# Employer's Guide to Child Support

Washington State Department of Social & Health Services

*Transforming lives*

*As an employer, you are a key partner in Washington State's child support program. With your help, over 350,000 of our children and families receive child support services. Thank you!*

*This guide is designed to provide you with the information needed to fulfill your responsibilities under federal and state law. This includes reporting newly hired employees, withholding and sending child support payments and enrolling employees and their children in medical insurance plans.*

*With your support, we can work together to improve the lives of children.*

# If you have questions, please contact us.


Toll-Free: 1-800-562-0479 (DCS Employer Relations)

E-mail: DCS-ERT@dshs.wa.gov

DCS Web: www.childsupportonline.wa.gov

Write: Division of Child Support
PO Box 11520
Tacoma, WA 98411-5520

Payment Address: WSSR
PO Box 45868
Olympia, WA 98504-5868


## Child Support Laws:

Each section of this Guide includes legal citations from the Code of Federal Regulations (CFR), Revised Code of Washington (RCW) and Washington Administrative Code (WAC).

## Law Web Sites:

http://www.ecfr.gov

http://apps.leg.wa.gov/rcw

http://apps.leg.wa.gov/wac

## Tribal Employers:

Employer instructions differ for tribal enterprises and Indian-owned businesses located on reservations or trust land. The sovereign status of each Tribe influences child support procedures. Some Indian tribes have cooperative agreements with the Department of Social and Health Services, Divison of Child Support (DCS), while other have their own child support programs, laws and policies. For more information, please contact your Regional Tribal Liaison or visit the DCS Tribal Website at: www.dshs.wa.gov/esa/division-child-support/tribal-relations.

# New Hire Reporting

Washington State employers must report all newly hired employees to the Washington State Support Registry (WSSR), which is maintained by DCS. We also encourage you to report all 1099 contractors you hire. We use this information to collect child support. We also share this information with Labor and Industries and the Employment Security Department, who use it to identify fraudulent accident and unemployment claims.

A newly hired employee is defined as one who has never worked for you before, a former employee who has come back after a separation of at least 60 consecutive days, or an employee who is now working under a different Federal Employer Identification Number (FEIN).

## Report all newly hired or rehired employees:

- Report within 20 days of the hire or rehire date. Submit late reports as soon as possible.
- If this is your first time reporting, report everyone hired since your last quarterly tax and wage report to Employment Security.
- Report all hires regardless of age, gender or hours worked.

### Include in the report

## Employee or Contractor:

- Name
- Address
- Social Security Number
- Date of Birth
- Date of Hire (first day the employee works for pay. For a rehired employee, report the date the employee returned to work for pay.)

## Employer Information:

- Business Name
- Business Address
- Federal Employer Identification Number (FEIN)

## Reporting Methods:

- Internet: secureaccess.wa.gov
  The DCS Online Service (DCSOnline) provides an E-mail Report Confirmation.
- Fax reports to: 800-782-0624
- Phone reports to: 800-562-0479

## Multi-State Employer Registration:

Employers doing business in two or more states may register with the National New Hire Program and report all new hires to one state.

**Registration options:**

- Online: https://ocsp.acf.hhs.gov/OCSE/
- Fax: 410-277-9325
- Phone: 410-277-9470
- Include: Business name, address, phone number, and Federal Employer Identification Number (FEIN)

Law: 45 CFR 303.108, RCW 26.23.040, WAC 388-14A-8200

# Wage Withholding

State and Federal laws require DCS to issue a wage or income withholding order (IWO) when an employee's child support order contains withholding language. DCS sends an IWO even if the employee (or independent contractor) is not behind in child support payments.

- Orders are effective the day they are received.
- State and Federal laws do not require DCS to give the employee advance notice.
- DCS sends IWOs by regular mail, certified mail or personal service.
- You must return the "Answer" form within 20 days after receiving the order.

**Electronic Income Withholding Orders (e-IWO)** are an efficient and cost effective way to electronically exchange IWO information between child support agencies and employers. Some advantages of using e-IWOs include:

- Getting payments to families quicker.
- Fewer errors than manual processing of paper IWOs.
- Eliminating postage costs and conserving natural resources.
- Faster processing times for both employers and agencies.
- Find out more at www.acf.hhs.gov/css/employers/e-iwo.

## Withholding:

- Withhold the amount asked for on the IWO and send it to DCS within seven working days of each payday.
- State law does not allow withholding of more than 50 percent of the employee's net income (disposable earnings).
- Disposable earnings are the wages left after taking out required deductions including FICA, income taxes, Labor and Industries, unemployment insurance, Paid Family & Medical Leave, union dues, and some retirement deductions.
- Wages of an independent contractor or employee include bonuses, commissions and draws against earnings. Call DCS if you plan to issue bonuses or other lump sum payments.
- Tips and gratuities under an employer's control are subject to collection action.
- Convert housing, rent and other benefits paid instead of wages to dollar amounts and count them as part of net wages.

