

Financial Literacy Issues and Information for Noncustodial Parents

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Table of Contents

Introduction.....	page 3
Unit 1: Taxes.....	page 4
Unit 2: Credit Reports.....	page 16
Unit 3: Banking.....	page 24
Unit 4: Child Support.....	page 31
Resources.....	page 44
Glossary.....	page 52

Introduction

This curriculum is intended to assist noncustodial parents with child support debt who are attempting to develop some financial assets. It will provide information commonly contained in financial literacy curricula, but specific to the situations of low-income parents who must first contend with child support debt before taking on the challenge of building assets. The curriculum can be viewed as an informational tool for trainers or practitioners, or as a guide for noncustodial parents. We hope that those in the field of financial literacy will incorporate the information into their work and training so that it can be relevant to noncustodial parents.

Note to readers: Throughout this curriculum we sometimes refer to “noncustodial parents” as “fathers.” We do this because most of the programs that are likely to use this curriculum are also likely to be working with fathers. However, the information in the curriculum applies equally to mothers who are noncustodial parents.

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Unit 1: Taxes

Introduction / Background

This unit focuses on income taxes, in order to help noncustodial parents maximize their income and minimize their risk from not filing an income tax return.

Low-income workers often do not file tax returns. There can be many reasons for this, including:

- A presumption that there is no legal requirement to file a tax return, since the tax liability would not likely exceed the taxes that are automatically deducted
- A lack of information about the deadlines for filing returns
- Forms that are complicated and difficult to understand
- The high cost of using a service to file taxes
- Anxiety about being identified formally to the IRS and making mistakes on the return

For low-income noncustodial parents, child support debt (arrears) can represent another factor that discourages filing an income tax return because money they would receive from a return is likely to be intercepted to pay off child support debt.

Even with the prospect of a tax intercept, noncustodial parents should file a tax return, since the amount of funds directed to the child support debt through the tax intercept can at least reduce this debt and contribute to efforts to become financially stable.

This unit will address these issues by explaining:

- Basic information about filing tax returns
- Commercial tax preparers and problems associated with refund anticipation loans
- Alternatives to commercial tax preparers
- Several tax credits for which low-income noncustodial parents may be eligible
- The tax intercept for child support debt

Filing Tax Returns

Any individual employed in the mainstream economy has money deducted from his or her paycheck for taxes. In order for an employer to know how much to take from your paycheck for federal and state taxes, every employee completes a W-4 form upon employment, which tells the employer how much of your income should be directed to federal and state taxes. The amount of income deducted from each paycheck is determined by the number of exemptions (deductions allowed by tax law) you claim on the W-4 when you start your job.

The more exemptions you claim, the less money is deducted from each paycheck. If you claim few exemptions, you will have more income deducted from each paycheck. The amount you have deducted from your paychecks will not likely be the exact amount of taxes you owe at year end, but the closer it is to your tax bill, the better for you:

- If you claim too many exemptions and not enough money is taken from your paychecks regularly, you will owe money to the government at the end of the year.
- If you claim too few exemptions and too much money is taken from each paycheck, you may not have enough money to meet daily living expenses. This could be counterproductive if you have to use credit and incur interest to meet your expenses.

To help individuals determine the correct number of exemptions to claim, the Internal Revenue Service (IRS) has created a website. The internet site for this is:

<http://www.irs.gov/individuals/article/0,,id=96196,00.html>

It is important that exemptions you claim for children are in accordance with your legal custody arrangements and court orders and not based only on your living situation. For example, if you live with your child and your child's mother, but were never married to the mother and have never legally established that you are the father of the child, you cannot claim the child for tax purposes.

Benefits of Filing Tax Returns

Filing a tax return is a legal requirement, but it also provides benefits to you. For example:

- You may be owed a refund on the taxes you paid through the deductions from your paychecks.
- You may be eligible for certain tax credits that could result in a tax refund regardless of the amount of taxes you owe.
- You can improve your credit score, if your child support debt is small (see unit on credit for the importance of this)

For low-income noncustodial parents with child support debt, the tax refund is automatically intercepted to pay off the debt. (See description below for details on this policy and how it is applied in Wisconsin.) The intercepted funds are retained by the government for any welfare costs incurred by the custodial parent's family. Any funds remaining after the government retains its share are distributed to the custodial parent and children. There is nothing the noncustodial parent can do to negotiate a different system for handling this tax return until the child support debt is paid off. However, even if this is your situation, filing a tax return can provide benefits to you. For example:

- The money retained will reduce your child support debt and bring you closer to getting current with your child support obligation.
- By reducing your child support debt you are also reducing the future interest on your child support debt, which can otherwise accumulate quickly.
- If you qualify for certain tax credits, the amount of your refund will be more than what was taken from your paycheck for taxes. This will serve to further reduce your child support debt.
- The fact that you have paid some money towards your child support adds a positive history of paying down your debt, which could weigh favorably in the event of future child support enforcement actions against you.
- If you do not file a tax return, the federal and state government will keep money taken from your paychecks and your child support debt will not be lowered.

If you are owed a refund and do not file a tax return, you are giving money that you earned to the government.

Commercial Tax Preparers and Problems Associated With Refund Anticipation Loans

Companies that file taxes commercially, such as H&R Block, will offer *refund anticipation loans* to customers. These are immediate loans in the amount of the individual's anticipated tax refund, minus a fee for the company. The customer gets the money from the company, and then the refund check is paid by the government to the company.

There are disadvantages to refund anticipation loans. These include:

- Refund anticipation loans provide the funds only a few days or weeks before the receipt of the tax return. For this short time period, fees are charged that carry interest from 40 to 700 percent.
- Given the fees and interest, individuals lose money.
- If you are behind in your child support payments, the refund anticipation loan can make your situation worse. If the tax preparation company gives you the refund loan but the government then intercepts your tax refund and does not give it to the company, you will need to repay the loan to the company. If you are unable to pay, the company can charge additional money because you failed to pay off this loan. Many tax preparation companies will use an IRS Debt Indicator service that will alert them to any claims against a refund (for example, child support or unpaid federal student loans). If a parent's name appears, the company may not provide the loan. However, if a company does not use this service and gives you a refund anticipation loan you will likely not only owe the child support agency for money not covered by the tax refund, but also owe the tax preparation company.

There are things you can do to speed up the process of getting your refund check, which will make it easier to avoid having to take out these loans. These include the following steps:

- File your taxes as early as possible, since the government has fewer tax returns to process at that time.
- File your taxes electronically. This will speed up the government's processing of your tax refund.
- If you are not behind in child support or your child support debt is not high enough for your refund to be intercepted, having a checking account will speed up the process of getting your refund, since the government can electronically deposit your refund into your checking account.
- If you are eligible to do so (see below), file your taxes with free tax preparation services. This will enable you to save on the fees associated with commercial tax preparers. Using this service may enable you to avoid the need to have a refund anticipation loan, if you would be using the loan partly to pay the fees.

Free Alternatives to Commercial Tax Preparation Services

There are services available locally for free tax preparation. The Volunteer Income Tax Assistance (VITA) program has volunteers who will prepare taxes for low-income, disabled, non-English-speaking, and elderly individuals, as well as for individuals who qualify for Homestead Credit or the Earned Income Tax Credit. The VITA program has volunteers who have been trained by the IRS and the Wisconsin Department of Revenue who will help prepare basic income tax returns free of charge. Some VITA sites offer free IRS electronic filing of tax returns. These resources are available at two sites:

- Madison Public Library
201 West Mifflin Street
Madison, WI 53704
608-266-6300
- Villager Mall
2300 S. Park Street
Madison, WI

It is recommended that you bring a number of things to the VITA site to help them process your tax refund. These are listed below. You may not have some of these items, but that should not prevent you from going to the VITA site. For example, you would only have a bank interest and dividend statement if you have certain types of savings accounts. Suggested items to bring:

- Social Security cards for you, your spouse, and your dependents
- Birth dates for primary, secondary, and dependents on the tax return
- All employer's wage and earning statement(s) Form W-2, W-2G, 1099-R
- Bank interest and dividend statements if you received any (Form 1099)
- If you have them, bank routing numbers and account numbers for direct deposit (if you get a refund, this will speed up the process for receiving it)
- Other relevant information about your income and expenses

If you are filing a joint return, both spouses must be present.

If you will claim Wisconsin's Homestead Credit (see below), you should also bring the following:

- A rent certificate and/or a copy of your property tax bill
- A record of any Wisconsin Works (W2) payments received during the year

In addition to helping you file your taxes, the VITA program can help you determine whether you qualify for certain tax credits.

Tax Credits for Low-Income Parents

It is best to have a qualified and trained individual, such as a tax accountant or tax lawyer, answer questions about preparing and completing tax returns. The criteria used to determine whether a parent is eligible for the tax credits discussed below will likely change every year. In addition, there may be other credits for which low-income parents may be eligible that are not discussed here. This document is intended as an educational resource and is not a definitive guide on whether specific individuals qualify for specific tax credits. For specific tax questions, you should seek professional tax assistance or contact the IRS hotline at 1-800-tax-1040.

Two tax credits that may apply to some noncustodial parents are the Earned Income Tax Credit and the Homestead Credit. The Earned Income Tax Credit is derived from a person's status as a parent. The Homestead Credit is based on a person's income.

A Note about Tax Credits for Parents

Many tax credits are tied to a person being the parent of a child who is considered a dependent. This can be a complicated issue for many parents -- for example, if they are not living together.

Both parents may feel entitled to claim the child as a dependent. However, this is not always the case. In addition, different tax credits often use different criteria to decide whether a parent can claim a child as a dependent. This means that the same noncustodial parent could be eligible for some but not all tax credits which are partially tied to his status as a parent.

