CHAPTER 12

CHILDREN AND DOMESTIC MATTERS

HOUSE BILL 02-1055

BY REPRESENTATIVE(S) Jahn, Borodkin, Boyd, Coleman, Daniel, Garcia, Groff, Mace, Marshall, Miller, Ragsdale, Romanoff, Tochtrop, and Williams S.:

also SENATOR(S) Reeves, Epps, Fitz-Gerald, Hagedorn, Hanna, Hernandez, Phillips, Tate, Tupa, and Windels.

AN ACT

CONCERNING SUPPORT OBLIGATIONS.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. 14-14-102, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

- **14-14-102. Definitions.** As used in this article, unless the context otherwise requires:
- (6.5) "PLAN" MEANS A GROUP HEALTH BENEFIT PLAN OR COMBINATION OF PLANS, OTHER THAN PUBLIC ASSISTANCE PROGRAMS, THAT PROVIDES MEDICAL CARE OR BENEFITS FOR A CHILD. "PLAN" INCLUDES, BUT IS NOT LIMITED TO, A HEALTH MAINTENANCE ORGANIZATION, SELF-FUNDED GROUP, STATE OR LOCAL GOVERNMENT GROUP HEALTH PLAN, CHURCH GROUP PLAN, MEDICAL OR HEALTH SERVICE CORPORATION, OR OTHER SIMILAR PLAN.
- **SECTION 2.** The introductory portion to 14-14-111.5 (4), Colorado Revised Statutes, is amended to read:
- 14-14-111.5. Income assignments for child support or maintenance. (4) Notice to withhold income for support. Ten days after the date the advance notice of activation is mailed to the obligor for income assignments on orders entered during the time periods described in paragraphs (a), (b), and (d) of subsection (2) of this section or immediately for income assignments on orders entered during the time periods described in paragraphs (c), (e), and (f) of subsection (2) of this section, an income assignment may be activated by the obligee, THE OBLIGEE'S REPRESENTATIVE, OR THE DELEGATE CHILD SUPPORT ENFORCEMENT UNIT by causing a notice to

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

withhold income for support to be served upon the employer, trustee, or other payor of funds, by first-class mail or in a case where the department of human services is the trustee for purposes of an unemployment benefit intercept pursuant to section 8-73-102 (5), C.R.S., by electronic service, IF SUCH EMPLOYER, TRUSTEE, OR OTHER PAYOR OF FUNDS MUTUALLY AGREES WITH THE STATE CHILD SUPPORT ENFORCEMENT AGENCY TO RECEIVE SUCH INCOME ASSIGNMENTS ELECTRONICALLY. Receipt of notice by the employer, trustee, or other payor of funds confers jurisdiction of the court over the employer, trustee, or other payor of funds. In circumstances in which the source of income to the obligor is unemployment compensation benefits and the custodian of the child is receiving support enforcement services pursuant to section 26-13-106, C.R.S., no notice to withhold income for support shall be required. In such cases, the state child support enforcement agency shall electronically intercept the unemployment compensation benefits through an automated interface with the department of labor and employment. In all other cases, the notice to withhold income for support shall contain the following information and, except in cases in which the obligee is receiving child support enforcement services pursuant to section 26-13-106, C.R.S., shall have a certified copy of the support order attached thereto:

SECTION 3. 14-14-112 (1), the introductory portion to 14-14-112 (2), and 14-14-112 (2) (1) and (6), Colorado Revised Statutes, are amended, and the said 14-14-112 is further amended BY THE ADDITION OF A NEW SUBSECTION, to read:

