

SESSION OF 2025

**SUPPLEMENTAL NOTE ON SENATE BILL NO. 237**

As Amended by Senate Committee on Judiciary

**Brief\***

SB 237, as amended, would require the court to consider the value of a qualified retirement account in determination of child support orders and eliminate the exemption of such accounts from claims to collect child support. The bill would also prohibit the modification of a child support order for criminal conduct, professional misconduct, or voluntary unemployment.

For purposes of the bill, a qualified retirement plan account is one that is qualified under certain subsections of the federal Internal Revenue Code of 1986.

The bill would allow courts to consider and order the use of the total value of certain retirement plan accounts if the person has experienced a loss of income or termination from employment due to:

- Criminal conduct;
- Loss, revocation, suspension, or surrender of a professional license due to professional misconduct; or
- Voluntary underemployment.

If a parent accumulates a child support arrearage and experiences a loss of income or termination from employment as described above, the bill would require the court to order the arrearage paid with a one-time lump-sum distribution from

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <https://klrd.gov/>

the retirement account upon the occurrence of a distributable event as defined by the terms of the qualified plan.

The bill would not require a plan to make distributions that are not otherwise authorized and such distributions would still be subject to early withdrawal penalties and taxable income. Such distribution would be required to be executed through direct payment from the retirement account through the Kansas Payment Center.

For purposes of the bill, a loss of income as described above would not constitute a “material change in circumstance” warranting a modification of a prior child support order pursuant to continuing law.

The bill would clarify that retirement accounts are not exempt under a qualified domestic relations or child support order and recipients of funds for such orders are exempt from all claims of any creditor, other than the Kansas Department for Children and Families (DCF).

The bill would also make technical amendments to ensure consistency in statutory phrasing.

## **Background**

The bill was introduced by the Senate Committee on Judiciary at the request of Senator Warren.

### ***Senate Committee on Judiciary***

In the Senate Committee hearing, written-only **proponent** testimony was provided by representatives of Kansas Family Voice; Kansas Catholic Conference; and a private citizen.

Neutral testimony was provided by representatives of Nelson & Yarnell Family Law Practice and KPERs. Neutral

conferees generally stated the bill could be helpful for citizens to collect the support that is due to them, but certain provisions should be modified and clarified.

Written-only **opponent** testimony was provided by a representative of DCF.

No other testimony was provided.

The Senate Committee amended the bill to:

- Clarify that a parent must have accumulated a child support arrearage for retirement accounts to be considered;
- Provide that the arrearage would be paid by a one-time lump-sum distribution;
- Clarify that the distribution would be subject to early withdrawal penalties and taxable income; and
- Make a technical correction.

### **Fiscal Information**

According to the fiscal note provided by the Division of the Budget on the bill, as introduced, DCF states enactment of the bill would risk the loss of federal funding to the Child Support Program and such loss would need to be replaced from the State General Fund.

The Office of Judicial Administration indicates enactment of the bill would have no fiscal effect on the Judicial Branch.

Any fiscal effect associated with the bill is not reflected in *The FY 2026 Governor's Budget Report*.

Judiciary; family law; child support; retirement accounts