

Employer Handbook

Section 1. Income Withholding

Q. Why do I need to withhold child support from an employee's paycheck?

A. Connecticut employers are obligated by law (CGS §52-362 and 46b-213w) to withhold income for child support. In Connecticut, all child support orders are required to be issued with a provision for income withholding. Income withholding is the most effective way to pay and collect child support; it is not a punitive measure against the employee.

Q. When do I begin to withhold money?

A. You must begin making deductions from your employee's earnings no later than the first pay period that occurs after 14 days following the date of service of an order for withholding. You will receive the copy of the court order by First Class mail. You must forward the deducted amount within seven business days of the date the employee is paid.

Q. What is the maximum amount that can be withheld?

A. You should consult CGS §52-362 or the withholding order for the latest exemption amount. Federal law provides that the amount withheld may not exceed the maximum permitted under section 303(b) of the Consumer Credit Protection Act (CCPA) (15 U.S.C. 1673(b)). If the employee is supporting a spouse or dependent child other than the spouse or child for whom the order is issued, the CCPA provides that the maximum amount of the disposable earnings that may be withheld is 50% of such earnings, unless the obligor is 12 weeks or more behind in payments, in which case the maximum is 55% of such earnings.

If the obligor is not supporting a spouse or dependent child other than the spouse or child for whom the order is issued, the maximum amount of disposable earnings that may be withheld is 60% of such earnings, unless the obligor is 12 weeks or more behind in payments, in which case the maximum is 65%.

Q. What should I do if I receive both an Internal Revenue Service (IRS) levy and an order to withhold income for child support?

A. You should notify the Office of Child Support Services (OCSS) agency that an IRS levy was received in addition to the income withholding order. The OCSS agency can inform you if the underlying child support order was in fact established prior to the date that the IRS levy was entered. If the underlying order was not established prior to the IRS levy, the OCSS agency should then contact the IRS to determine if the levy may be modified to allow withholding of any child support.

Q. What should I do if there is an existing Internal Revenue Service (IRS) garnishment on an employee and I receive an order to withhold income for child support?

A. A levy from the Internal Revenue Service (IRS) takes precedence over a child support income withholding if the IRS tax lien was entered before the child support income withholding. However, if the income withholding for child support was entered prior to the IRS lien, the pre-existing child support income

withholding has priority. Connecticut law does provide that income withholding for child support has priority over any other garnishment.

Q. What are disposable earnings?

A. Disposable earnings are defined as that part of earnings remaining after the following deductions are made:

- payment of federal, state and local income taxes;
- employment taxes;
- normal retirement contributions;
- union dues and initiation fees; and
- group life and health insurance premiums.

The following deductions do not reduce disposable earnings:

- United States government bonds, or other savings or debts;
- charitable contributions; and
- credit union loans or savings.

The child support income withholding order you receive will explain the mathematical formula for determining the amount to withhold.

Q. What information do I need to provide with the payment?

A. Each payment must be identified so that it may be credited to the appropriate accounts. To ensure proper credit, include the employee's name and social security number on the check (or transmittal, if you are sending payments for multiple obligors). In addition, the "Date of Withholding" must be on the check or transmittal and may be abbreviated as "DOW." This is the date of the employee's paycheck from which the money is withheld, not the period for which the earnings accrued.

Q. Where do I send the withheld amounts?

A. Withheld amounts should be sent and made payable to the agency or individual indicated on the income withholding form. In most cases, your check should be made payable to the State of Connecticut IV-D Agency, and sent to:

Connecticut – CCSPC
P.O. Box 990032
Hartford, Connecticut 06199-0032

All other income withholding payments should be sent to the agency or individual indicated on the income withholding form.

Q. Can I combine withheld amounts from different employees into one check?

A. You may combine all withheld amounts which are payable to the State of Connecticut – IV-D Agency into a single payment as long as the portion attributable to each employee is separately designated. Each employee's name, social security number, and DOW should be identified on the check or transmittal that accompanies the payment to clearly identify which amount is for which employee.

Q. How do I withhold for two or more orders against the same employee?

- A. If the employee has a child support income withholding order and another income withholding order unrelated to child support, the income withholding order to enforce child support has priority regardless of which withholding was served first.

