

WISCONSIN DEPARTMENT OF CHILDREN AND FAMILIES  
Division of Family and Economic Security  
Bureau of Child Support

To: Child Support Directors  
Child Support Supervisors or Lead Workers  
Child Support Attorneys

From: Director  
Bureau of Child Support

CHILD SUPPORT  
BULLETIN

No.: 09-33A

Date: 11/03/2009

**Subject: Wisconsin Workers Compensation (WC) Claim Intercepts – Periodic Payments**

This CSB obsoletes CSB 08-24. A separate bulletin (CSB 09-33B) has been created to provide guidance for intercepting **lump sum** Worker's Compensation and other insurance claim benefits.

**Purpose**

This bulletin informs child support agencies of the changes and improvements made to the Wisconsin Worker's Compensation claim-matching process and the procedure to be used for withholding child support from periodic Worker's Compensation benefits intended **to replace income**.

**Background**

When a noncustodial parent (NCP) is injured at work or during work-related activities, they usually qualify for Workers Compensation (WC) benefits under Wisconsin Statutes, Chapter 102. Wis. Stats. § 767.75(1f) allows child support to be withheld from any WC payments. *The income assignment shall be for an amount sufficient to ensure payment under the order, obligation, or stipulation and to pay any arrearages due at a periodic rate not to exceed 50% of the amount of the support due so long as the addition of the amount towards arrears does not leave the party at an income below the poverty line established under 42 USC 9902 (c).*

DCF150.02 (130)(b), Note, further *clarifies that although the portion of worker's compensation awards not intended to replace income is excluded from gross income in establishing a child support order, **the full worker's compensation benefit is assignable for the collection of child support.***

**New WC Match and Reports**

Effective December 2008 a new WC interface matches **all NCPs** to WI workers compensation claims. This includes NCPs in NIVD cases. This matched information alerts the worker that a WC claim is pending and the WC is a potential income source for the NCP. NCPs eligible for WC may receive periodic payments or lump-sum payments from the WC insurance carrier or their third-party administrator.

Worker's compensation claim information appears on a new weekly report (D494-WI WC Insurance Claims). Workers will receive notice of the claim via a new worklist (WCIN – Worker's Compensation Income). Each week, the WC claim file from the previous week will be compared to the current week and only **new** and **updated** claim information will be listed on the report. The WC interface also provides addresses for matched NCPs. The address is automatically added to KIDS as a verified MAIL address (source DWCV-Division of WC) if the NCP does not already have a MAIL or RES (verified or unverified) address listed in KIDS.

**Policy**

Upon receipt of WC claim data through the new interface, CSAs must add the income information into KIDS on the Participant Income/Employment (EHB) screen (path: 04 08), using WCFP – WC Financial Payment income type. There is no requirement for CSAs to add WC income for NIVD cases found on the report. CSAs should follow any existing county processes developed for NIVD INCW cases.

The claim details on the report include the insurance company's name, the third-party administrator, the claim loss date, and the claim number used by the insurance company. If there is an attorney working on behalf of the insurance claim, that attorney's name is also listed.

After entering the WC claim information into KIDS, the CSA must generate an Order for Income Withholding (IW05) to the WC third-party administrator or to the insurance company, if they are the same, along with a Notice of Assignment of Claim (IW27). CSAs must also send copies of the IW05 and the IW27 to the NCP and the NCP's attorney, if known. BCS recommends that copies sent to the employer and the third-party administrator/insurance company be sent by certified mail. The IW27 Notice of Assignment of Claim requires that the insurer notify the CSA that a lump-sum payment is pending.

In addition, CSAs may send a copy of the IW27 to the State of Wisconsin, Department of Workforce Development (DWD), Division of Worker's Compensation (third-party EMPL ID #149394), asking that the copy be placed into the WC claim file. This will ensure that the Notice of Assignment of Claim will be made available to the administrative law judges for any hearing related to the WC claim.