



Compilation Of The Social Security Laws



INCENTIVE PAYMENTS TO STATES

Sec. 458. [42 U.S.C. 658a] (a) In General.—In addition to any other payment under this part, the Secretary shall, subject to subsection (f), make an incentive payment to each State for each fiscal year in an amount determined under subsection (b).

(b) Amount of Incentive Payment.—

(1) In general.—The incentive payment for a State for a fiscal year is equal to the incentive payment pool for the fiscal year, multiplied by the State incentive payment share for the fiscal year.

(2) Incentive payment pool.—

(A) In general.—In paragraph (1), the term “incentive payment pool” means—

- (i) \$422,000,000 for fiscal year 2000;
- (ii) \$429,000,000 for fiscal year 2001;
- (iii) \$450,000,000 for fiscal year 2002;
- (iv) \$461,000,000 for fiscal year 2003;
- (v) \$454,000,000 for fiscal year 2004;
- (vi) \$446,000,000 for fiscal year 2005;
- (vii) \$458,000,000 for fiscal year 2006;
- (viii) \$471,000,000 for fiscal year 2007;
- (ix) \$483,000,000 for fiscal year 2008; and

(x) for any succeeding fiscal year, the amount of the incentive payment pool for the fiscal year that precedes such succeeding fiscal year, multiplied by the percentage (if any) by which the CPI for such preceding fiscal year exceeds the CPI for the second preceding fiscal year.

(B) CPI.—For purposes of subparagraph (A), the CPI for a fiscal year is the average of the Consumer Price Index for the 12-month period ending on September 30 of the fiscal year. As used in the preceding sentence, the term “Consumer Price Index” means the last Consumer Price Index for all-urban consumers published by the Department of Labor.

(3) State incentive payment share.—In paragraph (1), the term “State incentive payment share” means, with respect to a fiscal year—

- (A) the incentive base amount for the State for the fiscal year; divided by
- (B) the sum of the incentive base amounts for all of the States for the fiscal year.

(4) Incentive base amount.—In paragraph (3), the term “incentive base amount” means, with respect to a State and a fiscal year, the sum of the applicable percentages (determined in accordance with paragraph (6)) multiplied by the corresponding maximum incentive base amounts for the State for the fiscal year, with respect to each of the following measures of State performance for the fiscal year:

- (A) The paternity establishment performance level.
- (B) The support order performance level.
- (C) The current payment performance level.
- (D) The arrearage payment performance level.
- (E) The cost-effectiveness performance level.

(5) Maximum incentive base amount.—

(A) In general.—For purposes of paragraph (4), the maximum incentive base amount for a State for a fiscal year is—

- (i) with respect to the performance measures described in subparagraphs (A), (B), and (C) of paragraph (4), the State collections base for the fiscal year; and
- (ii) with respect to the performance measures described in subparagraphs (D) and (E) of paragraph (4), 75 percent of the State collections base for the fiscal year.

(B) Data required to be complete and reliable.—Notwithstanding subparagraph (A), the maximum incentive base amount for a State for a fiscal year with respect to a performance measure described in paragraph (4) is zero, unless the Secretary determines, on the basis of an audit performed under section 452(a)(4)(C)(i), that the data which the State submitted pursuant to section 454(15)(B) for the fiscal year and which is used to determine the performance level involved is complete and reliable.

(C) State collections base.—For purposes of subparagraph (A), the State collections base for a fiscal year is equal to the sum of—

- (i) 2 times the sum of—

- (I) the total amount of support collected during the fiscal year under the State plan approved under this part in cases in which the support obligation involved is required to be assigned to the State pursuant to part A or E of this title or title XIX; and
 - (II) the total amount of support collected during the fiscal year under the State plan approved under this part in cases in which the support obligation involved was so assigned but, at the time of collection, is not required to be so assigned; and
 - (ii) the total amount of support collected during the fiscal year under the State plan approved under this part in all other cases.
- (6) Determination of applicable percentages based on performance levels.—

(A) Paternity establishment.—

(i) Determination of paternity establishment performance level.—The paternity establishment performance level for a State for a fiscal year is, at the option of the State, the IV-D paternity establishment percentage determined under section 452(g)(2)(A) or the statewide paternity establishment percentage determined under section 452(g)(2)(B).

