

Questionnaire in preparation of the Experts' Group meeting of 7 to 10 February 2022 on international transfers of maintenance funds

Survey response 1

Identification

For follow-up purposes. This information will not be published as part of the questionnaire response. The term "State" in this Questionnaire includes a territorial unit, where relevant. [Name of State or territorial unit:]

United States of America

Questionnaire

a. Developments in general regarding the international transfer of maintenance funds

The U.S. has made significant progress in its work to address this issue. We are planning a new integrated federal service (International Child Support Payment Service (ICSPS)) to manage international payments. We worked closely with a number of federal agencies to design the service to meet all federal banking and security regulations. The integrated service will leverage existing federal programs for the international transmission of payments through the Department of Treasury's International Payment Service (ITS). ITS is able to transmit payments to foreign authorities in any country, and their services are provided cost-free to federal agencies. We have set up dedicated bank accounts through the Department of Treasury to handle all international child support funds.

Unfortunately, our recent solicitation was not successful, and we are now evaluating other options for delivering a centralized international payment processing solution to manage outgoing international payments for all U.S. states. The complexity of international banking regulations, foreign partner and state requirements, and the necessity of finding a cost-effective solution for a very small caseload present significant challenges for us, but this initiative continues to be a priority for OCSE while we are working hard to find a solution.

b. Elimination of the use of cheques (see C&R 2019 No 1; aide-mémoire 2021, paras 11-14)

Is being considered.

Please explain:

Please see the information above. We are very grateful to our foreign child support partners for their willingness to continue to take checks from the U.S., while implementation of our new service is underway. Most states do not have available electronic alternatives to checks. The goal of our new federal service is to eliminate the use of checks.

c. Solutions with regard to increased transparency and cost reduction of transfers and currency conversion (see C&R 2019 Nos 2 and 10; aide-mémoire 2021, paras 24-25)

Is being considered.

Please explain:

Under our new service, no fees will be deducted from the payment. In addition, because ITS transmits large volumes of payments each day, the exchange rate that will be used to convert the payments before they are sent to other countries is very favorable.

d. Solutions where creditors would not bear the costs related to the transfer of funds (see C&R 2019 No 2; aide-mémoire 2021, paras 26-29)

Not being considered.

Please explain:

This is not necessary. Due to volume considerations, payments will initially be sent once per week to foreign authorities, but that can be changed as volumes increase.

e. Requested Central Authority arrangements with their bank to cover transfer fees or other arrangements to that effect (see C&R 2019 No 3; aide-mémoire 2021, para. 32)

Is being considered.

Please explain:

Our service will be integrated with the Department of Treasury. All costs are covered by the federal government.

f. Requesting Central Authority providing confirmation to the requested Central Authority that the amounts received are the same as the amounts sent and, where applicable, information on the reasons for any difference (see C&R 2019 No 3; aide-mémoire 2021, paras 15-17)

Is being considered.

Please explain:

The ICSPS contractor will be responsible for the secure transmission of case and payment details to the foreign authority.

g. Establishment of a centralised point (e.g., bank account, central bank) for international transfers dedicated to both incoming and outgoing transfer of funds (see C&R 2019 Nos 4 and 5; aide-mémoire 2021, paras 33-35)

Is being considered.

Please explain:

This is being implemented. Please see the description of the ICSPS above.

h. Provision of payment transfer services to any debtors transferring payments within the scope of the HCCH 2007 Child Support Convention (see C&R 2019 No 5; aide-mémoire 2021, para. 18)

Not being considered.

Please explain:

This is not considered a priority. Our primary objective is to support state child support agencies in transitioning to electronic payments.

i. Implementation of payment transfer monitoring systems (see C&R 2019 No 6; aide-mémoire 2021, paras 36-37)

Has already been implemented.

Please explain:

State child support agencies have the primary responsibility for monitoring payments; however, the ICSPS will assist them by providing information about payments transferred through the service.

j. Implementation of unique case references, known to both the requesting and requested State, attached to each transfer of funds (see C&R 2019 No 7; aide-mémoire 2021, para. 20)

Is being considered.

Please explain:

This is part of the payment transfer process and is designed to meet the needs of the financial institutions and States involved in the process.

k. Implementation of currency conversion of payments done by the relevant authority in the requested State at the time of transfer (see C&R 2019 No 8; aide-mémoire 2021, paras 21-23)

Is being considered.

Please explain:

This is part of our design. Please see the description above.

l. Implementation of bundled payments to reduce costs of transfers (see C&R 2019 No 11; aide-mémoire 2021, paras 38-40)

Is being considered.

Please explain:

We will send bundled payments to foreign authorities. This is required in order to meet federal currency transfer regulations, as well as for cost and efficiency reasons.

m. Any other developments including bilateral solutions put in place between States and ongoing trials between States: