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Gallagher

## Was your Stimulus Check Short? Maybe Because You Owe Past Due Child Support!

In Family Law, Tax Law, Real Estate Law and Injury Law, it is a well known and settled practice that if a party is expecting funds from varying sources, those funds may be taken or “intercepted” and sent to satisfy past-due child support. As such:

- If you are getting paid a personal injury lawsuit settlement, any amount necessary to pay child support comes out first.
- If you are selling your house and going to a real estate closing and you owe child support arrears, your check is going to be a little light.
- Are you expecting a big tax refund because that is what your IRS form 1040 said when you filed it? If you owe support, then the IRS pays that first.

In fact, personal injury attorneys, real estate title companies and other professionals are under an obligation to verify that no past-due child support arrears exist before even paying you.

Recently the CARES Act was passed by Congress and signed into law by the President. The law provides a stimulus payment to individuals based upon their income and whether they have children. It appears that the practice surrounding intercepting tax refunds, lawsuit proceeds and real estate proceeds because you owe past-due child support will also apply to the stimulus checks that went out this week and over the next few weeks.

Any child support defendant that owes \$150 or more in overdue support or who owed \$500 or more in past-due support will have their stimulus check intercepted and first paid to child support.

Additional stimulus money paid is also based upon the number of children the tax filer had. Apart from the stimulus funds, individuals based upon their income, receive an extra \$500 per child to tax filers who claimed children. Those stimulus payments based upon the number of children will also be intercepted to satisfy any past-due child support arrears. This will affect those filing their taxes as single as well as those filing joint income tax returns, even if one of the parties owes child support to someone from a previous relationship.

If you believe that you owe child support arrears or that your stimulus funds were intercepted incorrectly, then you should call an attorney to review your entire child support matter.