(ii) Determination of applicable percentage.—The applicable percentage with respect to a State's paternity establishment performance level is as follows:

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

Notwithstanding the preceding sentence, if the paternity establishment performance level of a State for a fiscal year is less than 50 percent but exceeds by at least 10 percentage points the paternity establishment performance level of the State for the immediately preceding fiscal year, then the applicable percentage with respect to the State's paternity establishment performance level is 50 percent.

(B) Establishment of child support orders.—

(i) Determination of support order performance level.—The support order performance level for a State for a fiscal year is the percentage of the total number of cases under the State plan approved under this part in which there is a support order during the fiscal year.

(ii) Determination of applicable percentage.—The applicable percentage with respect to a State's support order performance level is as follows:

| If the support order performance level is: |
|--|
|--|

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

Notwithstanding the preceding sentence, if the support order performance level of a State for a fiscal year is less than 50 percent but exceeds by at least 5 percentage points the support order performance level of the State for the immediately preceding fiscal year, then the applicable percentage with respect to the State's support order performance level is 50 percent.

(C) Collections on current child support due.—

(i) Determination of current payment performance level.—The current payment performance level for a State for a fiscal year is equal to the total amount of current support collected during the fiscal year under the State plan approved under this part divided by the total amount of current support owed during the fiscal year in all cases under the State plan, expressed as a percentage.

(ii) Determination of applicable percentage.—The applicable percentage with respect to a State's current payment performance level is as follows:

| If the support order performance level is: | | The applicable percentage is: |
|--|----------------|-------------------------------|
| At least: | But less than: | |
| 80% | | 100 |
| 79% | 80% | 98 |
| 78% | 79% | 96 |
| 77% | 78% | 94 |
| 76% | 77% | 92 |
| 75% | 76% | 90 |
| 74% | 75% | 88 |
| 73% | 74% | 86 |
| 72% | 73% | 84 |
| 71% | 72% | 82 |
| 70% | 71% | 80 |
| 69% | 70% | 79 |

| | | |
|-----|-----|----|
| 68% | 69% | 78 |
| 67% | 68% | 77 |
| 66% | 67% | 76 |
| 65% | 66% | 75 |
| 64% | 65% | 74 |
| 63% | 64% | 73 |
| 62% | 63% | 72 |
| 61% | 62% | 71 |
| 60% | 61% | 70 |
| 59% | 60% | 69 |
| 58% | 59% | 68 |
| 57% | 58% | 67 |
| 56% | 57% | 66 |
| 55% | 56% | 65 |
| 54% | 55% | 64 |
| 53% | 54% | 63 |
| 52% | 53% | 62 |
| 51% | 52% | 61 |
| 50% | 51% | 60 |
| 49% | 50% | 59 |
| 48% | 49% | 58 |
| 47% | 48% | 57 |
| 46% | 47% | 56 |
| 45% | 46% | 55 |
| 44% | 45% | 54 |
| 43% | 44% | 53 |
| 42% | 43% | 52 |
| 41% | 42% | 51 |
| 40% | 41% | 50 |
| 0% | 40% | 0. |

Notwithstanding the preceding sentence, if the current payment performance level of a State for a fiscal year is less than 40 percent but exceeds by at least 5 percentage points the current payment performance level of the State for the immediately preceding fiscal year, then the applicable percentage with respect to the State's current payment performance level is 50 percent.

(D) Collections on child support arrearages.—

(i) Determination of arrearage payment performance level.—The arrearage payment performance level for a State for a fiscal year is equal to the total number of cases under the State plan approved under this part in which payments of past-due child support were received during the fiscal year and part or all of the payments were distributed to the family to whom the past-due child support was owed (or, if all past-due child support owed to the family was, at the time of receipt, subject to an assignment to the State, part or all of the payments were retained by the State) divided by the total number of cases under the State plan in which there is past-due child support, expressed as a percentage.

(ii) Determination of applicable percentage.—The applicable percentage with respect to a State's arrearage payment performance level is as follows:

| If the support order performance level is: | | The applicable percentage is: |
|--|----------------|-------------------------------|
| At least: | But less than: | |
| 80% | | 100 |
| 79% | 80% | 98 |
| 78% | 79% | 96 |
| 77% | 78% | 94 |
| 76% | 77% | 92 |
| 75% | 76% | 90 |
| 74% | 75% | 88 |
| 73% | 74% | 86 |
| 72% | 73% | 84 |
| 71% | 72% | 82 |
| 70% | 71% | 80 |
| 69% | 70% | 79 |
| 68% | 69% | 78 |

