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# Connecticut Employers' Child Support Guide to Income Withholding and New Hire Reporting



DEPARTMENT OF SOCIAL SERVICES

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## *To Connecticut Employers:*

**F**ederal and state government continue to recognize the importance of both parents doing their share to support their children. With this recognition the need for new laws to strengthen and enhance child support were required. The Department of Social Services (DSS) continues to work to keep pace with these new laws and implement new methods. In addition, DSS is working to strengthen child support enforcement as the link to move families from welfare to work and out of poverty. It is imperative that families rely on child support and their own resources to remain independent. To do this families must receive their payments regularly and on time.

This revised ***Connecticut Employers' Child Support Guide to Income Withholding and New Hire Reporting*** answers many questions that employers may have in regard to *Income Withholding and New Hire Reporting* requirements due to recent changes in laws. The questions and answers in this booklet will help you understand and comply with the law's requirements. This booklet is divided into two sections.

Section one outlines the procedures for Connecticut income withholding included in Connecticut General Statutes (CGS) §52-362 and for interstate direct income withholding under CGS §46b-213w. Experience has shown that in child support cases the most effective means of collecting child support is income withholding. Cooperation from thousands of employers across this state and the country ensures that many child support obligations are being met through

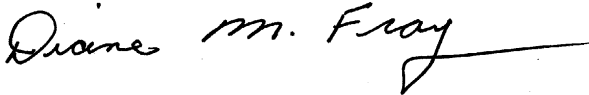
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withholding from an employee's pay check. Income withholding accounts for almost 50% of all child support collections.

Section two outlines the procedures for New Hire reporting included in CGS §31-254.

Children deserve the support of both parents. With your continued assistance we can make the child support program even better for the children of Connecticut. On behalf of the children throughout this country that rely on child support, **Thank You** for your past efforts.

Sincerely,

A handwritten signature in black ink that reads "Diane M. Fray". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Diane M. Fray  
Child Support Administrator

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## Section I.

### *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 fourteen days** following the date of service of an order for withholding. You may receive the copy of the court order either by certified mail or by personal service. 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

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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 twelve 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 twelve weeks or more behind in payments, in which case the maximum is 65%.

**Q.** What should I do if there is an existing Internal Revenue Service 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 priority over child support income withholding if the IRS tax lien was served before the child support income withholding. However, if the income withholding for child support was served 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;

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- 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:

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Fleet Bank - CSPPU

P.O. Box 30225

Hartford, Connecticut 06150-0225.

- 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 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 the Support Enforcement Division (SED) of the Judicial Branch of any changes in the withholding order.

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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 SED 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.

*\*(Please see form F00260 in the middle of this booklet for a summary of your responsibilities upon receipt of an income withholding order from 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.



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**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.

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**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. (Please see *Notice of Direct Income Withholding and Hearing Claim Form* in the middle of this booklet).

**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 the SED office responsible for enforcement of the order. If the arrearage has been paid off, SED should send you a notice to stop withholding for the arrearage. If the child support income withholding order is not associated with a

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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 Bureau of Child Support Enforcement (BCSE) to apply for child support services if there is no order in place. If the support order is being enforced through the Support Enforcement Division, refer the employee to the SED 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 Fleet Bank, Child Support Payment Processing Unit (CSPPU) directly if you have a problem with checks clearing or you believe the

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payments are not being credited to the correct accounts. You may contact the CSPPU at 1-800-698-0572.

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.

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## *Section II.*

### *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 purposes?

**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.

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

A. To report a new hire to DOL, we suggest that you complete Sections 6 through 11 of the CT-W4 (Employee's Withholding or Exemption Certificate) located in the middle this booklet.

Complete item 5 after the employee has completed all of 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  No  If yes, provide the date of hire: 09-20-00

## 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 3 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: 09-20-00

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 00111	
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	09/20/00

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.

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**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 noncustodial 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 6 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.



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**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 DOL.

**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/OCSE) at:

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

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

- 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.**  
**A.**

**What will be done with the new hire information?**

States match new hire reports against their child support records to locate noncustodial parents, establish support orders, and enforce existing support orders. Once these matches are made, the state transmits the 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.

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**Q. Why have a National Directory of New Hires?**

**A.** It is estimated that over 30 percent 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 (OCSE) 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 ten years. Prior to the passage of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), twenty-six 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 the implementation of this nationwide program. Federal law requires all states to establish safeguards for confidential information handled by the state agency.

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**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 period. Because the data is more current, noncustodial 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.

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

**A.** You can call the Bureau of Child Support Enforcement (BCSE) 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 the

State of Connecticut  
Department of Social Services (DSS)  
BCSE  
25 Sigourney Street  
Hartford, CT 06106-5033

***For more copies of***

**Connecticut Employer's Child Support Guide  
to New Hire Reporting and Income Withholding (96-1),  
clip and mail to:**

**Department of Social Services  
Duplicating Services 8th Floor  
25 Sigourney Street, Hartford, CT 06106-5033**

**No. of booklets** \_\_\_\_\_

**Name** \_\_\_\_\_

**Street Address** \_\_\_\_\_

**City or Town** \_\_\_\_\_

**State** \_\_\_\_\_ **Zip Code** \_\_\_\_\_

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The Department of Social Services' programs are available to all applicants and recipients without regard to race, color, creed, sex, sexual orientation, age, disabilities, learning disabilities, national origin, ancestry or language barriers.

For persons who are deaf or hearing impaired and need assistance, the department's TDD/TTY number is: 1-860-297-4911.

Auxiliary aids are also available for blind or visually impaired persons. The Department of Social Services is an equal opportunity, affirmative action employer.

State of Connecticut  
Department of Social Services  
25 Sigourney Street  
Hartford, CT 06106-5033

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