

Department of Human Services
House Human Services Committee
Representative Robin Weisz, Chairman

January 22, 2019

Chairman Weisz and members of the Human Services Committee, I am Jim Fleming, Director of the Child Support Division of the Department of Human Services (Department). I am here to support House Bill 1371.

More and more parents are working in the “gig” economy as independent contractors rather than traditional employees. Current law authorizes the Department to send an income withholding order to a person who hires an independent contractor, but since current law limits new hire reporting to employees, the Department often does not learn of the work until after the parent is paid, and it is too late to issue an income withholding order.

House Bill 1371 would close this loophole for a very narrow category of parents who:

1. Are not an employee (please see [attached amendment](#))
2. Work for a business (as opposed to working for a private citizen); and
3. Earn more than \$600 during the year from the business.

Attached to my testimony is a [sample 1099-MISC form](#) – the bill only applies to payments that must be reported in Box 7.

The Department values the partnership we have with employers, and feels that House Bill 1371 is sufficiently narrow that collections from self-employed parents can be improved without an undue burden on employers.

This concludes my testimony, and I am happy to answer any questions you may have.