

Handout 11: Cost-of-Living Adjustment (COLA)

All child support orders entered, modified, or enforced after September 1, 1998, are eligible for adjustment every two years to reflect the cost of living. The adjustment is based on the average monthly change in the Consumer Price Index (CPI) for the New Jersey metropolitan area. NJKiDS identifies cases eligible for COLA, initiates the remedy, calculates the COLA amount, and triggers generation of the Notice of Cost of Living Adjustments (CS154) to both parties.

Case Selection Criteria


NJKiDS will select a case for the COLA remedy only if the following conditions are met:

- The case must be an open IV-D case with a charging **CS–Child Support** obligation.
- New Jersey has continuing exclusive jurisdiction (CEJ) for the case.
- The NJKiDS system date is the same as or later than the next COLA date, less 45 calendar days.

The following conditions will prevent a case from being selected for the COLA remedy:

- The case is marked exempt from COLA on the **Enforcement Processes** page in accordance with other provisions provided by the court.
- An active **COLA** activity chain exists on the **Enforcement Processes** page.
- A staff member can initiate a COLA remedy if after reviewing the case, he or she determines a COLA was missed.
- A “confirmed good” address for the non-custodial parent (NCP) does not exist.
- A **Docket Information** page issue exists with the case. This may occur if the case is currently a non-TANF case but was originally a TANF case with the plaintiff on welfare and listed as an interested party on the **Docket Information** page. To launch the activity chain, a child support staff member must change the plaintiff

to the custodial parent (CP). The activity chain will not open until an address is “confirmed good” or the **Docket Information** page issue has been resolved. The staff member will be advised that the chain could not launch due to a missing address. A Notification will be triggered and an update will be made on the **Case Journal** page. For further information, please refer to **Release Note 0612-023**, dated June 15, 2012 and **Release Note 1112-012**, dated December 14, 2012.

 NOTE	NJKiDS runs a daily process that identifies cases eligible for COLA and initiates the remedy.
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View COLA Date

The COLA is viewed from the **Court Order** page in NJKiDS (figure 1).

Unique Data Fields

Field Name	Description
Last COLA Date	Date of the last COLA review
Next COLA Date	Next COLA review date. Date determined by adding two years to the “Last COLA Date” value

Figure 1: Court Order Page

1. Navigate to the **Court Order** page.
2. Review the **Last COLA Date** and **Next COLA Date** fields in the **COLA** section.

Initiate COLA Process

The COLA amount is determined using the CPI calculation. The Central Office staff updates the **Consumer Price Index** table on the **CPI Dates and Rates** page with the current calculations. NJKiDS calculates the COLA adjustment and determines the proposed obligation amount. When a COLA is manually initiated, users are required to use a COLA worksheet.

A Notice of Cost of Living Adjustment (CS150) is generated and sent to both parties. If there is not a “confirmed good” address, the chain will remain at the same step. The notice includes the following:

- The child support amount before the proposed COLA

- The COLA rate
- The obligation amount, including the proposed COLA

The NCP is given 35 days to contest the implementation of the COLA.

Uncontested COLA

If the NCP does not contest the COLA, NJKiDS generates the Civil Action Order of the Cost of Living Adjustment (CS154) for the NCP and the CP. NJKiDS closes the activity chain and triggers another process to update the child support obligation to the calculated amount for the COLA, if the NJKiDS date is less than or equal to the **Next COLA Date** on the **Court Order** page.

NCP Contests COLA

The NCP may contest the adjustment only on the basis of one or more of the following:

- The person contesting the adjustment is not the NCP or CP identified in the notice.
- The amount of the child support indicated in the notice is incorrect.
- The child support order contains a provision for an alternative form of periodic review.
- The NCP's income did not increase at a percentage rate at least equal to the amount of the CPI calculation.

If the reason for the contest is valid, an administrative review is conducted. When COLA is contested, a worksheet is required. If after 25 calendar days the administrative review results have not been recorded, a task is generated to the assigned enforcement staff. The task continues to generate until the administrative review is completed.

If a staff member receives a COLA appeal, he or she should inform the COLA officer immediately. The COLA officer may handle the administrative review and decide if the COLA is granted or not. To complete this process, staff should navigate to the **Enforcement Processes** page and click on the blue button in the COLA row.

1. At the **Record Response to Notice of Cost of Living Adjustment** step, the staff member with the **Probation COLA Role, RP032**, selects either **No Response**, which applies the COLA, or **Contest Received**.
 - If **Contest Received** is selected, the chain will advance to **Record Administrative Review Results–Desk Review**.
2. The staff member with the **Probation COLA Role** must review the case by completing the COLA worksheet. That calculation will determine if the COLA should be approved or denied, and the staff member will select the appropriate radio button:
 - **Mistake of Fact–Activity Chain Closes**
 - **Alternative Periodic Cost of Living Adjustment–Activity Chain Closes**
 - **Additional Information Needed–Record Administrative Review Results–Desk Review**
 - **Eligible for COLA–Record Response to Notice of COLA Administrative Review**
 - **Matter Not Resolved Administratively–Schedule Hearing**
 - **Support Order Entered after Cola Process Started–Activity Chain Closes**
 - **Proper Documentation Not Received–Proceed with COLA**
 - **Ineligible for COLA–Record Response to Notice of COLA Administrative Review**

Note that if the staff member with the Probation COLA role, RP032, selects **Eligible for COLA** or **Ineligible for COLA**, the chain advances to **Record Response to Notice of COLA Administrative Review**. The system will allow a request for a hearing within 10 days. At the **Record Response to Notice of COLA Administrative Review** step in the

chain, the staff member with the **Probation COLA Role, RP032**, selects one of the following radio buttons, as appropriate:

- **Contest Received–Schedule Hearing**
- **No Response–Proceed with COLA**
- **Ineligible for COLA–No Response-Activity Chain Closes**