

A photograph of five diverse children of various ethnicities smiling and leaning forward on a grassy field. The children are of different ages and are dressed in casual clothing. A dark blue semi-transparent banner is overlaid on the lower half of the image, containing the title and logo.

Employers' Role in the Child Support Program

ADMINISTRATION FOR
CHILDREN & FAMILIES
Office of Child Support Services

Agenda

- Employer partnership and responsibilities
- Verification of employment
- New hire reporting
- Income Withholding for Support Order (IWO)
- Electronic Income Withholding for Support Orders (e-IWO)
- Medical support
- Electronic National Medical Support Notice (e-NMSN)
- Payments
- Terminations
- Online resource — Child Support Portal

EMPLOYER PARTNERSHIP AND RESPONSIBILITIES

Employers – Important Child Support Program Partners



Employer Responsibilities

- Report new hires
- Respond to requests for employment verification
- Process IWOs
- Withhold income for support payments, health insurance premiums, and cash medical support
- Remit payments to the state disbursement unit (SDU) or tribal payee
- Forward National Medical Support Notice (NMSN) Part B to plan administrators to enroll children in health care
- Report terminations

VERIFICATION OF EMPLOYMENT

Verification of Employment

- Employers must respond to child support agencies requesting information about:*
 - Employment status
 - Income
 - Health insurance availability
- Child support agencies and courts need recent verifications of income to help:
 - Establish, modify, and enforce child support orders
 - Determine whether health insurance is available to a parent

*Not an all-inclusive list

Verification of Employment (Cont'd)

- Each state child support agency sends its own verification of employment (VOE) form.
- Employers may respond using [this standard VOE form](#), if the state child support agency accepts the form.
- This standardized response form provides greater efficiency for employers.



Source: <https://www.acf.hhs.gov/css/employers/employer-responsibilities/verification-of-employment>

NEW HIRE REPORTING

Legal Requirements

Federal and state laws require all employers to report newly hired and rehired employees to a State Directory of New Hires within 20 days of the employee's first day of work; some states may require shorter timeframes.

Newly hired and rehired employees are defined as:

- Not previously employed
- Previously employed but separated for at least 60 consecutive days

Remember: Report new hires under the same Federal Employer Identification Number (FEIN) used to report quarterly wages.

Federally Required Data Elements

Data Element	Definition
Employer Name	Name associated with the Federal Employer Identification Number (FEIN)
Employer Address*	Address associated with the FEIN entity that employs the individual
Federal Employer Identification Number (FEIN)**	Nine-digit number assigned to the employer by the Internal Revenue Service (IRS)
Employee Name	Full name associated with that employee's Social Security number (SSN)
Employee Address	Current residential address of the new employee
Employee SSN	Nine-digit SSN assigned to the employee by the Social Security Administration
Date of Hire	First date the employee received pay for services
*It is strongly recommended that employers also report the payroll office address if it is different than the FEIN address. **It is critical that employers report both new hires and quarterly wages using the same FEIN. If employers report under different FEINs, it could appear that they are not complying with new hire reporting requirements.	

Multistate Employer Reporting

- Multistate employers can choose to:
 - Report to the state where each individual works
 - Report all new hires to one state where they have employees
- Multistate employers must register with the Secretary of the Department of Health and Human Services to report all new hires to one state.



INCOME WITHHOLDING FOR SUPPORT ORDER (IWO)

