

SESSION OF 2025

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

As Amended by House Committee of the Whole

**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.

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:

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

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

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 and Kansas Catholic Conference, and by a private citizen.

Neutral testimony was provided by representatives of Nelson & Yarnell Family Law Practice and the Kansas Public Employees Retirement System. The 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.

#### ***Senate Committee of the Whole***

The Senate Committee of the Whole amended the bill to remove people who have experienced a loss of income or termination from employment due to criminal conduct from the court's consideration in ordering the use of retirement accounts to pay child support arrearages.

#### ***House Committee on Judiciary***

In the House Committee hearing, **proponent** testimony was provided by Senator Warren and a representative of Kriegshauser Ney Law Group. The conferees stated the bill would provide additional options to address child support arrearages.

Written-only proponent testimony was provided by representatives of the Kansas Catholic Conference and Kansas Family Voice, and by two private citizens.

### ***House Committee of the Whole***

The House Committee of the Whole amended the bill to remove provisions that would have amended law related to modifying a child support order due to a material change in circumstances.

### **Fiscal Information**

According to the fiscal note prepared 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 enactment of the bill is not reflected in *The FY 2026 Governor's Budget Report*.

Judiciary; family law; child support; retirement accounts