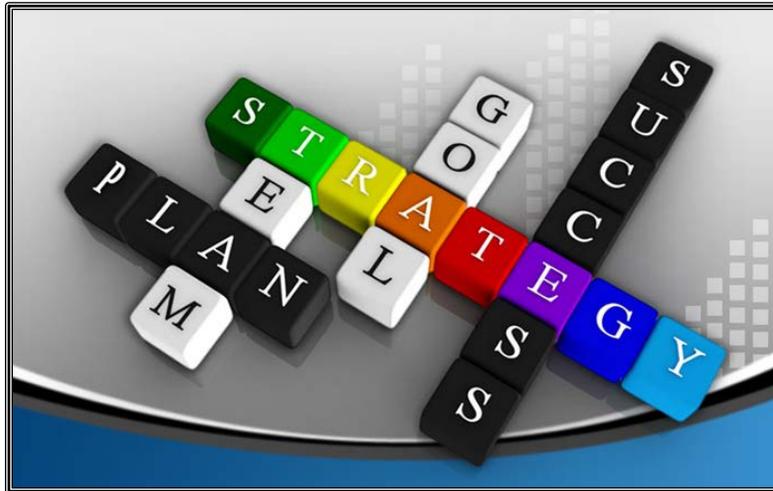


2014 EMPLOYER SYMPOSIUM REPORT



2014 Employer Symposium

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INTRODUCTION

PURPOSE

The Employer Symposium brought experts from the child support and employer communities together to discuss ways to improve communication and cooperation between the child support program and employers. The specific goals of the symposium were to identify and discuss areas of mutual interest and capture recommendations. States had an opportunity to explain why certain employer-related processes are in place and employers voiced their concerns about how those processes affect their workload. Some of the recommended changes require legislation to satisfy both states and employers.

BACKGROUND

The federal Office of Child Support Enforcement (OCSE) hosted the first Employer Symposium in August 2005 and a subsequent symposium in August 2011. Since then, many employers and states encouraged OCSE to host future symposiums to discuss best practices and areas that need improvement. Based on that feedback, OCSE coordinated with the Eastern Regional Interstate Child Support Association (ERICSA) to have another symposium immediately following their 2014 Annual Conference on May 2, 2014, in Greensboro, North Carolina.

FORMAT

The Employer Symposium was a one-day session, preceded by a day of employer-focused sessions at the ERICSA conference. OCSE facilitated the one-day session and shared a recap of the 2005 and 2011 Employer Symposium reports. The discussion topics included new hire reporting, verifications of employment, medical support, income withholding orders (IWOs), electronic income withholding orders (e-IWOs), the Debt Inquiry Service (DIS), electronic terminations (eTerm) and the proposed employer portal (eConnect).

PARTICIPANTS

Seventy individuals participated in the symposium, including representatives from 17 states, 24 different employers and federal OCSE.

NEXT STEPS

OCSE will analyze the recommendations and work with organizations (such as the American Payroll Association, ERICSA, the Western Interstate Child Support Enforcement Council, the National Child Support Enforcement Association, the National Council of Child Support Directors and the Employer Services Workgroup) to identify recommendations to pursue.

AGENDA ITEMS AND DISCUSSION TOPICS

OCSE COMMISSIONER'S WELCOME

OCSE Commissioner Vicki Turetsky welcomed the participants to the symposium and announced that the U.S. House of Representatives passed a bill, Preventing Sex Trafficking and Improving Opportunities for Youth in Foster Care Act of 2014, requiring all state child support agencies to implement the electronic income withholding order process, which OCSE established and operates. Although the passage of this bill would make e-IWO capability mandatory for states, employers are not required to use it.

NOTE: The President signed the [Preventing Sex Trafficking and Strengthening Families Act of 2014](#) on September 29, 2014.

EMPLOYER SYMPOSIUM 2005-2011 COMBINED REPORT SYNOPSIS

The recap of the 2005 and 2011 Employer Symposium reports summarized recommendations and their status. Also included was a summary of recommendations that require legislation to begin working on them.

NEW HIRE REPORTING

BACKGROUND

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 requires all employers to report information about their newly hired employees to a designated state agency. States match new hire reports with child support records to locate parents, establish orders or enforce existing orders. Those state agencies report new hires to the National Directory of New Hires (NDNH).

