



Office of Temporary and Disability Assistance

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Informational Letter

Section 1

Transmittal:	21-INF-07
To:	Social Services District Commissioners
Issuing Division/Office:	Child Support Services
Date:	August 16, 2021
Subject:	Chapter 316 of the Laws of 2021 – Unclaimed Child Support Funds
Suggested Distribution:	Child Support Enforcement Coordinators Support Collection Unit Supervisors Accounting Staff IV-D Attorneys DSS Attorneys County Treasurers New York City Commissioner of Finance Staff Development Coordinators
Contact Person(s):	Child Support Services – County Representative: Albany (518-473-0574) or New York City (212-961-8269) Office of Legal Affairs: 518-474-9502
Attachments:	None

Filing References

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
18-ADM-06		18 NYCRR § 346.6	SSL § 111-h; APL § 1318; 45 CFR § 302.51		

Section 2

I. Purpose

This Informational Letter (INF) is to inform social services districts (districts) of the enactment on July 30, 2021 of Chapter 316 of the Laws of 2021, which amends the Social Services Law (SSL) and the Abandoned Property Law (APL) to clarify and simplify the process by which the support collection unit (SCU) transfers undisbursed funds to the State Comptroller’s Office of Unclaimed Funds.

II. Background

Prior to the enactment of Chapter 316 of the Laws of 2021, SSL § 111-h (5)–(7) required that a petition be brought in Family Court for the disposition of child or combined child and spousal support funds paid to the SCU that remained unclaimed for not less than two (2) years after diligent effort to locate the person entitled to the funds. The Family Court could then enter an order which either 1) returned the funds to the person who paid the funds pursuant to the order of support; or 2) directed that the funds be deposited with the county treasurer or commissioner of finance of the city of New York, who held and invested the funds for an additional five (5) years. When the five-year period expired, any funds remaining were transferred to the Office of the State Comptroller (OSC).

The enactment of Chapter 316 of the Laws of 2021 streamlines this process by eliminating the requirement to make an application to the Family Court regarding the disposition of unclaimed funds paid to the SCU and, pursuant to a newly enacted SSL § 111-h (5)–(7), institutes an administrative procedure for the transfer of these funds directly to the state comptroller. These statutory changes benefit parents by enhancing their abilities to claim these funds through use of the established public claims process available on the OSC website. Additionally, districts that have regularly transferred undistributed child or combined child and spousal support as unclaimed funds will be provided administrative relief through the simplification of the process.

III. Program Implications

Effective July 30, 2021, Chapter 316 of the Laws of 2021 institutes new requirements related to the transfer of unclaimed child or combined child and spousal support funds. These requirements, listed below, impact funds handled by the Child Support Program as well as funds deposited with the **county treasurer or the commissioner of finance of the city of New York** in accordance with SSL § 111-h prior to July 30, 2021, the effective date of Chapter 316 of the Laws of 2021 (see Section III.D).

- A. Direct transfer of funds to the state comptroller:** The following funds must be delivered to the state comptroller annually on or before April 10, as appropriate. The funds must be accompanied by a verified written report that includes identifying information in such form as the state comptroller may require.
- 1. Funds with sufficient identifying information:** Two (2) years of diligent efforts to locate the individual entitled to the funds are required in cases where the collection has been identified with a specific individual's account.
 - 2. Funds with insufficient identifying information:** There is no requirement that two (2) years of diligent effort be performed to locate the individual entitled to the funds in cases where a payment has been received with insufficient information to attribute the funds to a specific account and such information cannot be determined. These funds are transferrable immediately.
 - 3. Funds owed to a deceased individual:** Where the funds are owed to an individual who is deceased and an estate cannot be located or the estate does not claim the funds, there is no requirement to wait two (2) years before transferring the funds.
- B. Consideration of unclaimed support funds as abandoned property:** This legislation adds a new APL § 1318 to include within the definition of “abandoned property” unclaimed child or combined child and spousal support delivered to the state comptroller pursuant to the newly enacted SSL § 111-h(7).
- C. Repeal of obsolete statutory provisions:** This law repeals former SSL § 111-h(12)-(17) to eliminate a superseded one-time review and adjustment process for orders issued prior to September 15, 1989. It also repeals former APL §§ 600(1)(c) and 602(3) to remove obsolete provisions applicable to the support bureau of the Family Court.

D. Escalated Transfer of Funds Deposited with County Treasurer or Commissioner of Finance of the City of New York: This legislation requires any funds which were deposited with the county treasurer or the commissioner of finance of the city of New York in accordance with SSL §111-h prior to July 30, 2021, the effective date of Chapter 316 of the Laws of 2021, to be delivered to the state comptroller on or before **April 1, 2022**, in accordance with the newly enacted SSL §111-h(7).

Further guidance regarding this legislation will be provided to districts in a separate Administrative Directive.

Issued By:

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