

Reference Guide for Employers and Income Withholders

Employers serve as key partners in ensuring financial stability for many children and families across Mississippi. Employers help the child support program by reporting new hires to match employees with child support obligations and withholding income to provide for children.

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NEW HIRE REPORTING

Federal and state laws create requirements for employers regarding reporting new hires. Employers doing business in the state are required to report the hiring of any person who resides or works in the state, and to whom the employer anticipates paying wages, salary, or commission, and the hiring or returning to work of any employee who was laid off, furloughed, separated, granted leave without pay, or was terminated from employment. All state directories forward new hire information to the National Directory of New Hires so that child support offices across the nation have access to employment information.

Hires and rehires include full time, part time, temporary, and seasonal employees. More information and forms regarding new hire reporting can be found online at <https://ms-newhire.com>.

Reporting Fundamentals from the Mississippi Directory of New Hires:

Why is new hire reporting required?

In 1996, Congress enacted a law called the "Personal Responsibility and Work Opportunity Reconciliation Act," or PRWORA, as part of Welfare Reform. This new legislation required that employers in all 50 states directly report their new hires and re-hires to a state directory.

How does new hire reporting benefit employers?

New hire reporting accelerates the child support income withholding order process, expedites collection of child support from parents who frequently change jobs, and promptly locates parents to help establish paternity and child support orders. New hire reporting is essential to helping children receive the support they deserve. Employers serve as key partners in ensuring the financial stability of many children and families. New hire information will also be matched against current recipients of benefits from the Temporary Assistance for Needy Families (TANF) program, Supplemental Nutrition Assistance Program (SNAP), Unemployment Insurance (UI) claims, and Workers' Compensation (WC) claims to prevent fraudulent and erroneous payments. Since the National New Hire Database has been established, the program has saved billions of taxpayer dollars in collecting past due child support payments, as well as TANF, SNAP, UI and WC claims.

Who is required to report?

Employers and/or labor organizations conducting business in the State of Mississippi are required to report the following employees:

New employees: Employers must report all employees who reside or work in the State of Mississippi to whom they anticipate paying earnings. Employees must be reported even if they only work one day, and are terminated prior to the employer fulfilling the new hire reporting requirement.

Re-hires or Re-called employees: Employers must report all re-hires, or employees who return to work after being laid off, furloughed, separated, granted leave without pay, or terminated from employment for at least 60 consecutive days.

Temporary employees: Temporary employment agencies are responsible for reporting any employee they hire to report for an assignment. Employees only need to be reported once, and do not need to be re-reported each time they are placed with a new client. However, they do need to be reported as a re-hire if the worker has a break in service or gap in wages from your company for at least 60 consecutive days.

What information do I have to report?

Mississippi requires the reporting of the following information on all newly hired or rehired employees within **15 calendar days** of hiring, rehiring, or returning employees:

Required Employee Information:

- Employee's Name (First, Middle, Last)
- Employee's Mailing Address
- Employee's Social Security Number
- Employee's Date of Birth
- Employee's Date of Hire
- Gender
- Salary
- Payment Frequency
- Medical Insurance Eligibility

Required Employer Information:

- Employer's Federal Employer Identification Number (FEIN). If you have more than one FEIN, please make certain you use the same FEIN you use to report your quarterly wage information when reporting new hires.
- Employer's Name
- Employer's Address
- Employer's State EIN

How do I report new hires?

The Mississippi State Directory of New Hires offers many options to help make new hire reporting simple and easy for employers. To report electronically, visit <https://ms-newhire.com>.

Electronic Reporting—Utilizing the Mississippi State Directory of New Hires website online reporting feature is a very popular option for employers. This feature provides printable confirmation of reports received and is conveniently available twenty-four hours a day, seven days a week.

Employers can send new hire data files in a variety of ways, including transferring files through the website or through internet connection using File Transfer Protocol (FTP).

Non-Electronic Reports—Paper new hire reports may be faxed or mailed to our State Directory of New Hires:

Mississippi State Directory of New Hires

P.O. Box 437

Norwell, MA 02061

<https://ms-newhire.com>

Phone:

(800) 241-1330

Fax:

(800) 937-8668

Printed List: If your software is unable to export your new hire information in the electronic format, you may be able to have your software create a printed list containing your new hire data. The printed list should contain all of the required information on the New Hire Reporting Form, created using at least a 10-point font size, and have the employer's name, Federal Employer Identification Number, and address clearly displayed at the top of the report.

