



Welcome to the Employer Symposium!

50 Years of Partnership

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Word cloud

What words come to mind when you think about an employer's role in the child support program?





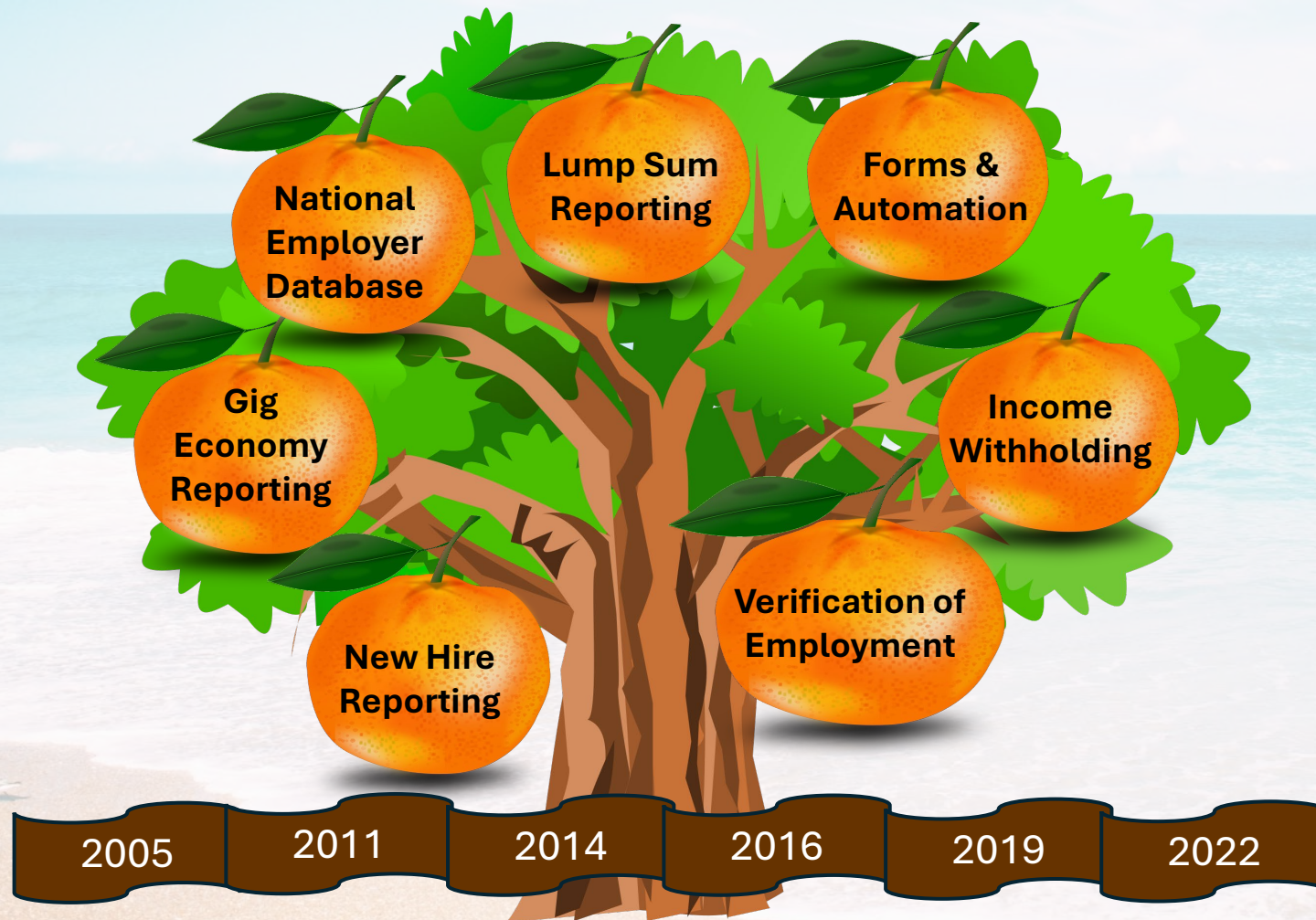
Welcome and Introductions

Agenda

- Past Employer Symposium Recap
- Summary of Progress and Activities Since 2022
 - Verification of Employment (VOE)
 - Lump Sum Reporting and Withholding
 - Independent Contractor Reporting
 - Daily Pay/Pay On-Demand
 - Income Withholding for Support Orders (IWOs)
- New Business
 - New Hire Reporting – Resides or Works State
 - Managing Employer Information in Child Support Systems
 - Centralized Collection Center
- Symposium Recap – Next Steps



Recap – Past Symposium





Summary of Progress and Activities Since 2022



Verification of Employment

Background

Employers receive VOE requests from child support agencies – Formats and information requested varies

Identified need to standardize response format

Opportunity for NCCSD Employer Collaboration Committee to overhaul standard VOE response to increase use