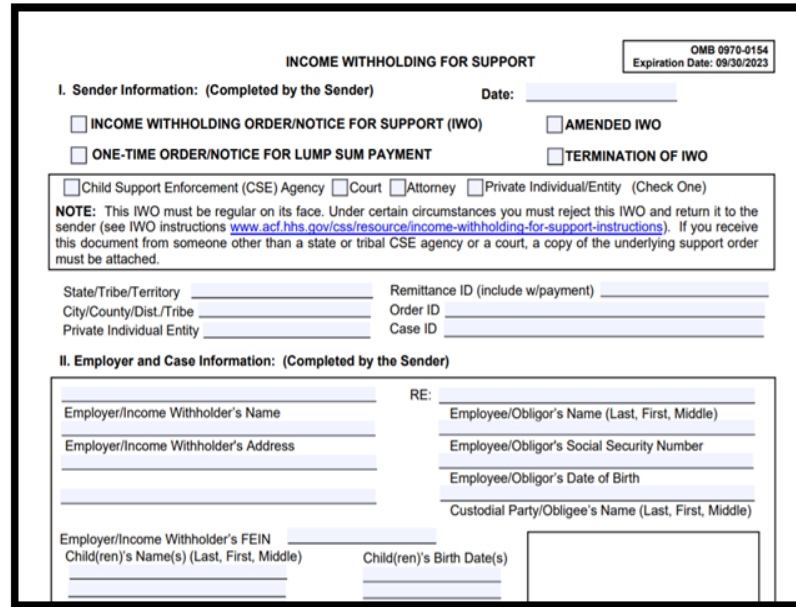
What is an IWO?

- Approved by the Office of Management and Budget (OMB) as the standard form
 - Reviewed and revised every three years
- Required for any entity sending a withholding/garnishment request to an employer or other income payor to deduct child and medical support payments from a parent's income
- IWO may include withholding amounts for other types of payments such as spousal support and fees

Rules for Income Withholding

As a result of receiving an IWO, employers cannot:

- Refuse to hire
- Discriminate
- Discipline
- Terminate



The image shows a form titled "INCOME WITHHOLDING FOR SUPPORT" with a box in the top right corner containing "OMB 0970-0154" and "Expiration Date: 09/30/2023".

I. Sender Information: (Completed by the Sender) Date: _____

☐ INCOME WITHHOLDING ORDER/NOTICE FOR SUPPORT (IWO) ☐ AMENDED IWO

☐ ONE-TIME ORDER/NOTICE FOR LUMP SUM PAYMENT ☐ TERMINATION OF IWO

☐ Child Support Enforcement (CSE) Agency ☐ Court ☐ Attorney ☐ Private Individual/Entity (Check One)

NOTE: This IWO must be regular on its face. Under certain circumstances you must reject this IWO and return it to the sender (see IWO instructions www.acf.hhs.gov/css/resource/income-withholding-for-support-instructions). If you receive this document from someone other than a state or tribal CSE agency or a court, a copy of the underlying support order must be attached.

State/Tribe/Territory _____ Remittance ID (include w/payment) _____
City/County/Dist./Tribe _____ Order ID _____
Private Individual Entity _____ Case ID _____

II. Employer and Case Information: (Completed by the Sender)

_____ Employer/Income Withholder's Name	RE: _____ Employee/Obligor's Name (Last, First, Middle)
_____ Employer/Income Withholder's Address	_____ Employee/Obligor's Social Security Number
_____ _____	_____ Employee/Obligor's Date of Birth
_____ _____	_____ Custodial Party/Obligee's Name (Last, First, Middle)
_____ Employer/Income Withholder's FEIN	_____
_____ Child(ren)'s Name(s) (Last, First, Middle)	
_____ _____	_____ Child(ren)'s Birth Date(s)

IWO - Notice or Order

- Determine validity of IWO form and attachments when sent as a **notice** by attorney/private entity which:
 - Requires sender to provide copy of underlying order containing language to authorize withholding
 - Indicates underlying order may be a child support order, divorce decree, or other order specifying that one parent pay another parent child support payments
- IWO sent by a court or child support agency is an **order** and does not require the sender to attach the underlying child support order

Returning IWOs

- Check the “Return to Sender” box and return it to the sender if the IWO is not regular on its face
- Document reasons for returning an IWO such as:
 - Payments not ordered to the State SDU (with a few exceptions)
 - Not the OMB-approved form
 - Missing information on the form
 - Altered form
 - Amount is not a dollar amount
 - Copy of the underlying child support order required but not included

Tribal IWOs

You are required to honor an IWO sent by a tribal child support agency*

- Must be the OMB-approved IWO form
- Remit payments to the payee on the order

*There are 574 federally recognized tribes; [60 comprehensive tribes](#) operate a IV-D child support program. IV-D tribal child support programs IV-D agencies must use the OMB-approved income withholding form. Tribes without IV-D agency are not required to use the OMB-approved form.