For a noncustodial parent, the bare minimum needed to be eligible for these credits includes:

- *Legal Paternity Establishment* for the child(ren)
- *A court judgment* providing that the noncustodial parent can claim the child(ren) for tax purposes. It is best if this is established at the time paternity is established or any time there are modifications to the physical placement arrangement. It is important for tax purposes that the issue of the dependency claim is clearly spelled out in court documents. If it has not been addressed, the noncustodial parent must request a modification to the court orders.

However, even if a family court judgment provides that the father or mother can claim the child for purposes of taxes, a tax court can disregard this holding and determine that the other parent would be the one to claim the child for purposes of taxes. Given these complications in determining whether a noncustodial parent is eligible for a tax credit that requires that he have dependent children, it is strongly recommended that individuals go to a VITA site to complete their tax returns. The VITA site will have trained professionals who can better answer whether or not a noncustodial parent can claim the child as a dependent for tax purposes.

A. *The Earned Income Tax Credit*

The EITC is a federal income tax credit for low-income workers. Some states, such as Wisconsin, have an EITC provision as well, but eligibility for state EITC programs is likely to differ from eligibility for the federal EITC.

The EITC reduces the amount of tax an individual owes, and may be returned in the form of a refund. Although the credit is much smaller for parents who cannot claim their children as dependents, it is enough to be worth pursuing. For tax year 2004, the maximum credit was \$390 for persons without a qualifying child. For persons with a qualifying child, the maximum federal credit was \$2,604, and the credit was \$4,300 for persons with two or more qualifying children.

As of tax year 2005, low-income noncustodial parents can qualify for the credit if they:

- are 25 to 65 years of age as of December 31, 2004;
- have earnings of less than \$11,490 (or \$12,490 for married workers);
- are not raising children in their home who were under the age 19 (or under 24 if the child was a full-time student) for more than six months;
- are not the dependent or qualifying child for the EITC of another taxpayer.

Noncustodial parents who satisfy these criteria can get a credit of up to \$390 – the average is expected to be \$220. Workers not raising a qualifying child may use any tax form, including the 1040EZ (the short form). These workers can write “EIC” (or the dollar amount of their credit) on the Earned Income Credit Line on the tax form. They do not file a schedule EIC.

The EIC does not count as income to determine eligibility for Medicaid, food stamps, SSI, or public housing. Workers whose income is too small to have paid federal income tax can also get the credit.

It is very important to ensure that the information given to the IRS concerning the number of children for whom the parent has custody is correct. The ramifications for filing false information on the tax return are swift and severe.

B. The Homestead Credit

Wisconsin has a homestead credit for renters and homeowners with low or moderate incomes. A person who qualifies can get back some or all of their state taxes withheld during the year. Even if you had a small amount of earnings, you could get extra cash back from the state using this credit. Some Homestead Credit facts:

- The amount of the refund an individual will get from this credit will vary based on their income and the amount of their rent. The maximum Homestead Credit is \$1160.
- The Homestead Credit can be claimed for up to four years following the original due date of a tax return.
- At the end of this unit we have included a form produced by the University of Wisconsin Extension Program that answers other questions about the Homestead Credit. Information about this credit from the Wisconsin Department of Revenue is also available on the Internet at <http://www.dor.state.wi.us/faqs/ise/home.html>.
- The Department of Revenue will also accept alternative proof of rent payment if the landlord refuses to give a rent receipt or will only provide one on the condition of charging increased rent.

Homestead Credit Information Form

The following information was prepared by Judi Bartfeld for the Division of Cooperative Extension of the University of Wisconsin-Extension. It is meant as an educational resource only. For specific tax questions, seek professional tax assistance or contact the IRS hotline at 1-800-tax-1040.

Information has been updated for the 2005 tax year

- What is the Homestead Credit?

The Homestead Credit is a tax benefit for renters and homeowners with low or moderate incomes. It is designed to lessen the impact of rent and property taxes. Qualifying persons can get back some or all of their state taxes withheld during the year. Those who do not have earnings, or whose earnings were too small to have taxes withheld, can get extra cash back from the State.

A recent Department of Revenue study estimates that in 2001, only 43% of eligible households applied for and received the Homestead Credit

- Who can get the Homestead Credit?

The main criteria for eligibility include the following:

1. Rented or owned a home - and lived in the home - in Wisconsin during 2005. The home may be a house, an apartment, a rented room, a mobile home, a farm, or a nursing home room. The home may not be exempt from property taxes;
2. Legal resident of Wisconsin for all of 2005;
3. Household income less than \$24,500 for 2005. The income limit may be lower, depending on how much was paid in rent or property taxes;
4. At least 18 years old on December 31, 2005;
5. Cannot be claimed as a dependent on anyone else's federal income tax return for 2005 (unless claimant is at least 62 years old).

- What counts as household income?

Household income includes all income reportable for tax purposes, plus certain nontaxable income, less a deduction of \$250 for dependents who lived with the claimant for at least six months of 2005. Examples of nontaxable income counted in 'household income' include Social Security, Unemployment Compensation, child support, IRA contributions, and nontaxable scholarships.

- How much can individuals and families get back from the Homestead Credit?

The amount of the credit depends on income and on the amount of rent or property taxes. In general, the credit is higher when income is lower and/or when rent or property taxes are higher. The maximum Homestead Credit is \$1160.

- Does the Homestead Credit affect eligibility for welfare? Do welfare benefits affect eligibility for the Homestead Credit?

The Homestead Credit - and other tax credits - do not count as income in determining eligibility for benefits such as W-2, Medicaid, Food Stamps, SSI, or public or subsidized housing.

Cash welfare benefits can reduce the Homestead Credit. The benefits that affect the Homestead Credit include Wisconsin Works (W-2), county relief, and Kinship Care. Countable rent or property taxes are reduced by 1/12 for each month in which cash welfare benefits were received during 2004. Schedule H includes information on how to handle this.

- What is the procedure for claiming the Homestead Credit?

Complete a Wisconsin Homestead Credit Claim (Schedule H-EZ or Schedule H) to get the Homestead Credit. (Schedule H instructions). Most claimants may use Schedule H-EZ, a simplified form.

If filing a Wisconsin income tax return, attach Schedule H to the return. Use Form 1, 1A, or 1NPR (not WI-Z). If claimant is not required to file an income tax return, she/he may file the Homestead Credit Claim by itself.

Claimants who own their home should attach a legible copy of their property tax bill. Claimants who rent their home should attach a rent certificate. The rent certificate is a tax form which the landlord needs to complete and sign. It includes information about the rented home and about the amount of rent paid.

If the landlord refuses to sign the rent certificate, the claimant should mark the box in the claimant (renter) section to indicate this, and complete lines 1 through 13c on the rent certificate. Attach the rent certificate, along with copies of cancelled checks or money order receipts, to verify rent paid for 2005.

The Homestead Credit can be claimed on-line at no cost, through the Department of Revenue website.

- Can people get the Homestead Credit for prior years, if they were eligible but didn't claim it?

The Homestead Credit can be claimed for up to four years following the original due date of a tax return. Thus, claimants can currently file for the Homestead Credit for years 2001, 2002, 2003, 2004 and 2005. After April 15, 2006, claimants can no longer file for the Homestead Credit for 2001.

If not required to file an income tax return for the year in which the credit is being claimed, just file Schedule H and supporting documents (rent certificate or property tax bill);

If claiming the Homestead Credit for a year in which a Wisconsin income tax return was filed, write "Income Tax Return Separately Filed" at the top of Schedule H. Attach a complete copy of the Wisconsin income tax return, including copies of all documents originally filed with that return. Write "Duplicate" at the top of the Wisconsin tax return.

Send Schedule H (and duplicate tax forms) to the Wisconsin Department of Revenue, P.O. Box 34, Madison, WI 53786-0001.

- Where can workers get help filing for the Homestead Credit?

The Volunteer Income Tax Assistance (VITA) program provides free tax assistance in counties throughout Wisconsin.

Taxpayer Counseling for the Elderly (TCE) provides free tax assistance for the elderly, as well as for persons eligible for the Earned Income Credit or the Homestead Credit.

Tax Intercept for Child Support Debt

In Wisconsin the child support agency will intercept your federal and/or state tax refund if the case satisfies certain conditions.

Federal Tax Intercept

The child support agency has the power to intercept a federal tax refund under the following conditions:

- The parent owes \$500 or more in past-due support on a court case, or \$150 if the past-due support is owed to the state. (If past-due support is owed to the state it is because the family was on Aid to Families with Dependent children (AFDC) or Temporary Aid to Needy Families (TANF) or because Medicaid paid for a child's birth costs.)
- The children are under the age of 18. (If money is owed to the state, the child may be over 18.) (Recent federal legislation is removing this criterion. This is effective October 1, 2007. This will mean that regardless of the child's age the child support agency can intercept your taxes if you meet the other conditions.)
- The child support agency knows the Social Security number of the parent who owes child support.
- The parent who receives child support also receives enforcement services from his/her local child support agency.

State Tax Intercept

The child support agency has the power to intercept a state tax refund under the following conditions:

- The parent owes \$150 or more in past-due child support.
- The child support agency knows the Social Security number of the parent who owes child support.
- The parent who receives child support also receives enforcement services from his/her local child support agency.
- The case is a Wisconsin child support case. If the case is being handled by a different state and all of the above criteria apply, an interception is likely, but the conditions for doing so may vary state by state.

Federal law requires that the Federal Tax Intercept first pays past-due support owed to the state, then past-due support owed to the family. (Recent changes to federal law allow the state to have the option of giving the money first to the custodial family instead of the government. States may begin to implement this option on October 1, 2008. It was unknown at the time of writing whether Wisconsin would take up this option.)

The State Tax Intercept first pays current support owed to the family, then past-due support owed to the family, and then past-due support owed to the state.