New Hire Reporting Form: You may [download](#), print, fill out, and fax or mail in a New Hire Reporting Form.

W-4 Form: If you choose to submit a W-4 form as a new hire report, please ensure that each W-4 is easily readable and has the employer's name, Federal Employer Identification Number, and address written at the top of each form.

Other Reporting Methods:

Payroll Service: If you use a payroll or accounting service, consider asking the service to report your new hires for you. Leading payroll services are already electronically reporting new hires for thousands of employers.

Once MDHS receives information from the Mississippi State Directory of New Hires, a notice (*Request to Employer*) is sent to obtain required information related to insurance coverage and wages. MDHS also issues a *Notice to Employer/Payor* ten days after a withholding order is issued. An employer must respond to these notices timely.

Please call the Mississippi State Directory of New Hires toll-free at (800)-241-1330 for any questions regarding the new hire reporting process. The telephone system can help you 24-hours a day, 7-days a week, and the help desk staff is available to answer your questions Monday through Friday from 8:00 am to 5:00 pm.

What happens if I do not report?

A penalty of no more than \$25.00 per case (incident), or up to \$500.00 if an employer and employee conspire together to avoid reporting, shall be assessed for not reporting as directed by law. A court may enter a judgment and direct the employer to pay the total amount that was willfully not withheld or submitted. Employers could also be liable for court and/or attorneys' fees to the agency for having to bring the action.

INCOME WITHHOLDING

Most child support orders require employers to automatically withhold support obligations from an employee's pay. Employers may also be required to withhold other financial obligations such as child support arrears. This means that if a parent has been court-ordered to pay child support and is employed, even in another state, once his or her employer is notified, child support must be withheld from that parent's paycheck. The employer can either mail a check to the state payment center or electronically transfer the funds to the state.

Electronic Income Withholding Orders (e-IWO)

E-IWO is a cost-effective way to exchange income withholding order information electronically between MDHS and employers. Utilizing this option allows an employer to acknowledge the receipt of each IWO and quickly respond to MDHS when an employee is no longer employed. E-IWO uses a single interface to exchange all IWO information that saves time, money, and resources at no extra cost to employers. For more info on e-IWO, visit <https://www.acf.hhs.gov/css/employers/e-iwo>, and to register for e-IWO, email eiwomail@acf.hhs.gov.

What income is subject to withholding?

For purposes of the income withholding process, income is defined as any form of periodic payments made to an individual, regardless of the source. Income includes, but is not limited to:

- Wages
- Salary
- Commission
- Compensation as an independent contractor
- Workers' compensation
- Disability benefits (SSA)
- Annuity benefits
- Retirement benefits
- Any payments made by any person or private entity, the federal government, any state government, or any unit of local government

Income subject to withholding excludes federal taxes, state taxes, local taxes, Social Security, and other mandatory retirement and disability contributions.

You should give first priority to child support withholdings over all other claims against the same wages except federal tax liens entered before the child support order was established. Only federal tax liens entered before the child support order have priority over child support. See page 10 for more on this topic.

Where do I send income withheld for child support obligations?

All child support income withholdings are required to be paid through Mississippi's State Disbursement Unit (SDU).

What options do I have to send withheld income?

Electronic Funds Transfer

Payments can be made to the State Disbursement Unit by an Electronic Funds Transfer/Electronic Data Interchange (EFT/EDI). This method can make child support income withholding easier. At your option, child support funds can be electronically remitted via EFT from your bank to the State Disbursement Unit (SDU). All the necessary information (case identifiers, date of withholding, etc.) is sent along with the electronic payments via EDI.