Progress and Activities

- Child support agencies send VOE request and employers respond with standard VOE response
- Accepted in all 54 jurisdictions
- Standard response format available at [Standard Response to Verification of Employment Form | The Administration for Children and Families](#)



Discussion





Lump Sum Reporting and Withholding

Background

Several states (19) require employers to provide notification prior to paying a lump sum to an employee who owes child support

Employers identified “pain points” with the notification and withholding processes

NCCSD established workgroups

- Developed Model Act
- Drafted recommendations to improve process

Sent survey to child support Directors prior to 2019 Employer Symposium to gather information about state reporting and withholding requirements and processes



Progress and Activities

- Model Act developed by NCCSD Employer Collaboration Committee
 - Components
 - Definitions
 - Advantages over existing state examples
 - Consumer Credit Protection Act (CCPA) Compliance
 - Developed Lump Sum Fact Sheet to Support the Model Act



Model legislation on Managing Lump-Sum Payments for Child Support

This model act is designed to address lump-sum payments for child support through withholding by income payers (i.e., employers) in cases enforced under Title IV-D of the Social Security Act. Lump-sum reporting requirements in other, privately enforced, child support or lump-sum payments outside the employee or independent contractor relationship (i.e., lottery ticket winnings or bank accounts) are outside the scope of this model act.

This model act is intended to promote compliance with the Consumer Credit Protection Act (CCPA) under U.S.C. § 1672(a) and (b), particularly as interpreted by the U.S. Department of Labor in Opinion Letter [CCPA2018-1NA](#) (April 12, 2018).



Section 3. Definitions

As used in this act:

(1) "Child support agency" means an agency or political subdivision of this state that is authorized under the laws of this state to seek enforcement of support orders or laws relating to the duty of support under Title IV-D of the Social Security Act;

(2) "Disposable Earnings" means that part of the earnings of any obligor remaining after the deduction from those earnings of any amounts required by law to be withheld.



Section 3. Definitions

(3) “Earnings” means compensation paid or payable for personal services, whether denominated as wages, salary, commission, bonus, or otherwise.

(4) "Income Withholding Order" means an order or other legal process issued by a child support agency to an obligor's employer or income payer, as defined by [insert cite], to withhold support from the income of the obligor.



Section 3. Definitions

(5) “Lump-Sum Payment” includes, but is not limited to, discretionary and non-discretionary bonuses, commissions, performance bonuses, merit increases, safety awards, signing bonuses, moving and relocation incentive payments, holiday pay, termination pay, and severance pay. Lump-sum payment also includes workers’ compensation, insurance settlements, and personal injury settlements paid as replacement for wages owed. Lump-sum payment means income other than a periodic recurring payment of earnings on regular paydays and does not include reimbursement for expenses.



Section 3. Definitions

(6) "Obligor" means an individual who owes a duty of child support under a support order issued or enforced under the laws of this state.



Section 4. Reporting of Lump Sums

An income payer who has been served with an income withholding order for an obligor by a child support agency that **includes a provision for payment toward child support arrears** shall **notify the child support agency before making any lump-sum payment of more than \$150 to the obligor**. An income payer may report a lump-sum payment of a smaller amount or **an amount yet to be determined**. The notice must be in a format acceptable to the child support agency.



Section 5. Retention of Portion of Lump Sum

- (1) An income payer who reports a lump-sum payment under this act shall determine the amount of the lump-sum payment which consists of disposable earnings and **may disburse 50%** of that amount to the obligor.
- (2) The income payer must withhold and remit to the child support agency the amount needed to comply with the Income withholding order.



Section 5. Retention of Portion of Lump Sum

(3) Notwithstanding any other provision of state law, unless otherwise agreed to by the income payer and the child support agency, the income payer **may not disburse** the remaining amount of the lump-sum payment before **the earlier of**:

- (a) **The 15th calendar day** after the date on which the income payer reports the lump-sum payment or
- (b) The date on which the income payer receives authorization from the child support agency to make all or a portion of the lump-sum payment.



Section 6. Response to Lump-Sum Notice

Upon receipt of notice of a lump-sum payment under this section, the child support agency shall respond to the income payer within 14 calendar days after receiving the income payer's report of a lump-sum payment by providing:

- (1) A written release indicating that some or all of the portion of the lump sum payment retained by the income payer may be disbursed to the obligor or
- (2) An amended or supplemental income withholding order or other written demand specifying the amount of the lump-sum payment to be remitted to the child support agency on behalf of the obligor.



