

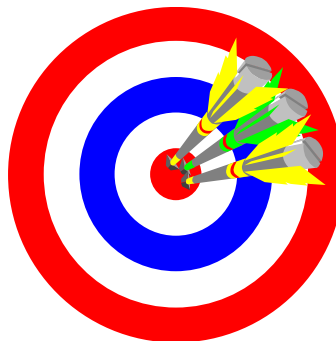
**MODULE 3:
NEW HIRE REPORTING
AND EMPLOYMENT
VERIFICATIONS**

TRAINING NOTES

Module Three Objectives - New Hire Reporting

- Name the purpose and benefits of the New Hire Reporting program
- Identify six data elements required
- Identify the primary method of reporting for federal agencies

3.1 MODULE OBJECTIVES



At the end of this module, you will be able to:


- Name the purpose and benefits of the New Hire Reporting program.
- Identify the six data elements required for new hire reporting.
- Identify the primary method of reporting for federal agencies.

TRAINING NOTES

- New Hire Reporting SAVES TAXPAYERS' MONEY by detecting unlawful/erroneous public assistance payments.
- New Hire Reporting SAVES EMPLOYERS' MONEY by detecting unlawful/erroneous Unemployment Insurance (UI) and worker's compensation; this keeps employers' insurance rates low.
- New Hire Reporting helps the most on Interstate case processing (1/3 of all cases), which is the most difficult aspect of child support collection.
- Federal agencies report directly to the National Directory of New Hires.
- Some states require more data elements from private employers.
- 98% of federal agencies report via Connect:Direct. Recall that federal agencies send their new hire data directly to the National Directory of New Hires in the FPLS.

New Hire Reporting

- What
- Why
- How
- When
- All Federal agencies report directly to NDNH

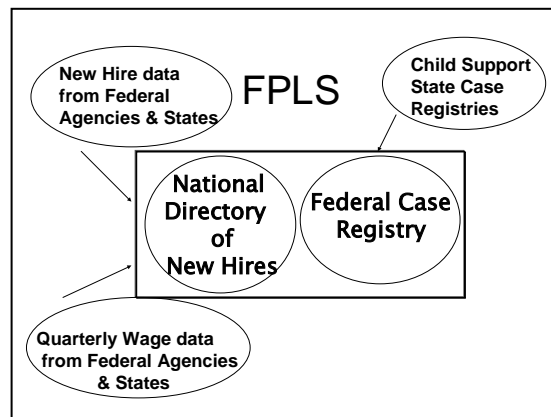


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New Hire Reporting

Six Required Data Elements:

- Employee name
- Employee SSN
- Employee address
- Employer name
- Employer FEIN
- Employer address



3.2 NEW HIRE REPORTING

- **What:**

- The New Hire Reporting program requires all federal agency-employers to report every newly hired employee to the National Directory of New Hires. Quarterly wage data is also reported. (Private employers report to the State Directory of New Hires.) The reported data is used to find non-custodial parents to establish and enforce child support at both the state and national level.

- **Why:**

- Much faster locate results.
- Very helpful in the 30 percent of child support cases involving interstate enforcement.
- Prevents unlawful or erroneous receipt of public assistance.
- Prevents unlawful or erroneous payments of unemployment insurance (UI) and worker's compensation.

- **How:**

- Report six required data elements:
 1. Employee name
 2. Employee Social Security number (SSN)
 3. Employee address
 4. Employer name
 5. Federal Employer Identification Number (FEIN)
 6. Employer address

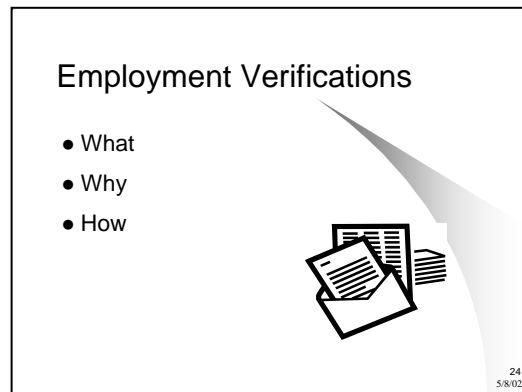
- **When:**

Reporting timeframes for federal agencies:

- Electronic filing must be made in two monthly transmissions not less than 12 or more than 16 days apart.
- Note that “date of hire” is defined as the first day an employee works for pay.

TRAINING NOTES

- Laws/procedures governing verification requests (response deadlines, information that must be reported) vary from state-to-state.
- New Hire reporting can reduce the number of verification requests that employers receive because NCPs are now located more quickly, and with more up-to-date information.
- Employers must usually respond manually, since there is no standardized request form used by all states/attorneys. Timely responses are critical and often required by law.
 - Employer may develop its own internal standard response form.
 - Others outsource the handling of employment verifications to vendors offering this service.
 - Privacy concerns are an issue.



3.3 EMPLOYMENT VERIFICATIONS

- **What:**
 - Employers are routinely asked to verify the employment status, wages, and benefits of their employees. These requests come from a variety of sources: credit card and mortgage companies, employment agencies, child support enforcement agencies, private collection agencies, etc.
 - Verification requests from child support enforcement agencies usually relate to:
 - Location
 - Financial resources
 - Availability of health insurance.
- **Why:**
 - Child support enforcement agencies have the authority to locate non-custodial parents and their financial assets.
 - State and federal laws require employers to provide this information promptly and as fully as possible when a verification request is received.
- **How:**
 - Verification requests come in the form of letters, subpoenas, state-issued forms or attorney requests.
 - Check to verify the authority of the requesting party before responding.

TRAINING NOTES

New Hire/Verifications SUMMARY

- New Hire Reporting requirements (W-4 data)
- Importance of the New Hire Reporting program
- Honor verification requests from child support agencies

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3.4 NEW HIRE/VERIFICATIONS SUMMARY

- The New Hire Reporting program, as mandated by welfare reform in 1996, requires all federal agencies to report every newly hired employee to the National Directory of New Hires (NDNH).
- Six data elements, found on the W-4 form, must be reported. Federal agencies report electronically to the NDNH within 20 days of the date of hire; private employers can report by a variety of methods.
- Reporting new hires will hasten the child support collection process. It will also help find individuals who might otherwise evade location by the child support enforcement agency by moving across state lines.
- Employers are also required to provide information to child support enforcement agencies by responding to “verification requests.” These requests generally ask for information about an employee’s terms of employment, residential and financial information, and the employer’s health insurance plans.