective access to employment and related supportive services for noncustodial parents to help them pay their child support (job readiness, placement and retention, employment training, subsidized employment, transportation, case management and other employment support costs). States should have flexibility to base such expenditures on voluntary and court-ordered participation by parents, as well as costs for building systems to support managing the referring, reporting, and outcomes of the NCPs.

Additionally, NCSEA recommends including as allowable program expenditures for FFP costs states choose to incur for services for establishing parenting time orders that will increase non-



custodial parent engagement with their children when appropriate, accompanied with appropriate domestic violence training, screening and assessment.

### C. Address Appropriate Funding for Parental Engagement Programs

NCSEA recommends expanded funding for Access and Visitation grants, which are still funded at the same level as when the program was created in 1997. We suggest restoring the original value that has eroded through the years with inflation. Increasing grant funding for Access and Visitation programs will allow more families to be served, allow better targeting to families served by the child support program, and allow state child support programs greater control over their program's administration (with appropriate domestic violence training, screening, and assessment).

### D. Allow States Flexibility to Determine Appropriateness of Charging Fees

NCSEA recommends replacing the existing mandated annual fees from never assistance cases with a state option. States should be given flexibility to charge fees in respect of their program philosophy and in recognition of their limited cost-effectiveness. If a state opts to continue to collect fees, it should be required to continue to treat fees as program income and remit the federal share to OCSS.



## APPENDIX:

# PROPOSED PERFORMANCE MEASURES TABLES



**Table A-1: Paternity Establishment Percentages**

Existing and proposed percentages for the paternity establishment percentage measure are shown below.

Existing Percentages

If the paternity establishment performance level is:		The applicable percentage is:
At least:	But less than:	
80%		100%
79%	80%	98%
78%	79%	96%
77%	78%	94%
76%	77%	92%
75%	76%	90%
74%	75%	88%
73%	74%	86%
72%	73%	84%
71%	72%	82%
70%	71%	80%
69%	70%	79%
68%	69%	78%
67%	68%	77%
66%	67%	76%
65%	66%	75%
64%	65%	74%
63%	64%	73%
62%	63%	72%
61%	62%	71%
60%	61%	70%
59%	60%	69%
58%	59%	68%
57%	58%	67%
56%	57%	66%
55%	56%	65%
54%	55%	64%
53%	54%	63%
52%	53%	62%
51%	52%	61%
50%	51%	60%
0%	50%	0%

Proposed Percentages

If the paternity establishment performance level is:		The applicable percentage is:
At least:	But less than:	
95%		100%
94%	95%	98%
93%	94%	96%
92%	93%	94%
91%	92%	92%
90%	91%	90%
89%	90%	87%
88%	89%	84%
87%	88%	81%
86%	87%	78%
85%	86%	75%
84%	85%	72%
83%	84%	69%
82%	83%	66%
81%	82%	63%
80%	81%	60%
0%	80%	0%



**Table A-2: Support Order Percentages**

Existing and proposed percentages for the support order measure are shown below.

Existing Percentages

If the support order performance level is:		The applicable percentage is:
At least:	But less than:	
80%		100%
79%	80%	98%
78%	79%	96%
77%	78%	94%
76%	77%	92%
75%	76%	90%
74%	75%	88%
73%	74%	86%
72%	73%	84%
71%	72%	82%
70%	71%	80%
69%	70%	79%
68%	69%	78%
67%	68%	77%
66%	67%	76%
65%	66%	75%
64%	65%	74%
63%	64%	73%
62%	63%	72%
61%	62%	71%
60%	61%	70%
59%	60%	69%
58%	59%	68%
57%	58%	67%
56%	57%	66%
55%	56%	65%
54%	55%	64%
53%	54%	63%
52%	53%	62%
51%	52%	61%
50%	51%	60%
0%	50%	0%

Proposed Percentages

If the support order performance level is:		The applicable percentage is:
At least:	But less than:	
95%		100%
94%	95%	98%
93%	94%	96%
92%	93%	94%
91%	92%	92%
90%	91%	90%
89%	90%	88%
88%	89%	86%
87%	88%	84%
86%	87%	82%
85%	86%	80%
84%	85%	78%
83%	84%	76%
82%	83%	74%
81%	82%	72%
80%	81%	70%
79%	80%	68%
78%	79%	66%
77%	78%	64%
76%	77%	62%
75%	76%	60%
0%	75%	0%



**Table A-3: Collections on Current Support Percentages**

The existing and proposed percentages for the collections on current support are shown below.

