

National Council of Child Support Directors  
2018 Annual Meeting & Conference  
*Child Support: A Safe Harbor for the Future*  
May 13 – 16, 2018 • Norfolk, Virginia



## Employer Relations

May 14, 2018 • 3:45 – 5:00 pm

Jim Fleming, North Dakota IV-D Director

Corri Flores, ADP

Tangler Gray, Georgia IV-D Director

Sherri Grigsby, OCSE

Sharon Redmond, Policy Chief, Washington



# Gwinnett Employer Hub

- Goals
  - To improve the IVD Agency and Employer Community partnership
  - Increase wage withholding collections by improving the screening and employer communication process when sending a federal income withholding form (FIW)
  - Provide local office relief by consolidating FIW processing
  - Provide Employer Assistance with an Employer Help Line and staff dedicated to providing employer assistance
  - Support our mission of Stronger Families For a Stronger Georgia



# Gwinnett Employer Hub Background

- Employer Help Line Go Live date March 16, 2018
- Three teams developed within the Hub: FIW, Employer Outreach, Audit Performance
- Developing communication plans to employers about the Gwinnett Employer Hub support resources
- Developing work flows and infrastructure to support the statewide implementation of FIW processing for all offices



# FIW Team

- Dedicated to improving wage withholding and E-IWO Collections
  - Educate employers on the E-IWO process
- Pre-screen all FIWs
  - Review for E-IWO opportunities
  - Contact Employers to confirm employment and for email/fax
- Process approximately 700 FIWs daily



# Employer Outreach Team

- Dedicated staff to support the Employer Help Line
  - Assisting with upcoming Employer Symposiums
  - Upcoming Chat feature for employer convenience
- Process and follow up on all returned FIW acknowledgements, terminations and bad address mail
- Employer follow up on cases not receiving payments within 60 days of FIW being sent



# Audit Performance Team

- Focuses on actions that will improve statewide audit performance
  - Improving data reliability
  - Charging account accuracy
- Team is adaptable to change based on Division needs
- Reduces the risk of sanctions



# Partnership with Employers

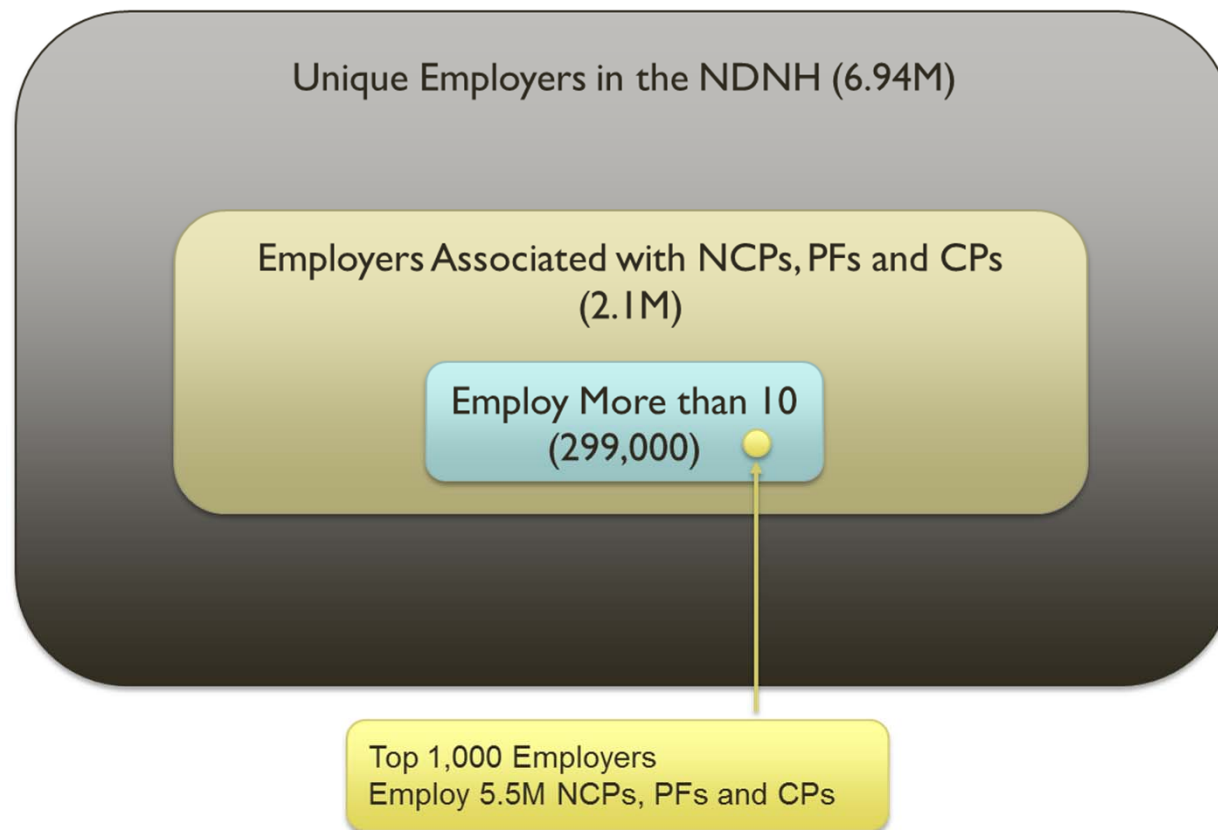
- Important to the Success of the Child Support Program
- Employer Symposiums in 2005, 2011, 2014, 2016
  - Opportunity for child support agencies and employers to meet and discuss areas of mutual interest and make recommendations to improve processes
  - Symposium Reports are available on OCSE’s website