ISSUES IDENTIFIED BY EMPLOYERS, STATES OR OTHER SYMPOSIUM ATTENDEES

DATE OF HIRE

The Claims Reduction Act of 2010, introduced by the U.S. Department of Labor (DOL) to help reduce fraud in unemployment claims, requires employers to report the date the employee first performed services for pay, also referred to as date of hire.

- **Employer challenges:**
 - The date of hire is not located or defined on the W-4 form. Writing the date of hire on the W-4 invalidates the form.
 - The definition of date of hire is unclear. Is it the first day of work or the first day the employee earns pay for services? For example, employers do not know which date to report if an employee is hired on the first of the month but does not start to work until the middle of the month. This may be a question for DOL.
 - The definition differs from state to state.

BEST PRACTICE:

- States provide a definition for the date of hire data element.
- One state reported that it supplies forms to employers that define the date of hire reporting requirements.

REHIRES - DIFFERENT STATE REPORTING REQUIREMENTS

Section 453A (a)(2) of the Social Security Act (effective April 21, 2012) defines a newly hired employee as (i) an employee who has not previously been employed by the employer or (ii) was previously employed by the employer but has been separated from such prior employment for at least 60 consecutive days.

- **Employer challenge:**
 - Some states enacted or may enact laws requiring employers to report rehires that have been separated less than 60 consecutive days. According to the DOL and OCSE, employers must honor the state timeframe if it is less than 60 consecutive days; however, states may not have timeframes that exceed 60 consecutive days of separation.
- **State response:**
 - None reported.

ADDITIONAL NDNH DATA ELEMENTS

Federal law requires employers to collect and transmit seven data elements to the State Directory of New Hires; however, many states require additional data, such as projected earnings, medical insurance information, employer telephone numbers and contact information.

- **Employer challenges:**
 - Many of the additional data elements are hard to maintain or change frequently making it a burdensome process.
 - Projected earnings are extremely difficult for employers to estimate. One state required projected earnings but has since repealed it while another state is proposing to add this data element.
- **State responses:**
 - States use the additional new hire data elements for:
 - Analyzing statistical data
 - Establishing orders
 - In one state, both parties' proof of wages are needed to avoid sending a verification of employment (VOE).

- Another state uses the additional data as proof of wages for order establishment.
- Identifying the parties correctly using the date of birth in addition to the Social Security number (SSN)
- Verifying financial information obtained from the noncustodial party (NCP) because some NCPs do not provide accurate, complete information
- Issuing IWOs directly to unemployment insurance compensation agencies as it generally takes 60-90 days to get this information from the NDNH
- Obtaining the date of hire if the case is brought to court for noncompliance

DISCUSSION

- Employers questioned whether adding new hire data elements would reduce the number of VOEs states send to employers. A consensus of states represented said that this would reduce the need for sending VOEs.
- One state indicated that employers' compliance with new hire reporting requirements would definitely reduce VOEs.

RECOMMENDATION

- **Add required data elements for new hire reporting**

EMPLOYER COMPLIANCE

One of the biggest challenges states have with new hire reporting is identifying employers that are not reporting new and rehired employees. If states could easily identify these employers, they would reach out to them to provide information and assistance about new hire reporting requirements.

- **State comments regarding new hire reporting compliance:**
 - Several states report that their new hire compliance rate is about 40 percent, attributing this to large employers not complying with new hire reporting requirements.
 - One state indicated that its new hire compliance rate is 70 percent and that most of the employers not reporting new hires are small companies.
 - Several states indicated they do not have fines for noncompliance.

BEST PRACTICE:

- Use OCSE's Employer Participation Project (EPP) report to identify employers that may not report new hires. (NOTE: For more information about the EPP reports, please contact [Lynnetta Thompson](#))
 - Using the EPP reports, a state reported that it sent two mailings to employers explaining how complying with new hire reporting requirements benefits the child support program and reduces fraud in unemployment insurance claims. The mailing resulted in a significant increase in employers reporting new and rehired employees.
- Conduct outreach to the state workforce agency or unemployment insurance compensation program.
- Develop a program to track noncompliance using the OCSE EPP reports.
 - One state's program measures employer compliance quarterly and focuses only on large employers. It does not focus on smaller employers because it is not cost effective.
- Develop a process to track employer compliance not using the EPP reports.
 - One state developed a process that focused on in-state employers and tracked their compliance rate for eight consecutive quarters. Since the state has 82,000 employers and 80 percent of those have less than 25 employees, the state focused on data accuracy and completeness. The state is awaiting the outcome of the project.

