

Employers *and* Child Support:

New Hire Reporting
and Income Withholding

It's good for children



U.S. Department of Health and Human Services
Administration for Children and Families
Office of Child Support Enforcement
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Thanks to millions of employers across the country, children are better off because of New Hire reporting. States have begun to show real benefits from this program with increased child support collections. In the first six months of the program, the State Directories of New Hires (SDNHs) have received and forwarded to the National Directory of New Hires (NDNH) over 21 million New Hire reports, and more are coming every day.

In just four months of operation nationally, the New Hire program led to the collection of millions of additional child support dollars. Of course, the real beneficiaries of these efforts are the millions of children who receive the support they deserve from their parents.

This brochure is intended to provide you with the information needed to continue the success of New Hire reporting and Income Withholding.



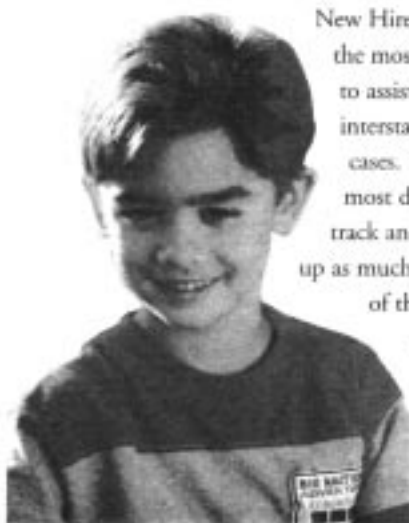
How it Works

New Hire reporting is the process by which you, as an employer, report information on newly hired employees to a designated State agency within twenty days of the date of hire.

States then match New Hire Reports against their child support records to locate parents, establish a child support order, or enforce an existing order.

State agencies may also conduct matches between their New Hire database and certain other State programs, such as their public assistance or unemployment and workers' compensation files, to prevent unlawful or erroneous receipt of benefit payments.

Each State submits its New Hire Reports to the National Directory of New Hires, a component of the Federal Parent Locator Service (FPLS). The FPLS receives the New Hire data from all States and, along with other State employment information, matches it against State requests for child support information. When there is a match, the FPLS provides the information to the State requesting it.



New Hire reporting is one of the most promising tools to assist in processing interstate child support cases. These are often the most difficult cases to track and enforce and make up as much as thirty percent of the child support caseload.

What Employers Send to States

The New Hire Report must contain, at a minimum, the following information that is contained on a W-4 form:

- *Employee Name, Address, and Social Security Number*
- *Employer Name, Address and Federal Employer Identification Number (FEIN)*

Some States may require or request additional data.

New Hires must be reported to the State within 20 days of the date of hire. States may establish a shorter timeframe for reporting.

Getting Support to the Children: Income Withholding

Almost two out of every three dollars collected by child support agencies come from income withholding. Income withholding – also known as wage withholding, wage assignment, and withholding from earnings – is the court-ordered or administrative agency-ordered deduction of a specified amount from a parent's income for payment of child support. The employer deducts the ordered amount for child support each pay period and sends it to the child support agency responsible for receiving and accounting for child support payments. It is then forwarded by the agency to the child's custodial parent. (In most private cases, the employer sends the payments directly to the custodial parent or his/her attorney.)

Direct Income Withholding Process Under UIFSA

As of January 1, 1998, all States were required to adopt the Uniform Interstate Family Support Act (UIFSA). By adopting this law, each state agrees to play by the same rules and procedures that govern interstate child support cases.

One of the cornerstones of UIFSA is direct income withholding. Direct income withholding involves sending an income withholding order across State lines to a noncustodial parent's employer. While income withholding notices for child support are not new for employers, receiving them directly from another State may be new.

Simplifying the Paperwork: One Form for Everyone

To help employers, a standard form was created for all child support agencies and courts to use when initiating direct income withholding. The standard "Order/Notice to Withhold Income for Child Support" is easier to use and is designed to provide key information so that employers do not have to decipher unfamiliar forms with different instructions from different States.

States have started using the new Order/Notice form for interstate cases. By October 1, 1998 (October 1, 1999 where payments are processed through courts), States must use this form for all withholding notices.