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# Employers, Child Support Cases & the NDNH







# Some of the top 1,000 Employers

Employer Name	Number of NCPs, PFs & CPs	Employer Name	Number of NCPs, PFs & CPs	Employer Name	Number of NCPs, PFs & CPs	Employer Name	Number of NCPs, PFs & CPs
WAL-MART ASSOCIATES INC.	275,731	STAFFMARK INVESTMENT LLC	36,856	VENSURE HR INC	16,396	ONIN STAFFING LLC	13,669
EXPRESS SERVICES INC	130,416	LOWE'S HOME CENTERS, LLC	36,307	NYS OFFICE COMPTROLLER PAYROLL DED UNIT	16,292	CHARTER COMMUNICATIONS LLC	13,610
UNITED STATES POSTAL SERVICE	83,118	DFAS CLEVELAND CENTER	33,398	INTEGRITY STAFFING SOLUTIONS,	16,155	FEDERAL EXPRESS CORP	13,519
DFAS CLEVELAND CENTER	70,449	FEDEX GROUND PACKAGE SYSTEM INC	30,901	DFAS CLEVELAND CENTER	15,745	DFAS CLEVELAND CENTER	13,494
PEOPLEREADY INC	65,036	ADECCO USA, INC.	30,603	JC PENNEY CORPORATION INC	15,633	HEARTLAND EMPLOYMENT SERVICES INC	13,106
AEROTEK INC	63,894	THE CITY OF NEW YORK	30,589	INSPERITY PEO SERVICES LP	15,527	COMCAST WILLOW GROVE INC	13,019
DFAS CLEVELAND CENTER	61,685	GMRI, INC	27,607	TOYS R US	15,482	BRINKER INTERNATIONAL PAYROLL COMPANY LP	12,940
UNITED PARCEL SERVICE INC	54,786	ELWOOD STAFFING SERVICES INC	26,690	CIRCLE K STORES INC	14,915	TEMP-AID INC	12,915
HOME DEPOT U.S.A., INC.	51,033	REAL TIME STAFFING SERVICES INC	24,987	ARAMARK CAMPUS LLC	14,876	HCSG EAST LLC	12,909
AIR FORCE SAN ANTONIO	49,136	COMPASS GROUP USA, INC.	24,486	BLOOMIN BRANDS OUTBACK CARRABBA BONEFISH ROY	14,649	PUBLIX SUPER MARKETS INC	12,262
KELLY SERVICES USA LLC	48,575	KOHL'S DEPARTMENT STORES	23,140	WALGREEN CO	14,347	ALLIEDBARTON SECURITY SERVICES LLC	12,242
AMAZON COM DEDC LLC	46,016	EMPLOYER SOLUTIONS STAFFING GROUP II LLC	20,476	COSTCO WHOLESALE CORPORATION	14,222	FORD MOTOR COMPANY	12,097
TARGET CORPORATION	43,190	AMAZON COM KYDC INC	20,024	SPEEDWAY LLC	13,991	THE KROGER CO., (INC.)	12,078
RANDSTAD USA	42,676	AUTOZONERS INC	18,963	ENVIRONMENTAL PROTECTIO	13,971	GENERAL MOTORS LLC	11,951
DOLLAR TREE STORES, INC.	40,079	SECURITAS SECURITY SERVICES USA INC	18,055	CRACKER BARREL OLD COUNTRY STO	13,888	HEBCO GP LLC ET AL	11,782
MANPOWER US, INC.	38,989	UNIVERSAL PROTECTION SERVICE, LLC	17,628	KELLY SERVICES, INC.	13,878	SOUTH EAST EMPLOYEE LEASING SERVICES, IN	11,755
DEPT OF VETERANS AFFAIRS	38,498	WELLS FARGO & COMPANY INC	17,048	PERSONNEL STAFFING GROUP, LLC	13,817	ROSS STORES INC	11,750
DOLGEN, LLC	37,277	KROGER LIMITED PARTNERSHIP	16,596	REMEDY INTELLIGENT STAFFING INC	13,773	US SECURITY ASSOCIATES INC	11,679