Consumer Credit Protection Act

Federal Consumer Credit Protection Act (CCPA) withholding limits:

- 50% - if the employee supports a second family with no arrearage or less than 12 weeks in arrears
- 55% - if the employee supports a second family and more than 12 weeks in arrears
- 60% - if the employee does not support a second family with no arrearage or less than 12 weeks in arrears
- 65% - if the employee does not support a second family and more than 12 weeks in arrears

CCPA Withholding Limits

State limits may be lower than federal CCPA limits:

- Apply only to employees
- Check the income withholding matrix for non-employee / independent contractor withholding limits and for more information
 - <https://www.acf.hhs.gov/css/contact-information/state-income-withholding-contacts-and-program-requirements>



Determine Which State Law Applies

FOLLOW THE LAW OF	WHEN DEALING WITH
Issuing state	•Duration and amount of child support - both current and arrears •Medical support terms •Where to send payments •Payment of fees and costs charged (if any) by the state child support agency, issuing court, or custodial party's attorney
Employee's work state	•When to begin withholding •When to send payments (may be from one to seven days after the pay date) •Mandatory deductions •Maximum amount to be withheld (within CCPA limits) •Priority of current support, arrears, medical support, and other types of child support •How to allocate withholding across multiple child support orders •Administrative fee that employer is permitted to charge •Other terms and conditions that may be set by state law

Priority of IWO Over Other Garnishments

- Always withhold child support first unless:
 - An IRS tax levy is already in place and predates the underlying child support order (not the IWO)
 - Contact child support agency or court to obtain the date of the underlying child support order
- When both a child support order and a creditor garnishment are in effect:
 - Determine if the child support order may claim all or a portion of the creditor garnishment's 25% maximum of disposable earnings
 - Review the CCPA

Disposable and Allowable Disposable Income

Gross minus mandatory withholdings = disposable income:

- Determine the disposable income multiplied by the CCPA% on the IWO = allowable disposable income
- Determine if there are orders from more than one state — allowable disposable income is allocated by the method chosen by the work state of the employee

Administrative Fee

Based on state law:

- Withhold fees from the employee's wages to offset the employer's cost to garnish and send payment to the SDU
- Determine fees plus child support payment can't exceed the CCPA limit
- Allow fees to be withheld even if the full payment amount is not met

IWO Form, Instructions, and Training

- IWO Form and Instructions
 - acf.hhs.gov/programs/css/resource/income-withholding-for-support-form

ELECTRONIC INCOME WITHHOLDING FOR SUPPORT ORDERS (e-IWO)

Exchange IWOs Electronically

Electronic IWO (e-IWO) is an efficient and cost-effective way to electronically exchange IWO information between child support agencies and employers:

- Gets payments to families quicker
- Speeds the processing time from IWO preparation to employer processing
- Reduces errors from manual processing
- Eliminates cost of postage and processing paper documents
- Provides ongoing communication between child support agencies and employers

Factors to Consider When Deciding How to Implement e-IWO

- Do you receive a large number of IWOs each week?
- Do you have information technology (IT) resources available?
- Do you have available time to implement?
- Do you have access to a secure server?

e-IWO Server Implementation Options

System-to-System

- Consider for employers with large volume of IWOs
- Offers flat file or XML schema
- Receive IWOs in file/batches
- Receive image-ready IWO in portable document format (PDF) format, at employer request
- Requires employers to generate acknowledgments
- Minimizes manual processing

No Programming Options

Option 1

- Receive IWO as a PDF
- Send PDF acknowledgement

Option 2

- Receive IWO as PDF
- Send Excel spreadsheet acknowledgement

Transmission

- Uses Secure File Transfer Protocol (SFTP) or File Transfer Protocol Secure (FTPS) to retrieve and to drop off files from your server daily
- Files can be encrypted using GNU Privacy Guard (GPG) to encrypt files; however, public keys will need to be exchanged. Encryption is required if the files are not behind a firewall.