| | | |
|-----|-----|----|
| 67% | 68% | 77 |
| 66% | 67% | 76 |
| 65% | 66% | 75 |
| 64% | 65% | 74 |
| 63% | 64% | 73 |
| 62% | 63% | 72 |
| 61% | 62% | 71 |
| 60% | 61% | 70 |
| 59% | 60% | 69 |
| 58% | 59% | 68 |
| 57% | 58% | 67 |
| 56% | 57% | 66 |
| 55% | 56% | 65 |
| 54% | 55% | 64 |
| 53% | 54% | 63 |
| 52% | 53% | 62 |
| 51% | 52% | 61 |
| 50% | 51% | 60 |
| 49% | 50% | 59 |
| 48% | 49% | 58 |
| 47% | 48% | 57 |
| 46% | 47% | 56 |
| 45% | 46% | 55 |
| 44% | 45% | 54 |
| 43% | 44% | 53 |
| 42% | 43% | 52 |
| 41% | 42% | 51 |
| 40% | 41% | 50 |
| 0% | 40% | 0. |

Notwithstanding the preceding sentence, if the arrearage payment performance level of a State for a fiscal year is less than 40 percent but exceeds by at least 5 percentage points the arrearage payment performance level of the State for the immediately preceding fiscal year, then the applicable percentage with respect to the State's arrearage payment performance level is 50 percent.

(E) Cost-effectiveness.—

(i) Determination of cost-effectiveness performance level.—The cost-effectiveness performance level for a State for a fiscal year is equal to the total amount collected during the fiscal year under the State plan approved under this part divided by the total amount expended during the fiscal year under the State plan, expressed as a ratio.

(ii) Determination of applicable percentage.—The applicable percentage with respect to a State's cost-effectiveness performance level is as follows:

| If the cost-effectiveness performance level is: | | The applicable percentage is: |
|---|----------------|-------------------------------|
| At least: | But less than: | |
| 5.00 | | 100 |
| 4.50 | 4.99 | 90 |
| 4.00 | 4.50 | 80 |
| 3.50 | 4.00 | 70 |
| 3.00 | 3.50 | 60 |
| 2.50 | 3.00 | 50 |
| 2.00 | 2.50 | 40 |
| 0.00 | 2.00 | 0 |

(c) Treatment of Interstate Collections.—In computing incentive payments under this section, support which is collected by a State at the request of another State shall be treated as having been collected in full by both States, and any amounts expended by a State in carrying out a special project assisted under section 455(e) shall be excluded.

(d) Administrative Provisions.—The amounts of the incentive payments to be made to the States under this section for a fiscal year shall be estimated by the Secretary at/or before the beginning of the fiscal year on the basis of the best information available. The Secretary shall make the payments for the fiscal year, on a quarterly basis (with each quarterly payment being made no later than the beginning of the quarter involved), in the amounts so estimated, reduced or increased to the extent of any overpayments or underpayments which the Secretary determines were made under this section to the States involved for prior periods and with respect to which adjustment has not already been made

under this subsection. Upon the making of any estimate by the Secretary under the preceding sentence, any appropriations available for payments under this section are deemed obligated.

(e) Regulations.—The Secretary shall prescribe such regulations as may be necessary governing the calculation of incentive payments under this section, including directions for excluding from the calculations certain closed cases and cases over which the States do not have jurisdiction.

(f) Reinvestment.—A State to which a payment is made under this section shall expend the full amount of the payment to supplement, and not supplant, other funds used by the State—

(1) to carry out the State plan approved under this part; or

(2) for any activity (including cost-effective contracts with local agencies) approved by the Secretary, whether or not the expenditures for the activity are eligible for reimbursement under this part, which may contribute to improving the effectiveness or efficiency of the State program operated under this part.

Important Information

- [Accessibility](#)
- [FOIA](#)
- [Glossary](#)
- [Privacy](#)
- [Report Fraud, Waste or Abuse](#)
- [Site Map](#)
- [Website Policies](#)

Related Sites

- [Benefits.gov](#)
- [Disability.gov](#)
- [Healthcare.gov](#)
- [MyMoney.gov](#)
- [Regulations.gov](#)
- [USA.gov](#)
- [Other Government Sites](#)

Social Media Hub

- [Facebook](#)
- [Get Updates](#)
- [Twitter](#)
- [Podcasts](#)
- [YouTube](#)
- [Photoblog](#)
- [Pinterest](#)
- [Webinars](#)

[Connect](#) [Share](#)