DISCUSSION

- Employers receive more VOs when there are noncompliance issues.
- Employers hire staff to handle the large volume of VOs.
- The federal new hire reporting law allows states to charge an employer \$25 for each employee not reported.
 - Most states have never assessed an employer penalty.
 - Fifteen states do not have a penalty provision in their state laws.
- Have states had success imposing the \$25 penalty against employers not reporting new hires?
 - Several states have the legal authority to impose the penalty but have never used it.

- One state said it has the legal authority but rarely uses it and their compliance rate is very high.
- Another state said it enforces the \$25 penalty and its compliance rate is good.

RECOMMENDATION

- **States should consider fining employers for not reporting new and rehired employees.**

"To encourage higher reporting rates in your states," Dunn told the participants, "you might want to consider issuing more penalties. I know that's an odd thing for an employer advocate to say, but noncompliance among some employers ends up hurting everyone."

Excerpt from June 19, 2014_PAYTECHonline-June Issue: APA Addresses Employer Concerns at OCSE Symposium reprinted with permission of Bill Dunn.

- **Other issues or questions identified by states:**
 - Inconsistent reporting by employers
 - Lack of a standard reporting mechanism. For example, states receive both mailed and faxed reports
 - Lack of understanding of "date of hire"
 - Lack of information on terminations and previously-reported employees
 - Correct Federal Employer Identification Number (FEIN) reporting for new hire and quarterly wage (QW)

REPORTING INDEPENDENT CONTRACTORS OR NON-EMPLOYEES

It is difficult to identify and track the reporting requirements for independent contractors or non-employees.

- **Income withholder challenges:**
 - Reporting is difficult for employers because independent contractors or non-employees are not paid through payroll but instead they are paid through accounts payable.
 - Some states do not have file formats to assist income withholders with automated reporting processes.
 - Businesses collect an Individual Taxpayer Identification Number instead of an SSN from non-employees for reporting because most states do not require non-employees to provide SSNs.
 - Reporting requirements for independent contractors or non-employees vary from state to state.

MISSION CREEP

Employers expressed concerns about the continued potential for mission creep that goes beyond the original intent of the NDNH. One example, they noted is when the Government Accountability Office proposed legislation that would grant the Comptroller General unfettered access to the NDNH. The federal and state agencies that are authorized to use NDNH data have a specified use and purpose, which is codified in the Social Security Act.

- **State concern:**
 - Sharing NDNH information with other entities dilutes the intent of the system, as its primary purpose is to assist child support agencies with locating parents and establishing and enforcing child support orders.
- **Employer concern:**
 - Allowing additional entities' access could possibly lead to requiring employers to report more data elements.

DISCUSSION

- Need better coordination with other federal agencies, such as IRS, to verify FEINs, add the date of hire to form W-4, and to provide outreach to small and new businesses about new hire reporting requirements.
- Multistate New Hire Reporting:
 - **State concerns:**
 - Child support agencies have a hard time keeping track of multistate employers. Can employers report the state where the person lives instead of the state where the person is employed?
 - States would find it useful to have information about multistate employers and to which state they should report.
 - **Employer issue:**
 - Coordinate the E-verify system for employer compliance with the U.S. Citizenship and Immigration Services, so employers can report their new hires and verify immigration status at the same time.

RECOMMENDATIONS:

- **OCSE should provide guidance to states regarding the difference between employees and independent contractors or non-employees.**
- **Employers should report new hires daily or weekly.**
- **States should send outreach material to employers or income withholders about new hire reporting compliance.**

- States suggested OCSE send follow-up correspondence to encourage participation because communication from a federal agency may hold more weight than from a state agency.
- OCSE and states could send quarterly or annual notices to employers or income withholders, which will remind employers and income withholders about new hire reporting requirements and maintain an open line of communication.