## Multiple Withholding Orders for the Same Employee:

- Federal law requires states to send one withholding notice for each case.
- You may combine the order amounts before withholding.
- You may send in one combined payment.

## Other States' Withholding Orders:

- The federal income withholding order may come from Washington or any other state.
- Follow Washington State law and do not exceed the 50 percent of net withholding limit.
- If you receive orders from more than one state telling you to withhold from the parent's earnings, call us immediately at: 800-457-6202.

## Failure to Withhold:

- Washington State law holds employers responsible for payment of all child support money required to be taken from wages.
- Your failure to honor an order, or deduct and send wages to DCS can result in a finding of liability for the full child support debt and a fine.

## Calculating Payroll:

- The withholding order tells you to withhold a specific amount each pay period (monthly, semi-monthly, biweekly, or weekly).
- Employers who pay employees on a daily basis should withhold up to 50% of the wages each day until the weekly amount has been withheld each week.

## Fees for Employer Withholding:

- Employers can take a one-time setup fee of $10 from the employee's wages and can take a $1 processing fee from each future paycheck.

## Release:

- Do not stop taking payroll deductions until you receive an official written release from DCS.

## Employee Termination:

- Tell DCS immediately when an employee no longer works for you.
- You may report a termination by:
  - Completing and mailing in the termination post card included with the notice
  - E-mailing the information to: DCS-ERT@dshs.wa.gov
  - Calling 1-800-457-6202
  - Faxing: 1-866-668-9518 (Please include a case number, if possible.)

## Hiring Practices:

- State and federal laws do not allow an employer to refuse to hire or end the employment an individual because they have a child support order.
- If found liable in court, the employer can be charged a penalty of double the employee's lost wages plus attorney's fees.

## Employee Questions:

- Refer employee inquiries to the DCS Field Office listed on the notice or have them call 1-800-457-6202.

Law: 45 CFR 302.32, 45 CFR 303.100, RCW 26.23.060, RCW 26.23.080, RCW 26.23.090, WAC 388-14A-4000

# Sending in Payments

Effective Jan. 1, 2019 most employers or other businesses that receive an Income Withholding Order (IWO) from DSHS-DCS, **must send payments electronically**. The new law applies to businesses that have:

- 10 or more employees or contractors, or
- less than 10 employees (if the business receives an IWO for more than one employee, or contractor), or
- if the business uses a payroll processing company, or
- if the business is required to file and pay taxes electronically to the Department of Revenue.

*Note – Tribal businesses and enterprises are exempt from this law, but are encouraged to choose this option*

# Electronic Funds Transfer (EFT)

DCS encourages all employers to send withheld support money by Electronic Funds Transfer/Electronic Data Interchange (EFT/EDI). EFT/EDI transactions are cheaper, faster, and safer to send and receive than paper checks. DCS offers the following free EFT/ EDI options to meet the needs of any size employer:

### Child Support Internet Payment Service – DCSOnline

- The DCS Online Service (DCSOnline) is secure and accessible through Secure Access Washington (SAW): secureaccess.wa.gov.
- To make payments, users create their own SAW User ID and password, add DCSOnline services, add their company and register their bank account.
- Employers can either build an employee data file within the website or simply upload an existing payroll file.
- DCSOnline is flexible and convenient. Users may schedule future payments and select their own delivery dates.
- A single bank debit transaction handles multiple employee payments.

### ACH Credit with Addenda

- Funds are transferred to the DCS bank account using an Automated Clearing House (ACH) credit transaction similar to a direct deposit.
- The employee identification and payment information is sent in the form of an EDI addenda record through the ACH network with the EFT payment.
- Employers should contact their financial institution to determine their EFT/EDI capabilities, discuss transaction costs, and to seek help with the application process.
- DCS accepts payments in the Corporate Credit or Debit with addenda (CCD+) and Corporate Trade Exchange (CTX) standardized child support formats.
- User Guide: https://www.dshs.wa.gov/sites/default/files/ESA/dcs/documents/UserGuide.pdf.
- Bank Routing Number: 021052053, Checking Account Number: 46922337.

### Repetitive Automated Clearing House (ACH) Debit

- Employers authorize DCS to automatically take the payment from their bank account.
- Deductions happen on the same day(s) each month until the employer notifies DCS to stop or make changes.
- Repetitive debit works well for employers with a relatively small, stable work force with fixed payment amounts.
- The EFT Authorization Form is located in the back of this booklet.

**For more detailed information, call EFT Customer Service at 800-468-7422 or 360-664-5103.**

Law: 45 CFR 303.6, RCW 26.23.070

## Medical Insurance Enrollment

DCS sends the National Medical Support Notice (NMSN) with an Order to Withhold Income or by itself.

The NMSN contains two separate sections – Part A and Part B:

Part A contains the following:

- Cover Letter for Part A, Notice to Withhold for Health Care Coverage.
- Part A, Notice to Withhold for Health Care Coverage.
- Employer Response form.
- Instructions to Employer.

