

# THREE THINGS EVERY PEO MUST KNOW ABOUT CHILD SUPPORT

## 1. NEW HIRE REPORTING

- New Hire Reporting is the process by which professional employer organizations (PEOs) as employers report information about newly hired employees to a designated state agency shortly after the date of hire.
- New Hire Reporting is important because state child support enforcement agencies have the authority to issue income-withholding orders – the most effective means of collecting child support.
- By reporting new hires, PEOs also reduce fraud. State agencies operating unemployment insurance and worker's compensation programs use new hire information to detect erroneous benefit and public assistance payments.

As employers, PEOs must report the following within 20 days:

- Employee's name, address, Social Security number, date of hire; and also the employer's name, address, and Federal Employer Identification Number (FEIN). These elements are on the W-4 form (except for data of hire).
- **Don't forget your FEIN, please!**

## 2. INCOME/MEDICAL SUPPORT WITHHOLDING AND REMITTANCE

- When a PEO as an employer receives an income withholding order/notice from a child support enforcement agency or court, the PEO must begin withholding and continue withholding until receiving a termination notice from the issuing entity.
- The Income Withholding Order for Support (IWO) is a standard form providing information to employers about timeframes, amounts to withhold and payment instructions. Send the child support payment to the state disbursement unit (SDU) identified in the order/notice.
- The National Medical Support Notice (NMSN) is a standard form providing information to employers about enrolling children in a parent's health insurance or deducting cash support from a noncustodial parent's income for a child's medical expenses.

## 3. PROVIDING INFORMATION ON EMPLOYMENT VERIFICATION AND TERMINATED EMPLOYEES

- PEOs as employers may be asked to verify an employee's employment status, wages and benefits. They must also notify the child support agency if an employee with a child support income withholding order leaves the job for any reason. **States would also appreciate notification when you are no longer providing services for an employer.**

Thank you for helping to build a strong partnership between PEOs and child support programs across the country. Your cooperation improves the lives of our nation's children.

### FOR MORE INFORMATION ABOUT CHILD SUPPORT AND PEOs AS EMPLOYERS:

- Visit the Federal Office of Child Support Enforcement's (OCSE) website (with links to all states):  
[www.acf.hhs.gov/programs/cse/newhire/employer/home.htm](http://www.acf.hhs.gov/programs/cse/newhire/employer/home.htm)
- Contact us at OCSE's Employer Services email address: [employerservices@acf.hhs.gov](mailto:employerservices@acf.hhs.gov)