Progress and Activities

- Developed [Employer Lump Sum Reporting](#) Infographic
- Implemented New Lump Sum Response Feature on OCSE's Child Support Portal
- National Council of Child Support Engagement Association (NCSEA) Legislative Proposal
 - Create a national process for employer reporting of lump-sum payments to employees who are currently subject to income withholding. Authorize the federal Office of Child Support Services (OCSS) to provide a single point of contact for employers to report lump-sum payments in lieu of reporting to each state in which the employer does business. OCSS would share the results of any match with the employer and with any state that has a child support case involving the employee receiving the lump sum.
- Continue to identify and address specific issues



Discussion

**Advantages
Over
Existing
State Acts**

**Consumer
Credit
Protection
Act (CCPA)
Compliance**

**How to
Introduce &
Adopt
Model Act?**

**Best
Practices**

 **NCCSD**
National Council of
Child Support Directors





Independent Contractor Reporting

Background

Gig economy growing – more noncustodial parents working as independent contractors

Many states (21) have independent contractor reporting requirements in their statutes – who and when to report varies

NCCSD Employer Collaboration Committee developed Model Act to help streamline reporting

How to determine reporting compliance remains a challenge



Progress and Activities

- [Model Act](#) developed by NCCSD Employer Collaboration Committee
 - Components
 - Definitions
 - Advantages over existing state examples
 - Change to 1099-NEC
 - Application to ride share companies
 - Developed Independent Contractor [Fact Sheet](#) to Support the Model Act



Model Legislation on Independent Contractor Reporting – Explanatory Note (1 of 2)

This model act is designed to build on the success of federal and state laws requiring reporting of all newly hired employees and withholding of income pursuant to income withholding orders. Although income withholding orders can be issued to any payer of income, new hire reporting requirements in most states are limited to traditional employees and do not apply to independent contractors.

This act enhances new hire reporting requirements to include independent contractors. Reporting requirements under the act do not extend to individuals who are employees of the service recipient because those employees are already required to be reported under existing state law. The act also excludes the reporting of payments for personal services (e.g., to a childcare provider or house painter).



Model Legislation on Independent Contractor Reporting – Explanatory Note (2 of 2)

Reporting of independent contractors captures information about an untapped and significant segment of the workforce. Reporting of independent contractors increases the effectiveness of the State Director of New Hires, with the expectation of increased issuance of income withholding orders (IWOs) which would lead to increased support collections.

As a uniform act that should be adopted in all states, businesses which purchase services from independent contractors will benefit because this act requires the same type of information that the business is already required to obtain to complete an Internal Revenue Service (IRS) form for the service provider. Parents and states will benefit from the act through updated information regarding the address of a service provider, automatic wage withholding, increased collection of support, and increased consistency in receiving payments.



Section 1. Definitions

As used in this act:

(1) “Service provider” means:

(a) An individual over 18 years of age, a corporation with a sole shareholder, or a limited liability company with a sole member;

(b) Who is not an employee of the service recipient; and

(c) (i) Who contracts or provides services for compensation to a service recipient doing business in this state in an amount equal or greater than \$600 in the calendar year; or

(ii) Who logs in as a driver to the digital network of a transportation network company doing business in this state or a company operating a network in this state to facilitate delivery of food, goods or services to persons seeking those services.



Section 1. Definitions

(2) “Service recipient” means:

- (a) A person **doing business in this state** who enters into a contract for services with a service provider or receives services from a service provider, or
- (b) A person doing business in this state as a company which maintains a digital network to facilitate services by transportation network company drivers or drivers delivering food, goods or services to a person seeking those services.



Section 2. Reporting of Service Contracts

Each service recipient must report to the state directory of new hires, through a W-9 form or other format acceptable to the state, the following information regarding each service provider newly paid or contracted for services provided within this state:

- (1) Name
- (2) Address
- (3) Social security number, if provided to the service recipient by the service provider
- (4) Federal taxpayer identification number, if the social security number is not provided to the service recipient by the service provider, and
- (5) An indication that the service provider is being reported as a service provider and not as an employee.



Section 2. Reporting of Service Contracts

The report also must include the service recipient's name, address, and social security number or federal taxpayer identification number. A report required under this section must be made no later than twenty days after the earlier of the date the service recipient pays remuneration **of \$600 or more** to, or contracts for services of \$600 or more from, a service provider in the calendar year. A service recipient may report under this section if the value of the services is less than \$600 **or is unknown**.



Section 2. Reporting of Service Contracts

A report is not required under this act if the service provider is providing the services to a Federal or State agency performing intelligence or counterintelligence functions, if the head of such agency has determined that reporting with respect to the service provider could endanger the safety of the service provider or compromise an ongoing investigation or intelligence mission.