Q. When should I stop withholding?

- A. The child support income withholding order remains in effect until you are notified by the person or state agency to whom the child support is payable or by Support Enforcement Services (SES) of the Judicial Branch of any changes in the withholding order.

If an employee is fired or quits, you must notify the person to whom the withheld money is payable. If the money is payable to the State of Connecticut, you must notify the SES office which served notice of the withholding. You should provide that person or agency with the employee's last known address and the name and address of the employee's new employer, if known.

Q. When should I reinstate the child support income withholding order?

- A. If an employee leaves (laid off, etc.) and comes back to work for you, you should reinstate the child support income withholding order immediately and without notice.

Q. Should I honor a child support income withholding order issued by a court in another state?

- A. Yes. Connecticut has adopted the Uniform Interstate Family Support Act (UIFSA), CGS §46b-212 to 46b-213w, inclusive, which requires employers to honor a child support income withholding order issued by a court in another state.

Q. May I discharge or discipline an employee who is subject to a child support income withholding order?

- A. No. Terminating an employee because of a child support income withholding order is illegal. A fine of not more than \$1,000 may be imposed if you take disciplinary action or discriminate against an employee who is subject to a child support income withholding order.

Q. May I refuse to hire an employee who is subject to a child support income withholding order?

- A. No. The law provides for a fine of not more than \$1,000 if you refuse to hire an employee who is subject to a child support income withholding order.

Q. What are the penalties for failure to comply with child support income withholding?

- A. You are liable for the full amount of support not withheld from the employee's pay. You may also be subject to a finding of contempt of court for failure to honor a child support income withholding order.

Q. Should I withhold from a sales commission or bonus?

A. Yes. State law defines earnings that are subject to a child support income withholding order as any money due an employee for personal services, whether designated as wages, salary, commission, bonus or otherwise.

Q. Should I withhold from vacation pay?

A. If the vacation pay is in lieu of regular pay, child support should be withheld for each period represented. If the vacation pay is in addition to regular pay for the vacation period, child support should only be withheld from the regular pay, and not from the vacation pay, as long as the amount of the order is satisfied for the billing period.

Q. Should I withhold from severance pay?

A. If the severance pay consists of periodic payments, child support should be withheld from each payment the same as from regular pay. If the severance pay is a lump sum for designated periods, child support should be withheld for each period represented. If the severance pay is a lump sum without time reference, child support should be withheld as if from a single paycheck.

Q. What should I do if my employee tells me the amount being withheld is wrong?

A. Tell the employee to contact the agency or the private attorney that served the withholding order. If the order is from another state, the employee needs to file claim form F00260 (*Notice of Direct Income Withholding and Hearing Claim Form*).

Q. Whom should I contact if the employee says the arrearage is paid off?

A. If the child support income withholding order is associated with a Connecticut child support IV-D case, tell the employee to contact Support Enforcement Services (SES) office responsible for enforcement of the order. If the arrearage has been paid off, SES should send you a notice to stop withholding for the arrearage. If the child support income withholding order is not associated with a Connecticut IV-D child support case, contact as appropriate:

- the custodial party of the child(ren),
- the state that issued the income withholding,
- the private attorney associated with the case.

Q. What should I do if an employee wants to make a voluntary deduction for child support?

A. Refer the employee to the Office of Child Support Services (OCSS) to apply for child support services if there is no order in place. If the support order is being enforced through Support Enforcement Services (SES), refer the employee to the SES office that handles the case, or to the private attorney associated with the case.

Q. What should I do if the child support income withholding order requires me to withhold money for health insurance premiums?

A. Deduct the requested amounts from the employee's paycheck and forward to the health insurance carrier. If the employee believes that the amounts are incorrect, he/ she should contact the child support office that issued the order.

Q. Whom should I contact if I have questions about payment processing issues?

A. If the child support withholding order is associated with a Connecticut child support case, contact the Connecticut Centralized Child Support Processing Center (Connecticut-CCSPC) directly if you have a problem with checks clearing or you believe the payments are not being credited to the correct accounts. You may contact the CCSPC at 1-888-233-7223.

If the child support income withholding order is not associated with a Connecticut IV-D case, contact the state that issued the withholding order or the private attorney associated with the case.