INCOME WITHHOLDING ORDERS (IWOs)

BACKGROUND

The child support program collects over 74 percent of payments through income withholding. States, tribes, courts, tribunals, attorneys and individuals must send the Income Withholding for Support (IWO) form, Office of Management and Budget (OMB) 0970-0154, to employers to instruct them to withhold child support payments. Employers must comply with an IWO received on the OMB-approved form if it is “regular on its face” as defined in [Action Transmittal 11-05](#), Revised Income Withholding for Support Form. Employers must also honor a child support IWO before other garnishment except an IRS tax levy entered before the underlying child support order.

ISSUES IDENTIFIED BY EMPLOYERS, STATES OR OTHER SYMPOSIUM ATTENDEES

An employer walked participants through the IWO implementation process and stated that there may be seven to ten departments or tasks needed to process IWOs. The process can be overwhelming for employers when they must interpret the IWO, set it up in their payroll system and determine the maximum percentages allowed for withholding to ensure appropriate calculations. If the IWO needs legal interpretation, the process becomes more burdensome.

NOTE: Due to the limited time for this item, none of the IWO-related issues identified by employers before the Symposium was discussed.

INCOME WITHHOLDING ORDERS – MULTIPLE CASES ON ONE IWO

Some states issue one IWO for all of the cases associated with an NCP by:

- attaching supplemental sheets with information about the custodial parents and children.
 - adding all of the children's names on page one of the IWO with only one custodial parent's name, even though some of the children named may not be connected to that custodial parent.
- **Employer challenges:**
 - When employers receive one IWO form with multiple cases, there are privacy and confidentiality concerns if the custodial party (CP) named on the IWO receives a copy because one or more of the children listed do not belong to that CP.
 - States modify one case but not all cases represented on one IWO. This requires the employer to contact the state to determine what action might be needed on the other cases.
 - **State response:**
 - e-IWO will not accommodate multiple cases for one IWO transaction; therefore, some e-IWO states developed two processes to accommodate system-generated paper IWOs versus e-IWOs.

INCOME WITHHOLDING ORDERS – PRESUMPTIVE TERMINATION DATES

Some states issue orders that contain language to reduce the financial obligation contained in the order as a child or children emancipate or for other reasons.

- **Employer challenges:**
 - Future reductions in amounts require that employers periodically recalculate the withholdings. This is contrary to the IWO form instructions, which indicate a modified IWO will be issued for each change in payment amount.
 - Employers may make overpayments if the step down is not made timely.
 - Employers have concerns about the validity of the emancipation dates; for example, the order may change and an NCP may become delinquent. Over time, orders will change.
 - Requiring a termination date (end date) on the order is difficult for employers. A termination date may be useful for non-IV-D orders because the state agency does

not monitor when the order terminates. However, employers could possibly pay for years after the child emancipates if they do not receive a termination order.

- Some employers cannot track when a child emancipates to terminate the order. Employers receive several amended orders when they never received the original order. Many times, the amended order is actually the original.

- **State responses:**

- One state's system is programmed to send automatically amended IWOs, known as "step-down orders."
- State systems can handle overpayments if the employer does not reduce or "step down" the order.
- One state's system requires them to terminate the order and issue a new one if there is a change.

- **Employer responses:**

- Some employers can accommodate step-down orders and actually, prefer the orders because their system is capable of handling them.
 - A large government payroll processor indicated that it prefers step-down orders because its system can handle them. The order is entered one time in the system, which eliminates overpayments (as long as the order is not modified). This process reduces calls and is more efficient.

INCOME WITHHOLDING ORDERS – ADDENDUMS

Some states add an addendum to the IWO that may have 16 items and can make the addendum longer than the IWO instructions. This is a burden for large employers and their payroll departments.

- **Employer challenges:**

- Many employers return IWOs with addenda to the state or sender, which delays payments to families.
- Employers indicate that it is particularly hard to honor all of the terms of an addendum when there are different processes for electronic versus paper.
- Some payroll processors encourage employers to reject incomplete IWOs, but it is at the discretion of the employer.

