

**A GUIDE
TO THE
NATIONAL DIRECTORY
OF
NEW HIRES**



**FEDERAL OFFICE OF CHILD SUPPORT ENFORCEMENT
DIVISION OF FEDERAL SYSTEMS**

Introduction & Purpose of this Guide

The Federal Office of Child Support Enforcement (OCSE) operates the National Directory of New Hires (NDNH). This database was established pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). The primary purpose of the NDNH is to assist state child support agencies in locating parents and enforcing child support orders. However, Congress has authorized specific state and Federal agencies to request information from the NDNH for specified purposes.

The purpose of this guide is to provide a general overview of the data maintained in the NDNH and the limitations on its use. This guide does not apply to individuals requesting data from the NDNH (e.g., parents). Commercial entities (e.g., law firms and collection agencies) do not have access to the NDNH.

This guide addresses the following questions:

1. What is the NDNH?
 2. Who May Request NDNH Data?
 3. What Is Required for Agencies to Receive NDNH Data?
 4. What is The Cost To Get NDNH Data?
 5. What Are The Next Steps?
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1: WHAT IS THE NDNH?

Introduction to the NDNH

The NDNH is a national repository of wage and employment data. Its primary purpose is to assist state IV-D child support programs in locating non-custodial parents, putative fathers and custodial parties in order to establish paternity and child support obligations, as well as to enforce and modify orders for child support, custody and visitation. The information in this database is only available to authorized entities for specified reasons.

Information Maintained in the NDNH

The NDNH maintains files containing the following information:

- New Hire (W-4),
- Quarterly Wage (QW), and
- Unemployment Insurance (UI).

Each of these files is described in more detail below.

**Description:
New Hire
(W-4) File** The W-4 file contains information on all newly hired employees as reported by employers to each State Directory of New Hires (SDNH). Federal agencies report directly to the NDNH.

This file consists of the following six data elements found on the IRS Form W-4, plus two optional data elements:

- Employee name;
- Employee Social Security Number (SSN);
- Employee address;
- Employer name;
- Federal Employer Identification Number (FEIN);
- Employer address;
- Date of hire (optional); and
- State of hire (optional)

**Description:
Quarterly Wage
(QW) File** The QW file contains quarterly wage information on individual employees from the records of State Workforce Agencies (SWA) and Federal agencies. When an individual is working more than one job during the reporting period, separate QW records are established for each job.

SWAs and Federal agencies transmit the following QW data elements to the NDNH:

- Employee name (if collected by the state);
- Employee SSN;
- Employee wage amount;
- Reporting period (calendar quarter in which wages were paid);
- Employer name;
- Federal Employer Identification Number (FEIN);
- Employer address; and
- Employer optional address.

**Description:
Unemployment
Insurance
(UI) File** The UI file contains unemployment insurance information on individuals who have received or applied for unemployment benefits, as reported by SWAs. The states only submit claimant information that is already contained in the records of the state agency administering the UI program.

States transmit the following UI data elements to the NDNH:

- Claimant name;
- Claimant SSN;
- Claimant address;
- Claimant benefit amount (gross amount, before any deductions); and
- Reporting period (calendar quarter when the UI claim was filed).

**Reporting
Schedule**

There are mandatory timeframes for states and Federal agencies to report W-4, QW and UI data to the NDNH. The following table provides the data submission schedule for states and Federal agencies.

Reporting Entity	Data Submission Time Frames		
	W-4	QW	UI
Federal agency or payroll department	Reports new hires to NDNH within 20 days of date of hire OR 2 monthly transmissions no fewer than 12 days apart and no more than 17 days apart.	Transmits QW data no later than one month after the end of a calendar quarter	Not applicable.
State agency	<ul style="list-style-type: none"> Reports new hires to NDNH within 20 days of date of hire OR 2 monthly transmissions no fewer than 12 days apart and no more than 17 days apart. SDNH processes W-4 data within 5 business days of receiving report from employer SDNH submits W-4 data to NDNH within 3 business days after new hire data is entered into SDNH 	SWA transmits QW data to the NDNH within four months of the end of a calendar quarter*	SWA transmits UI data within one month of the end of a calendar quarter

*Some states are reporting QW data monthly or weekly to the NDNH

2: WHO MAY REQUEST NDNH DATA?

**Authorized
Users**

OCSE receives numerous requests for the data in the NDNH or for comparisons of NDNH data with other databases for various purposes. The law governing the NDNH spells out who can receive what information and for what purposes. The table below summarizes those provisions. If your agency does not appear on this list, your agency would need to pursue legislation in order to gain access to the data.

The law provides that this entity.....	May receive this from the NDNH.....	But only for this/these purpose(s)....
State Child Support Enforcement (IV-D) Agencies	Results of data comparisons between: <ul style="list-style-type: none"> NDNH and the Federal Case Registry (FCR) NDNH and an External Data Source Note: All such comparisons are "at the discretion of the Secretary"	<ul style="list-style-type: none"> locating individuals to establish paternity or to establish, modify, or enforce a support order. to assist states to carry out their responsibilities under the IV-D program. to make or enforce a child custody or visitation determination, as requested by an authorized person as defined in section 463 of the Act.