The image shows a sample of the "ORDER/NOTICE TO WITHHOLD INCOME FOR CHILD SUPPORT" form. The form is tilted and contains several sections with fields for information. At the top, it says "ORDER/NOTICE TO WITHHOLD INCOME FOR CHILD SUPPORT". Below this, there are fields for "State", "Court", "Case No.", "Debtor's Name", "Debtor's Address", "Debtor's Employer", "Employer's Name", "Employer's Address", "Employer's Phone", "Employer's Fax", "Employer's Email", "Employer's Website", "Employer's Social Security Number", "Employer's Tax ID Number", "Employer's EIN", "Employer's DUNS Number", "Employer's SIC Code", "Employer's NAICS Code", "Employer's Industry", "Employer's Business Type", "Employer's Business Size", "Employer's Business Age", "Employer's Business Status", "Employer's Business Location", "Employer's Business Hours", "Employer's Business Hours of Operation", "Employer's Business Hours of Operation (by State)", "Employer's Business Hours of Operation (by Country)", "Employer's Business Hours of Operation (by Time Zone)", "Employer's Business Hours of Operation (by Day of Week)", "Employer's Business Hours of Operation (by Season)", "Employer's Business Hours of Operation (by Holiday)", "Employer's Business Hours of Operation (by Event)", "Employer's Business Hours of Operation (by Other)", "Employer's Business Hours of Operation (by Custom)", "Employer's Business Hours of Operation (by Other)", "Employer's Business Hours of Operation (by Custom)", "Employer's Business Hours of Operation (by Other)", "Employer's Business Hours of Operation (by Custom)", "Employer's Business Hours of Operation (by Other)".

QUESTIONS & ANSWERS

How will employers benefit from New Hire reporting?

A direct result of New Hire reporting will be the reduction and prevention of fraudulent unemployment and workers' compensation payments. Timely receipt of New Hire data allows each State to cross-match this data against its active unemployment and workers' compensation claimant files and either stop payment or recover erroneous payments. States already employing New Hire reporting have reported benefit savings in the millions of dollars. During 1997 alone, Florida avoided over \$300,000 in erroneous unemployment insurance payments.

In addition, States can match their New Hire data against State public assistance records. For example, in one year Massachusetts found that their New Hire program led to a \$23.1 million savings by recovering erroneous payments and reducing welfare and other social services costs. With all employers reporting, every State should show significant savings in the future.



Isn't this employment information currently available through quarterly wage reporting?

Because some individuals change jobs frequently, quarterly data is often outdated before the child support office receives the information. There can be as much as a six-month lag between the time the data is submitted and when it is available to the child support office. Often, employees located through quarterly data have relocated or are no longer working and income withholding cannot be initiated. With New Hire reporting, the data is available within days as opposed to months. If the data is reported earlier, noncustodial parents can be located more quickly, allowing child support orders to be established and/or enforced much faster.

I am a multistate employer. Do I have to report to each State in which I have employees?

If you are a multistate employer (i.e. you have employees working in more than one State), you have two reporting options. You may report newly hired employees to the State in which they are working or, alternatively, you may select one State in which you have employees and report all your New Hires to that State. If you choose to report to one State, you must submit your New Hire Reports electronically or magnetically. Contact that State to learn how to submit your New Hire data. Also, you must notify the Secretary, Department of Health and Human Services, of the State you choose. For more information about the process by which a multistate employer notifies the Secretary of DHHS, visit the OCSE Web site address: <http://www.acf.dhhs.gov/programs/cse/> or call the Office of Child Support Enforcement's Information Line at 202/401-9267 (Monday through Friday, 7:30 a.m. – 5:30 p.m. Eastern Time).

What if an employee tells me the amount ordered to be withheld is wrong and/or that I do not need to withhold?

If your employee disputes the income withholding notice, the employee should contact the child support enforcement agency or court. Until you are otherwise officially notified, you should proceed with the withholding order as issued.

How secure is the New Hire data I report?