- **State response:**

- None reported

INCOME WITHHOLDING ORDERS – SUBSEQUENT EMPLOYERS

Issue: Some states' laws require that an IWO applies to subsequent employers, allowing a party to take an existing IWO from Company X to Company Y without creating a new IWO naming Company Y as the employer.

- **Employer challenges:**

- Employers need their names on the IWO to set it up in their systems.
- Legal issues may be associated with this if noncompliance becomes an issue.
- A large payroll processor will reject an IWO that does not identify its company or customer's company name.
- The American Payroll Association (APA) encourages employers to reject an IWO if it does not have their company's name.

- **State response:**

- None reported

INCOME WITHHOLDING ORDERS – MULTIPLE ORDERS – SAME CASE

Some states or courts issue IWOs at the same time with different amounts or implementation dates.

- **Employer challenges:**

- Some employers receive multiple IWOs for the same case on the same day.
 - Sometimes, the state is attempting to correct a previously issued IWO even if it was sent on the same day.
 - If the employer does not understand the state's intentions, it does not process the IWO.
- Frequently courts issue several IWOs at the same time to avoid multiple hearings.
 - The IWOs have notes with the date when each order is in effect, but it can be confusing to employers because they have the same effective date.

State responses:

- One state indicated that it might be an automation problem if the orders are issued by the state agency.
- The system automatically generates an income withholding if something changes on the system (for example, multiple orders were added to the system).
- Employers should notify the state if this occurs.

INCOME WITHHOLDING ORDERS – USE OF THE OMB-APPROVED FORM

The Income Withholding for Support (IWO) is the OMB-approved form used for income withholding for all child support orders initially issued in the state on or after January 1, 1994, and all child support orders issued or modified in the state before January 1, 1994, if arrearages occur.

• **Employer challenge:**

- Some states, counties, attorneys or courts are not using the OMB-approved IWO form.

• **State response:**

- One state indicated that it uses the OMB form, but its outdated legacy system does not print Microsoft Word documents. Instead of sending a three-page document, the system prints six pages that may not look like the correct form.

INCOME WITHHOLDING ORDERS – ANNUALIZING PAYMENTS

Some states require employers to withhold and remit the full monthly amount of the child support order rather than annualizing payments and taking equal amounts from all pay periods. As part of the IWO form reauthorization currently underway, OCSE will clarify that employers may annualize payments.

One state requiring the full amount of the monthly payment initially instructed employers to suppress one payment in months with three or five pay periods. APA believes suppressing payments is a violation of the order and recommends employers not to suppress payments.

FEES AND OTHER PAYMENTS

Some states require separate payments or methods when employers pay fees. One state requires employers to send non-IV-D payments via checks made payable to the CPs and mailed to a Post Office box that is not the same as the address for the State Disbursement Unit (SDU).

Nonstandard requirements cause additional administrative expenses for employers and income withholders. One state acknowledged that the Receipt and Disbursement fee is a problem and it is working the issue.

OTHER STATE CONCERNS

- One state indicated it is having a hard time with the Veterans Affairs (VA) not honoring IWOs.

RECOMMENDATION

- **OCSE should work with states and the VA to identify IWO processing issues.**

FEDERAL EMPLOYER IDENTIFICATION NUMBERS (FEINs) AND SUBSIDIARIES

BACKGROUND

States use FEINs to identify employers. In most states, FEINs are required to issue IWOs and identify electronic funds transfer (EFT) payments.

States maintain employer tables that capture business names, addresses, contact information and FEINs. Despite efforts to keep that information current and accurate, the data are sometimes incorrect and contain duplicate entries. One reason the data are difficult to maintain is that some businesses have subsidiaries and therefore, have multiple FEINs.

ISSUES IDENTIFIED BY EMPLOYERS, STATES OR OTHER SYMPOSIUM ATTENDEES

- **Employer comment:**
 - Should states consolidate FEINs when companies merge?
- **State responses:**
 - States indicated it would be very difficult to merge the FEINs in their employer tables.
 - States reported that merging FEINs makes it hard to set up in employer tables because they cannot link them up to one FEIN. Some state systems cannot split the FEIN and associated employers' names.

BEST PRACTICE:

- One state asked employers to submit their FEINs on the QW file. All systems are not consistently reporting the same FEIN for the employer.