Existing Percentages

If the current payment performance level is:		The applicable percentage is:
At least:	But less than:	
80%		100%
79%	80%	98%
78%	79%	96%
77%	78%	94%
76%	77%	92%
75%	76%	90%
74%	75%	88%
73%	74%	86%
72%	73%	84%
71%	72%	82%
70%	71%	80%
69%	70%	79%
68%	69%	78%
67%	68%	77%
66%	67%	76%
65%	66%	75%
64%	65%	74%
63%	64%	73%
62%	63%	72%
61%	62%	71%
60%	61%	70%
59%	60%	69%
58%	59%	68%
57%	58%	67%
56%	57%	66%
55%	56%	65%
54%	55%	64%
53%	54%	63%
52%	53%	62%
51%	52%	61%
50%	51%	60%
49%	50%	59%
48%	49%	58%
47%	48%	57%
46%	47%	56%
45%	46%	55%
44%	45%	54%
43%	44%	53%
42%	43%	52%
41%	42%	51%
40%	41%	50%
0%	40%	0%

Proposed Percentages

If the current payment performance level is:		The applicable percentage is:
At least:	But less than:	
80%		100%
79%	80%	99%
78%	79%	98%
77%	78%	97%
76%	77%	96%
75%	76%	95%
74%	75%	94%
73%	74%	93%
72%	73%	92%
71%	72%	91%
70%	71%	90%
69%	70%	89%
68%	69%	88%
67%	68%	87%
66%	67%	86%
65%	66%	85%
64%	65%	84%
63%	64%	83%
62%	63%	82%
61%	62%	81%
60%	61%	80%
59%	60%	78%
58%	59%	76%
57%	58%	74%
56%	57%	72%
55%	56%	70%
54%	55%	68%
53%	54%	66%
52%	53%	64%
51%	52%	62%
50%	51%	60%
0%	50%	0%



**Table A-4: Collections on Arrearages Percentages**

The percentages for the existing and proposed collections on arrearages are shown below.

**Existing Percentages**

If the arrearage payment performance level is:		The applicable percentage is:
At least:	But less than:	
80%		100%
79%	80%	98%
78%	79%	96%
77%	78%	94%
76%	77%	92%
75%	76%	90%
74%	75%	88%
73%	74%	86%
72%	73%	84%
71%	72%	82%
70%	71%	80%
69%	70%	79%
68%	69%	78%
67%	68%	77%
66%	67%	76%
65%	66%	75%
64%	65%	74%
63%	64%	73%
62%	63%	72%
61%	62%	71%
60%	61%	70%
59%	60%	69%
58%	59%	68%
57%	58%	67%
56%	57%	66%
55%	56%	65%
54%	55%	64%
53%	54%	63%
52%	53%	62%
51%	52%	61%
50%	51%	60%
49%	50%	59%
48%	49%	58%
47%	48%	57%
46%	47%	56%
45%	46%	55%
44%	45%	54%
43%	44%	53%
42%	43%	52%
41%	42%	51%
40%	41%	50%
0%	40%	0%

**Proposed Percentages**

If the arrearage payment performance level is:		The applicable percentage is:
At least:	But less than:	
100%		100%
99%	100%	99%
98%	99%	98%
97%	98%	97%
96%	97%	96%
95%	96%	95%
94%	95%	94%
93%	94%	93%
92%	93%	92%
91%	92%	91%
90%	91%	90%
89%	90%	89%
88%	89%	88%
87%	88%	87%
86%	87%	86%
85%	86%	85%
84%	85%	84%
83%	84%	83%
82%	83%	82%
81%	82%	81%
80%	81%	80%
79%	80%	78%
78%	79%	76%
77%	78%	74%
76%	77%	72%
75%	76%	70%
74%	75%	68%
73%	74%	66%
72%	73%	64%
71%	72%	62%
70%	71%	60%
0%	70%	0%





## Table A-5: Cost Effectiveness Percentages

The existing and proposed percentages for the cost-effectiveness measure are shown below.

### Existing Levels

If the cost-effectiveness performance level is:		The applicable percentage is:
At least:	But less than:	
\$ 5.00		100%
\$ 4.50	\$ 5.00	90%
\$ 4.00	\$ 4.50	80%
\$ 3.50	\$ 4.00	70%
\$ 3.00	\$ 3.50	60%
\$ 2.50	\$ 3.00	50%
\$ 2.00	\$ 2.50	40%
\$ -	\$ 2.00	0%

### Proposed Levels

If the cost-effectiveness performance level is:		The applicable percentage is:
At least:	But less than:	
\$ 6.00		100%
\$ 5.50	\$ 6.00	95%
\$ 5.00	\$ 5.50	90%
\$ 4.75	\$ 5.00	85%
\$ 4.50	\$ 4.75	80%
\$ 4.25	\$ 4.50	75%
\$ 4.00	\$ 4.25	70%
\$ 3.75	\$ 4.00	65%
\$ 3.50	\$ 3.75	60%
\$ 3.25	\$ 3.50	55%
\$ 3.00	\$ 3.25	50%
\$ -	\$ 3.00	0%