New Option – e-IWO Online

- Programming or IT investment not required
- e-IWOs delivered to the OCSS Child Support Portal (Portal) for employers to download
- IWOs must be downloaded within three business days
- IWOs acknowledged using the Portal
- Email eIWOMail@acf.hhs.gov if you are interested in an e-IWO online overview

More Information About e-IWO

Electronic Income Withholding Order (e-IWO) Overview

The electronic Income Withholding Order (e-IWO) process is a cost-effective and efficient way for employers to process child support IWOs.

The e-IWO process lets you:

- Receive and process an electronic version instead of a paper IWO
- Send acknowledgements to the child support agency indicating whether you accept or reject the order
- Inform child support agencies about upcoming lump sum payments and employee terminations

There is no cost for you to use the e-IWO process! You can implement either our System-to-System Interface or our No Programming Option—it's your choice!

This is not an email service and there is no option for emailing IWOs to your organization.



e-IWO

MEDICAL SUPPORT

Medical Support

- Medical support is a form of child support that provides either cash medical support or health insurance
 - Often provided through a parent's employer-sponsored health insurance plan
 - Child support agencies issue National Medical Support Notices (NMSNs) to employers
 - Employers enroll children in health insurance plan if it is available at a reasonable cost
- May require the parent to pay a specific dollar amount to cover a portion of ongoing medical bills or a portion of uninsured medical costs

What is an NMSN?

You will receive a NMSN when an employee is obligated by a court or administrative child support order to provide health care coverage for his/her child(ren) listed on the notice and a child support agency is enforcing the order.

When you receive an NMSN, you must:

- Enroll the children in your health insurance plan regardless of whether your employee has enrolled
- Enroll dependents in a family insurance plan without regard to seasonal open enrollment periods
- Add your employee to enroll the children if necessary

ELECTRONIC NATIONAL MEDICAL SUPPORT NOTICE (e-NMSN)

e-NMSN Overview

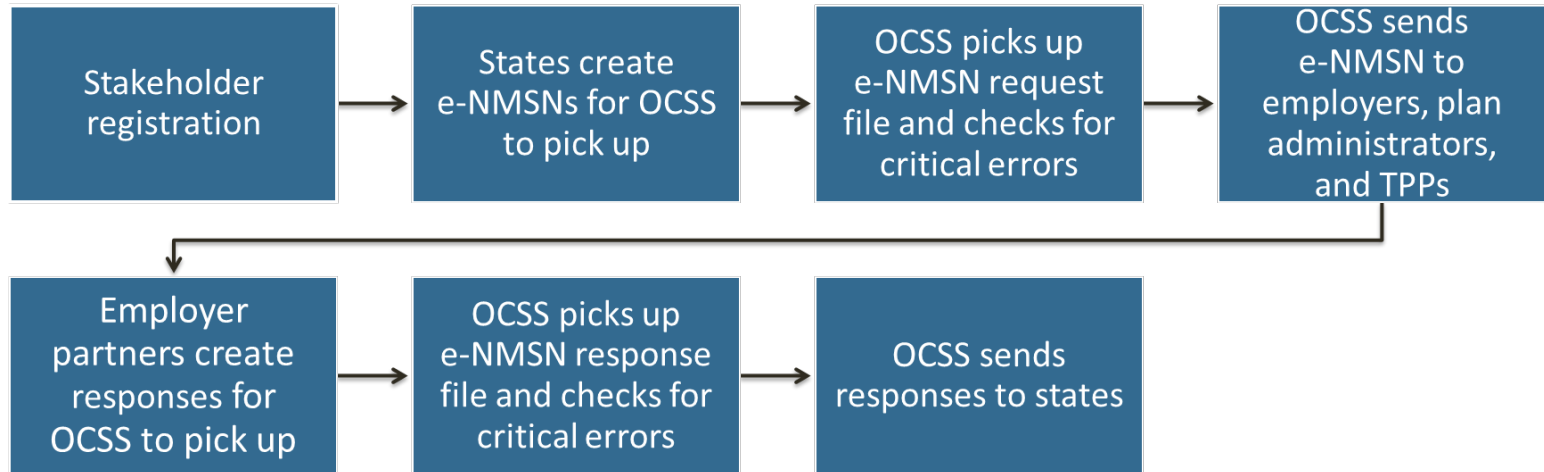
State and employer benefits of using e-NMSN:

