



Updated 2022

Quick Facts: Employer Requirements

This Quick Facts guide provides information about an employer's role in the enforcement of child support.

The Child Support Program¹ is a successful federal-state-tribal partnership that seeks to promote economic stability for children whose parents live apart. The program collects \$5.27 for every \$1 in public funds invested. In FY 2021, \$34 billion was collected in 12.7 million cases for 13.2 million children.² Employers serve as an invaluable partner in the effort to locate parents and enforce child support orders through reporting new hires and terminations, verifying employment, and withholding child support payments and health insurance premiums.

New Hire Reporting and Terminations

Federal law³ requires that employers provide basic information about individuals recently hired or rehired to a State Directory of New Hires (SDNH). The SDNH then transmits the information to the National Directory of New Hires (NDNH). The information reported is matched against information at the state and national level to help locate parents, establish a child support order, or enforce an existing order, and is especially beneficial in cases where parents and children are in different states. Employers are likewise required to notify the Child Support Program when an employee stops work or retires.

State agencies operating employment security (unemployment insurance) and workers' compensation programs also have access to their state's new hire information to detect and prevent erroneous benefit payments. Additionally, each state can conduct matches between its own new hire database and other state programs to prevent fraud in public assistance programs.

Verification of Employment

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). There is no universal VOE that state agencies must use, which often results in employers receiving varying forms of the request. As employers are seeking to efficiently respond to these requests, variation can add complexity to the process. In 2021, a collaborative workgroup developed a standard response to a VOE⁴, which provides a mechanism for employers to respond to participating jurisdictions using a standard form,

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

² Office of Child Support Enforcement (OCSE) FY 2021 Preliminary Report.

³ 42 U.S.C. § 653; 42 U.S.C. § 653a.

⁴ The National Council of Child Support Directors Child Support Employer Collaboration Workgroup, which included child support professionals, payroll professionals, and employer representatives, developed the Standard Response to Verification of Employment/Income.





regardless of the format of the request received. Currently, all jurisdictions accept the standard form in response to a VOE.

Employers, especially larger employers, or those who outsource their payroll matters, frequently outsource to a third-party to respond to VOEs. Because of the volume of VOEs, the process is well established and highly automated by child support agencies. However, some third-party verifiers impose 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.

Income Withholding

Income withholding is the single most effective tool for collecting child support and typically accounts for most child support collections nationwide.⁵ Income withholding orders require employers to deduct child support each pay period and remit the funds to the state agency.⁶ Federal and state laws require income withholding in almost all cases.⁷

Medical Support

Medical support is a form of child support that provides either cash medical support or health insurance. If cash medical support is ordered, it is included on the income withholding order. If health insurance is ordered, the Child Support Program may issue a National Medical Support Notice to the employer, which is a federal form that requires the employer to enroll a child in available coverage if certain requirements are met.⁸

Lump Sum Reporting

Some state laws require employers to report upcoming employee lump sum payments. Lump-sum payment means income other than a periodic recurring payment of earnings on regular paydays, which includes bonuses, commissions, workers' compensation, and insurance settlements.

Reporting requirements and the process of managing lump sum reports differ greatly among states. For instance, there are varying reporting thresholds and timeframes when states respond to reporting. Additionally, under some circumstances, employers have expressed concern about complying with Consumer Credit Protection Act⁹ (CCPA) requirements when asked to hold a payment in full while waiting for a response or further instruction from the state

⁵ OCSE FY 2021 Preliminary Report.

⁶ Income withholding requirements apply to employees, as well as independent contractors or non-employees, that an employer may be paying.

⁷ 42 U.S.C. § 666; 45 C.F.R. § 303.100.

⁸ The Child Support Program may opt to enforce against the parent who is entitled to receive child support but also has an obligation to provide health insurance.

⁹ Consumer Credit Protection Act (CCPA), 15 U.S.C. § 1672(a) and (b).





agency. In 2019, a collaborative workgroup developed model legislation¹⁰ designed to address the management of lump-sum payments in cases serviced by the Child Support Program and promote compliance with the CCPA.

¹⁰ The National Council of Child Support Directors Lump-Sum Collaborative Workgroup, which included child support and payroll professionals, developed the Model Legislation on Managing Lump-Sum Payments for Child Support, with technical assistance from the federal Office of Child Support Enforcement.