Q. Whom should I call if I have a question about the child support income withholding order?

A. You should contact the person, attorney or agency that served the child support income withholding order.

Section 2. Connecticut New Hire Reporting

Q. Where and when do I report new hires?

A. Employers conducting business in Connecticut are required to report all new hires to the Department of Labor (DOL) within 20 days of the date of hire. This information is used to assist the Department of Social Services in the establishment and enforcement of child support obligations. As an employer, you will play a key role in this important program by reporting all your newly-hired employees.

A new hire is defined as:

- a worker not previously employed by your business, or
- a worker re-hired after being separated from your business for more than six months.

Q. What is the definition of “employer” for new hire reporting

A. Federal legislation states that an “employer” for new hire reporting purposes is the same as for federal income tax purposes and includes any governmental entity or labor organization at a minimum. Whenever an employer is required to give an individual a W2 form, the employer must meet the new hire reporting requirements.

Q. What is the “date of hire”?

A. The “date of hire” is the first day services are performed for wages by an individual.

Q. What format can I use to report new hires?

A. To report a new hire to the Connecticut Department of Labor (DOL), we suggest that you complete Sections 6 through 11 of the CT-W4 (Employee's Withholding or Exemption Certificate). Complete item 5 after the

employee has completed all the employee information on the top portion of the form. Following is a sample completed form:

5. Is this a new or rehired employee? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If yes, provide the date of hire: <u>09-20-01</u>
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Q. Are there other formats I can use to save time and money?

A. To save time, photocopying costs and postal expenses you may file your new hire reports by fax to the DOL at 1-800-816-1108. This number is accessible seven days a week, 24 hours a day. If you hire or rehire more than three new employees on a weekly or monthly basis, you may fax a list of new hires using the following format:

5. Is this a new or rehired employee? Yes No If yes, provide the date of hire: 09-20-01

6. Employer's Business Name ABC Company		9. Connecticut Tax Registration Number 00-00000						
7. Employer's Business Address 10 Main Street		10. Federal Employer Identification number 00-0000000						
8. City/Town Anytown, USA 06111	11. State CT	12. Zip Code 00000						
13. Contact Person Mary Smith		14. Telephone Number (000) 999-9999						
Employer's Business Name								
Street Address								
City, state, ZIP								
Connecticut Tax Registration Number (00-00000) 7-digits								
Federal Employer Identification Number (00-0000000) 9-digits								
Telephone (000) 999-9999								
Employee name								
First	Initial	Last	Street Address	City	State	Zip	Social Security #	Date of Hire
John	Q	Public	583 main St	Anywhere	CT	00111	000-00-0000	09/20/01

If you are reporting 50 or more new hires on a weekly or monthly basis, magnetic tape reporting is another option. Call 860-263-6310 for file specifications.

Reports may also be submitted on an equivalent form developed by you; however, it must contain the same employee information found on the CT-W4, items 5 through 11.

Q. If I experience problems in reporting, by fax or magnetic tape, whom should I contact?

A. You may contact:

State of Connecticut
Department of Labor - Research Department
New Hire Reporting Program
200 Folly Brook Boulevard
Wethersfield, CT 06109-1114
Telephone: 1-860-263-6310
Fax: 1-800-816-1108

Q. Is there a penalty for not reporting new hires?

A. The law currently does not impose a penalty for failure to comply with new hire reporting.

Q. How do I obtain additional CT-W4 (Employee's Withholding or Exemption Certificate) forms?

A. Contact the State of Connecticut, Department of Revenue Services to order forms. You may call them at 1-860-297-5962 or 1-800-382-9463.

Q. Do I need to report temporary employees?

A. Yes. All employees including those hired on a temporary basis, must be reported as new hires. The reported information may be the key to locating a non-custodial parent for child support matters. If an employee maintains an ongoing relationship with a company and is recalled periodically, it is not necessary to report the employee each time. If, however, the employee has not worked for the company for six months, then the employee should be reported as a new hire.

Q. If I lay off and then re-hire an employee, or an employee returns after a leave of absence, do I need to send in another new hire report?

A. If the employee returning to work is required to complete a new CT-W4 form, the employer must report the individual to DOL.