Out of the 72 Employers Above 47 (Represented by Highlighted Cells) Participate in e-IWO!



# Washington State Employers

- Child support relies on employers and employment
- 160,000 employers in Washington State
- 1.8 million new hire reports processed each year
- \$680 million collected annually (\$475 million from employers)
- 70% of collections from Income Withholding



# Employer Outreach

- Employers are partners
- Employer Services Team (CRU)
- Employer hotline--answered directly by program administrators
- Employer liaisons in each field office
- Employer Outreach Manager
  - Workshops, webinars, website, conferences
  - Provide payroll certification credit through APA for attending
  - Promote our program through email, social media
  - Partner with other state agencies: Employment Security, L&I, Revenue



# Improving Employer Compliance

- Outreach & training
- Offer electronic options: Secure Access Washington, e-IWO
- Follow-up
- Collaborate with trade and professional associations

# New Hire Reporting

- Washington processes an average of 150,000 reports each month
- Developed [video](#) to help employers understand the “why” of reporting
  - Similar [tutorial](#) in North Dakota for all interactions with employers
- Information about the program automatically sent to new employers
- Warning letters sent to employers who fail to report
- Partnered with OCSE on New Hire Compliance Initiative
  - Targeted employers who are not reporting per Federal EPP data
  - Letters sent by OCSE directly to employers
  - New Hire compliance improved 55% with targeted employers



# Electronic Payments

- Voluntary program for over 15 years
- 21% increase in electronic payments since 2009
- Reached a milestone in Jan 2018 – 70% Incoming EFT
- Electronic Payments Legislation effective Jan 1, 2019
  - New law on flexibility, efficiency, and modernization in child support programs



# Electronic Payments

- An employer or other business that receives an Income Withholding Order (IWO) from DCS must remit payments through EFT under the following conditions:
  1. the income withholding order applies to an employee or contractor of the business, and
  2. the business has 10 or more employees or 10 or more contractors;
  3. the employer or business receives an IWO for more than one employee or contractor of the employer or business, even if the employer or business has fewer than 10 employees or contractors;
  4. the employer or business uses a payroll processor that has the capacity to transmit payments through electronic funds transfer; or
  5. the employer or business is required by the Department of Revenue to file and pay taxes electronically.

