Act, §303.72 of this chapter, and regulations of the Internal Revenue Service at 26 CFR 304.6402–1; and
(b) The IV-D agency shall take the steps necessary to implement and use these procedures.
(Approved by the Office of Management and Budget under control number 0960–0253)
[47 FR 7428, Feb. 19, 1982]
§302.65 Withholding of unemployment compensation.
The State plan shall provide that the requirements of this section are met.
(a) Definitions. When used in this section:
Legal process means a writ, order, summons or other similar process in the nature of a garnishment, which is issued by a court of competent jurisdiction or by an authorized official pursuant to an order of such court or pursuant to State or local law.
State employment security agency or SESA means the State agency charged with the administration of the State unemployment compensation laws in accordance with title III of the Act.
Unemployment compensation means any compensation payable under State unemployment compensation law (including amounts payable in accordance with agreements under any Federal unemployment compensation law). It includes extended benefits, unemployment compensation for Federal employees, unemployment compensation for ex-servicemen, trade readjustment allowances, disaster unemployment assistance, and payments under the Redwood National Park Expansion Act.
(b) Agreement. The State IV-D agency shall enter into a written agreement with the SESA in its State for the purpose of withholding unemployment compensation for support purposes. The agreement is to be in lieu of the SESA's actual, incremental costs attributable to the process of withholding unemployment compensation for support purposes insofar as these costs have been agreed upon by the SESA and the IV-D agency.
(c) Functions to be performed by the IV-D agency. The IV-D agency shall:
(1) Determine periodically from information provided by the SESA under section 506 of the Unemployment Com-

pensation Amendments of 1976 whether individuals applying for or receiving unemployment compensation owe support obligations that are being enforced by the IV-D agency.
(2) Enforce unmet support obligations by arranging for the withholding of unemployment compensation based on a voluntary agreement with the individual who owes the support, or in appropriate cases which meet the case selection criteria established under paragraph (c)(3), through legal process pursuant to State or local law. If a voluntary agreement is obtained, the IV-D agency must give the SESA a copy of the voluntary agreement.
(3) Establish and use written criteria for selecting cases to pursue via the withholding of unemployment compensation for support purposes. These criteria must be designed to insure maximum case selection and minimal discretion in the selection process.
(4) Provide a receipt at least annually to an individual who requests a receipt for the support paid via the withholding of unemployment compensation, if receipts are not provided through other means.
(5) Maintain direct contact with the SESA in its State:
(i) By processing cases through the SESA in its own State or through IV-D agencies in other States; and
(ii) By receiving all amounts withheld by the SESA in its own State and forwarding any amounts withheld on behalf of IV-D agencies in other States to those agencies.
(6) Reimburse the administrative costs incurred by the SESA that are actual, incremental costs attributable to the process of withholding unemployment compensation for support purposes insofar as these costs have been agreed upon by the SESA and the IV-D agency.
(7) Review and document, at least annually, program operations, including case selection criteria established under paragraph (c)(3), and costs of the withholding process versus the amounts collected and, as necessary, modify procedures and renegotiate the services provided by the SESA to improve program and cost effectiveness.
[49 FR 8627, Mar. 9, 1984, as amended at 68 FR 25303, May 12, 2003]