- **14-14-112.** Deductions for health insurance. (1) In all orders which direct the obligor to provide health insurance for any child, the court or delegate child support enforcement unit shall include a provision directing the obligor's employer to enroll such child and the obligor, if enrollment of the obligor is a requirement of the plan, in the health insurance plan and to deduct from the wages due the obligor an amount sufficient to provide for premiums for health insurance when such insurance is offered by the employer, including any employer subject to the provisions of section 607 (1) of the federal "Employee Retirement Income Security Act of 1974", as amended. For all orders entered prior to August 1, 1992, which direct the obligor to provide health insurance for any child, the obligee OR the obligee's representative or the delegate child support enforcement unit shall send a copy of the notice of the deduction for health insurance, by first-class mail, to the obligor concurrent with mailing of the notice to the obligor's employer pursuant to subsection (2) of this section. The court or the delegate child support enforcement unit shall direct the obligor to notify the court, or unit IF THE DELEGATE CHILD SUPPORT ENFORCEMENT UNIT IS A PARTY TO THE COURT ACTION, in writing, of any change of address or employment within ten days of AFTER the change.
- (1.5) Effective July 1, 2002, the delegate child support enforcement unit shall follow the procedure set forth in section 26-13-121.5, C.R.S., for the enforcement of orders for health insurance.
- (2) Notice of the deduction for health insurance shall be mailed by first-class mail by the obligee OR the obligee's representative or the delegate child support enforcement unit to the obligor's employer. The notice of the deduction for health insurance shall contain:
 - (1) A statement that the obligor may file an objection to the notice of the deduction

for health insurance with the court or delegate child support enforcement unit if the premium amount does not meet the definition of reasonable cost as provided in section 14-10-115 (13.5) (g). A premium amount that results in a child support order of fifty dollars or less or that is twenty percent or more of the obligor's gross income shall not be considered reasonable.

(6) When an employer is served with a notice to deduct for health insurance pursuant to this section, and the obligor is no longer employed by the employer, the employer shall promptly notify the court or delegate child support enforcement unit in writing of the obligor's last-known address, social security number, and the name of the obligor's new employer, if known.

SECTION 4. 26-13-115.5, Colorado Revised Statutes, is amended to read:

26-13-115.5. Family support registry fund created. There is hereby created in the state treasury a fund to be known as the family support registry fund, which shall consist of any moneys credited thereto from the investment earnings on moneys deposited with the state treasurer, MONEYS accruing from collections for child support received by the family support registry, and any undeliverable child support payments, AND ANY FEES COLLECTED PURSUANT TO SECTION 26-13-114 (13). Moneys in the family support registry fund shall be used CONTINUOUSLY APPROPRIATED TO THE STATE DEPARTMENT to reimburse the family support registry for unfunded payments by noncustodial parents OBLIGORS or FOR other incidental expenditures associated with the operation of the family support registry. The ATTHE END OF ANY FISCAL YEAR, ALL UNEXPENDED AND UNENCUMBERED moneys in the family support registry fund SHALL REMAIN IN THE FUND AND shall not be credited or transferred to the general fund or any other fund of the state; except that any non-IV-D child support payments that are undeliverable after two years shall be considered unclaimed property for purposes of the "Unclaimed Property Act" and shall be reported to the administrator of the "Unclaimed Property Act" for purposes of locating the payee. Consistent with the requirements for confidentiality of information regarding child support, the state department shall specify the amount of money that is unclaimed and provide sufficient identifying information, if available, to allow the administrator to locate the payee.

SECTION 5. 26-13-121 (2), (3) (a), (3) (c), (3) (d), and (4) (b), Colorado Revised Statutes, are amended to read:

- **26-13-121. Review and modification of child support orders.** (2) The delegate child support enforcement unit shall issue a notice of review ACCOMPANIED BY AN AFFIDAVIT WITH RESPECT TO CHILD SUPPORT WHEN ONE OF THE FOLLOWING CONDITIONS IS MET:
- (a) IF IT HAS BEEN THIRTY-SIX MONTHS OR MORE SINCE THE LAST REVIEW, upon receipt of a written request for review or upon its own request to an obligor and obligee who have an existing order for the support of a child; Adjustments made pursuant to a triennial review need not require a showing of changed circumstances. OR
- (b) If it has been fewer than thirty-six months since the last review, upon receipt of a written request for review if the requesting party