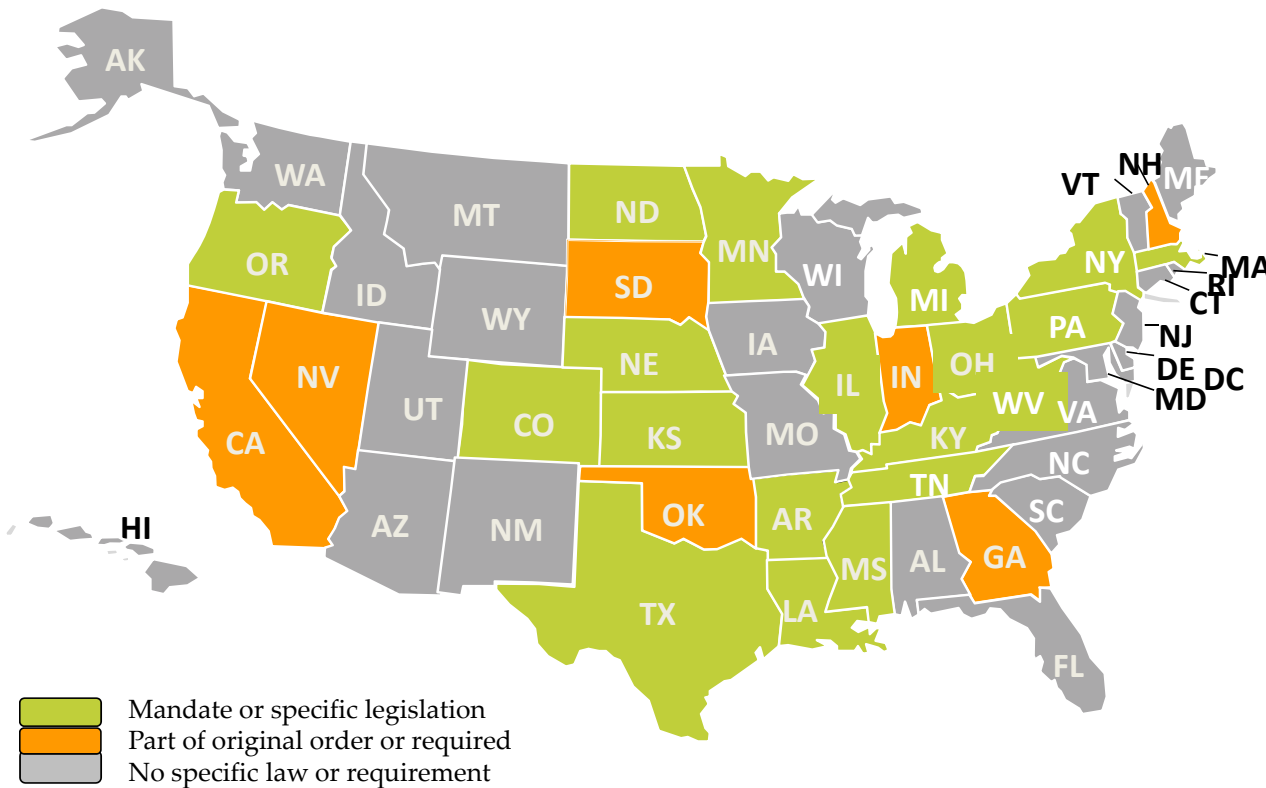


# Lump Sums—Employer Perspectives

- **Communication** can be difficult
- Lack of **standardization and consistency** in processes across states
- Short **Timeframes** for finding out about a payout and notifying states
- Slow or **no responses** from states
- Need clarification on **amount** to withhold
- **Holding** the bonus is challenging and requires **manual intervention** (may conflict with state wage and hour laws)
- Responses received in **various forms** including fax, secure email, e-IWO and mail (requiring **registrations, secured passwords**)