Discussion

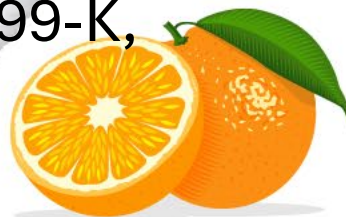
- **Direct and indirect contractors**
- **1099s issued to individuals without contractual relationship with the payor (car sales)**

- **State and Employer Implementation**
- **How to Introduce & Adopt Model Act?**
- **Best Practices**



Progress and Activities (continued)

- NCSEA Legislative Proposal
 - Amend 42 U.S.C. § 653a to require employers to report information, including names and social security numbers, to the State Directory of New Hires for newly hired individuals who meet the following definition of “independent contractor,” namely:
 - An individual, or an individual within a partnership, who receives \$600 or more income during the tax year for work completed in the course of the individual’s trade or business;
 - who is not treated as an employee within the meaning of “employee” in chapter 24 of the Internal Revenue Code of 1986; and
 - has completed and submitted a W-9 to the employer and is receiving income from the employer that is reportable on a 1099-NEC, 1099-K, or similar form.





**Daily Pay/
Pay On-Demand**

Background

Employers and companies offer more frequent payment options to attract and retain workers

Identified a need to standardize formula to calculate child support withholding on non-standard pay frequencies

Consider revising OMB-approved IWO to support new pay frequencies



Progress and Activities

- Employer Collaboration Committee recommendation in July 2023
 - Add check box for “daily” pay on the IWO
 - Proposed calculation to divide annual obligation by 260 (52 weeks x 5 days a week)
- Potential for additional fees charged to noncustodial parent for more frequent withholding
- Adjusting for withholding on something longer than a monthly basis



Discussion

- Compliance Expectations
- Adding Calculation Language to IWO Instructions
- Best Practices





Income Withholding for Support Orders

Background

Employers identified non-IV-D
IWO challenges

e-IWO was not available to
employers without servers

Potential to reduce the
number of identifiers on IWO



Progress and Activities

- Updated IWO Instructions To Reflect “Safe Harbor” For Employers Processing Non-IV-D Orders
- OCSS Implemented e-IWO On-Line – Increased Employer Participation
- Employers Support Child Support Agencies Issuing Non-IV-D IWOs
- OMB-Approved IWO Form Renewal



Discussion

**States Issuing
Non-IV-D IWOs**

**Feasibility to
Reduce the
Number of
IWO Identifiers**

Best Practices





New Business



New Hire Reporting – Resides or Works State

Discussion



**Some State
Laws May
Require New
Hire Reporting
to State Where
Person Resides
Or Works**



**Cumbersome
for Employers**

**Results in Duplicate
New Hire Reports**

Best Practices





Managing Employer Information in Child Support Systems

Discussion



- Incorrect IWO and other addresses in systems prevents child support documents from reaching the right location
- Limited or no employer contact information may delay communication
- 54 states and territories maintain an employer table/database/repository

- Data quality, accuracy, and duplicate records
- Inability to link employers to service providers or employers linked to each other (e.g., parent/child, employer/subsidiary)
- Best Practices



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Employer Information Knowledge Share

Working together to improve data quality

Presented by Florida representatives: Ayla Cowie & Stephen Smith



Overview

- Intros
- Employer Information Flow
- Employer Reporting
- Child Support Program Processing
- How We Use Employment Data
- Recap