Unit 2: Credit Reports

Introduction

This unit addresses credit reports and credit scores. It will:

- Cover the relevance of credit reports and scores;
- Explain how they are determined
- Provide information on obtaining a free copy of one's credit report;
- Discuss how to dispute and correct errors on one's credit report; and
- Discuss how to improve one's credit report.

Importance of Credit Reports and Scores

Even if you have not owned a credit card or checking account, a credit report may exist for you, and its contents can affect your ability to support yourself and your family. It might be the result of a loan that was forgotten, unpaid bills, child support, or a number of other incidents that you might not expect would be recorded.

The following are examples of decisions that might be based on a credit report:

- An employer may base a hiring decision on it.
- An apartment manager may use it to decide whether to rent someone an apartment.
- Utility companies may base decisions on granting services and, in some states, pricing of services on it.
- Cell phone companies may refuse a contract based on a bad credit report.
- Car dealers (new and used) will use credit reports to determine eligibility for a loan to buy a car as well as the interest on the loan.
- In general, the terms of loans and interest rates can be worse for individuals with bad credit histories.

Many people have legal access to your credit report. Future employers can use it to determine how reliable you are. When you apply for any loan or product, the company offering it may look at your credit history to see how regular you have been in the past in making payments, to determine whether to grant you the loan or payment, or to determine the interest rate they will charge you for the loan. Landlords can and often do look at a person's credit history before renting an apartment to them. Cell phone companies can look at your credit history to determine whether to allow you to use their cell phone service, since in essence they are loaning you the use of their minutes.

Although credit reports cannot be accessed without your permission (unless there is a subpoena from a judge), it can be difficult for you to refuse permission when applying for employment, services or products that request it.

What is a Credit Report?

Credit reports are compiled by credit bureaus or credit reporting agencies (CRAs). There are three major credit bureaus in the U.S.: Equifax (www.equifax.com; 1-800-685-1111), Experian (www.experian.com/consumer/index.html; 1-888-397-3742), and TransUnion Corp (www.transunion.com; 1-800-888-4213). These agencies gather, maintain, and sell information about consumers' credit histories, including such things as your payment habits, number of credit accounts, balance of accounts, and employment history.

The information gathered is used to develop your credit report, which provides information about creditors' experience with you as a consumer. This information can then be used to determine whether or not you are a good credit risk for products or loans. The document contains information about your payment of bills and the use of credit (such as credit cards, car loans, and other credit transactions).

Credit reports from any of the major credit reporting agencies contain similar basic information, including:

- Identifying information (name, Social Security number, current and previous addresses, telephone number, birth date, current and previous employers). Identification of a spouse may also be included.
- Credit history (including how much credit the individual has had and whether or not it has been repaid)
- Public record information (such as collection accounts, bankruptcies, foreclosures, tax liens and civil judgments)
- A listing of all creditors and authorized parties who have requested the credit report

Of particular importance to noncustodial parents is that the information may also include any late child support payments. (Payments made on time are not counted in the report; only missed payments are included.)

What is a Credit Score?

The information contained in the credit report is used to create a credit score that indicates how likely you are to pay a loan back on time. The higher the score, the less risk you are to potential creditors. The five things included in a credit score are:

- Payment history (35% of the score)
- Amount of current debt (30% of the score)
- Length of credit history (15% of the score)
- Type of currently held credit (15% of the score)
- Amount of new credit (10% of the score)

A person has three credit scores – one from each of the three major credit bureaus. Each score is based on information the credit bureau keeps on file about you. As this information changes, your credit scores tend to change as well. Credit scores tend to range from 300-900, with the national average being in the range of 700. The scores affect the following types of things:

- Whether you will get a loan and how large a loan you can get
- Whether you will be able to rent an apartment and the type of apartment you can rent
- The loan terms lenders will offer you at any given time (interest rate, etc.)
- How reliable potential employers think you are likely to be
- The amount you have to pay to get a cell phone or car loan (the higher your credit score, the less you have to pay)

A credit score is one factor used to decide your credit worthiness. The same things that will help you financially are likely to help improve your credit score.

The following information is *not* included to determine your credit score:

- Information related to race, color, religion, national origin, sex and marital status
- Receipt of public assistance or the exercise of any consumer right under the Consumer Credit Protection Act
- Age
- Current address
- Any interest being charged on a particular credit card or other account
- “Consumer-initiated inquiries” – requests a person makes to see or check their credit report
- Any information not found in the credit report
- Any information that is not proven to be predictive of future credit performance
- Information on participation in credit counseling of any kind

Getting a Copy of Your Credit Report

It is possible that you will not have a credit history on which to base a credit report. If you have never had a credit card, checking account, or have not borrowed money formally, you may not have a credit report and will have no credit history. Having no history or credit report can make it difficult to get credit, but it is less of a challenge than having a poor rating based on debt and late payments.

Even if you have not had a credit card or checking account, you may find that you do have a credit history and report:

- This may be the result of a loan that was forgotten, unpaid bills, unpaid child support, or a number of other incidents.
- It may also be that someone else has used your credit without your knowledge. For example, people in prison can have their credit affected without their knowledge if someone stays in an apartment under their name and doesn't pay the bills, or uses their identity to obtain credit and loans.
- Noncustodial parents who are incarcerated are often unaware that their child support obligation continues while they are in prison, and this debt might be the cause of a poor credit report.

The U.S. Congress has recognized the importance of having access to one's own credit report and has created a program that allows you to request a free credit report each year from any of the three major credit bureaus. You can choose to request all three at one time each year or spread out the requests and receive them at different times during the year. Requesting a copy of your credit report allows you to:

- Track your history of payments
- Stay on top of your credit without hurting your score
- See the information that will be reviewed by lenders and others who see your report
- Make sure there aren't any errors on your report that are hurting your credit
- Detect early signs of potential identity theft
- See who's been checking your credit

In addition to the free annual access to your report, if you have been denied credit because of information provided by a particular credit bureau, the credit reporting agency must give you a free copy of your credit report, so you can check for and correct potential errors.

The following website provides information on credit file disclosures or credit reports and on how to request a copy of your report: www.annualcreditreport.com

Credit reports can also be obtained by phone at 1-877-322-8228. After completing a verification process, your report will be mailed to you. You can also make a request by mail.

Correcting Errors on Your Credit Report

If you believe there is a mistake on your credit report, you can order a copy of your report and check it. Mistakes on credit reports can happen for any number of reasons, including identity theft, errors by the credit bureaus, errors by a company, or a host of other reasons. You will only know about these potential mistakes if you look into your credit report. If you think there is a mistake, it is important that you contact the credit reporting agency to dispute the error. You do not need an attorney to dispute a mistake on your credit report. All of the three big credit reporting agencies have methods for someone to dispute a mistake on their credit report.

Information that is negative but correct should not be disputed. All of the credit reporting agencies will keep accurate negative information on your credit report as long as is allowed by governing laws.

Credit reporting agencies are required to conduct an investigation within 30 days of someone properly disputing an item on their credit report. It is important to remember that credit reporting agencies do not look into the accuracy of the reported information unless they are asked to do so.

- **Equifax** (www.equifax.com; 1-800-685-1111). If the error appears on an Equifax credit report, you can dispute the report by phone, mail, or online. Whichever method you use, Equifax should investigate the concerns directly at the source (creditor, collection agency, or courthouse), respond within 30 days, and mail the results of the investigation. To initiate an investigation, you will need to have a current copy of your Equifax Credit Report.
 - To dispute the report online, go to their website, find the section entitled *Online Dispute*, and follow the instructions in that section.
 - To dispute the report by phone, find the toll free number listed at the bottom of the online Equifax Credit Report. You will need your ten-digit confirmation number to speak with an Equifax customer service representative via telephone.
 - To dispute the report by mail, send a letter addressing the credit issue that is in dispute. No confirmation number is required on written correspondence. The dispute letter should be sent to:

Equifax Information Services LLC
P.O. Box 740256
Atlanta, GA 30374

- **Experian** (www.experian.com/consumers/index.html; 1-888-397-3742). If the error appears on an Experian credit report, go to their website and follow the section on the left side of the website entitled *Submit A Dispute Online* under the section “Need Assistance.” You will need a copy of your current Experian credit report (issued within the last 90 days).

After submitting the dispute, a notice will immediately be sent to the source of the disputed information to request verification of the account information. The source must respond within 30 days. Experian will then notify you that the result of the dispute investigation are ready to be viewed, and will provide a link to the results. Make sure to give Experian an email address for the notification.

Experian does not list ways of filing a dispute through the mail or by telephone on their website.

- **Trans Union Corp** (www.transunion.com; 1-800-888-4213). If the error appears on a Trans Union credit report, go to their website and follow the section on the right side entitled “Dispute.” Follow the instructions for submitting a dispute. Disputes can be submitted online, by phone, or by mail. TransUnion will only remove inaccurate information from a credit report.

TransUnion has a Request for Information form for individuals who wish to dispute information by mail. You should be aware that TransUnion has different forms for individuals based on the state in which they live. The completed form should be mailed to the address listed at the bottom of the form. It is important to make and keep a copy for yourself.

TransUnion also provides an option to dispute a report by phone. The phone number is 1-800-916-8800. Representative from TransUnion are available Monday through Friday, from 8:30am until 4:30pm. You should have the following information before you call:

- A recent copy of the TransUnion Credit Report
- The TransUnion file number
- Social Security number
- Date of birth
- Current address
- Company name of the disputed item (from the credit report)
- Account number of the disputed item (from the credit report)
- Reason for the dispute
- Any corrections to personal information (such as address, phone number, etc.)