For additional information concerning EFT/EDI, visit the MDHS website for [A Guide for Employers Electronic Funds Transfer/Electronic Data Interchange \(EFT/EDI\)](#). If you have more questions, reach out via email to MSSDUOutreach@informatixinc.com or call (769) 777-6111.

iPayOnline

Mississippi iPayOnline is a convenient, secure and easy way for individuals and employers to manage child support payments for the Mississippi Division of Child Support Enforcement. Employers must have a Federal Employer Identification Number (FEIN) for your company. Upon successful registration, users will be able to submit electronic child support payments. Employers can access the iPayOnline portal at <https://ipayonline.mssdu.net/iPayOnline/>

Mail

Payments can be mailed directly to the State Disbursement Unit (SDU) at the following address:

MDHS/SDU
P. O. Box 23094
Jackson, Mississippi 39225
Fax: 769-777-6132

Each payment remitted must include:

- The name of the parent responsible for paying child support;
- The parent's social security number;
- The amount withheld; and
- The employer name.

You may view and print monthly employee “Income Withholding Bills” and send in with your payment. To register for access, visit <https://ccis.mdhs.ms.gov/>.

Mississippi State Agencies

State agencies who deduct child support payments from employee checks to pay to the Mississippi Department of Human Services can make remittances electronically via electronic funds transfer (EFT). Remittances will need to be directed to Regions Bank CHILD SUPPORT METSS, vendor # V0001361941. For more information, contact 601-359-4713.

What are the requirements for employers?

Employers must withhold support from employees’ income when notified to do so by the child support office. Orders and notices will specify the types of support and the amounts due.

Upon receipt, if the Income Withholding Order or Notice of Income Withholding appears “regular on its face,” you must honor it. "Regular on its face" means that any reasonable person would think the income withholding order is valid. An order is “regular on its face” when:

- It is payable to the state disbursement unit;
- A copy of the underlying child support order containing an income withholding clause is included, if the order is sent by anyone other than a state/tribal IV-D child support agency or a court;
- The amount to withhold is a dollar amount;
- The text of the form has not been changed and invalid information has not been entered;
- The order of the text on the Office of Management and Budget (OMB)-approved income withholding order form has not been changed;
- OMB 0970-0154 is listed on the form; and
- It contains all of the necessary information to process the income withholding order.

Requirements include:

- Withholding income no later than the first pay period that occurs after **fourteen (14) days** from the date the Withholding Order/Notice was received and sending the payments to the SDU at the address cited in the Withholding Order/Notice or through the previously-mentioned electronic methods;
- Continuing to honor the Withholding Order/Notice until official notification is received from the child support enforcement agency or the court to stop or modify the withholding;

- Combining all withheld amounts from parents' wages and making a single payment to the State Disbursement Unit (SDU) when the individual parents' names and amounts are identified;
- Sending the withheld amount to the SDU within **seven (7) working days** of the date the wages/income is withheld;
- Notifying the local child support office promptly when the parent terminates employment, and providing the parent's last known address and the name and address of the new employer, if known;
- Withholding and sending a \$5.00 fee to the SDU for administrative costs;
- Honoring the income withholding order until the parent is no longer employed, or until notified by the court or the child support office; and
- Withholding any fees indicated on the income withholding order, i.e., court costs, genetic testing fees, etc.

By complying with these basic requirements, you will not be subject to civil liability to an individual or agency with regard to your withholding of child support from the employee's income.

Can I receive reimbursement for the costs of income withholding?

Yes. Employers have the option of assessing a \$2.00 fee to employees that will be withheld from their income. This fee can be assessed regardless of the number of times per month income withholding occurs. However, in all interstate withholding, the rules and laws of the state where the parent works shall determine the employer's processing fee.

What percentage of income is subject to income withholding?

The total amount of income withheld by an employer, including any fees, must not exceed the amount permitted by the Consumer Credit Protection Act (CCPA), as follows:

- Fifty percent (50%) of the parent's disposable earnings, if the parent is supporting a spouse or dependent child(ren) other than those required to be supported under any support order that is being withheld, unless a greater percentage is applicable as indicated below.
- Sixty percent (60%) of the parent's disposable earnings, if the parent is not supporting a spouse or dependent child(ren), unless a greater percentage is applicable as indicated below.
- If the unpaid support is past due for more than 12 weeks, the percentage to be withheld as described in items one and two above is increased by 5% to 55% and 65% respectively.

The withholding order will specify the CCPA cap amount. However, if the employer is aware of the existence of a spouse or dependent children, which would result in the cap amount being lower, then the lower cap amount should be used and the child support agency should be notified.