Intros



- *Stephen Smith*

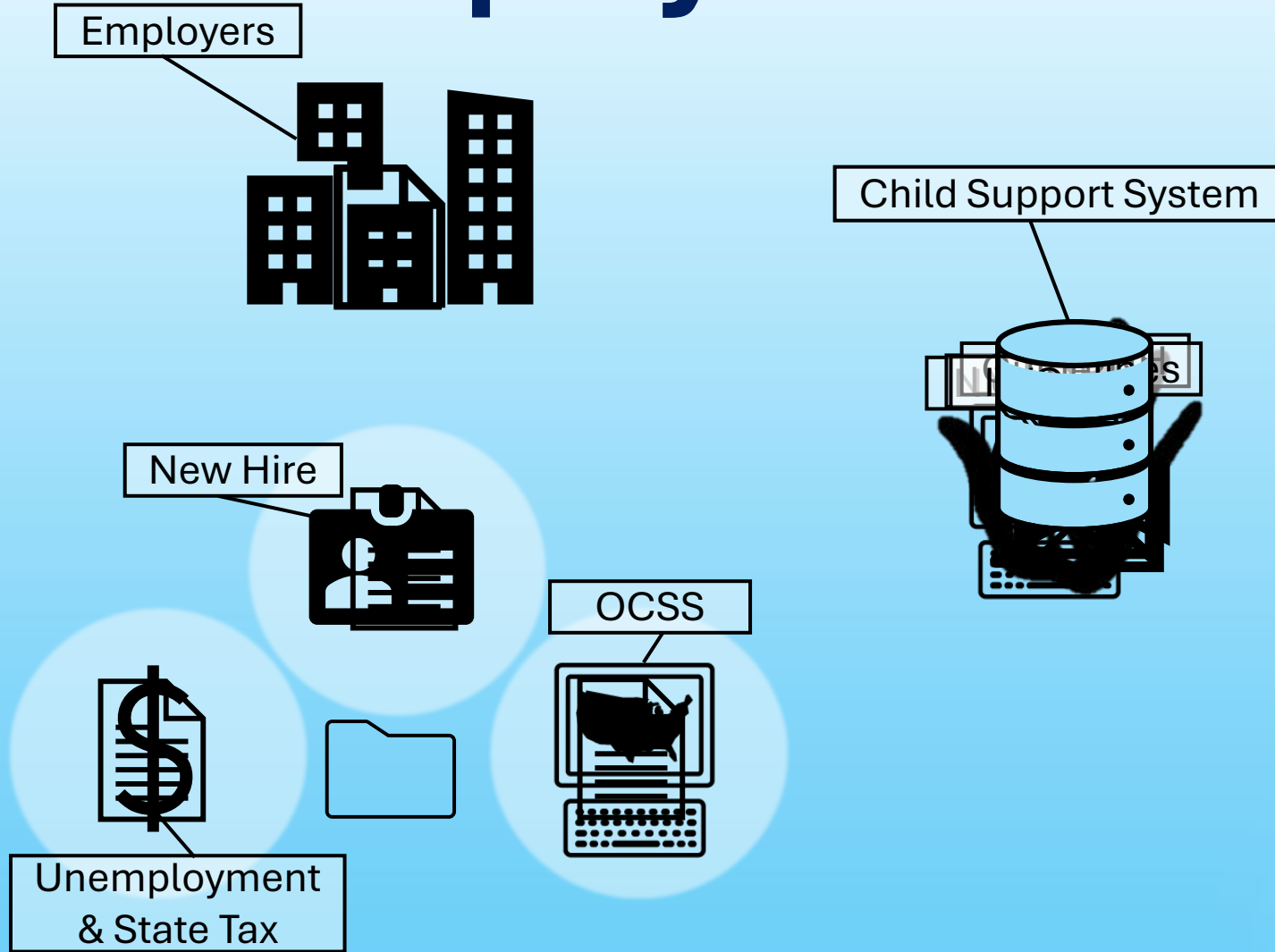
- Locate, Employer Maintenance, & New Hire Reporting Subject Matter Expert
- Stephen.Smith@floridarevenue.com

- *Ayla Cowie*

- Income Withholding & NMSN Subject Matter Expert
- Ayla.Cowie@FloridaRevenue.com



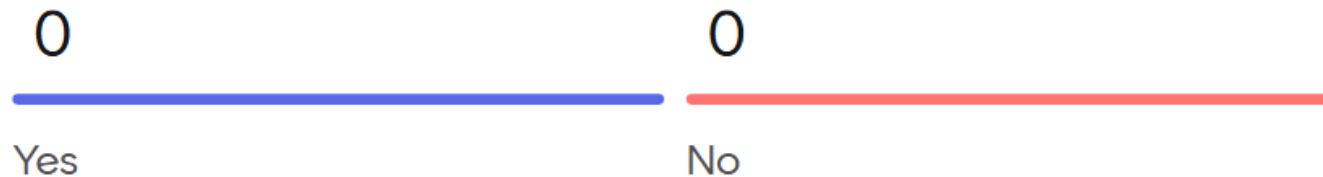
Employer Information Flow



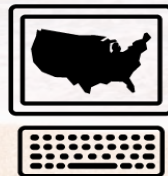
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 Mentimeter

Does your state use a vendor to process and accept new hire records?



Employer Reporting



Florida Unemployment Tax

- \$ Employers report to Florida General Tax Administration (GTA)
- Register with the *Florida Business Tax Application Form* (DR-1).
 - File quarterly unemployment taxes.



Employer Demographic Information Collected:

- Registered Name
 - Doing Business As Name (if applicable)
- FEIN
- Mailing Address



Employee Information Collected:

- First Name, Middle Name, Last Name
- Social Security Number
- Quarterly Wage Earnings



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Florida New Hire



Employers report to Florida Child Support Program (CSP)

- Register on the Child Support Services for Employer website.
- Report newly hired or re-hired employees and/or independent contractors paid more than \$600 per calendar year.



Employer Demographic Information Collected:

- Registered Name
- FEIN
- Address



Employee Information Collected:

- Full Name
- Social Security Number
- Address
- Employment Status
 - Hire Date
 - Termination Date



Register
here!



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 Mentimeter

Does your state accept non-electronic new hire reports/record submissions?

0

Yes

0

No



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 Mentimeter

Does your state have a "one-stop-shop" for state required employer reporting?