Improving Credit Scores

Even if you have a “low” credit score, it is possible to improve it. Your current credit score is not permanent; it is simply a “snapshot” of your risk to an employer or lender at a particular point in time. It changes regularly as new information is added, such as paying down your past due credit card or becoming current with your child support. Past credit actions affect the score less as time passes and new information is added.

When lenders or employers request a credit report, they are provided with the most recent information available. This means that actions you take to improve the score can have an immediate impact. Some steps may be hard – therefore it might help to try to break them down into manageable steps.

For example, if nonpayment of child support is an issue, it might be helpful to consider a number of different actions you can undertake to reach the overall goal of paying child support on time. Actions could include

- Filing a request for a child support modification if the current order does not reflect your current income
- Approaching the child support office to establish a payment plan
- Filing an income tax return so that the intercepted taxes will reduce your child support debt (see unit on filing tax returns)

Credit counseling services

You may decide that you need to seek credit counseling services. If you do so, it is important to be sure that they are legitimate and have a track record of successfully helping people with their consumer problems. The following is a counseling service in Dane County, Wisconsin:

Family Service
128 East Olin Ave.
Madison, WI 53713
608-252-1334

Website: www.fsamad.org/cccs/

“Family Service of Madison offers a Consumer Credit Counseling Service, which is a non-profit community action organization. Their counselors are certified by the National Foundation for Credit Counseling and are dedicated to providing confidential, professional counseling and money management assistance to financially distressed families and individuals. CCCS counselors are trained to find answers to a wide range of financial questions. Services include Money Management Counseling, Credit Report Counseling, a Debt Management Program, and Educational Seminars. Counseling sessions are free and available in person or over the telephone.”

Unit 3: Banking

Introduction/Background

Noncustodial parents who have child support debt are subject to having their funds seized by the child support agency if they are to open a checking account. Parents with child support debt are allowed to have a balance of up to \$500, however, before the funds are automatically seized. Even without this barrier, adults who have not had a checking account need to be familiarized with all aspects of the systems for opening accounts, writing checks and making deposits, reconciling accounts and using ATMs. There is often misinformation about banking in low-income communities and distrust of these systems.

There are some alternative banking services and child support payment options that might help to alleviate the child support seizure barrier. These will be discussed in this unit.

This unit will cover:

- Some facts about the banking system
- Reasons to consider using banking services
- Checking accounts
- Child support debt and banking services
- Stored Value Cards
- Banking services and fees

Some Facts about the Banking System

- Households with income below \$20,000 pay on average \$500 per year for check cashing and bill paying. The same services at a bank would cost just \$30 to \$60.
- It is estimated that, if the savings from using a bank for check cashing services were placed into a 401K savings plan for 30 years, it would result in a savings of \$76,934.
- The child support agency will only seize your account if you have not paid child support in the amount of either \$1,000 or for three consecutive months (whichever is greater).
- Unless you have a court order creating an alternative child support payment plan, if you meet the threshold for bank account seizure, the child support agency has the authority to seize your account even if you are current with your child support payments.
- There are some costs associated with opening a checking account. Check with the bank and compare services. Fees such as a monthly service fee, a check printing fee, ATM-use fee and overdraft fee may differ for each bank.
- Even if you are unable to open a checking account, there are options available for building some assets other than check cashing services (stored value cards, for example).
- If you have a traditional banking account, you will receive your tax refund much faster and not have to pay a fee to cash the check.

Reasons to Consider Using Banking Services

Although it may be difficult to use the banking system, particularly if you have child support debt, there are benefits to these services that may outweigh the disadvantages.

Benefits to using banks include:

- Cost – using your bank's ATM is free and you can use any ATM for a nominal fee, saving check-cashing fees or fees for money orders or wire transfers that can be much higher
- Safety – your money is protected from theft, loss and fire if it is in a bank account
- Convenience – you have ready access to your money when it is in a bank. Bank ATMs are widely available at all hours every day. In addition, your paycheck or other regular monthly payments could be automatically deposited to your account, avoiding the risk of losing a check.
- Quicker tax refund – if you file your taxes and get a refund and the child support agency does not intercept your taxes, having a banking account will speed up the process of your getting this refund.
- Easier management of money – monthly payments can be set up for automatic withdrawal from a checking account, ensuring that you will not get behind in payments.
- Security – even if the bank closes, up to \$100,000 of your money is ensured by the federal government through the Federal Deposit Insurance Corporation (FDIC) if the bank has the FDIC logo. Most credit unions are insured by the National Credit Union Administration (NCUA).
- Credit record – a positive bank history of paying off a loan or credit card use can help to establish a record of paying bills and can affect decisions on housing and employment.

Things to consider before opening a checking account:

- If you have child support debt that is more than \$1,000, the child support agency has the power by law to seize funds from your account. See below for more details on this topic.
- The ease of withdrawing funds through check-writing could lead to overspending.
- Checks written on insufficient funds can lead to very large fees and affect your credit rating and ability to open new accounts in the future.
- A new law eliminates the "float" – meaning that when a check is written, it is withdrawn from the account quickly, without the float of several days many check-writers had come to rely on.
- If you have family members with whom you share the account, controlling the balance of funds in the account can be difficult.
- If you have a bad credit history, some banks may turn you down for a checking account.

If you have had problems in the past, even if you are currently under the ChexSystems, a program called "Get Checking" could help. Completing the "Get Checking" course on banking can make it possible for you to open a checking account.

Checking Accounts

If you have a checking account:

- Your paycheck can be directly deposited to your account with no fee.
- Your money is secure in the bank until you need it.
- When you need cash, you can go to the bank or credit union or use an ATM card to withdraw funds from your account. If your balance is too low, however, you will not be able to withdraw funds.
- You can pay your bills with checks at no or a low cost, or you can have your bills paid through automatic withdrawal.

If you do not have a checking account:

- You pay a fee to a check-cashing store to cash your paycheck.
- Your cash is kept on your person or in your home.
- When you need cash, you may have to borrow from a pay day lender.
- You pay your bills with money orders or cashier's checks that charge fees.

Households with income below \$20,000 pay on average \$500 per year for cash conversion and bill paying. This does not include the cost of payday loans, pawnshops, rent-to-own, etc.

- At a bank, the same services would cost between \$30 and \$60 per year.
- If the \$440 in savings from using a bank for these services were put into a savings account with a 4% interest rate each year for five years, savings would be \$2,457 at the end of five years.
- If the \$440 were invested in a 401K savings plan for 30 years, it would yield an estimated \$76,934.

Establishing a checking account provides many benefits, but you should be careful when writing a check – be sure that you have the funds available in your account to cover the amount of your check. Your bank may resort to putting them on “ChexSystems” or “Telecheck” if you repeatedly write checks on insufficient funds, resulting in the suspension of your account, a bad credit report and the inability to open new accounts.

This is particularly important if you have **child support debt** that might be subject to seizure. In order to avoid a situation where the money in your account is seized by the child support agency, leading to overdrafts, make sure that your child support debt is below the minimum amount that triggers seizure (roughly \$1,000 in Wisconsin) before opening an account, or have a child support payment plan in place that can ensure these funds will not be seized by the child support agency.

Child Support Debt and Banking Services

If you are a Wisconsin resident and you owe \$1,000 or 3 months worth of child support, whichever is greater, the child support agency has the power to seize any of the funds you put into bank accounts including checking and savings accounts.

Before doing so, a notice will be sent to your bank. This notice will prohibit the bank from allowing you to close the account or remove money from the account. The child support agency will then take your money to pay off your child support debt. The amount they will take from your bank account will vary by case. Unless the funds you have in the account exceed the amount of child support you owe, however, the child support agency will take it all.

The child support agency will send notice to you that this action has been taken. This notice should inform you of the following:

1. You are behind in paying child support.
2. The amount of the support you owe.
3. The bank account that is the subject of the seizure.
4. The amount of the money in your bank account to which you will no longer have access.
5. Your right to ask a court for a hearing about this matter. To do this you must submit the request in writing and mail or deliver the request to the county child support agency within 10 business days.
6. If the account is a joint account and some of the money in it belongs to the party with no child support debt, that individual can petition to stop the child support agency from preventing his/her access to this money.
7. The request for a hearing should be sent through the mail or delivered in person.

If you follow the proper steps to get a hearing, the hearing will focus on two matters:

- The amount of child support claimed by the child support agency. While it may be difficult to challenge this, it is important that you know how much you owe in child support.
- An alternative payment plan. An alternative payment plan is developed by you, the child support agency and the custodial parent (if she is present). It involves a discussion (negotiation) leading to a payment plan that will allow you to avoid having your bank account seized. The court commissioner will determine whether or not the child support agency's offer of an alternative arrangement is reasonable. If the court determines that the child support agency's alternative arrangement is not reasonable, the commissioner may order its own alternative payment arrangement.

Stored Value Cards

A stored value card works like a debit card except the consumer can only use the prepaid amount that is on the card. In many ways it can act like a gift card that you get from a department store. The difference is that a stored value card is not limited to one store, but can be used at multiple locations. These cards can be tied into Visa or Mastercard and then can be used anywhere that a company accepts a Visa or Mastercard credit card.

The cards are a new product but are becoming increasingly popular. Employers can use them to pay wages electronically for employees without a banking account. Employees can then use the cards to obtain cash or make purchases and payments. *Because the funds stored on the card are not associated with any bank account, they may or may not be subject to seizure by the child support agency.* It is important that you look into this before getting a stored value card. It is important to know that the card is from a reputable source. Some Internet sites offer the card with little assurance that it will operate as stated.

Stored value cards can be reloaded multiple times with additional funds, either by an employer each payday or through money wire transfer, money order, or by adding cash to it directly. For this last option you would need to go to a designated retail location with the capability of adding funds to the card.

It is important to note, however, that these transactions are not regulated by the laws that regulate bank transactions, so there is a need to be careful, particularly with the internet version of the card. The charges and fees on some cards can be very expensive.