The law provides that this entity.....	May receive this from the NDNH.....	But only for this/these purpose(s)....
The Secretary of the Treasury	NDNH Information	<ul style="list-style-type: none"> • administering: <ul style="list-style-type: none"> ➢ Section 32 (earned income tax credit) of the IRC ➢ advance payment of the earned income tax credit (Section 3507 of the IRC) ➢ verifying a claim of employment in a tax return. • collecting debt owed to the Federal Government when the debt has been referred to the Secretary of the Treasury in accordance with 31 U.S.C. 3711 (g).
State Welfare ("TANF" or "IV-A") Agencies	NDNH information	<ul style="list-style-type: none"> • to assist states to carry out their responsibilities under programs funded under Part A of the Social Security Act.
The Commissioner of the Social Security Administration	NDNH Information	<ul style="list-style-type: none"> • No qualification stated.
The Secretary of Education	NDNH Information	<ul style="list-style-type: none"> • to improve debt collection from individuals who have defaulted on student loans or owe an obligation to refund an overpayment of a grant.
Researchers/others	NDNH Information, but without personal identifiers	<ul style="list-style-type: none"> • for research purposes found by the Secretary to be likely to contribute to achieving the purposes of Part A or Part D of the Social Security Act.
The Department of Housing and Urban Development	NDNH Information	<ul style="list-style-type: none"> • for the purpose of verifying the employment and income of individuals participating in certain enumerated housing programs. • after removal of personal identifiers, to conduct analyses of the employment and income reporting of those individuals.
State Workforce Agencies	NDNH Information	<ul style="list-style-type: none"> • for purposes of administering an unemployment compensation program under Federal or state law.

What If My Agency Or Purpose Is Not Listed?

If the law does not specifically authorize an entity to receive NDNH data, or the data or comparison being requested does not meet the purposes outlined in the previous table, specific new statutory authority would be needed in order to receive NDNH data or request a data comparison. *OCSE cannot disclose NDNH information without appropriate legislative authority.*

3: WHAT IS REQUIRED FOR AGENCIES TO RECEIVE NDNH DATA?

Requirements

In addition to meeting the requirements of the statute (an authorized agency for an authorized purpose), an agency must meet other requirements governing the data exchange or match. As described in more detail below, these include requirements relating to security and reporting that every entity receiving NDNH data must agree to fulfill.

Memorandum of Understanding and Security Addendum with OCSE

OCSE will enter into a Memorandum of Understanding (MOU) and Security Addendum with each entity that receives NDNH data. The MOU will describe the purpose, legal authority, justification, expected results of the data match and the records to be matched. Retention and disposition of data will also be addressed in the MOU, as will reporting requirements.

Each entity is also required to sign a Security Addendum, which is an integral part of the MOU. The Security Addendum provides a detailed description of the minimum security controls and privacy safeguards that an agency must have in place prior to receiving NDNH data.

Security Requirements

Federal law requires that OCSE implement safeguards to restrict access to the confidential information in the NDNH to authorized persons and restrict the use of the information to authorized purposes.

Therefore, recipients of NDNH data must agree to implement such security safeguards as the following:

- Physical safeguards that ensure that NDNH data is secure from unauthorized persons and unauthorized uses at all times.
- Technical safeguards that NDNH data is stored in a secure manner and will be processed in a manner that protects confidentiality of the data.
- Administrative safeguards that require written notification to OCSE of any breach in the access, agreement to allow on-site monitoring or verification of compliance with security requirements, and that access is restricted to authorized persons only for the purposes authorized in an agreement with OCSE.

Additional or more detailed safeguards may be required. OCSE will develop them in conjunction with the requestors of NDNH data.

Reporting Requirements

OCSE will require recipients of NDNH data to provide a report that summarizes the results of the data match. Of particular importance is a description of the benefits of the match. If the recipient performs an ongoing match, regular reports will be required.

4: WHAT DOES IT COST TO GET NDNH DATA?

Reimbursement of Costs by Requestors Federal law provides that a state or Federal agency that receives NDNH information must reimburse OCSE for the costs of obtaining, verifying, maintaining, and comparing the information at rates which OCSE determines to be reasonable.

OCSE uses a standard methodology to calculate fees based upon three factors:

1. access, a fee which is split evenly among the users of the NDNH;
2. frequency of matches; and
3. the direct costs for performing the match.

In addition to the MOU discussed above, a separate Reimbursement Agreement will be negotiated each fiscal year to establish the amount and manner of reimbursement to OCSE.

5: WHAT ARE THE NEXT STEPS?

The Next Step If, after reviewing the information presented in this guide, your agency does not meet the requirements and guidelines presented here, you should evaluate the value of the NDNH information to your agency and whether you should pursue legislative authority. Please keep in mind that even after authority is obtained, working out the mechanics—requirements analysis, systems programming, drafting an MOU and Reimbursement Agreement, testing and validation of the match—can take several months.

Contact OCSE Please address inquiries to:

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