If, however, the returning employee had not been formally terminated or removed from payroll records, there is no need to report that individual as a new hire.

Q. Do I need to submit a new hire report for independent contractors and subcontractors performing services for me?

A. If you provide a CT-W2 to the contractor you must report the contractor to the Connecticut Department of Labor.

Q. Are labor organizations and hiring halls required to report members under the new hire reporting program?

A. Labor organizations and hiring halls must report their own employees, that is, individuals who work directly for the labor organization or hiring hall. If the labor organization or hiring hall simply refers individuals for employment, a new hire report does not need to be filed.

Q. Are there any exemptions in the new hire laws?

A. No, all employees must be reported.

Q. If I am a multi-state employer with employees in more than one state, how do I register as one?

A. If you are a multi-state employer (MSE) and would like to use a particular state as your new hire reporting state, you must notify the Department of Health and Human Services.

For recording the state you selected with the federal agency responsible for this program, please send a letter to the Department of Health and Human Services/ Office of Child Support Enforcement (DHHS/OCSS) at:

DHHS/ OCSS
MSE Registration
PO Box 509
Randallstown, MD 21133

Please be sure to include the following information in your letter to DHHS/ OCSS:

- Name
- Address
- Telephone number
- Federal EIN number
- E-mail address (if applicable)
- Name of state you do business in or not in
- List other federal EIN numbers you use regarding subsidiaries, divisions, etc.

Q. What will be done with the new hire information?

A. States match new hire reports against their child support records to locate non-custodial parents, establish support orders, and enforce existing support orders. Once these matches are made, the state transmits all new hire reports to the National Directory of New Hires (NDNH).

State agencies operating Employment Security and Workers' Compensation Programs may also have access to their state new hire information to detect and prevent erroneous benefit payments. In addition, the state can conduct matches between the new hire database and the other state programs to prevent unlawful or erroneous receipt of public assistance payments.

Q. Why have a National Directory of New Hires?

A. It is estimated that over 30% of child support cases involve parents who do not live in the same state as their children. By matching this new hire data with child support participant information at the national level, the Office of Child Support Enforcement (OCSS) is able to assist states in locating parents who are residing in other states. Upon receipt of new hire information from other states, local child support enforcement

agencies take the steps necessary to establish paternity, establish child support orders and enforce existing orders.

Q. What is the expected outcome of this new hire reporting system?

- A. The Department of Health and Human Services (DHHS) has estimated that new hire reporting will increase national child support collections by \$6.4 billion over the next 10 years.

Prior to the passage of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), 26 states already had new hire reporting. These programs resulted in significant increases in child support collections, reductions in welfare payments, and millions of dollars of savings in medicaid, food stamp payments and unemployment insurance claims.

Q. How will the new hire data be safeguarded once it is submitted?

- A. Security and privacy of new hire data are important issues for all those involved in this nationwide program. Federal law requires all states to establish safeguards for confidential information handled by the state agency.

Q. Why was new hire reporting part of the welfare reform legislation?

- A. A major focus of PRWORA is parental responsibility for support of their children. It contains strict work requirements for custodial parents receiving public assistance and increases the effectiveness of the child support enforcement program by including the development of new hire reporting programs in each state.

Q. Isn't this information available through quarterly wage reporting?

- A. Quarterly data is often out of date before the child support office receives the information. With new hire reporting, data is available within a significantly shorter time. Because the data is more current, non-custodial parents are located more quickly, allowing support orders to be established and enforced.

Q. How will new hire reporting benefit employers?

- A. A direct benefit to employers is the reduction and prevention of fraudulent unemployment and workers' compensation payments. Timely receipt of new hire data allows each state to cross-match this data against its active Unemployment Claimant files - either stopping payments or discovering erroneous payments.

Q. Whom should I call if I have any other questions?

- A. Call the Office of Child Support Services (OCSS) at (860) 424-5044. Staff is available from 8:00 a.m. to 4:30 p.m., Monday through Friday. Letters can also be faxed to (860) 951-2996, or mailed to:
State of Connecticut
Department of Social Services (DSS)
Office of Child Support Services
55 Farmington Avenue
Hartford, CT 06105-3725