The amount withheld, not to exceed the maximum deductions allowed by the Consumer Credit Protection Act, must include:

- An amount for payment of the support obligation for the current month, including spousal support and/or cash medical support being enforced by the child support agency;
- An amount not less than 20% of the support obligation to be applied to payment of past due support unless a different amount has previously been ordered by the court; and
- An amount for fees for the employer and the child support agency.

These amounts are specified by the withholding order.

How do I handle child support withholding when the employee already has garnishments or other income attachments against the paycheck?

The child support order for withholding must be honored above any prior or subsequent garnishments, attachments, wage assignments or any other claims of creditors. Only federal tax liens entered before the child support order have priority over child support. In cases in which more than one child support order for withholding for the same parent has been served, the employer must honor the orders on a pro rata basis to result in withholding an amount for each order that is in direct proportion to the percentage of the parent's adjusted gross income that the orders represent. The employer must honor all such child support orders to the extent that the total amount withheld does not exceed the maximum amount permitted by the Consumer Credit Protection Act, as specified above.

What happens if the employee disagrees with the income withholding?

An income withholding order must still be followed until the issuing court determines otherwise. The parent responsible for the support may contest, if grounds exist, the serving of the order for income withholding on additional or subsequent employers by filing an action with the issuing court. However, this action shall not stay the parent's duty to pay support pending judicial determination of the parent's claim. The employer must still withhold as required by the Order for Withholding until the issuing court enters an order that prevents the withholding from occurring.

What are the limitations of liability for an employer?

Any employer who complies with an income withholding order or notice that is regular on its face (see definition above on page 8) and is accompanied by the required affidavit of accounting, notarized record of overdue payments, or attested judgment of delinquency or contempt, shall not be subject to civil liability to any individual or agency for conduct in compliance with the notice.

What is considered a lump sum payment?

A lump sum is a one-time payment to an employee. Examples are bonuses, commissions, severance, and vacation payouts.

Are employers required to report lump sums?

Pursuant to Mississippi law, employers are required to report to the Department of Human Services lump sums over \$500.00 paid to employees if the employer has been served with a withholding order that includes a provision for the payment of arrears. The employer shall notify the Department of Human Services of its intention to make a lump sum payment at least 45 days before the planned date of the payment or as soon as the decision is made to make the payment, should that be less than 45 days. The employer shall not release the lump sum to the parent responsible for paying support until 30 days after the intended date of the payment or until authorization is received from the Department of Human Services, whichever is earlier. The Department of Human Services shall provide the employer with a Notice of Lien specifying the amount of the lump sum to be withheld for payment of child support arrears.

To report a lump sum or for further lump sum inquiries, please email or fax at: mscsecallcenter@mdhs.ms.gov or 662-746-4969.

Which lump sum payments are subject to the limits of the CCPA?

The Department of Labor (DOL) issued Opinion Letter CCPA2018-1NA to address 18 specific types of lump sum payments and identify which ones qualify as earnings subject to the 50% to 65% withholding limits under the CCPA. Of the 18 types of payments, 15 are subject to the CCPA limitations on child support withholdings. Only three types of lump sum payments do not qualify as earnings:

- Buybacks of company shares;
- Workers' compensation for medical reimbursement; and
- Wrongful termination insurance settlements for compensatory or punitive damages.

How do I withhold for multiple child support orders for the same employee?

You must add together the court-ordered current support owed for each order and withhold that amount first. Current support shall be withheld on a pro rata basis to result in withholding an amount for each order that is in direct proportion to the amount of current child support required by that order.

