

	<b>INDIANA DEPARTMENT OF CHILD SERVICES</b> <b>TITLE IV-D POLICY MANUAL</b>	
	<b>Chapter 12: Enforcement</b>	<b>Effective Date: 1/4/19</b>
	<b>Section 3.4: Gaming Facility Winnings</b>	<b>Version: 1.0</b> <b>Revision Date: 1/4/19</b>

**BACKGROUND**

Federal law mandates that state child support agencies have procedures in place to secure assets in cases in which there is a support arrears by intercepting or seizing periodic or lump sum payments from other state agencies.<sup>1</sup>

In the State of Indiana, the Gaming Commission was established to administer, regulate, and enforce the system of gaming.<sup>2</sup> Statutes regulating facilities that offer gambling games in Indiana include provisions to withhold delinquent child support obligations from winnings.<sup>3</sup>

**DEFINITIONS**

1. **“Form W-2G”** is a federal form that must be filed to report gambling winnings if:
  - a. The winnings, not reduced by the wager, are \$1,200.00 or more from a slot machine;
  - b. The winnings, excluding a slot machine, reduced, at the option of the payer, by the wager are:
    - i. \$600.00 or more; and
    - ii. At least 300 times the amount of the wager; or
    - iii. The winnings are subject to federal income tax withholding.<sup>4</sup>
  
2. **“Gaming facility”** refers to any location hosting legal gambling operations, such as a racetrack, casino, and/or riverboat where any game, slot machine, mobile gaming device, or table may be played as approved by the Indiana Gaming Commission.<sup>5</sup> Child support may be withheld from the winnings paid at gaming facilities.

**POLICY**

The Child Support Bureau (CSB) shall provide information to gaming facilities concerning child support obligors in Title IV-D cases who have an arrears balance of at least \$2,000.00 or three (3) months past due on court ordered child support payments.<sup>6</sup>

If a gaming facility is required to file Form W-2G, or a substantially equivalent form, with the United States Internal Revenue Service for the payment of gambling winnings, the gaming

<sup>1</sup> 42 U.S.C. § 666(c)(1)(G)

<sup>2</sup> IC 4-33-3-1; IC 4-33-4-1

<sup>3</sup> IC 4-33-4-27; IC 4-35-4-16

<sup>4</sup> Instructions for Forms W-2G and 5754

<sup>5</sup> IC 4-33-2-9; IC 4-33-4-27; IC 4-35-2-5; IC 4-35-4-16

<sup>6</sup> IC 31-25-4-2

facility shall verify whether the person is delinquent in child support. If the person is delinquent in child support, the gaming facility shall:<sup>7</sup>

1. Withhold the amount of past due child support owed from cash winnings;<sup>8</sup>
2. Transmit to CSB the amount withheld and identifying information of the child support obligor;<sup>9</sup> and
3. Issue the obligor a receipt in a form prescribed by CSB with the total amount withheld for past due child support and the administrative fee.<sup>10</sup>

The gaming facility may deduct and retain an administrative fee in the amount of the lesser of 3% of the amount of past due child support withheld or \$100.00.<sup>11</sup>

CSB shall notify the obligor, via the letter distributed at the time the gaming facility withholds the cash winnings, that CSB intends to offset the obligor's past due child support with the cash winnings.<sup>12</sup>

CSB shall hold the amount withheld from cash winnings of the obligor for ten (10) business days before applying the amount as payment to the obligor's past due child support.<sup>13</sup> CSB follows the child support rules of distribution when applying the winnings to the obligor's case(s).

## REFERENCES

- [IC 4-33-2-5.8](#): "Delinquent"
- [IC 4-33-2-9](#): "Gambling game"
- [IC 4-33-3-1](#): Establishment of commission
- [IC 4-33-4-1](#): Administration, regulation, and enforcement of riverboat gambling
- [IC 4-33-4-27](#): Withholding delinquent child support from winnings; fee; notice; priority of order over other claims
- [IC 4-35-2-3.5](#): "Delinquent"
- [IC 4-35-2-5](#): "Gambling game"
- [IC 4-35-4-16](#): Withholding delinquent child support from winnings; fee; notice; priority of order over other claims
- [IC 31-25-4-2](#): "Delinquent"
- [42 U.S.C. § 666](#): Requirement of statutorily prescribed procedures to improve effectiveness of child support enforcement – Expedited Procedures – Securing Assets
- [Instructions for Forms W-2G and 5754](#)

## PROCEDURE

CSB maintains an automated system that, on a nightly basis, is updated to contain information about child support obligors who are delinquent. The automated system, Child Support Arrears Delinquency Registry (CSADR), is made available to gaming facilities in Indiana. An obligor is

<sup>7</sup> IC 4-35-2-3.5; IC 4-33-2-5.8

<sup>8</sup> IC 4-35-4-16(b)(2)(A); IC 4-33-4-27(b)(2)(A)

<sup>9</sup> IC 4-35-4-16(b)(2)(B); IC 4-33-4-27(b)(2)(B)

<sup>10</sup> IC 4-35-4-16(b)(2)(C); IC 4-33-4-27(b)(2)(C)

<sup>11</sup> IC 4-35-4-16(b)(1); IC 4-33-4-27(b)(1)

<sup>12</sup> IC 4-35-4-16(c); IC 4-33-4-27(c)

<sup>13</sup> IC 4-35-4-16(d); IC 4-33-4-27(d)

considered delinquent in child support and reported through the CSADR when owing at least \$2,000.00 in arrears or the equivalent of three (3) months past due current support.<sup>14</sup>

If an individual at a gaming facility wins a cash prize sufficient to require the issuance of a W-2G form, the gaming facility staff checks the CSADR to determine if the individual is delinquent on child support. If so, the obligor is given a letter by the gaming facility explaining that the winnings have been intercepted for the payment of past due child support. The obligor is instructed to contact CSB's Centralized Enforcement Unit (CEU). CEU provides the obligor with the appropriate county contact information in the event of a dispute with the balances.

CEU checks the CSADR daily to review any interceptions.

The intercepted funds are transferred to CSB. The gaming facility's letter states the funds are held for ten (10) business days while ISETS is programmed to hold the funds for 15 calendar days before they are distributed. The funds may be distributed prior to 15 days at the request of the obligor.

## FORMS AND TOOLS

1. [Administrative Enforcement Matrix](#)
2. [Contact Information for Centralized Enforcement Unit \(CEU\)](#)
3. [Internal Revenue Service \(IRS\) Instructions for Form W-2G](#)

## FREQUENTLY ASKED QUESTIONS

1. Q. Are winnings from wagering on horse racing subject to offset for delinquent child support in Indiana?
  - A. No. Indiana code does not provide the authority for facilities in Indiana to withhold winnings on horse racing wagers for the payment of delinquent child support. Facilities offering horse racing wagers are regulated by the Indiana Horse Racing Commission. However, these facilities may also offer gambling games. All gambling games are subject to Indiana Gaming Commission regulation and those winnings are subject to offset.

## RELATED INFORMATION

Chapter 14: Payment Processing

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<sup>14</sup> IC 31-25-4-2