PROVIDES A REASON FOR SUCH REVIEW WITH SUPPORTING DOCUMENTATION OR OTHERWISE DEMONSTRATES THAT THERE HAS BEEN A SUBSTANTIAL CHANGE IN CIRCUMSTANCES WARRANTING A REVIEW OF THE CHILD SUPPORT AMOUNT. THE DELEGATE CHILD SUPPORT ENFORCEMENT UNIT SHALL ASSESS AND CONSIDER THE INFORMATION PROVIDED TO DETERMINE WHETHER A REVIEW IS WARRANTED AND SHOULD BE CONDUCTED.

- (3) (a) The delegate child support enforcement unit shall send a notice of review to the obligor and the obligee at least forty days before the commencement of the review. An income and expense affidavit shall be attached to the notice. Each party shall complete and return the affidavit to the delegate child support enforcement unit prior to the review. If the delegate child support enforcement unit determines there has been a substantial change in circumstances, it shall issue a notice of review accompanied by an affidavit with respect to child support. The delegate child support enforcement unit shall send the notice of review and affidavits at least thirty days before the commencement of the review.
- (c) If the written request is submitted less than thirty-six months after the last review, a review shall be conducted. However, An adjustment to the order shall be appropriate only if the standard set forth in section 14-10-122 (1) (b), C.R.S., is met.
- (d) If the written request is submitted thirty-six months or more after the last review, a review shall be conducted and an adjustment to the order shall be appropriate if the guideline amount differs from the amount of the existing order.
- (4) (b) The obligor and obligee shall be given forty THIRTY days to challenge the review results.

SECTION 6. Article 13 of title 26, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

- **26-13-121.5.** Enforcement of obligation to maintain health insurance. (1) IF A PARENT HAS BEEN ORDERED TO PROVIDE HEALTH INSURANCE, AS DEFINED IN SECTION 14-14-102 (4.7), C.R.S., AND SUCH INSURANCE IS AVAILABLE AT A REASONABLE COST CONSISTENT WITH THE PROVISIONS OF SECTION 14-10-115 (13.5) (g), C.R.S., THE DELEGATE CHILD SUPPORT ENFORCEMENT UNIT SHALL USE THE FEDERALLY MANDATED NATIONAL MEDICAL SUPPORT NOTICE TO PROVIDE NOTICE OF THE INSURANCE PROVISION TO THAT PARENT'S EMPLOYER UNLESS THE CHILD OR CHILDREN ARE ALREADY ENROLLED IN A HEALTH INSURANCE PLAN IN ACCORDANCE WITH THE ORDER.
- (2) The National Medical Support Notice shall be sent to the employer by Means of First-Class Mail. A copy of the Notice shall also be sent to the obligor by First-Class Mail. The Notice shall be continuing and shall remain in effect and be binding upon any current or successor employer upon whom it is served until further notice by the court or by the delegate child support enforcement unit. Receipt of the National Medical support notice by the employer shall confer jurisdiction of the court over the employer.