Example from the Office of Child Support Enforcement:

- Order A current support owed: \$90/month
 - Arrears owed: \$15/month
- Order B current support owed: \$75/month
- Order C current support owed: \$62/month
- Employee's disposable income: \$360/month
- Assume allowable disposable income: \$180

Withholding:

- Total current support owed: \$227/month
 - Total arrears owed: \$15/month

The allowable disposable income (\$180) is not enough to withhold the entire amount of current support due for these three orders (\$227). You cannot withhold any money to pay the arrearage. Pro-rate by allocating a percentage to each order based on the total dollar amount of current support orders. Use the steps below:

1. Add total current support due on all withholding orders.
2. Divide each order's current support due by the total of all orders to figure each order's percentage of the total.
3. Withhold the percentage of allowable disposable income for each order.

| | |
|---------|------------------------------|
| Order A | $\$90.00 \div 227 = 39.65\%$ |
| Order B | $\$75.00 \div 227 = 33.04\%$ |
| Order C | $\$62.00 \div 227 = 27.31\%$ |
| Total | $\$227.00 = 100.00\%$ |

Allowable disposable income (maximum that may be withheld): \$180

| | |
|----------------|----------------------------------|
| Order A | $\$180 \times 39.65\% = \71.37 |
| Order B | $\$180 \times 33.04\% = \59.47 |
| Order C | $\$180 \times 27.31\% = \49.16 |
| Total withheld | \$180.00 |

If the current support amount does NOT exceed the CCPA or appropriate State law, you may withhold additional earnings for any arrears obligation, provided the total amount withheld does not exceed the amount available under the CCPA or appropriate State law.

Can I combine child support payments from several employees?

You may send one check for each pay period to cover all child support withholdings for that pay period if they are all sent to the State Disbursement Unit, provided you itemize the amount withheld from each employee, the date each amount was withheld, and the parent's social security number.

How long does an order for income withholding last?

You will receive notice whenever an order for withholding is terminated or suspended. An order for income withholding remains in effect as long as the underlying order for support remains in effect. Once income withholding is initiated, it is not terminated unless:

- The underlying order for support is terminated because of the emancipation of all children or the child(ren) reaches the age of majority and no arrearage exists;
- The court terminates the order for income withholding and no arrearage exists; or
- The court terminates the order for income withholding after a hearing in which it is determined there is a mistake of fact that makes the income withholding improper.

The court may suspend the order for income withholding when:

- The custodial parent fails to provide a mailing address or other means by which the child support agency can deliver income withheld; or
- The underlying order for support is suspended or terminated.

Do employers have to keep the income withholding orders for terminated employees on file?

State laws vary on retention of withholding orders. Mississippi does not require employers to retain income withholding orders of terminated employees.

I received an income withholding order from a child support agency in another state. Must I send payments directly to the other state?

Yes. You must send payments to the SDU in the other state issuing the income withholding order. A direct income withholding order issued by any state may be sent across state lines directly to the parent’s employer in another state.

Must I honor income withholding orders from tribes?

Yes. You must honor income withholding orders from tribes. The orders from tribes must be on the Office of Management and Budget (OMB)-approved IWO form. Also, you must follow the payment instructions on the income withholding order form because tribes do not operate state disbursement units. You can find more information about working with tribes on the Office of Child Support Enforcement’s website: <https://www.acf.hhs.gov/css/resource/what-employers-should-know-when-working-with-tribes>.

What happens if I do not withhold?

In cases where an employer willfully fails to withhold pursuant to a valid income withholding order a penalty of up to \$500.00 can be assessed. A penalty of up to \$1000.00 can be assessed if the failure to comply is the result of collusion between the employer and employee.

In cases in which an employer discharges, disciplines, refuses to hire or otherwise penalizes an employee, as a result of a withholding order having been issued to said employer, a penalty of up to \$50.00 can be assessed.

MEDICAL SUPPORT

Every child support order must contain a provision for one or both parents to provide medical support for the child(ren). Medical support is a form of child support that requires one or both parents to provide health care coverage under a parent's policy or cash medical support. The parent may be ordered to:

- Provide health insurance if available through an employer;
- Pay premiums for private health care coverage or reimburse a parent for all or a portion of the costs of health insurance obtained by that parent; or
- Pay “cash medical” as an additional amount to cover a portion of ongoing medical bills or as reimbursement for uninsured medical costs.

Current law requires that every child support order, enforced by a child support agency, include a provision for health care coverage. States are required to include provisions for health care coverage in their child support guidelines, and the child support agency is required to pursue private health care coverage when such coverage is available through a parent's employer at a reasonable cost. States determine what is a reasonable cost for medical insurance. Mississippi defines reasonable cost as 5% of the gross income of the parent responsible for paying support, and the cost is for adding the child(ren) to the existing coverage or the difference between self-only and family coverage.