Another advantage of stored value cards, if they are associated with a financial institution, is that tax refunds can be received quickly (but will still be subject to the tax intercept for child support) when they are deposited onto the card electronically. When combined with electronically filing your taxes, you can receive your refund much faster and avoid the need for a tax refund anticipation loan. Many free tax preparers, like VITA sites, can help you to file your return electronically. The tax section of this curriculum provides more detail and information on this topic.

Although it may be somewhat daunting to approach an employer about the stored value card, there is much to gain from its use, and the employer may also find it an appealing option. In addition, most banks and credit unions have free banking products that will allow for deposits of federal checks, taxes included. If your employment situation makes it possible, you should sign up for this or see if your employer may be willing to do this. You should understand that the card would allow you to:

- Have the paycheck deposited without having to open a bank account or pay fees to cash the paycheck
- For some stored value cards, have a tax refund deposited automatically, speeding up the time it takes to get a tax refund check. This will only matter if your child support debt is sufficiently low that the government will not intercept or take your taxes. To learn more about this go to the Tax Unit of this curriculum.
- Take advantage of the convenience of ATMs for getting cash
- Be prevented from spending more than is in the account (depending on the features of the particular card)

Banking Services and Fees

Ask about these fees before opening a checking account at a bank:

- **Monthly service fee:** You may be charged a monthly fee for the checking account itself, or there may be a fee for a checking account balance that falls below a certain amount.
- **Per check fee:** Most banks do not charge per check, but you will want to know if the bank has this fee.
- **Check printing fee:** What is the charge for printing your checks?
- **ATM-use fee:** You will want to know if the bank charges a fee when you use your ATM card at another bank.
- **Overdraft fee:** Find out about the bank's fees and policies for overdrafts so that you can avoid these fees.
- **Fee for deposited check with insufficient funds:** This fee is often substantial although it may not be possible to avoid, depending on the reliability of the person providing you with funds to deposit.
- **Stop-payment fee:** If a check is lost or stolen, you may want to place a "stop" on it, which will prevent the check from being cashed. The bank will charge a fee for this service.
- **Phone inquiry or teller fee:** Some banks charge for inquiries about your checking account. Others provide a lower cost checking account for ATM use only, and charge a fee for use of a teller.
- **Checkbook balance assistance:** Some banks provide assistance with balancing your checkbook. Find out if there is a fee for this service.

Additional questions to ask the banking representative:

- Is there an average balance required to receive free checking?
- Does the bank pay interest in the account balance?
- Does the bank provide free cashier's checks to clients?
- Are monthly statements provided in the mail with checks returned?
- Is there a delay before funds from deposited checks are available?
- Are there other free services for clients?

Note

The University of Wisconsin Extension Program has a Family Financial Management Program with materials that would be useful. They will also conduct a seminar to demonstrate how to use ATMs and other electronic banking products if requested to do so.

Unit 4: Child Support

Introduction/Background

This unit provides information about the child support system. Any financial literacy program that includes participants who are low-income noncustodial parents will need to address court-ordered child support, because for most it is a major factor in their lives, both financially and emotionally.

It has been reported that for fathers with income below the federal poverty level, child support orders averaged more than two-thirds of their total earnings. Failure to address the issue of child support obligations that are too high and child support debt that is prohibitive, will result in an inability to attain sound financial footing. The reasons that low-income fathers have orders and debts that can be insurmountable are complex and beyond the scope of this curriculum. (See www.cffpp.org for many publications on the child support system and its impact on low-income fathers.)

While an asset development strategy must include a focus on child support and an understanding of the steps that noncustodial parents with child support debt will need to take to contend with their situation, it must be noted that most of the issues faced by these parents would be best handled by a lawyer. Short of a lawyer, however, some of the most severe enforcement actions can be avoided if a parent understands the operation of the child support system.

This unit will cover:

- Commonly misunderstood facts about child support
- Reasons to go to your child support hearing
- What to do if you can't afford a lawyer
- Information you will need for a child support hearing
- The role of the child support attorney
- Issues related to the custodial parent
- Child support modifications and employment
- The consequences of not paying child support
- Alternative payment plans
- Ten things you should know about the child support system
- Records noncustodial parents should keep
- Information for incarcerated parents

Commonly Misunderstood Child Support Facts

- It is often believed that the child support attorney represents the interests of the custodial parent, but this attorney represents the interests of the state. In many cases, the interests of the custodial parent and state will be the same, but when they conflict, the state's interests will outweigh the custodial parent's interests.
- The reasons for the involvement of the child support agency in a case are often misunderstood. Parents can make their own child support arrangements through a family court system and outside the child support agency if they have not received state assistance. The child support agency is involved in the determination of the order only if the custodial parent receives government assistance or if one of the parents applies for the child support agency services.
- In Wisconsin, every party to a lawsuit handled by a family court commissioner has the right to ask for a hearing in front of a judge if they are not satisfied with the decision. Time frames in which a party may ask for a judge to hear the case vary by county. Generally, the time frame is 10-15 days from the date of the decision by the family court commissioner.
- In Wisconsin, the child support guidelines provide that a noncustodial parent with one child is responsible to pay 17% of his income for child support. There are some situations, however, which affect the order, and a noncustodial parent may be required to pay more or less than this amount.
- The following enforcement actions can occur if a parent falls behind in paying child support:
 - Driver's license suspension
 - Suspension of fishing, hunting and/or professional license
 - Seizure of a tax return
 - Incarceration
- The state of Wisconsin charges an annual interest rate of 12% on any unpaid child support, a significant contributor to child support debt.
- A mother who has custody of her children and receives certain forms of government assistance must assign her rights to receive the child support paid by the noncustodial parent. When the father pays child support the government keeps a portion of the child support as reimbursement for the assistance it provided to the mother. Since October 2006, the state of Wisconsin retains 58% of paid child support if the mother is receiving W-2 cash assistance.
- Noncustodial parents who become incarcerated often believe that the state will suspend child support enforcement since they are not able to make payments while incarcerated. In Wisconsin and in most states, however, the child support obligation does not stop upon incarceration.
- Modification of a child support order is sometimes not pursued by noncustodial parents because it is believed that it is not possible to modify without the assistance of a lawyer. While a lawyer is advisable, it is possible to request a modification without one. There are resources at the end of this curriculum that can provide assistance for those who cannot afford an attorney.
- The following changes in a noncustodial parent's circumstances should be reported to the child support agency:
 - The loss of a job or new employment
 - A pay raise or reduction
 - A court order that changes the physical custody arrangement of children
 - Incarceration or release from incarceration

- Change in residence

Reasons to Go to Your Child Support Hearing

Although much of the legal process may be confusing, it is best for a noncustodial parent to appear at the hearing, ask questions and make honest statements. If you cannot afford a lawyer, you will need to learn as much as you can about the process before the hearing date.

Many decisions that impact your life will be decided at this hearing. Studies consistently find that a parent who does not appear at a court hearing will be charged more child support. In addition, if you don't show up you will lose the opportunity to ask for the legal right to spend time with your child.

There are numerous additional reasons it is critical for you to appear at a child support hearing:

- If you receive the papers and you do not appear at the hearing where the court establishes you as the father of the child (a paternity hearing), you will not have an opportunity to dispute whether or not you are in fact the father of the child.
- If the state is trying to establish you as the legal father and you do not appear, you will legally be considered the father and may get a child support order that is too high and does not reflect your actual ability to pay.
- If the state is trying to establish you as the legal father and you do not appear, you will not have the opportunity to request that the amount of time you are able to spend with your child be addressed by the court.
- If you do not appear, the court likely will issue a bench warrant for your arrest.

What to Do If You Can't Afford a Lawyer

Although limited, there are some resources and programs available that can provide volunteer legal assistance. The Resource section at the end of this curriculum has a list of free or low-cost resources that can be used in preparation for a hearing.

One particularly useful resource is the Family Law Assistance Center (FLAC). While it does not provide legal advice, it can provide answers to many questions that a parent may have before going to a hearing. These include:

- The kinds of issues that will be decided as part of this hearing. The volunteer attorney or person staffing the FLAC center can explain each matter that will be decided.
- Who you can expect will be at the meeting. The child support attorney, the mother and maybe her attorney, and a guardian ad litem may be at the hearing. A guardian ad litem is an attorney who represents the best interest of the child, and would generally be involved if there were disputes over the legal custody or physical placement of the children. Guardian ad litem are not often involved with the child support order.
- Whether you need to send in any paperwork before this hearing to the court, mother, or child support agency.

Having answers to these questions provided by someone who is more familiar with the process will provide important support. You should realize, however, that *the volunteers cannot give legal advice, give an opinion about a specific case, or recommend a specific lawyer.*

You should also realize that even if you do not have a hearing scheduled before the court commissioner, the FLAC center can be helpful to you. Volunteers are available to assist you in completing family law forms to help you get a hearing scheduled. For example, if you need to lower your child support order, this service can help you fill out the paperwork to get your case heard by the family court commissioner.