- (3) (a) THE OBLIGOR SHALL HAVE TEN DAYS FROM THE DATE THE NATIONAL MEDICAL SUPPORT NOTICE IS MAILED TO THE OBLIGOR IN WHICH TO FILE A WRITTEN OBJECTION WITH THE DELEGATE CHILD SUPPORT ENFORCEMENT UNIT BASED ONLY UPON ONE OF THE FOLLOWING MISTAKES OF FACT:
 - (I) THERE IS A MISTAKE IN IDENTITY AND THE EMPLOYEE IS NOT THE OBLIGOR; OR
 - (II) THERE IS NO COURT ORDER TO PROVIDE HEALTH INSURANCE.
- (b) THE DELEGATE CHILD SUPPORT ENFORCEMENT UNIT SHALL HAVE TEN DAYS FROM THE DATE THE OBJECTION IS MAILED BY THE OBLIGOR TO RESOLVE THE MISTAKE OF FACT. THE DELEGATE CHILD SUPPORT ENFORCEMENT UNIT SHALL IMMEDIATELY NOTIFY THE OBLIGOR IN WRITING, BY FIRST CLASS MAIL, OF ITS DECISION. IF THE DELEGATE CHILD SUPPORT ENFORCEMENT UNIT AGREES WITH THE OBLIGOR, IT SHALL IMMEDIATELY SEND A NOTICE, BY FIRST-CLASS MAIL, TO THE EMPLOYER TO TERMINATE THE NATIONAL MEDICAL SUPPORT NOTICE.
- (c) If the obligor does not agree with the decision of the delegate child support enforcement unit, he or she may file a written objection with the court. Upon any determination by the court which results in a finding in favor of the obligor, the delegate child support enforcement unit shall immediately mail a notice of termination of the national medical support notice to the employer and to the obligor, by first-class mail. The termination of the health insurance shall only be prospective and the employee shall not be entitled to any reimbursement for any premiums withheld or deducted from his or her wage prior to the plan administrator's prompt termination of the deduction for health insurance.
- (4) (a) The employer shall complete the employer response, if applicable, attached to part A of the national medical support notice, which part A includes information for and responsibilities of the employer, and shall return the employer response to the delegate child support enforcement unit within twenty business days after the date of the notice.
- (b) If the employer does not maintain or contribute to family health insurance coverage or if the obligor is not eligible for family health insurance coverage through his or her employer or if the obligor is no longer employed with that employer, then the employer shall specify such relevant circumstances or conditions in the employer response and shall return part A of the national medical support notice to the delegate child support enforcement unit.
- (c) If none of the circumstances or conditions described in paragraph (b) of this subsection (4) apply, then the employer shall complete the applicable sections of the employer response and transfer part B of the national medical support notice to the appropriate plan administrator within twenty business days after the date of such notice. If the employer offers a number of different types of benefits through separate health insurance plans, the employer shall send copies of part B to each appropriate plan administrator.