- Reduces errors from manual processing
- Supports virtual office environments
- Reduces costs of postage and processing paper documents
- Allows employer partners to implement health coverage sooner

[e-NMSN Overview \(hhs.gov\)](https://www.hhs.gov/e-nmsn/overview)



e-NMSN Process Flow



e-NMSN Server Implementation Options

System-to-System • Consider for employers with large volume of NMSNs • Offers flat file or XML schema • Receive NMSNs in file/batches • Receive image-ready NMSN in portable document format (PDF) at employer request • Requires employers to generate the Employer Response • Minimizes manual processing	No Programming Options Option 1 • Receive NMSN as a PDF • Send PDF Employer Response and/or Plan Administrator Response Option 2 • Receive NMSN as a download on OCSS's Portal • Upload Employer Response and/or Plan Administrator Response to OCSS's Portal	Transmission • Uses Secure File Transfer Protocol (SFTP) or File Transfer Protocol Secure (FTPS) to retrieve and to drop off files from your server daily • Files can be encrypted using GNU Privacy Guard (GPG) to encrypt files; however, public keys will need to be exchanged. Encryption is required if the files are not behind a firewall.
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Preparing for e-NMSN

Employers need:

- Secure File Transfer Protocol (SFTP) Server or File Transfer Protocol Server (FTPS)
- Adobe Reader v. 10 or higher with Javascript for fillable PDF

Next Steps:

- Fill out profile form and FEIN spreadsheet (if applicable)
- Set up connectivity (We will help you!)
- Conduct a test
- Start receiving NMSNs electronically

New Option – e-NMSN Online

- Programming or IT investment not required
- e-NMSNs delivered to the OCSS Child Support Portal (Portal) for employers to download
- NMSNs must be downloaded within three business days
- NMSNs responded to using the Portal by uploading a file or responding within the portal
- Planned implementation fall 2023

Email eNMSNmail@acf.hhs.gov if you are interested in an e-NMSN online overview

More Information About e-NMSN

Electronic National Medical Support Notice (e-NMSN) Overview

The e-NMSN process is a cost-effective and efficient way for you to process medical support orders and reduce manual paper processing!

Employers, third-party processors, unions, and plan administrators can reap the benefits of using the e-NMSN process on OCSS's centralized hub.

- Receive and respond to registered child support agencies
- Increase accuracy and reliability of data
- Save time and money

Highlights

- NOTE: There's no cost to use the e-NMSN process!
- This is not an email service, and there is no option for emailing e-NMSNs to your organization.
- You'll continue to get a paper NMSN when a child support agency either hasn't implemented the e-NMSN process or cannot issue an e-NMSN for a specific case.



