

Employer/Business Community

(1) Goal

Electronic remittal of nearly all withholding payments

Areas for Improvement

- Reduce remittal errors made by income payers
- Reduce distribution errors
- Reduce lost incoming payments
- Reduce time Child Support staff spend on processing checks, contacting employers about questionable remittals, searching for lost checks, and processing checks
- Reduce expense income payers incur writing checks and doing stop payments for lost checks

Action Steps – Areas for Change

- Mandate electronic remittals
 - Consider an opt-out clause – See Tab
 - Other state information – See Tab 7
- As technology advances, implement additional secure payment options for submittal of withholding payments
 - Including option for same day secure payments
- Business profile option
- Proposals from Task Force
 - Mandate employers to remit payments electronically
 - Pattern after Job Service requirement (i.e., currently employers with 24 or more employees)
 - Include opt-out clause
 - Tie requirement to number of employees, not number of obligors

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(2) Goal

Increase number of data elements received through new hire reporting

Areas for Improvement

New hire reporting does not currently provide information about:

- independent contractors
 - currently no other source for this information
- availability of health insurance for dependents
 - with no other current source for this information Child Support incurs time and expense related to sending National Medical Support Notices to employers when insurance cannot be obtained and employers in turn incur time and expense in responding to National Medical Support Notices

Action Steps – Areas for Change

- Mandate reporting of independent contractors
 - Consider criteria
- Mandate additional data elements
 - Examples: information regarding availability of health insurance for dependents
- Mandate electronic reporting with opt-out
- Proposals from Task Force
 - Do not require new hire reporting of emergency independent contractors (e.g., plumbing emergency)
 - Consider new hire reporting of independent contractors where there is an ongoing/recurring relationship rather than a one-time association
 - Establish monetary thresholds for reporting independent contractors
 - Limit new hire reporting requirements to independent contractors that are individuals, not companies
 - Explore whether 1099s can be obtained from the Tax Department
 - What is the volume?
 - What is the impact on the Tax Department?
 - Require electronic new hire reporting by employers with 24 or more employees
 - Collect basic health insurance information through new hire reporting
 - Yes/No
 - Date of eligibility?
 - Include more detailed health insurance information in the online employer profile

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(3) Goal

Increase support collections and reduce the time between when an obligor is hired and when support payments are received and children are enrolled in employer-sponsored health insurance

Areas for Improvement

- Increase number of employers who are aware of their child support legal requirements
- Increase number of employers who are complying with their child support legal requirements
- Increase timeliness of receipt of employment-related information
 - If an individual is not reported through new hire Child Support does not learn of the new hire until that information is passed by Job Service months later
 - Example: For the quarter ending September 30, 2009, an employer has until October 31, 2009, to report the quarterly wages to Job Service. Job Service has until mid-November 2009 to enter the quarterly wage reports into their system. This means that potentially Child Support does not become aware until late November 2009 that someone started employment on July 1, 2009. This is as opposed to learning of the new hire within 20 days of the hire.

Action Steps – Areas for Change

- Enhance employer outreach efforts
 - Examples: targeted mailings, promotional materials such as pens
- Enhance Child Support Employer Website
 - Additional questions and answers
 - Income withholding calculators
- Proposals from Task Force
 - Mandate employers to remit new hire reports electronically
 - Pattern after Job Service requirement (i.e., currently employers with 24 or more employees)
 - Make Web site changes discussed earlier in meeting (e.g., add questions and answers)
 - Do targeted mailings (e.g., employers who have not reported new hires for years)
 - Advertise amnesty
 - Contact groups, associations, and agencies
 - Examples: Tax Department, Farm Bureau, tax preparers
 - Associations assist with new hire compliance efforts?

- Considerations for \$3 obligor fee to offset employer income withholding costs
 - Increase?
 - Include upfront costs for setting up withholding?
 - Advertise the fee to employers

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(4) Goal

Develop electronic communication options that are convenient, inexpensive, secure, fast, automated, and less susceptible to human error

Areas for Improvement

- Reduce time it takes documents to travel between Child Support and employers/business community
- Reduce expense incurred by Child Support and employers/business community to mail documents
- Reduce number of lost documents
- Reduce uncertainty about whether communications have reached the other party (e.g., acknowledgements)

Action Steps – Areas for Change

- Implement electronic income withholding
 - There is an option that requires income payers to program
 - There are options that use PDFs and spreadsheets and do not require income payers to program
- Implement electronic National Medical Support Notices
 - Currently being developed at the federal level
- Develop and implement a mechanism for securely transferring forms between Child Support Enforcement and employers/businesses
- Proposals from Task Force
 - No additional recommendations beyond those included in other areas