- (d) ANY EMPLOYER WHO FAILS TO COMPLY WITH THE TIME FRAMES STATED IN THIS SUBSECTION (4) MAY BE FOUND BY THE COURT TO BE IN CONTEMPT OF COURT.
- (5) (a) THE PLAN ADMINISTRATOR SHALL COMPLETE AND RETURN PART B OF THE NATIONAL MEDICAL SUPPORT NOTICE TO THE DELEGATE CHILD SUPPORT ENFORCEMENT UNIT WITHIN FORTY BUSINESS DAYS AFTER THE DATE OF SUCH NOTICE.
- (b) If the Plan administrator determines that the National Medical Support Notice is not a qualified medical child support order, the Plan administrator shall specify on Part B the Basis for such determination.
- (c) If the plan administrator determines that the national medical support notice is a qualified medical child support order, the plan administrator shall complete the appropriate parts of the plan administrator response. Upon enrollment of the child or children, the plan administrator shall provide the following information to the delegate child support enforcement unit: The names of the persons covered by the health insurance plan; the complete name, address, and telephone number of the insurance carrier; and the applicable policy and group number of the health insurance plan. The plan administrator shall furnish the obligee with a description of the health insurance coverage available, any required forms, information describing the steps needed to effectuate such coverage, and the effective date of the coverage.
- (d) IF THE PLAN ADMINISTRATOR REPORTS ON PART B OF THE NATIONAL MEDICAL SUPPORT NOTICE THAT THE OBLIGOR IS NOT ENROLLED IN A PLAN, AS DEFINED IN SECTION 14-14-102 (6.5), C.R.S., AND MORE THAN ONE OPTION IS AVAILABLE UNDER THE PLAN, THE PLAN ADMINISTRATOR SHALL PROVIDE TO THE DELEGATE CHILD SUPPORT ENFORCEMENT UNIT A SUMMARY PLAN DESCRIPTION OF EACH OPTION INCLUDING THE ADDITIONAL PARTICIPANT CONTRIBUTION REQUIRED BY EACH OPTION AND WHETHER THERE IS A LIMITED SERVICE AREA WITH ANY OPTION. THE DELEGATE CHILD SUPPORT ENFORCEMENT UNIT SHALL FORWARD THE INFORMATION TO THE OBLIGEE. THE OBLIGEE SHALL SELECT ONE OF THE AVAILABLE OPTIONS. WITHIN TWENTY BUSINESS DAYS AFTER THE DATE THE PLAN ADMINISTRATOR'S RESPONSE WAS SENT TO THE DELEGATE CHILD SUPPORT ENFORCEMENT UNIT, THE DELEGATE CHILD SUPPORT ENFORCEMENT UNIT SHALL NOTIFY THE PLAN ADMINISTRATOR OF THE SELECTION. IF THE DELEGATE CHILD SUPPORT ENFORCEMENT UNIT DOES NOT REPLY TO THE PLAN ADMINISTRATOR, THE PLAN ADMINISTRATOR SHALL ENROLL THE CHILD OR CHILDREN IN THE LEAST COSTLY PLAN OTHERWISE AVAILABLE TO THE OBLIGOR FOR THE BENEFIT OF THE CHILD OR CHILDREN.
- (e) PROMPTLY AFTER ENROLLMENT, THE PLAN ADMINISTRATOR SHALL NOTIFY THE OBLIGOR THAT COVERAGE OF THE CHILD OR CHILDREN IS OR WILL BECOME AVAILABLE AND THE DATE THE COVERAGE TAKES EFFECT. THE OBLIGOR MAY FILE A WRITTEN OBJECTION WITH THE COURT AFTER THE DATE OF THE NOTICE OF SUCH ENROLLMENT BY THE PLAN ADMINISTRATOR IF THE PREMIUM AMOUNT DOES NOT MEET THE DEFINITION OF REASONABLE COST AS PROVIDED IN SECTION 14-10-115 (13.5) (g), C.R.S. UPON ANY DETERMINATION BY THE COURT WHICH RESULTS IN A FINDING IN FAVOR OF THE OBLIGOR, THE DELEGATE CHILD SUPPORT ENFORCEMENT UNIT SHALL IMMEDIATELY MAIL A NOTICE OF TERMINATION OF THE NATIONAL MEDICAL SUPPORT NOTICE TO THE OBLIGOR AND TO THE EMPLOYER BY FIRST-CLASS MAIL. THE

TERMINATION OF THE HEALTH INSURANCE SHALL ONLY BE PROSPECTIVE AND THE OBLIGOR SHALL NOT BE ENTITLED TO ANY REIMBURSEMENT FOR ANY PREMIUMS WITHHELD OR DEDUCTED FROM HIS OR HER WAGE PRIOR TO THE PLAN ADMINISTRATOR'S PROMPT TERMINATION OF THE DEDUCTION FOR HEALTH INSURANCE.