e-NMSN

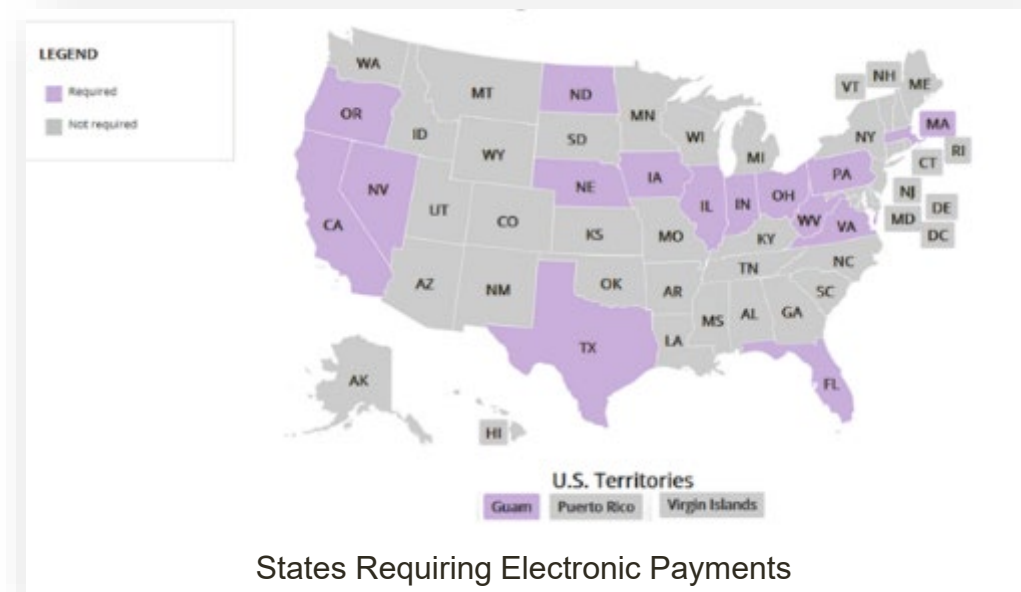
PAYMENTS

Electronic Child Support Payments

Electronic Funds Transfer/Electronic Data Interchange (EFT-EDI) allows employers to send child support payments electronically:

- Required in some states
- Direct payments to appropriate SDU

NOTE: There is no federal, central location for sending child support payments.



Benefits of Electronic Payments

- Eliminate the cost of printing and handling paper checks
- Eliminate the cost of postage and postal delays due to lost or misdirected mail
- Reduce data entry errors
- Send child support payments to children and families faster

Sending Child Support Payments Electronically

Use your own payroll software to send Automated Clearing House credit payments with EFT/EDI using the standard child support addendum segment:

- Set up an account with states that have a web-based payment service
- Use a payroll service provider that is already sending child support payments electronically
- Take advantage of your bank's online bill-paying service



TERMINATIONS

Reporting Terminations

When an employee with an IWO terminates employment, you must report the termination to the child support agency.

Reporting options:

- Submit online via the Portal
- Fax form to child support agency
- Mail form to child support agency
- Submit through e-IWO for employers using the OCSS process

ONLINE RESOURCE – CHILD SUPPORT PORTAL

What Can You Do on the Portal?

The Portal supports virtual office environments by reducing the need for staff at physical location to process paperwork.

Allows you to:

- Update Employer Information - Update your addresses, subsidiaries, points of contact, and supplemental information
- Update Multistate Employer Registry - Register and manage multistate new hire reporting information

What Can You Do on the Portal? (cont'd)

- Report Lump Sum - Report upcoming lump sums to employees and receive match/no match responses
- Report Termination - Report employee terminations or respond to an IWO received for someone who has never been or is no longer employed
- Launch Communication Center - Communicate with child support agencies and OCSS through Communication Center to send and receive secure messages and attachments

Employer Information Status

- Displays the current status and allows you to submit address, point of contact, and other information important to child support agencies
- Report one consistent address for both New Hire and Quarterly Wage to eliminate address duplication in the NDNH

Employer Information Status (Cont'd)

- Add/Update address and point of contact information:
 - Payroll/IWO
 - NMSN
 - Verification of Employment
 - Workers' Compensation
 - Accounts Payable
 - Lump Sum
- Add/Update supplemental information (optional):
 - Medical, Verification of Employment, Pension Plan, TPP, and PEO

