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Quick Facts: Verifications of Employment, Third-Party Verifiers, and the Fair Credit Reporting Act

This Quick Facts guide provides information about verifications of employment submitted by a child support agency to a contractor (also known as a third-party verifier) at the request of the employer.

The Child Support Program¹ is a successful federal-state-tribal partnership whose mission is to promote economic stability for children whose parents live apart. Employers are a vital partner in the child support program. According to the federal Office of Child Support Enforcement,² income withholding (sometimes known as wage garnishment) by an employer or other income payer accounts for 75% of all child support collections.

Employers are required to report newly hired employees to the child support program. A new hire report of an employee who owes child support often leads to follow-up questions to the employer about the employee's wages, earning history, and benefits, particularly health insurance coverage. These questions are submitted to the employer through a request for verification of employment (VOE).

Employers, especially larger employers or those who hire a contractor to handle their payroll matters, frequently hire a contractor to respond to VOEs. These contractors are known as "third-party verifiers." Several companies offering this service to employers, including the largest third-party verifier, are considered consumer credit reporting agencies and are therefore potentially subject to the federal Fair Credit Reporting Act (FCRA).

¹ Created by Title IV-D of the Social Security Act

² Office of Child Support Enforcement FY 2016 Annual Report to Congress





As amended in 2015, FCRA authorizes child support agencies to send VOE requests directly to third-party providers without first sending notice to the noncustodial parent.³ This includes information requests for the purposes of enforcing child support or determining the appropriate level of payments, as well as for setting or modifying a child support award. Prior to the 2015 amendment, state agencies were required to provide advanced notice to the noncustodial parent by certified mail when a report was requested from a consumer reporting agency for enforcing a child support order.

Because of the volume of VOEs, the process is well established and highly automated by child support agencies. However, some third-party verifiers have begun imposing a fee on child support agencies for obtaining employer-provided information. Many child support agencies are not willing or in a position to pay a third-party verifier for VOEs that employers are required to provide at no charge. The imposition of fees may force child support agencies to insist on obtaining VOEs from the employer directly, even if the employer prefers to delegate this function to a third-party verifier.

³ <https://www.acf.hhs.gov/css/resource/guidance-about-third-party-verification-of-employment-providers>