- (f) If the plan administrator indicates that the child or children are enrolled in an option under the plan for which the employer has determined that the obligor's contribution exceeds the maximum amount allowed to be withheld under state and federal withholding limitations or prioritization, then the employer shall indicate the same and return part A of the national medical support notice to the delegate child support enforcement unit. Upon notification from the plan administrator that the child or children are enrolled, the employer shall withhold from the obligor's income any employee contribution and transfer the contribution to the appropriate plan or, if appropriate, notify the delegate child support enforcement unit that enrollment cannot be completed because of limitations or prioritization on withholding.
- (g) ANY EMPLOYER WHO FAILS TO COMPLY WITH THE TIME FRAMES STATED IN THIS SUBSECTION (5) MAY BE FOUND BY THE COURT TO BE IN CONTEMPT OF COURT.
- (6) THE EMPLOYER SHALL INITIATE WITHHOLDING UNTIL AND UNLESS THE EMPLOYER RECEIVES NOTICE FROM THE DELEGATE CHILD SUPPORT ENFORCEMENT UNIT THAT THE OBLIGOR IS NOT RESPONSIBLE FOR THE CHILD'S OR CHILDREN'S HEALTH INSURANCE COVERAGE.
- (7) THE EMPLOYER SHALL NOTIFY THE PLAN ADMINISTRATOR WHEN AN OBLIGOR HAS COMPLETED A WAITING PERIOD OR HAS OTHERWISE MET ELIGIBILITY REQUIREMENTS FOR COVERAGE.
- (8) THE NATIONAL MEDICAL SUPPORT NOTICE SHALL NOT BE TERMINATED OR MODIFIED EXCEPT FOR THE REASONS SET FORTH IN SECTION 14-14-112 (2) (h), C.R.S.
- (9) If the National Medical Support Notice is terminated or modified, then the employer shall comply with the provisions of Section 14-14-112 (2) (k), C.R.S., regarding termination of Coverage.
- (10) An employer who is served with a national medical support notice shall follow the provisions of section 14-14-112 (2) (g) and (6), C.R.S., regarding notification of the termination of employment by the named obligor.
- (11) ANY EMPLOYER WHO WRONGFULLY FAILS TO COMPLY WITH THIS SECTION MAY BE SUBJECT TO THE SANCTIONS SET FORTH IN SECTION 14-14-112 (5), C.R.S.
- (12) AN EMPLOYER SHALL NEITHER REFUSE TO HIRE A PERSON NOR DISCHARGE OR TAKE DISCIPLINARY ACTION AGAINST AN EMPLOYEE BECAUSE OF SERVICE OF THE NATIONAL MEDICAL SUPPORT NOTICE PURSUANT TO THIS SECTION. ANY PERSON WHO VIOLATES THIS SUBSECTION (12) MAY BE FOUND BY THE COURT TO BE IN CONTEMPT OF COURT. IF AN EMPLOYER DISCHARGES AN EMPLOYEE IN VIOLATION OF THE PROVISIONS OF THIS SECTION, THE EMPLOYEE MAY, WITHIN NINETY DAYS, BRING A

CIVIL ACTION FOR THE RECOVERY OF WAGES LOST AS A RESULT OF THE VIOLATION AND FOR AN ORDER REQUIRING THE REINSTATEMENT OF THE EMPLOYEE. DAMAGES RECOVERABLE SHALL BE LOST WAGES NOT TO EXCEED SIX WEEKS, COSTS, AND REASONABLE ATTORNEY FEES.

- (13) AN EMPLOYER WHO COMPLIES WITH A NATIONAL MEDICAL SUPPORT NOTICE TO DEDUCT FOR HEALTH INSURANCE BENEFITS PURSUANT TO THIS SECTION SHALL NOT BE LIABLE TO THE OBLIGOR FOR WRONGFUL WITHHOLDING.
- (14) THE DELEGATE CHILD SUPPORT ENFORCEMENT UNIT SHALL COMPLY WITH THE PROVISIONS OF SECTION 14-14-112 (9), C.R.S., WHEN THE ORDER FOR MEDICAL SUPPORT IS MODIFIED OR TERMINATED.
- (15) DEDUCTIONS FOR HEALTH INSURANCE SHALL ALSO BE ORDERED BY A DELEGATE CHILD SUPPORT ENFORCEMENT UNIT UNDER THE PROVISIONS OF THE "COLORADO ADMINISTRATIVE PROCEDURE ACT FOR THE ESTABLISHMENT AND ENFORCEMENT OF CHILD SUPPORT", CREATED IN ARTICLE 13.5 OF THIS TITLE.
- **SECTION 7. Effective date.** This act shall take effect July 1, 2002; except that section 5 of this act shall take effect January 1, 2003.
- **SECTION 8. Safety clause.** The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: March 13, 2002