

Employer
Employer's address

Dear Sir/Madam:

Recently I had the opportunity to speak at the American Payroll Association's annual Congress, and to thank employers for their partnership in helping the child support program in its effort to provide for our nation's children. The child support program could not be effective without the help of employers like yourselves.

I am writing to ask you and other employers to join us in a child support electronic payments (e-payments) initiative. As I'm sure you are well aware, e-government is very much in the news today. President George W. Bush's E-Government Strategy: Implementing the President's Management Agenda for E-Government of 2002, states that the administration has an opportunity to "Reduce government's burden on business by eliminating redundant collection of data and better leveraging E-business technologies for communication."

Electronic Payments for Child Support

The Personal Responsibility and Work Opportunity Reconciliation Act (welfare reform) of 1996 required states to set up centralized state disbursement units (SDUs) for the collection of child support payments. Every day, thousands of paper checks arrive at SDUs all over the country. The SDUs receive and process the vast number of paper checks that previously were handled by counties in most states. They must be opened, scanned (front and back), identified, deposited, credited to the appropriate noncustodial parent(s), and disbursed to custodial parents *within two business days*. Often checks are submitted with incomplete identification or with remittance information that becomes separated from the check.

- The majority of child support checks come from employers deducting child support obligations from their employees' pay checks as mandated by federal and state legislation. In fact, 76 percent of child support payments now come from employers, for which I thank you! However, fewer than 15 percent of these payments are sent electronically.
- Large employers can save time and money by sending their child support payments electronically. E-payments eliminate many processing costs, are largely error-free, and get money to children and families faster. Many large employers have experienced substantial savings by converting to e-payments for child support.

- Small-to-midsize employers have realized savings by submitting their child support payments to the five state web sites now accepting e-payments for child support (Florida, Indiana, Michigan, Nebraska, and Washington).

I encourage you to join our effort to promote e-payments for child support. Enclosed are background materials to get you started. If you have any questions, please contact Carol Callahan at (202) 401-6969, ccallahan@acf.hhs.gov or Nancy Benner at (202) 401-5528, nbenner@acf.hhs.gov.

Thank you for your support and cooperation as we work together to improve the lives of our nation's children.

Sincerely,

Sherri Z. Heller, Ed.D.
Commissioner
Office of Child Support Enforcement

Enclosure