Information You Will Need for a Child Support Hearing

Even if you do not have a hearing scheduled, it will be important to go over and carefully maintain all of your documentation so that you are prepared to make your case at any time. The following documents are good to have if you need to ask the court to lower your child support order:

- Completed financial information form (if you have a hearing)
- Employment documentation – can include a tax return, W-2 or recent pay-stub
- Proof of any other child support obligations
- Financial and family status
- Employer's health insurance benefits that could be extended to the child
- Proof of unemployment and its reasons
- Proof of attempts to gain employment – a list of jobs applied for

The Role of the Child Support Attorney

- The child support attorney does not represent either the mother or the father but the interest of the State of Wisconsin. The child support attorney determines the child support agency's position independently of either the mother or father. Sometimes, however, the child support attorney and one of the parents may have the same position and be arguing for the same thing.
- The child support attorney does not deal with issues related to visitation (physical placement) and legal custody of the child. The main focus of the child support attorney is on child support matters, including establishing paternity, setting the amount of child support, establishing who is responsible for health insurance, and enforcing child support orders.
- The child support attorney is not by law the final decision-maker in a case. Only the family court commissioner at this point has the power to make the final decision, though the commissioner often gives much weight to the argument of the child support attorney.
- Legally, the child support agency, like the father, is a party to the case. The child support attorney is not the one with ultimate authority to determine the outcome of a case if the parties cannot agree on a matter.
- The child support attorney or a child support staff person will first meet with both parents in a conference room with the goal of reaching an agreement (stipulation) without disputing it in front of a family court commissioner. It is important to understand all of the terms of any agreement before signing a stipulation agreement. Ask questions and understand the consequences. If there is any dispute, both parties have the right to request a hearing in front of the family court commissioner.
- If the parties can only agree on some matters and not others they can bring the matters they do not agree on to the family court commissioner. The family court commissioner will then hear each side and decide the disputed matters.
- A noncustodial parent who does not have a lawyer is at some disadvantage in a court case with the child support attorney. The child support attorney has a number of advantages when negotiating with the noncustodial parent, including:
 - Familiarity with the laws and the court system and personnel
 - An understanding of what will most likely persuade the family court commissioner, due to the child support attorney's daily contact with the commissioner
 - Legal training
 - A reputation for enforcing child support that is viewed by many family court commissioners as positively supporting children and enforcing parental responsibility

Understanding the role of the child support attorney is a first step to getting a better outcome from this hearing.

Issues Related to the Custodial Parent

It is important to recognize the following issues related to the custodial parent:

- The custodial parent may not have initiated child support actions and may not have control over the child support case. The case may have been initiated by the state because the custodial parent received some state benefits. Noncustodial parents may not understand this and so may be hostile to the custodial parent for the enforcement actions taken against them. It is important to understand that the child support agency may be the one asking for enforcement actions. If you have a positive relationship with the custodial parent, it could be that neither of you want the government involved in matters of child support, but if she has received any public assistance, you will not be given this option. The types of public assistance that trigger an automatic involvement of the child support agency include:
 - TANF cash assistance
 - Food stamps
 - Medicaid, or
 - Some other types of government assistance.
- The noncustodial parent should be careful to pay child support formally (to the state) even if the custodial parent is willing to accept informal payments. Otherwise, it is very likely that the payments will not count.
- The custodial parent may seem to have many services and financial resources available, but it is important to realize that many of these programs have been cut, and custodial parents carry a large burden while caring for children.
- Child support and visitation are handled independently by the courts. So, no matter what the status of your child support case, it should not affect your legal right to ask the court for an order that allows you to spend time with your children. It is also true, however, that you are not guaranteed the right to spend time with your child based on your payment of child support.

Child Support Modifications and Employment

If you are employed and owe child support, you should make sure that:

- The employer deducts the right amount of money from your paycheck to pay child support.
- The child support agency is aware of the employment.

Whenever there are changes in your life that affect your ability to pay child support, you should notify the child support agency and court. If a job change of any kind occurs, including a new job, increase in wages, job loss or reduction in income, it will affect your ability to pay child support. The sooner the child support agency is made aware of the change, the more likely it is that your child support order will reflect your current circumstances and income, which could prevent a significant amount of child support debt.

If you lose a job or experience a reduction in income, a court may decide against a downward modification on the belief that you have the potential to earn more and that the child support order should be based on this earning potential instead of your temporarily reduced income. The circumstances of a job loss must be explained to the court and accepted as a valid reason for unemployment before a downward modification would be granted. The determination as to whether or not to grant a downward modification is made by the court and can vary with each case. However, you should in any case notify the child support agency or court if you have a reduction in income or become unemployed, since if you do not do so, there is no chance that your child support order will be modified to reflect your new employment status.

It is also important to take steps to find new employment and be prepared to show and document these steps for the court. Try to keep a log of applications and contacts you have made for possible employment. The log should include a list of all employers you have applied to and their response to your job application.

Appropriately requesting a child support modification (change) will:

- Provide an opportunity for, but not a guarantee that, a court will lower your future child support order.
- Allow the record to show an attempt to come forward and contend formally with the child support order.

Requesting a child support modification will not automatically:

- Lower the child support order.
- Reduce any past-due child support.

You should keep any records related to your child support order.

The Consequences of Not Paying Child Support

Child support debt should be considered one of, if not the most important debt to pay. Unlike other debts, there are many enforcement actions the child support agency can use against you if you do not pay this debt that cannot be used for other debts.

Some enforcement actions that you face if you do not pay child support include:

- Denial or revocation of your driver's license
- Lien on your property
- Seizure of your bank accounts
- Denial or suspension of occupational licenses (for example, a welder's license)
- Denial or revocation of your recreational licenses (for example, fishing or hunting licenses)
- Seizure of your tax returns (federal and state)
- Denial or revocation of your passport
- Referral to a private collection agency
- Reporting unpaid child support to a consumer reporting agency
- Interest on any past due support (the interest rate in Wisconsin is currently 12% per year)
- Holding you, through a court action, in contempt of court
- Incarceration on misdemeanor or felony charges

Alternative Payment Plans

A noncustodial parent can request what is known as an alternative payment plan. An alternative payment plan is an agreement in which the noncustodial parent agrees to pay off child support arrears (unpaid, past due support) while continuing to pay the current amount due. If they agree to an alternative payment plan, the child support agency will stop certain enforcement actions, such as:

- actions to deny state-issued student loans and grants
- actions to suspend or deny a payer's professional, occupational, drivers or recreational licenses
- actions to seize bank accounts
- actions to seize property

To obtain an alternative payment plan you must first request one from the child support agency in writing. You will then have to provide income and asset information to the child support agency within five business days of your request. With this information, the child support agency can propose an alternative payment plan. You may then accept this proposal, reject it, or propose another payment plan. If you and the child support agency cannot come to an agreement, you may ask the court to set an amount for the alternative payment plan. More information about alternative payment plans is available at

http://www.dwd.state.wi.us/dwd/publications/dws/child_support/des12410.htm

Ten Things You Should Know About the Child Support System

- Know that the court will proceed with your case if you fail to show up when required for a court hearing.
- Understand that if you disagree with a decision made by a child support worker, child support attorney, or family court commissioner you may have the right to have a judge address the issue.
- Know as much as you can about the child support officer you meet with, their title, power to make a decision, and power to change a decision.
- Understand any documents you are signing.
- Understand what the consequences of signing a document are before you sign it.
- Know that just because you are the parent of a child does not mean that you will have visitation with or custody of that child unless you get a court order granting you visitation.
- If you can, pay consistently even if the amount you pay is below the order amount.
- Make sure that you explain and have some written proof of your financial situation so that your child support order can be set at a realistic amount.
- Notify the court or your child support caseworker whenever you lose your job or your income is reduced for whatever reason.
- Know that avoiding child support enforcement is likely to make your situation worse.

Records Noncustodial Parents Should Keep

It is advisable that every noncustodial parent keep copies of the following items:

- Court orders related to his child support case. These include the court order
 - Granting him visitation,
 - Ordering him to pay child support, and
 - Establishing his paternity (he may have signed a voluntary acknowledgment of paternity form, in which case he should have a copy of this)
- Copies of his child support Account History Report (should be obtained from child support agencies at least once a year)
- If he filed taxes, copies of his last two years federal and state income taxes
- If unemployed, copies of every job he applies to along with the date of the application for each job. It is advisable to keep a log of this information and apply to at least seven jobs every week.
- If unemployed and receiving unemployment benefits, a copy of a statement of any unemployment benefits he is receiving
- The address and telephone number of the mother
- The address and telephone number of the mother's place of employment

Information for Incarcerated Noncustodial Parents

- Communicate with all of your creditors. Tell them that you are unable to pay and that you would like to agree to a plan for repayment upon release.
- Communicate with the child support agency and/or courts to inform them of your status. You may be able to request a modification of your child support order.
- Do not expect that different systems, child support and corrections, for example, will communicate with each other regarding your case.
- Get any existing obligations that you had before entry into prison out of your name, for example, utilities, rent, phones, and any other contracts you may have.
- Put a freeze on your credit report so that you will not be the victim of identity theft. This will prevent any credit being granted without your permission, and will notify you of anyone who requests your credit report.

RESOURCES

The following is a list of resources in Dane County and Wisconsin that might be useful to you. None of these sites are affiliated with CFFPP, and we are not responsible for the services you receive from these programs. CFFPP believes that these services are not a replacement for legal representation in a particular case.

CONSUMER HELP

Better Business Bureau of Wisconsin -

10101 W. Greenfield Avenue, Suite 125

West Allis, WI 53214

Phone: (414) 847-6000

Fax: (414) 302-0355

Email: info@wisconsin.bbb.org

<http://www.wisconsin.bbb.org>

CREDIT COUNSELING

Consumer Credit Counseling Service of Madison -

Consumer Credit Counseling Service of Madison is a non-profit community action organization. Their counselors are certified by the National Foundation for Credit Counseling and are dedicated to providing confidential, professional counseling and money management assistance to financially distressed families and individuals. Services include Money Management Counseling, Credit Report Counseling, Debt Management Program, and Educational Seminars. Counseling sessions are free and available in person or over the telephone.