0

Yes

0

No



New York Department of Labor: Unemployment Insurance Benefits



-  Employers report online:
- Register and report: [NYS-45 Quarterly Reporting | Department of Labor](#)
 - *Quarterly Combined Withholding, Wage Reporting and Unemployment Insurance Return*



Employer Demographic Information Collected:

- Registered Name
 - Doing Business As Name (if applicable)
- FEIN
- Address
- Payroll Date



Employee Information Collected:

- Full Name
- Social Security Number
- Quarterly Wage



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New York Department of Taxation and Finance: New Hire



Employers report New Hires online:

- Register and report: [New hire reporting](#) and [Login - New York New Hire](#)
- Report newly hired or re-hired employees and/or independent contractors paid more than \$2,500 per calendar year.



Employer Demographic Information Collected:

- Registered Name
- FEIN
- Address
- Date of W-4
- If Providing Health Insurance



Employee Information Collected:

- Full Name
- Social Security Number
- Address
- Employee Hire Date



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What are some common challenges employers and service providers encounter when reporting new hires?



0

Not sure where to report

0

Not sure what information to provide

0

Reporting is cumbersome



North Dakota Job Service:

Unemployment insurance & Wage Report



Employers report to Job Service of North Dakota

- Register with Unemployment Insurance via UI Easy
- File quarterly unemployment insurance taxes.



Employer Demographic Information Collected:

- Registered Name
 - Doing Business As Name (if applicable)
- Unemployment Insurance Account Number
- Address



Employee Information Collected:

- Full Name
- Social Security Number
- Quarterly Wage



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North Dakota New Hire



Employers report to Child Support State Directory of New Hires

- Report electronically by mailing or faxing a printed list, secure web file transfer, or via our website
- Report newly hired or re-hired employees including full time, part time, and temporary employees, both adults and minors.



Employer Demographic Information Collected:

- Registered Name
- FEIN
- Address
- If Providing Health Insurance



Employee Information Collected:

- Full Name
- Social Security Number
- Address
- Date of Hire



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 Mentimeter

Does your state offer electronic options for employers to submit new hire records/reports?

0



Yes

0



No



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 Mentimeter

If yes, what options are available? Select all that apply.

0



Upload new hire records/file to state portal or website

0

Send a file (i.e., Excel, .txt)

0

Establish a web service/interface



Service Providers



A company providing HR services to an employer will:

- Report newly hired or re-hired employees on behalf of the employer.
- Follow specific reporting requirements as the employer's representative.



Employer Demographic Information Collected:

- Registered Name
- FEIN
- Address



Employee Information Collected:

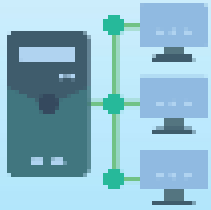
- Full Name
- Social Security Number
- Address
- Hire Date



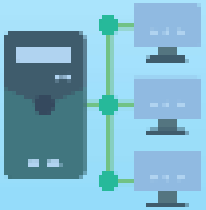
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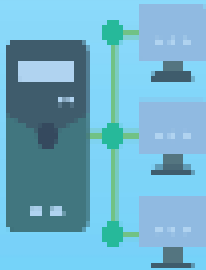
National Directory of New Hire



State Directory of New Hires



State Workforce Agencies



Federal Agencies

- **New Hires:** Employers report newly hired or rehired employees to State Directory of New Hires (SDNH) - SDNHs and federal agencies report directly to the NDNH
- **Quarterly Wages:** Employers report employee wages to State Workforce Agencies (SWAs) - SWAs and federal agencies report to the NDNH
- **Unemployment Insurance:** SWAs report claimants to the NDNH and must report within one month after the reporting quarter



New Hire Reporting

National Directory of New Hire

New Hire and Quarterly Wage



Employer Demographic Information Collected:

- Registered Name
- FEIN
- Address



Employee Information Collected:

- Full Name
- Social Security Number
- Address
- Date of Hire (***New Hire Records***)
- Wage Amount (***QW Records***)
- Reporting Period (***QW Records***)



Unemployment Insurance

Claimant Information Collected:

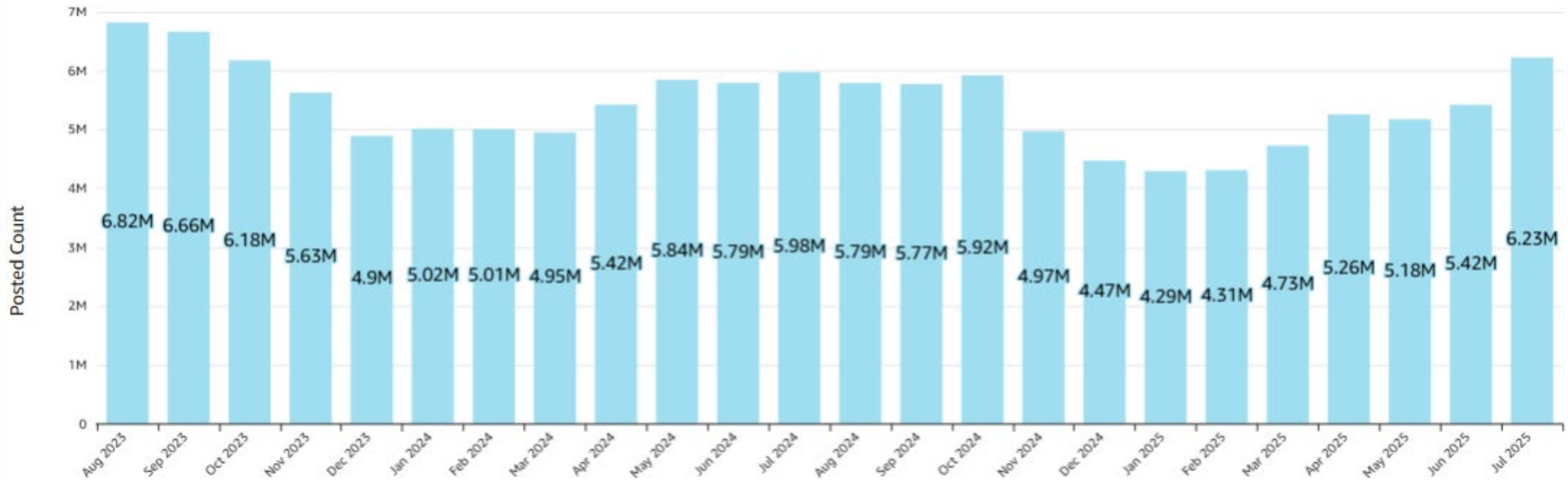
- Claimant name
- SSN
- Address
- Benefit Amount
- Reporting period



New Hire Records Posted to NDNH

August 2023 – July 2025

Total New Hire Records Posted to NDNH by Month



Voluntary Federal Reporting: OCSS Child Support Portal



Employers register on the Federal Child Support Portal to:

- Report Lump Sums and Receive Responses from Child Support Agencies
- Report Terminations
- Download and Respond to IWOs (e-IWO online)
- Report and Update Organization Information
- Register and select a state for multi-state reporting

Are you
registered on
the Federal
Portal?



Register
here!

Over 7,500 Employers are Registered,
Representing Over 123k FEINs

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Child Support Program Processing



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How is an employer's information entered and processed your state system?



0

Automated

0

Semi-automated

0

Manual



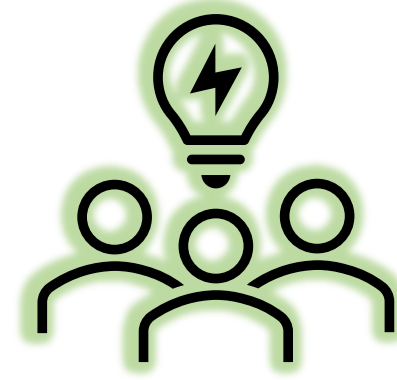
How Florida Processes Your Information

Matching
Employer FEIN
Employee SSN
Employee First Name
Employee Hire Date



Loading	
Employer	Employee





Are there any other matching rules you use?

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Does your state link FEINs to a single employer? For example does your system allow a one-to-many relationship?



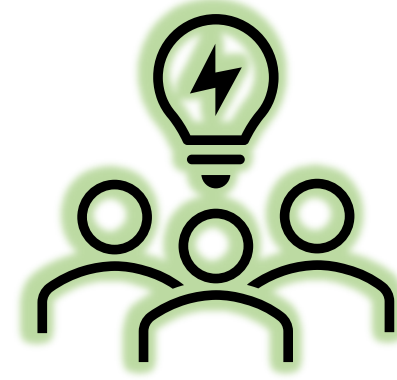
0

Yes

0

No





How do states handle employees reported under different FEINs for the same employer?

How We Use Employment Data



We send you...



Location requests

- Employee Verification Form
- Employer Information Form
- Withholding Bonuses and Other Lump Sum Payments Notice



Income Withholding Orders (IWO)

- Electronic IWO (e-IWO)
- Paper Income Deduction Notice
- Obligation amount updates
 - Payment agreements
 - Changes to the ordered amount



National Medical Support Notices (NMSN)