NOTE: Some employers may report all their QW records under one FEIN and new hire records using a different FEIN. As a result, states may view an employer as two separate companies or the employer is noncompliant with new hire reporting.

RECOMMENDATIONS

- **OCSE provide guidance or instructions to employers about which FEIN to report to help with consistency across all systems.**

ORDERS NOT ENFORCED BY THE STATE AGENCY (NON-IV-D ORDERS)

BACKGROUND

Section 454B of the Social Security Act requires state agencies to establish and operate an SDU to collect and disburse payments on orders in IV-D cases and non-IV-D cases in which the support order was initially issued on or after January 1, 1994, and in which the income of the noncustodial parent is subject to withholding.

ISSUES IDENTIFIED BY EMPLOYERS, STATES OR OTHER SYMPOSIUM ATTENDEES

- **Employer challenge:**
 - Employers do not understand why the state that generates the IWO cannot receive payments when the underlying order was issued in another state.
 - OCSE and the states explained that this is because only the order-issuing state can change the payment direction of an order.
- **State responses:**
 - Not all non-IV-D payments are processed through an SDU.
 - One state indicated that its payment process requires private attorneys to send a record of the order to the court for all non-IV-D orders. Once received, the court faxes the order to the IV-D agency, and the SDU enters the order information into its system. The state child support agency monitors the courts to ensure they are sending orders timely.
 - One state indicated it must have an IV-D case on its system to redirect payments.

- Some states will process payments if the case is on their automated system.
- Some states do not have a process in place for reporting non-IV-D orders to the automated system from the State Case Registry. If a payment is received and there is no case on the automated system, it will go to an exception report as unidentified funds to research.
- One state has a workaround. If the state is not enforcing the order, but the order was entered in the state, it opens a case to redirect payments and sends them by mail instead of EFT.

RECOMMENDATION:

- **OCSE should provide guidance about redirecting payments to the appropriate SDU.**

TRIBAL CHILD SUPPORT PROGRAMS

BACKGROUND

The number of tribal child support programs has grown in recent years to more than 50. Understanding how to process tribal orders is a growing concern for employers.

ISSUES IDENTIFIED BY EMPLOYERS, STATES OR OTHER SYMPOSIUM ATTENDEES

Employers find it challenging to locate information about tribal legislation or points of contact when they have questions about processing IWOs.

- One state indicated it has information for employers about tribal legislation and how to process tribal orders on its website.

RECOMMENDATION

- **OCSE should put information about tribal legislation on its website.**

COMMUNICATION

BACKGROUND

Communication between states and employers is important to implement IWOs and National Medical Support Notices (NMSNs) quickly and efficiently. One critical area is employers' understanding of what information each state uses to identify cases. Because there is no uniform, national standard for identifying case and order information, employers must understand each state's requirements.

Employers report they have difficulty with the various identifiers used by the state agencies. Should they use the Court Order ID or the Case ID when corresponding with states?

ISSUES IDENTIFIED BY EMPLOYERS, STATES OR OTHER SYMPOSIUM ATTENDEES

- **Employer challenges:**
 - Employers want to know which identifying information to use when corresponding with states (for example, case ID or order ID).
 - An employer reports that it previously completed reconciliations and made updates based on the results, but the SDU could not recognize the changes because the identifiers did not match.
 - Employers need to know whether to use court order ID or case ID. Currently, they must look at the case ID and court order ID to uniquely identify the NCP and ensure compliance with the IWO.

- **State responses:**
 - Some states indicated the case ID and court order ID are the same in their states.
 - States suggested case reconciliation would assist with matching up the case and order IDs.
 - One state indicated the process is very complicated. The state could not put an SSN on a document that is filed with the court, but it entered the full SSN on the IWO sent to the employer.

AFFORDABLE CARE ACT AND MEDICAL SUPPORT

ISSUES IDENTIFIED BY EMPLOYERS, STATES OR OTHER SYMPOSIUM ATTENDEES

State and Employer challenges: Health Insurance Portability and Accountability Act requirements preclude states from verifying whether insurance has been obtained through the healthcare marketplace. States need to know if medical insurance has been obtained for children and details about coverage provided.