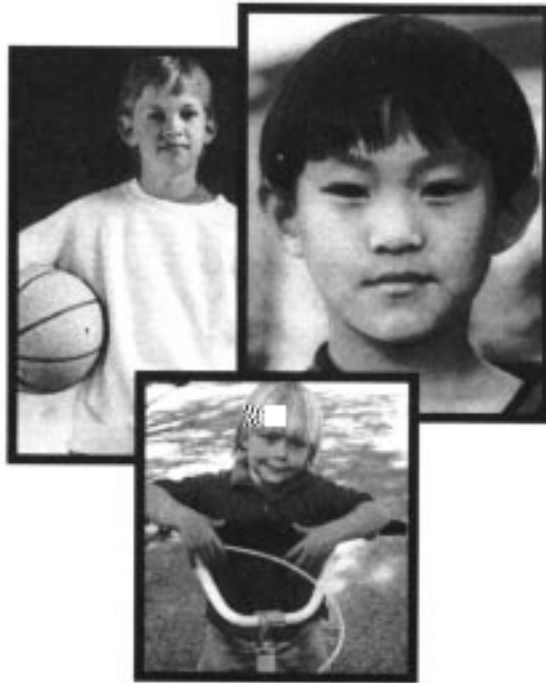
The Secretary of DHHS has established strict safeguards protecting the integrity of information in the National Directory of New Hires in accordance with Federal law. The safeguards restrict access to and use of the information to authorized persons and purposes only. All data sent between the States and the NDNH are transmitted over secure and dedicated lines. In addition, both Federal and State laws require all States to establish safeguards for handling confidential information.

What if I have more questions?

The State where you operate a business will provide you with complete information and instructions, as necessary, regarding all aspects of its State New Hire program and your responsibilities as an employer. If you have additional questions or concerns, refer to the following list of State contact telephone numbers.

Web Sites:

The Federal Office of Child Support Enforcement's (OCSE) Web site contains general information about the Child Support program and specific information (and forms) about New Hire reporting and wage withholding. Also, many States have links to this Web site, which should help you get State-specific information. OCSE's Web site address is:
<http://www.acf.dhhs.gov/programs/cse/>



New Hire State Contacts

(as of April 15, 1998)

Alabama	(334) 353-8491
Alaska	(907) 269-6685
Arizona	(602) 252-4045
Arkansas	(800) 259-2095
California	(916) 657-0529
Colorado	(303) 297-2849
Connecticut	(860) 424-5044
Delaware	(302) 369-2160
District of Columbia	(888) 689-6088
Florida	(850) 413-9102
Georgia	(888) 657-9585
Guam	(671) 475-3360
Hawaii	(808) 586-8984
Idaho	(800) 627-3880
Illinois	(800) 327-4473
Indiana	(800) 437-9136
Iowa	(515) 281-5331
Kansas	(888) 219-7801
Kentucky	(800) 817-2262
Louisiana	(888) 223-1665
Maine	(800) 442-6003*
	(207) 287-2886
Maryland	(888) 634-4737
Massachusetts	(617) 577-7200
	ext. 30488
Michigan	(800) 524-9846
Minnesota	(800) 672-4473
Mississippi	(800) 241-1330
Missouri	(800) 585-9234
Montana	(888) 866-0327
Nebraska	(888) 256-0293
	(402) 691-9957
Nevada	(888) 639-7241
New Hampshire	(888) 803-4485
New Jersey	(609) 588-2355
New Mexico	(888) 878-1607
New York	(800) 972-1233
North Carolina	(888) 514-4568
North Dakota	(800) 755-8530 *
	(701) 328-3582
Ohio	(800) 208-8887
Oklahoma	(800) 317-3785
Oregon	(503) 986-6053
Pennsylvania	(888) 724-4737

Puerto Rico	(787) 767-1500
Rhode Island	(888) 870-6461
South Carolina	(800) 768-5858
South Dakota	(888) 827-6078
Tennessee	(888) 715-2280
Texas	(888) 839-4473
Utah	(800) 222-2857 *
	(801) 526-4361
Vermont	(802) 241-2194
Virgin Islands	(340) 775-3070
Virginia	(800) 979-9014
Washington	(800) 562-0479
West Virginia	(800) 835-4683
Wisconsin	(888) 300-4473
Wyoming	(800) 970-9258

* Toll-free number is available only within the State.



Thank You

With your help, millions of children have received the child support they need and deserve. The people responsible for operating the nation's Child Support Enforcement Program thank you for the critical role you play in making this program successful. Almost two out of every three dollars collected by child support agencies come from income withholding. Without your help, effective child support enforcement is impossible, and millions of our nation's children would suffer the consequences. With effective New Hire reporting combined with Income Withholding, millions more children will benefit.

For more information, see OCSE's Web site:

<http://www.acf.dhhs.gov/programs/cse/>

*U.S. Government Printing Office: 1998 - 435-462