Part B contains the following:

- Cover Letter for Part B, Medical Support Notice to Plan Administrator.
- Washington State Addendum to Box 2 of Plan Administrator Response.
- Part B, Medical Support Notice to Plan Administrator.
- Plan Administrator Response form.
- Instructions to Plan Administrator.

### Medical insurance provided through a union:

- Send the entire Part B section to the union's third party administrator within 20 business days after the date of the Notice.

### Insurance benefits handled by a third party:

- Send the entire Part B section to the benefits office within 20 business days after the date of the Notice.

### Employers handling their own enrollments:

- Follow the Part A, "Instructions to Employer" and Part B, "Instructions to Plan Administrator."
- Enroll the children in the employee's insurance plan or in an insurance plan that is available within the premium limit stated in the notice.
- Medical insurance enrollment has priority over dental insurance enrollment.
- If the insurer requires employee enrollment to enroll the children, enroll both the employee and children.

  [See the Unlawful Refusal to Enroll paragraph in the "Instructions to Plan Administrator."]

- Withhold the premium from the employee's wages and forward the premium to the insurance company.
- Complete the "Plan Administrator Response" form and the "Washington State Addendum to Box 2 of Plan Administrator Response."
- Send both forms to DCS within 40 business days after the date of the Notice.

## More than one notice for an employee:

- DCS sends a separate NMSN for each child support case an employee may have.
- Add the insurance premiums of all NMSNs to find the total premium limit.

## Enrolling both the employee and the children:

- The premium limit shown on the NMSN applies only to the extra cost the employee pays for the children's coverage.
- Example:

| | |
|---|---|
| Employee plus children | $85 each month |
| Employee only cost | -$33 each month |
| Cost of children's coverage | $52 each month |

In this example, the premium limit on the Notice is $60. The cost of adding the children is $52 ($8 less than the premium limit). The employer must enroll both the employee and the children.

## Do not enroll the children when:

- The children's portion of the insurance premium exceeds the limit stated on the Notice(s) or when:
- The children's portion of the insurance premium plus the amount taken for child support exceeds 50 percent of the employee's net disposable earnings.
- Mark Box 5 on the "Employer Response" form, and note the premium amount.
- Return the "Employer Response" form to DCS.

## No medical insurance offered:

- Mark Box 2 or 3 on the "Employer Response" form and return the form to DCS within 20 business days after the date of the Notice.

## Removing Children from the Insurance Coverage:

- DCS sends a written Release when the employee is no longer obligated to provide medical insurance for the children.
- The Release means the employer does not have to enroll, or keep the children on the plan(s), if the employee chooses to drop them from coverage.
- Do not remove the children from the insurance plan(s) unless told to do so by the employee. The employee may want to keep the children on the insurance plan(s) voluntarily.
- The employer can remove the children from the insurance plan(s) without a release when the children no longer meet the eligibility rules of the plan(s).
- Tell DCS when children are removed from coverage or are moved to a new insurance carrier.

## For More Information about Medical Insurance Enforcement and Enrollment:

- Visit our website https://www.dshs.wa.gov/esa/faq?field_topic_value=childmedical
- See Topic: National Medical Support Notice
- See Topic: Medical Q & A
- Call the DCS field office that sent you the NMSN

Law: 45 CFR 302.80, 45 CFR 303.30, 45 CFR 303.31, 45 CFR 303.32, RCW 26.09.105, RCW 26.18.180, RCW 26.18.170, RCW 26.23.050(5), WAC 388-14A-3125, WAC 388-14A-4100 through 4175, RCW 48.01.235

## Employer Authorization Agreement for Electronic Funds Transfer (EFT) of Child Support Payments

Written authorization is not needed for payments through DCSOnline (secureaccess.wa.gov), or ACH Credit with Addenda. Use this form for Repetitive Debit Authorization.

Business Name | FEIN | Date of first payment (optional)

Contact Person | Title | Phone

Mailing Address | Email Address

City | State | Zip

☐ ACH Debit (Repetitive-DCS Initiated)

Number of Employees

Date(s) of Payment (Dates of the month – must be numeric)

## List name, social security number and deduction amount for each employee

| Name | SS# | Amount |
|---|---|---|
| Name | SS# | Amount |
| Name | SS# | Amount |
| Name | SS# | Amount |
| Name | SS# | Amount |

The Washington State Division of Child Support is hereby authorized to initiate debit entries to the bank account identified below, and the bank is authorized to debit such account. This authority is to remain in effect until mutual agreement between the Employer and DCS.

Signature | Title | Date

Bank Name

Branch Address | Branch Telephone

ABA Routing Number | Account Number (Please attach a voided check for verification.)

EFT Authorization Form

PLACE
STAMP
HERE

DIVISION OF CHILD SUPPORT EFT
PO BOX 9010
OLYMPIA WA 98507-9010

Please fold in half and tape shut. **Do not staple.**

TAPE
HERE

Washington State
Department of Social
& Health Services

*Transforming lives*

DSHS 22-709 (Rev. 4/22)

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