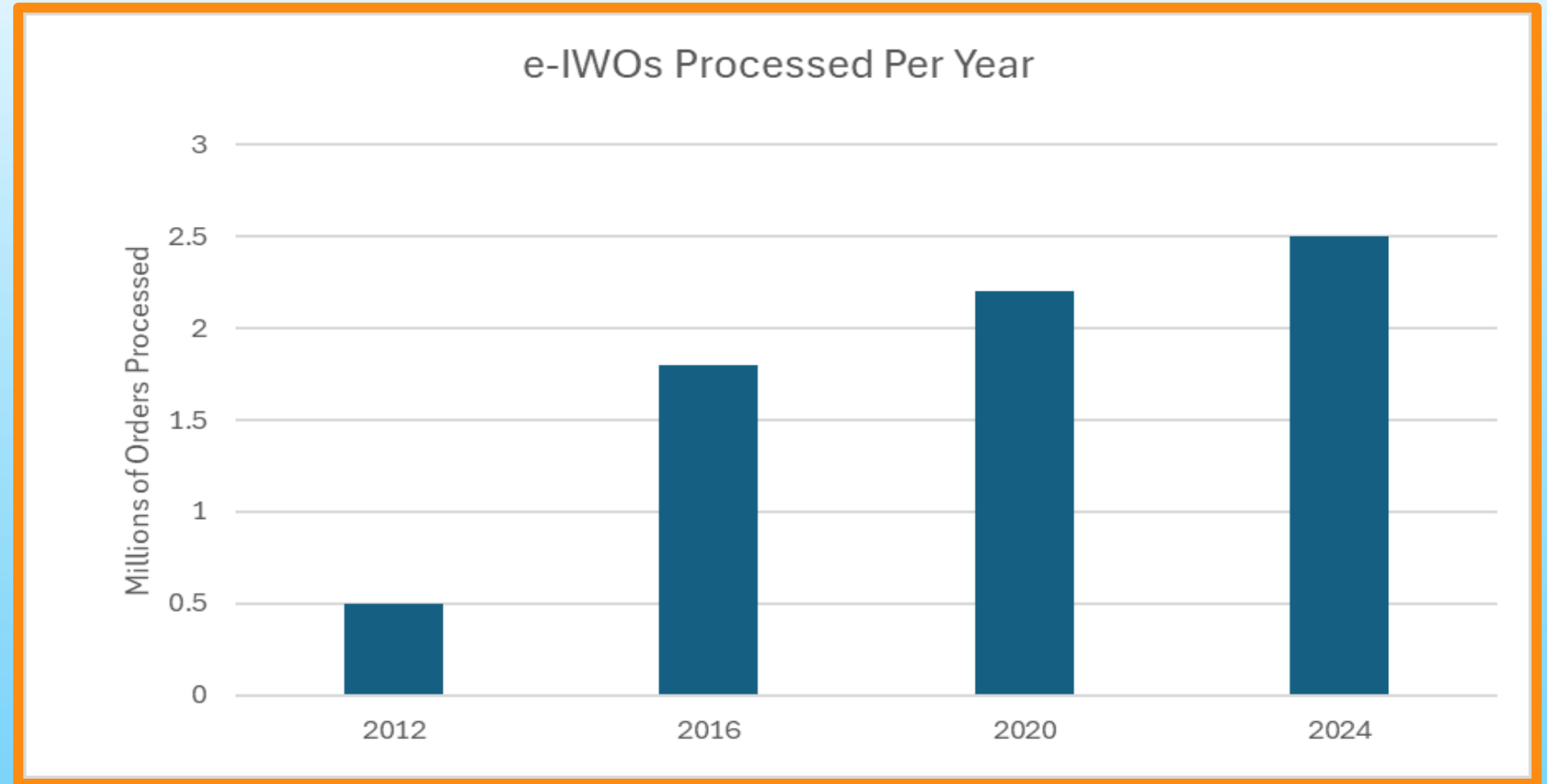


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e-IWO Statistics



- Implemented in 2008
- 48,423 Active FEINs
- Processed over 26.3 million orders





Your Information Helps Us..



Locate Parents

- Find mailing addresses
- Update employment information



Determine Ability to Pay

- Establish accurate support obligations
- Support a request for contempt



Provide Support

- Provide families with consistent payments through income withholding
- Ensure children have medical coverage



Share with state and federal agencies for child support assistance throughout the country!

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How much did Florida collect in payments from employers like you in FY24?



RECAP



Employers share employee information with child support agencies through:

- New Hire reporting
- Unemployment and State Tax Reporting
- The Federal OCSS Portal



Child Support Agencies use some automation to maintain a record of the parent's employment information and request support from employers.

- Wage information
- Employment status and dates
- Company and employee demographics



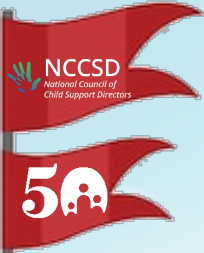
This information share assists in providing support to our families by:

- Locating parents
- Determine ability to pay
- Request support from employers





Centralized Payment Center



Discussion

- **Employers Send Payments to Centralized Payment Center**
- **Child Support Agencies Disburse Payments to Families**
- **Timeframes for Payment and Disbursement**
- **Payment Data/Information**
- **Payment Types (EFT, checks)**





Symposium Recap

Capture Action Items/Next Steps

Action Items/Next Steps	Party Responsible	Activities to Complete Item	Proposed Timeframe