It's also important for employers to provide the cost of the dependent child(ren)'s coverage and define it when responding to notices from the child support agency. For example, the “dependent coverage amount” would not be the amount of coverage for the employee AND the child(ren) total, but the additional amount for the coverage of the child(ren) only.

What is the National Medical Support Notice (NMSN)

The National Medical Support Notice (NMSN) is the official form that child support agencies send to employers to ensure that children receive health care coverage when it is available and required as part of a child support order. The NMSN is divided into two parts: Part A and Part B. Part A is a Notice to Withhold for Health Care Coverage and includes the Employer Response and instructions. Part B is a Medical Support Notice to the Plan Administrator and includes the Plan Administrator Response and instructions.

When is the NMSN sent to the employer?

Child support agencies send the NMSN to employers, specifically, when:

- A new child support order is issued requiring a parent to provide medical coverage;
- An existing order is modified;
- The parent(s) ordered to provide health care coverage has a change in employment; and/or
- It is not clear that the parent is complying with an existing order to provide coverage.

Should a copy of the NMSN be provided to the employee?

No. A copy of the NMSN should **NEVER** be provided to the employee. It contains confidential information about the other parent to which the employee is not entitled.

Is medical insurance required to be provided when the child does not live in the service area?

Yes. By law, medical insurance coverage available to the parent/employee cannot be denied to a child even though:

- The child was born out of wedlock and paternity has been established;
- The child is not claimed as a dependent on the parent's income tax return;
- The child does not live with the parent; or
- The child does not live in your insurer's service area.

Enroll the child under the same health benefit plan in which your employee is enrolled. If the employee is offered more than one health plan, the plan chosen by the employee must provide coverage for dependents.

What should I do if the cost of medical insurance coverage combined with the current child support exceeds the Consumer Credit Protection Act (CCPA) limits?

If the employer determines that the amount of child support combined with the premium for health care coverage exceeds the maximum amount allowed by the CCPA, the current amount of child support must be withheld to the exclusion of the medical insurance.

What should I do if the medical insurance provider changes?

Notify the child support agency at 1-877-882-4916.

What are my responsibilities regarding medical support/health insurance?

If the plan administrator informs the employer that there must be a waiting period, e.g., 90 days before enrollment can be completed, it is the responsibility of the employer to notify the plan administrator when the employee/parent is eligible for enrollment. If the waiting period for the employee/parent is more than 90 days from the date of receipt of the NMSN, or the employee/parent is required to complete a certain number of hours or tasks, the plan administrator completes Response 4 under the Plan Administrator Response section of the NMSN and returns it to the employer and the child support agency.

HOW TO CONTACT US

Employers are a critical partner to our child support agency. By understanding and complying with federal and state child support laws, employers help to ensure collection of financial support for children across the state. Child Support customer service is available to answer any questions you might have. Working together, we can provide brighter futures for Mississippi's children.

Visit www.mdhs.ms.gov/child-support/ to access GenBot for more information or to submit a request to be contacted by child support staff to have your questions answered,

or

Contact Mississippi Child Support Customer Service at 1-877-882-4916.

MORE RESOURCES FOR EMPLOYERS

MDHS Child Support Website: <http://www.mdhs.ms.gov/child-support/>

Mississippi Directory of New Hires: <http://ms-newhire.com>

Income Withholding for Support (IWO) Form, Instructions & Sample:

<https://www.acf.hhs.gov/css/resource/income-withholding-for-support-form>

Income Withholding—Answers to Employers' Questions/FAQ:

<https://www.acf.hhs.gov/css/resource/income-withholding-answers-to-employers-questions>

E-IWO: A Paperless Solution Presentation:

file:///H:/Employer%20Handbooks/eiwo_paperless_solution_presentation.pdf

Medical Support—Answers to Employers' Questions/FAQ:

<https://www.acf.hhs.gov/css/resource/medical-support-answers-to-employers-questions>

National Medical Support Notice Forms and Instructions

<https://www.acf.hhs.gov/css/resource/national-medical-support-notice-form>

Bills and Notices on Mississippi Child Support Cases:

<https://ccis.mdhs.ms.gov/>