128 East Olin Avenue

Madison, WI 53713

Phone: 608-252-1334 (local)

Phone: 888-868-5136 (outside Madison)

<http://www.fsmad.org/cccs/>

ELECTRICITY

Madison Gas & Electric Energy Assistance –

Households with low to moderate income may be eligible for assistance from the Wisconsin Home Energy Assistance Program. Many households with income from farms, offices, factories and other work places receive this assistance, which helps with space-heating and electricity costs. Funds are limited, so it is important to apply early. Information about eligibility requirements and other limitations on this program are available at:

http://www.mge.com/home/energy_assist.htm#benefits

To apply in Dane County:

1225 S. Park Street

Madison, WI 53715

Phone: (608) 267-8601

FAMILY LAW RESOURCES

Centro Hispano of Dane County –

Centro Hispano of Dane County offers bilingual assistance in the areas of family law, immigration law, and other civil litigation. It is staffed by pro bono attorneys and volunteers.

835 W. Badger Road

Madison, WI 53713

Phone: 608-255-3018

www.centrohispanomadison.org

Community Justice Inc. –

Community Justice Inc. provides a broad range of civil legal services, from informal negotiation and research to full litigation, including in the area of family law. An individual must be below 300 percent of the Federal Poverty Guidelines to be eligible for services, and the cost varies based on income.

Dane County Legal Resource Center –

The Dane County Legal Resource Center is a small legal library in the Dane County Court house. The DCLRC provides court-approved forms for court and legal actions, as well as informational booklets on civil court processes for a small fee. The library has resources for people who do not have an attorney. Staff are not attorneys and cannot give legal advice but can explain how to find legal information and answers to legal questions. The DCLRC is located in the Dane County Courthouse; anyone wishing to use their services will need to go through a metal detector.

210 Martin Luther King Jr. Blvd.

Madison, WI 53703

Phone: 608-266-6316

<http://wsll.state.wi.us/branch/dclrc/>

Do Your Own Divorce –

Do Your Own Divorce provides legal forms and instruction to help clients handle their own divorce in an uncontested case. The fee for this service, which includes limited attorney consultation, is \$399. Services are available for all Wisconsin counties, except Racine and Milwaukee Counties.

14 W Mifflin Street, Suite 218
Madison, WI 53703-2568
Phone: 800-349-5547.
<http://doyourowndivorce.org/>

Dane County Family Court Commissioner's Office –

The Dane County Family Court Commissioner's Office will address questions about family court procedures that are of a limited nature.

Room 104
City-County Building
Madison, WI 53703
Phone: 608-266-4166

Family Law Assistance Center –

The Family Law Assistance Center provides assistance with forms and procedures related to family court and provides referrals to community resources. They do not provide legal advice. The service is available every Wednesday from 11:30 am -1:30 pm in Room 226 of the Dane County Courthouse. Volunteer attorneys, paralegals, and law students staff the family law assistance center. Spanish-speaking volunteers are available on the first and third Wednesdays of every month.

Room 226
Dane County Courthouse
210 Martin Luther King Jr. Blvd.
Madison, WI 53703

Lawyer Referral and Information Service –

The Lawyer Referral and Information Service will help individuals who call them locate legal assistance. Experienced legal assistants generally refer callers to one or more of three services: a lawyer hotline, lawyer referral, or community referral. All Wisconsin residents are eligible for the service. Service is free unless the caller makes an appointment to speak with an attorney who will charge no more than \$20 for an initial half-hour consultation.

Phone: 608-257-4666
Phone: 800-362-9082 (Wisconsin only)
<http://www.wisbar.org/bar/lris>

Legal Action of Wisconsin –

Legal Action of Wisconsin provides assistance in a broad range of legal areas, including family law matters. Services are provided by attorneys and paralegals. You must meet eligibility requirements to receive services. You can view income guidelines at <http://legalaction.org/income.htm>. Walk-in services are not available in Dane County. They will take the first 15 callers at 9:00 a.m. on the 1st and 3rd Tuesday of the month. Other Legal Action of Wisconsin sites throughout the state may have different service hours and procedures. Check the website for information about their services.

31 South Mills Street,
PO Box 259686;
Madison, WI 53725-9686
Phone: 608-256- 3304
Phone: 800-362-3904.
<http://www.legalaction.org/legalservices.htm>

Legal Information Center –

The Legal Information Center is staffed by volunteer University of Wisconsin law students who offer free legal information on a wide variety of matters, including uncontested divorces. Students will read from relevant materials and direct individuals to sources, but they do not provide legal advice. Hours of service vary depending upon the availability of the volunteer UW law students. It is advisable to call ahead to make an appointment

731 State Street (lower level of Pres House, across from the Memorial library)
Madison, WI 53703
Phone: 608-265-2396. .

State Bar of Wisconsin Website –

The State Bar of Wisconsin website provides links to a variety of sources in its “Legal Resource” section, including links to Wisconsin legislation, case law, administrative decisions, local and federal court rules and circuit court forms. The website address is: <http://wisbar.org/>

University of Wisconsin Family Court Assistance Project –

The University of Wisconsin Family Court Assistance Project is a hands-on experience for law students, designed to address the problem of unrepresented litigants. Under the supervision of clinical faculty, students work with the parties to prepare their cases for decision or stipulation. Students develop and use written materials and present educational workshops to unrepresented parties who are handling their own divorce, post-divorce, paternity, and restraining order matters. Services are limited to individuals with cases in Dane County. Individuals may contact the project by phone: 608-262-2301

Wisconsin State Law Library Website –

The Wisconsin State Law Library website has a list of legal forms relating to many different areas of family law. It has both legal forms used throughout the state of Wisconsin and forms specific to individual counties. Its web address is <http://wsll.state.wi.us/>.

RENTAL PROPERTY ASSISTANCE

Dane County Circuit Court: Small Claims Division –

The Dane County Small Claims Court is where evictions cases are handled in Dane County. In addition, this court handles claims by tenants regarding wrongful withholding of security deposits by landlords. A guide to small claims court is available online at <http://www.wicourts.gov/about/pubs/circuit/smallclaimsguide.htm>; an abbreviated guide to small claims court is available online at <http://www.countyofdane.com/clrkort/clrkhome.htm>. This second publication highlights Dane County filing and procedural information and is also available in the Clerk of Courts Office in the City-County Building (Room G-9).

Fair Housing Center of Greater Madison –

The Fair Housing Center of Greater Madison provides a broad range of services to victims of housing discrimination. They also provide educational programs on this topic.

Phone: 608-257-0853

<http://www.madison.com/communities/fhcgm/>

To discuss a potential fair housing complaint, the toll-free intake line is 1-877-647-FAIR (3247).

Second Chance Workshops –

This program provides services for families who have had difficulty maintaining housing in the past. Services include case management, education, and skills for independent living. One must attend 6 hours of training to graduate from the program. The trainings include help on finding and maintaining housing in the Madison area, advise on landlord/tenant and Fair Housing laws, counseling on creating a budget and filing system, credit counseling that includes discussion of your credit history with a copy of your credit report, information on completing an application, and information about eviction. On site childcare is available.

Vilas Room

YWCA

101 East Mifflin Street

Madison, WI 53703

Phone: 608-257-1436.

www.ywcamadison.org

Small Claims Assistance Program (SCAP) –

The Small Claims Assistance Program offers help with small claims forms and court procedures. As noted above, in addition to other types of lawsuits, all evictions and lawsuits by tenants to recover their security deposits are handled through this court. The program is staffed by volunteer attorneys, paralegals, and law students. They resource cannot give legal advice, but they can offer assistance with filling out forms and understanding court procedures. The service is available every Tuesday from 9am – 11am.

Dane County Courthouse, 3rd Floor
City-County Building
Madison, WI 53703

Phone: 608-266-6316 (This telephone number will not connect you with volunteer attorneys because the service is only available to those who come in person.)

Tenant Resource Center –

The Tenant Resource Center is a non-profit organization located in Madison, Wisconsin, that offers free counseling to tenants and landlords interested in learning more about local rent laws and about their rental rights and responsibilities. They will refer consumers to agencies for individualized assistance with such issues as housing discrimination and other housing disputes. They also offer a Housing Help Desk, which offers in-depth housing counseling related to searching for housing, subsidized housing, and rental rights and responsibilities.

1202 Williamson Street, Suite A
Madison, WI 53703
Phone: 608-257-0006.
<http://trc.studentorg.wisc.edu>

Tenants' Rights in Wisconsin –

This 130+ page self-help manual for tenants in Wisconsin contains sample letters and forms to assist tenants in resolving rental issues. The manual is produced by and available from the Tenant Resource Center. Contact information for the Tenant Resource Center is listed above.

***The Wisconsin Way: A Guide for Landlords and Tenants* –**

This 82-page guidebook is produced by the Wisconsin Department of Agriculture, Trade & Consumer Protection. It provides information about Wisconsin’s “Landlord-Tenant Law” and the rights and responsibilities of both landlords and tenants in potentially renting a property, renting a property, and terminating a rental property. Copies of the guidebook are available by contacting:

Bureau of Consumer Protection
Department of Agriculture, Trade & Consumer Protection
2811 Agricultural Drive
PO Box 8911
Madison, WI 53708-8911
Phone: 800-422-7128
Email contact address: datchotline@datcp.state.wi.us
www.datcp.state.wi.us

The cost of this guidebook is \$10. There is an order form on their website. If you order it through their website, you will need to pay by check. You may also pick it up for \$8 at any of their regional offices.

Wisconsin Department of Agriculture, Trade & Consumer Protection –

The Department has two articles to help potential and actual tenants on its website. The first article, entitled “Don’t Rent Trouble,” deals with steps a potential tenant should do to inspect an apartment before renting it from a landlord. The second article, entitled “Tenants’ Rights,” deals with a wide range of topics related to renting an apartment. These articles are available in the section on “housing” on the website:

<http://datcp.state.wi.us/cp/consumerinfo/cp/factsheets/index.jsp>

TAXES

Volunteer Income Tax Assistance (VITA) –

The Volunteer Income Tax Assistance Program provides individuals with assistance in completing tax forms. Most VITA activity consists of completing and calculating simple individual taxes on 1040A and EZ forms and calculating Wisconsin's Homestead Credit for individuals. The program is staffed by law student volunteers who receive training from the IRS and the Wisconsin Department of Revenue. One can call the Madison Public Library or Madison IRS office to schedule an appointment. The services generally run from January 1 through April 15. They are located at the downtown Madison Public Library.