# Lump Reporting Requirements



Employers pay out a variety of one-time lump sum payments

- Termination pay
- Commissions
- Discretionary bonuses
- Nondiscretionary bonuses
- Productivity or performance bonuses
- Profit sharing
- Referral bonuses
- Sign-on bonuses
- Moving or relocation incentive payments
- Attendance awards
- Safety awards
- Cash service awards
- Retroactive merit increases
- Payment for working during a holiday
- Workers' compensation
- Severance pay
- Insurance settlements
- Buybacks of company shares



# Lump Sum & Consumer Credit Protection Act (CCPA)

- April 12, 2018 Department of Labor provided an [Opinion Letter CCPA2018-1NA](#) about CCPA withholding limits on lump sum payments
- 18 common types of one-time lump sum payments
  - 15 lump sum payments qualified as earnings under CCPA
  - 2 lump sum payments may have portions subject to CCPA
  - 1 is not considered earnings
- Employers, state child support agency representatives and OCSE are partnering together to review existing processes and propose efficiencies regarding lump sum processing



# Verification of Employment (VOE)— Employer Perspective

- Employers receive VOEs for multiple reasons (loans, credit, benefits, employment screening, property management, etc.)
  - Volume of VOEs is increasing year after year
- Priority is getting child support orders & payments processed, not responding to VOEs
- Employer challenges with VOEs
  - Lack of standardization and data consistency
  - VOEs received instead of IWOs
  - Responses must be returned to various senders
  - SSN masking adds time and effort



# VOE Considerations


- Easier for employers to respond & process results in better compliance and ability to increase response volume
- VOE automation was suggested at a previous OCSE Symposium
- Third party verifiers offer employer assistance but state child support agencies are starting to offer negative feedback
  - State Child Support Agencies requesting employers to **not** refer them or their VOE's to third parties ([Michigan Child Support Agency – Open Letter to Employers](#))
- Employers are legally responsible to respond in a timely manner



# Potential to Improve Communication

- Who are the stakeholders?
  - Child support (CS) agencies
  - Employers
  - Payroll processors
  - Benefit managers
  - SSA and other federal agencies
  - OCSE
- Develop functionality on OCSE's Child Support Portal to facilitate communication and exchange documents/information:
  - Lump sum information
  - National Medical Support Notices (NMSNs)
  - Verification of Employment (VOE) requests
  - Income Withholding Orders (IWOs)
  - Payment records

# Current Communication Methods

- Phone
- Fax
- Email and secure email
-  mail
- Portals
  - OCSE
  - Some states



## Portal Enhancement Benefits

- Secure process for exchanging PII
- Significantly reduces the need to sign up for secure email accounts with CS agencies
- Increase child support collections by assisting CS agencies establish obligations quickly (VOE requests)
- Expedite enrollment in health insurance plans (NMSNs)
- Reduces paper, processing, and handling costs for CS agencies, employers, and SSA
- Expedited communication between stakeholders, especially about lump sum payments



# Proposed Portal Enhancement Mock-Ups

Office of Child Support Enforcement Child Support Portal

## CHILD SUPPORT PORTAL

Secured Environment

SECURE HOME --SELECT SERVICE-- FAQ CONTACT US

View Documents Send Document

### Send Document

\* Send To  
 Employer  OCSE

\* Employee Name

\* Document Type  
-Select-

\* Submitter's E-mail

Notes

\* Employer

\* Employee SSN

\* Document  
Browse...