Report Lump Sums

- Use the Portal to notify states and territories about upcoming lump sum payments to employees who owe child support
- Lump sums include but are not limited to
 - Bonus
 - Cash service award
 - Commission
 - Retroactive pay increase
 - Severance
 - Sign-on bonus
 - Vacation pay

Report Lump Sums (cont'd)

The lump sum process matches the employee's Social Security number (SSN) to OCSS's debtor file (database of non-custodial parents with reported arrearages):

- Receive results for SSN entered online immediately
- Receive results for file uploads the next business day

Report Lump Sums (Cont'd)

- **No Match** – There is no match, so you can release the lump sum payment to the employee immediately. You do not need to contact the child support agency
- **Match** – There is a match and the child support agency identified should contact you about the lump sum
- **Contact State** – Need to contact the child support agency listed to determine if the lump sum should be attached

Report Termination

- Report terminations for employees with IWOs
- Report that the person you received an IWO for has never worked for your organization
- Report terminations for a single employee or through file upload

Communication Center

- Facilitates secure communication between child support agencies, employers, and OCSS staff
- Allows you to exchange personally identifiable information in a secure environment

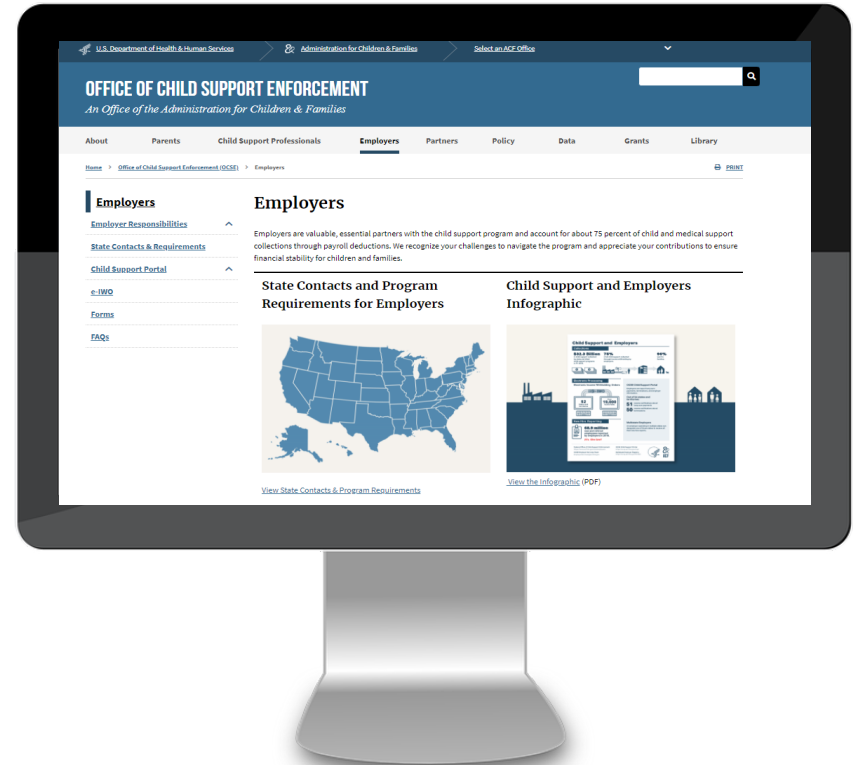
Communication Center (Cont'd)

- Offers the following communication topics:
 - General Case or Program Questions
 - Payment Inquiry
 - Lump Sum
 - Income Withholding Order
 - Medical Support Order
 - New Hire and Multistate Reporting
 - Verification of Employment



Resources

- OCSS Website — Employer Page
- State Contacts and Requirements
- e-IWO
- Child Support Portal



Employer Services Team Contact Information

General Inquiries

employerservices@acf.hhs.gov

Portal Registration,
Demonstrations, and Questions
employerportal@acf.hhs.gov

e-IWO

eIWOMail@acf.hhs.gov

e-NMSN

eNMSNmail@acf.hhs.gov