Madison Public Library—Downtown
201 West Mifflin Street
Madison, WI 53704
Phone: 608-266-6300.

UNEMPLOYMENT COMPENSATION

Unemployment Compensation Appeals Clinic –

The Unemployment Compensation Appeals Clinic helps with the pursuit of unemployment compensation benefits. Under the supervision of volunteer attorneys, law students advise clients and prepare for and represent them at unemployment compensation hearings in Dane County. They are open for intake on Mondays only, between 7:00 p.m. and 9:00 p.m. One should call ahead for an appointment.

1602 S. Park Street, #102
Madison, WI 53715
Phone: 608-246-4357

GLOSSARY

Some of the terms below are specific to Wisconsin child support cases.

Alternative Payment Plan – In Wisconsin, a noncustodial parent may negotiate an alternative payment plan with the child support agency and custodial parent to pay off child support debt. If the noncustodial parent negotiates with the child support agency, he (or she) will need to pay the current support order plus an additional amount to lessen the child support debt (arrear). If the noncustodial parent does this, the child support agency will stop enforcement actions, such as suspension of driver's and professional licenses or seizure of money in bank accounts.

Arrear – Child support debt (the amount of child support a noncustodial parent is behind in paying). In Wisconsin, arrears are charged an interest rate of 12% per year. Other states charge different amounts of interest on child support arrears. Some states do not charge interest on arrears.

Contempt of Court – A legal term for a court process that involves holding a person responsible for not following a court action.

Child Support Guidelines – Every state has a formula to determine the amount of child support a noncustodial parent is obliged to pay. Each state's formula is different and is based on a number of different criteria. Most states consider the noncustodial parent's income, the number of children he (or she) has, and the amount of time he (or she) spends with the children.

Credit Report – A report that records an individual's credit payment history. An individual who has ever applied for a credit or charge account, a personal loan, insurance or a job will have a credit report. A credit report contains information about the individual's income, debts and credit payment history. It also indicates whether an individual has been sued, arrested or has filed for bankruptcy.

Credit Score – A number calculated on the basis of information contained in a credit report. It is used by potential employers, lenders, and other individuals. Factors that can damage a credit score include late payments, absence of credit references, and unfavorable credit card use. Lenders may use a credit score to determine whether to provide a loan and what rate to charge.

Bradley Amendment – A federal law that requires every state to have laws that do not allow a judge or family court commissioner to retroactively modify a child support order, thereby lowering the amount of child support debt (arrear). If a noncustodial parent does not have enough income to pay his (or her) current child support order and has accrued child support debt, he (or she) cannot later ask the court to eliminate the resulting debt. The only thing a judge can change about a child support order is future child support owed by the noncustodial parent (by modifying the current order).

Debt Expense – A financial literacy term for one of three types of expenses that individuals have. A debt expense is an expense that individuals pay because they cannot afford an item outright. For example, if an individual uses a Payday lending store to get a cash advance to pay their rent of \$500 and has to pay the Payday lending store \$150 to get this cash advance, the \$150 is considered a debt expense because it results from the debt and not from the original expense.

Deductions – Money taken directly out of an employee's paycheck. Employees have money taken from their paychecks to pay taxes and other things, such as child support.

Default Order – A legal term referring to a situation in which a court has made a decision on a case because one of the parties to the lawsuit did not appear or did not do what was required when scheduled to appear in court. The party that is defaulted will not have the opportunity to present his or her side on the matter.

De Novo Hearing – A hearing in front of a judge that will only happen after a family court commissioner has ruled on a family law matter. Local county rules dictate how much time a person has to ask a judge for a de novo hearing of a child support matter. In Wisconsin, counties vary on whether a father or mother can request a de novo hearing in front of a judge if he or she did not appear at the hearing in front of the family court commissioner.

Dependent – For tax purposes, a legal term that determines who can get credit for raising the child. When parents are separated, divorced, or never-married, generally only one of the parents can claim a child for many tax credits. Many of the tax credits for which parents are eligible require that the parent can claim the child as a dependent.

Earned Income Tax Credit (EITC) - A tax benefit for workers who earn low incomes. Workers who qualify for this credit can get back some or all of the federal income tax that was taken out of their paycheck for federal taxes. They may also get extra cash back. Unlike in past years, the federal EITC is also now available for parents who are not raising their children, if they meet other qualifications.

Earning Capacity – Child support orders can either be based on what a noncustodial parent actually earns or on what the court considers to be the parent's earning capacity. If a family court commissioner or judge believes that a noncustodial parent could make more money or could find employment, the judge or court commissioner is likely to base the child support order on the presumed earning capacity rather than on what the parent is actually earning.

Family Court Commissioner – Many family law matters are determined by a family court commissioner. She or he is likely to be the first court official a noncustodial parent will see in a child support or other family court matters, especially if the matter involves a paternity judgment.

Guardian ad Litem – An attorney appointed by the court when, among other things, there is a dispute between parents about the custody or physical placement of their child. A guardian ad litem is a party to a court case who represents the best interest of the child. The guardian ad litem will make a determination about what is in the best interest of a child. The father, mother, and guardian ad litem may have different beliefs about what is in the best interest of the child. If they cannot come to a stipulation (agreement) on these matters, a judge will make the ultimate decision about the dispute.

Homestead Credit – The Wisconsin Homestead Credit is a tax benefit for renters and homeowners with low or moderate incomes. Individuals who qualify for this credit will receive an increased Wisconsin tax refund.

Imputed Income – A court can base a child support order on an amount that exceeds a parent's actual income. This imputed income instead represents what the court believes the parent could earn.

Intercept (as relates to tax refunds) – When a noncustodial parent is behind in paying child support, the government will automatically intercept or take his (or her) tax refund and apply this to the child support debt. Generally the child support agency will intercept the parent’s federal tax refund if \$500 or more is owed in past-due child support, and will intercept the parent’s state tax refund if \$150 or more is owed in past-due child support.

Legal Custody – There are two kinds of custody: physical and legal. Physical custody, which in Wisconsin is called physical placement, relates to the amount of time that each parent will spend with a child. Legal custody relates to a parent’s legal authority to make major decisions about a child. Examples of these types of decisions are which school (private or public) a child will attend, whether a child will receive certain types of optional medical treatment, or what religion a child will practice. In Wisconsin, when a court refers to custody they are referring to legal custody. If a court is talking about physical custody it will use the legal term ‘physical placement.’

Modification – A legal term that relates to changing a judgment or order of the court. Generally in child support matters, the mother, the father, or the child support agency must request a modification before a court will consider doing this. Each state has laws concerning when the court may modify a judgment related to child support or the amount of time that a parent may spend with his or her child.

Paternity – The legal and biological term for fatherhood. For parents who were married when a child was born or conceived, the law assumes that the husband of the wife is the father of the child. A father who was never married to the mother of his child must take certain steps to have his paternity legally established. Until the father has legally established his paternity, he has no legal rights or duties towards the child. For unmarried fathers, the most common ways to establish the paternity of a child are signing a legal form called a voluntary acknowledgment of paternity or going through a court hearing where he is declared the father of the child.

Paternity Judgment – A legal document that grants a father who was never married to the mother of his child rights and responsibilities as to his child. Orders related to the following issues are included in a paternity judgment: legal custody and physical placement of the child, child support, which parent can claim the child as a dependant for tax purposes, birth cost repayment by the father, and repayment for genetic testing fees by the father.

Physical Placement – A legal term that designates the amount of time that separated parents spend with their children. The parent with primary placement is the one the court order provides will spend more time with the child.

Pro Se – A legal term indicating that an individual involved in a court case does not have the assistance of an attorney. It is estimated that in some Wisconsin counties more than 70% of cases involve pro se litigants.

Purge Condition – A condition that a judge places on an individual who is the subject of the contempt order in order to avoid certain consequences. In the context of child support, generally the contempt order is for not paying child support, and the purge condition must be satisfied or the noncustodial parent will have to serve some time in jail. In child support cases, generally the purge condition is to pay some or all of the child support owed. If the noncustodial parent does not satisfy the purge condition, a judge will issue a bench warrant for his (or her) arrest.

Refund Anticipation Loan – A loan provided to an individual by a tax preparation or other company based on the amount of money a company believes he or she will receive as a tax refund.

Served – A legal term that means the paperwork involved in a court case has been given to one party by another party. It is a requirement that before a court can consider a matter, all parties to a lawsuit must be properly served the paperwork requesting a court to consider the matter. Generally, this can be done by having the sheriff or a private process server take the paperwork to a party.

Stipulation – Agreement between the parties to a court matter. In a child support case, if the father, mother, and child support agency stipulate to everything, this is an agreement to end the lawsuit and not bring the case in front of the judge or family court commissioner. It is also possible for the father, mother, and child support agency attorney to stipulate to some matters that are part of the lawsuit and bring other matters in front of the family court commissioner or judge for resolution. For example, they may agree that the father should place the child on his health insurance plan, but not agree on the amount of child support he will owe. In this instance, they are stipulating to putting his child on his health plan, but need to resolve the amount of child support he owes in front of a court commissioner or judge.

Visitation – A common legal term for the time a noncustodial parent spends with his (or her) child. Wisconsin does not use this term in family law matters. The term used in disputes between parents over time they spend with their child is 'physical placement'. The parent who is given the most amount of time is considered the one with primary physical placement of the child.