\* FEIN

Case ID

Submit Cancel

CS agency sends document/information





# Proposed Portal Enhancement Mock-Ups, cont'd

Office of Child Support Enforcement Child Support Portal

## CHILD SUPPORT PORTAL

Secured Environment

SECURE HOME EMPLOYER DOCUMENT EXCHANGE ▾ FAQ CONTACT US

View Documents Send Document

### View Documents

From Date  To Date

Sender  Document Type  Status

Date Received	Sender	Employee Information	Requestor Information	Document Type	Status	Action
07/25/2017	Virginia	<a href="#">James Doe</a>	case.worker@virginia.gov	VOE	Pending Download	<input type="button" value="Download"/> <input type="button" value="Reply"/>
07/02/2017	Maryland	<a href="#">William Sample</a>	state.worker@md.gov	Lump Sum	Downloaded	<input type="button" value="Download"/> <input type="button" value="Reply"/>
06/25/2017	Maryland	<a href="#">Scott Underhill</a>	state.worker2@md.gov	NMSN	Replied	<input type="button" value="Download"/> <input type="button" value="Reply"/>

Recipient views document/information



# Proposed Portal Enhancement Mock-Ups, cont'd

Office of Child Support Enforcement [Child Support Portal](#)

## CHILD SUPPORT PORTAL

*Secured Environment*

SECURE HOME --SELECT APPLICATION-- FAQ CONTACT US

View Documents Send Document

### Send Document

State: Virginia  
Employee Name: James Doe  
Employee SSN: 123-XX-1234  
Case ID: VA164832435357964  
Document Type: Verification of Employment

\* Document  
Browse...

Notes

Submit Cancel

*DRAFT*

Recipient responds to document/information request



# Proposed Portal Enhancement Mock-Ups, cont'd

Office of Child Support Enforcement > Child Support Portal

## CHILD SUPPORT PORTAL

Secured Environment

SECURE HOME -SELECT SERVICE- FAQ CONTACT US

View Documents Send Document

### View Documents

From Date  To Date

Sender  Document Type  Status

Date Received	Sender	Employee Name	Employee SSN	Case ID	Document Type	Status	Action
1/25/2017	Walmart	James Doe	123-XX-5769	VA2346523432434	VOE	Available for Download - 30 days	<input type="button" value="Download"/>
12/02/2016	Target	William Sample	548-XX-9426	MD5739425874165	Lump Sum	Available for Download - 16 Days	<input type="button" value="Download"/>
12/02/2016	OCSE	Jill Davidson	578-XX-8546	MD5739425874165	Lump Sum	Available for Download - 1 Day	<input type="button" value="Download"/>
12/02/2016	Target	Simon Underhill	328-XX-9546	MD5739425874165	Lump Sum	Employer Not Downloaded	
12/02/2016	Target	Susan Woodham	718-XX-2176	MD5739425874165	Lump Sum	Employer Not Downloaded	
12/02/2016	Target	Barbara Blythe	550-XX-5106	MD5739425874165	Lump Sum	Employer Downloaded	
12/02/2016	Target	Thomas Redute	511-XX-9463	MD5739425874165	Lump Sum	Employer Downloaded	

CS agency views document/information response

## Questions & Considerations

- Options for accessing OCSE Portal
  - eEmployer
  - EDE
  - Other
- Identifying the appropriate individual in the state to receive email notifications
- Timeframe to maintain information on OCSE Portal

- Notification to new and registered employers about document and information exchange
- Stakeholders may not view/download documents in a timely manner or at all
- ‘Junk’ mail concept may evolve
- Determine if document is required for communication



# Employer Feedback

- Document and information exchange would be very helpful for timely communication about withholding from lump sum payments
- Need to address how to handle verification of employment requests when an employer uses a third-party provider
- Ability to contact CS agency for IWO follow-up
- Examples of employer-initiated communication to CS agency
  - Incorrect payment or overpayment
  - Employee provides copy of IWO from previous employer and requests withholding from current employer



## Coming Attractions

- Pay on Demand, Pay as You Go
  - Implications for income withholding for child support
- IWO Workgroup established to prepare for 2020 Reauthorization
- Recommendations from Employer Lump Sum Collaboration Workgroup

