

The Federal Deficit Reduction Act of 2005 - Implementation of the \$25 Annual Service Fee

In the Federal Deficit Reduction Act of 2005, Public Law 109-171, all states were instructed to impose a \$25 Annual Service Fee to non-welfare families (never-assisted cases) who are disbursed \$500 or more during the federal fiscal year. The mandate went into effect January 1, 2008. As of October 1, 2010, the State will no longer pay the fee on behalf of families.

Beginning October 1, 2011, and every October 1 thereafter, DCSS will assess the \$25 Annual Service Fee to all never-assisted cases that meet the criteria for assessment. The service fee will be withheld from the never-assisted custodial party's next child support payment(s) until the \$25 is fully recovered. Although the first disbursement(s) paid to the custodial party on or after October 1 will be reduced by \$25, the non-custodial parent will get full credit for the amount of the collection received.

For more information click one of the following links:

[Frequently Asked Questions](#)

[Certification of Annual Service Fee Exemption form \(DCSS-0678\)](#)