- **OCSE comment:**
 - Data sharing is on our list of action items.
 - Medical insurance is a mandatory deduction for federal employees.
- **Employer challenge:**
 - It is difficult for employers to know what to do when they receive notification that the NCP has secured insurance through the marketplace and then receive a National Medical Support Notice (NMSN).
 - Whether to consider medical premiums as a mandatory deduction when determining an employee's net pay varies by state.
- **State response:**
 - States cannot terminate a medical support order if the NCP has obtained insurance through the marketplace.

RECOMMENDATIONS

- **States should consider entering a cash medical support order if the NCP's work hours fluctuate and there is not enough money for health insurance.**
- **OCSE should provide guidance concerning when states should terminate a medical support order because one or both of the parents have obtained coverage for children through the marketplace.**
- **Employers should continue to honor the terms of an NMSN until notified to terminate the medical support order by the issuing child support agency.**

POTENTIAL OCSE EMPLOYER PORTAL (e-CONNECT)

BACKGROUND

OCSE received recommendations from states and employers to design, develop and implement an employer portal. After conducting analysis and a feasibility study, OCSE decided to move forward with designing an employer portal and is seeking recommendations from states and employers about what information should be available on the portal.

ISSUES IDENTIFIED BY EMPLOYERS, STATES OR OTHER SYMPOSIUM ATTENDEES

- Suggestions for e-Connect:
 - Include an employer profile and information needed for state employer tables including FEINs.
 - Include information about health insurance (insurance providers, eligibility criteria or costs). This could include all information contained in the NMSN.
 - Develop a directory of employers, similar to the Intergovernmental Reference Guide (IRG) for states, which provides offices or contact information.
 - Provide the ability for states to send a VOE request and for employers to respond using the standard VOE response.
 - Add a section for state outreach to allow employers to respond to states questions.
 - Add a chat feature or call center, so employers can ask basic questions.
 - Enable employers to report new hires, sign-on bonuses, and send matches to states.

LUMP SUM PAYMENTS OR BONUSES

BACKGROUND

As documented in the 2011 Employer Symposium Report, state agencies are not actively pursuing lump sum payments as a source of collecting child support. Employers can use the Employer Services Web App on OCSE's portal to notify state child support agencies about upcoming lump sum payouts. Currently, 48 states receive lump sum payout notifications through the portal.

ISSUES IDENTIFIED BY EMPLOYERS, STATES OR OTHER SYMPOSIUM ATTENDEES

- **Employer challenge:**
 - A large payroll processor reported having issues with disbursing bonuses. It may be aware of a bonus three months before payment, but it cannot disburse payment on an exact payout date, which may make the organization liable (it cannot hold payments for a payout date).
 - Other employers reported they cannot hold payments.
 - Employers advised that holding electronic funds transfer (EFT) payments is an accounting issue.

- **State response:**
 - None reported

VERIFICATIONS OF EMPLOYMENT (VOEs)

BACKGROUND

States send Verification of Employment forms to employers to get information to establish, modify or enforce a child support order. While states receive much of the information requested in the VOE form from new hire reporting and quarterly wage reports, it may not be the most current information. States may also need other information not contained in new hire and quarterly wage reports, such as health insurance information.

ISSUES IDENTIFIED BY EMPLOYERS, STATES OR OTHER SYMPOSIUM ATTENDEES

- **Employer challenges:**
 - Employers do not understand that they are required to respond to VOEs.
 - When there is an IWO in place, some employers receive VOEs from one state if the NCP does not make enough income to pay the full payment amount. This creates paperwork for the employers. They must respond to the VOEs but cannot fix the problem of the reduced payment as it is usually related to the number of hours the NCP worked.

- **State responses:**

- States indicated that employers must respond to VOEs.
- If states send IWOs and do not receive payment within a certain timeframe, they will send a VOE to ask the NCP's employment status.
- One state indicated that it would not eliminate VOEs because it needs disposable income to determine whether the person has limited income and needs order modification.

RECOMMENDATION

- **Add a field to the EFT payment file, so employers can report disposable income if it is required by states.**

ELECTRONIC INCOME WITHHOLDING PROCESS (e-IWO)

BACKGROUND

OCSE developed the e-IWO process to facilitate the electronic transmission of IWOs between states and employers, and implemented e-IWO in 2008 with just a couple of states and employers. There are 33 states and over 660 employers using the e-IWO process. Electronic transmission increases efficiency and gets payments to families faster by:

- reducing the time for preparing and processing IWOs,
- reducing errors that may occur in manual processes,
- reducing or eliminating the costs of postage and processing paper documents, and
- allowing ongoing communications between state agencies and employers for questions and clarification.

NOTE: On September 29, 2014, the President signed the legislation that requires states to implement e-IWO by October 1, 2015. The legislation does not require employers to use the e-IWO process.

ISSUES IDENTIFIED BY EMPLOYERS, STATES OR OTHER SYMPOSIUM ATTENDEES

- **Employer challenges:**

- Non-IV-D orders will not go through e-IWO because courts do not have the option to participate.
- e-IWO will not resolve payment redirection concerns.

- **State challenge:**
 - e-IWO will not eliminate the paper process because employers are not mandated to enroll in e-IWO.

RECOMMENDATIONS

- **OCSE should provide the ability to view the e-IWO files through the State Services Portal (SSP), so states can look at what they sent online.**
- **OCSE should consider, in advance, the consequences if states do not comply with mandatory e-IWO legislation.**
- **OCSE should consider expanding e-IWO to allow for electronic follow-up inquiries.**

APPENDIX A – EVALUATION SUMMARY

We asked participants to evaluate the Symposium. The average score received for each specific section is below. Participants completed 26 paper and 4 online evaluations for a total of 30. The ratings options were: (5) Excellent, (4) Very Good, (3) Good, (2) Fair and (1) Poor. Participants seemed most pleased with the opportunity to meet and discuss items in this forum.

CONTENT EVALUATION

Employer Symposium Evaluation Questions 26 paper evaluations / 4 electronic evaluations					
	(5) Excellent	(4) Very Good	(3) Good	(2) Fair	(1) Poor
Overall employer symposium content	22	8			
Employer-led discussion	21	9			
New Hire Reporting	16	14			
Income Withholding Order	18	11	1		
Electronic Income Withholding Order (e-IWO)	24	6			
OCSE Portal	19	9	2		
Employer Symposium Format	17	8	1		
Opportunity to Express Your Ideas and Concerns	26	3	1		
Overall, I thought the Employer Symposium was	18	12			
What is the likelihood that you would recommend future employer symposiums to your peers?	23	7			

WHAT AREAS OF THIS EMPLOYER SYMPOSIUM DID YOU FIND THE MOST INTERESTING OR HELPFUL?

Learning more about state and employer issues
New or improved electronic communications
All sections were equally helpful
Ability for employers and states to explain what difficulties each face
Listening to the issues from the employers perspective
IWO & e-IWO
DIS information, eTerm
All was very informative
The ability to discuss ideas or situations in person and to have the ability to meet employers and other state counterparts
IWO
Affordable Care Act, healthcare mandates
e-IWO, New Hire, OCSE
e-IWO, employer input & feedback
DIS & eTerm
A chance to meet employers and states I work with and be able to discuss issues with them
e-IWO
e-IWO
ePortal, state discussions, employer discussions
Coverage of e-IWO, discussion of states-OCSE-employer flows and needs
Upcoming changes or legislative updates
Really enjoyed the plenary sessions
Talking with employers
Back and forth between employers and states and OCSE (good discussion)

IN PLANNING FOR FUTURE SESSIONS, PLEASE LIST TOPICS YOU THINK WOULD BE OF INTEREST

Multi-state issues, eConnect, standardization opportunities
Nothing comes to mind
Medical support, insurance
Maybe involve attorneys and courts to learn about the issues impacting money getting to families
Maybe a little more guidance on how to deal with non-IV-D cases
State child support agency performance measurement
Expanded discussion on reaching employers
More Affordable Care Act and known temporary employer

ADDITIONAL FEEDBACK OR COMMENTS?

Thanks!
Great discussion - I love this
Excellent! All the planning paid off. Everyone did a wonderful job. Thank you.
Allow more time during the employer symposium for employer discussions
It seemed geared toward states in the morning. If I had a state representative with me, it would have helped.
Good job
None