

**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 receive information from the NDNH for authorized purposes.

This guide provides federal and state agencies requesting NDNH data with a general overview of data maintained in the NDNH and the limitations on its use by agencies other than State child support agencies. This guide does not apply to individuals requesting information 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 Information?
 3. What is Required for Agencies to Receive NDNH Information?
 4. What is the Cost to Obtain NDNH Information?
 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 information. Its primary purpose is to assist State child support agencies in locating noncustodial parents (NCP), putative fathers (PF), and custodial parties (CP) 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 authorized purposes.

**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 three optional data elements:

- Employee name;
 - Employee Social Security number (SSN);
 - Employee address;
 - Employer name;
 - Federal Employer Identification Number (FEIN);
 - Employer address;
 - Employee date of birth (optional);
 - Date of hire (optional); and
 - State of hire (optional).
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**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;
 - FEIN;
 - Employer address; and
 - Employer optional address.
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**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).
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**Reporting
Schedule**

There are mandatory timeframes for State and Federal agencies to report W-4, QW, and UI data to the NDNH. The following table provides the data submission schedule for State 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 16 days apart.	Transmits QW data to the NDNH no later than one month after the end of a calendar quarter.	Not applicable
State agency	<ul style="list-style-type: none"> Employers report new hires to State Directories of New Hire (SDNH) within 20 days of date of hire OR 2 monthly transmissions no fewer than 12 days apart and no more than 16 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. New hire reports are posted to the NDNH within 2 business days of receipt. 	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 INFORMATION?

**Authorized
Users**

OCSE receives numerous requests for information in the NDNH or for comparisons of NDNH information with other information for various purposes. The law governing the NDNH specifies both the entities authorized to request NDNH information and the purposes for which the information may be requested. The table below summarizes the provisions of the law. The law may also include other relevant terms and conditions.

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 of HHS 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.
State Food Stamp Agencies	NDNH Information	<ul style="list-style-type: none"> • for purposes of administering a food stamp program under the Food Stamp Act of 1977.
The Secretary of Veterans Affairs	NDNH Information	<ul style="list-style-type: none"> • to verify income for veterans benefits.

**What If My
Agency Or
Purpose Is Not
Listed?**

If the law does not specifically authorize an agency to receive NDNH information, or the information or comparison being requested does not meet the purposes outlined in the previous table, OCSE cannot disclose the information. Statutory authority is required to receive NDNH information or to request an information comparison. *OCSE cannot disclose NDNH information without appropriate legislative authority.*

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

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 information comparison. As described in more detail below, these include requirements relating to security and performance reporting that every agency receiving NDNH information must fulfill.

**Memorandum of
Understanding /
Computer
Matching
Agreement
and Security
Addendum
with OCSE**

OCSE will enter into a Memorandum of Understanding (MOU)/Computer Matching Agreement (CMA) and Security Addendum with each agency that receives NDNH information. The MOU/CMA will describe the purpose, legal authority, justification, expected results of the match, and the records to be included in the information comparison. Retention and disposition of information will also be addressed in the MOU/CMA, as well as performance reporting requirements.

Each agency is also required to sign a Security Addendum, which is part and parcel to the MOU/CMA. The Security Addendum provides a detailed description of the security requirements and safeguards that an agency must have in place prior to receiving NDNH information.

**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 information must agree to comply with security safeguards such as the following:

- Operational safeguards that ensure NDNH information is secure from unauthorized persons and unauthorized uses at all times.
- Technical safeguards that ensure NDNH information is stored and transmitted in a secure manner and that information is processed in a manner that protects the confidentiality of the information.
- Management safeguards that require written IT security policies and procedures, notification to OCSE of any breach in access to the information, and agreement to allow on-site monitoring or verification by OCSE to ensure compliance with security requirements.

Additional safeguards are found in the Security Requirements for Agencies Receiving FPLS Data document that OCSE provides upon approval of the request.

**Performance
Reporting
Requirements**

OCSE will require recipients of NDNH information to provide a written description of the performance outputs and outcomes attributable to the use of NDNH information for the purposes set forth in the MOU/CMA. If the recipient performs an ongoing match, regular performance reports are required.

4: WHAT IS THE COST TO OBTAIN NDNH INFORMATION?

**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 components:

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.

New users of NDNH information will be charged a “start-up” fee to cover costs incurred by OCSE in setting up a new agreement and performing the work required to implement a new match.

In addition to the MOU/CMA 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

After reviewing the information presented in this guide, your agency should assess the value of the NDNH information to your mission and decide whether legislative authority should be pursued. Please keep in mind that even after authority is obtained, working out the mechanics—requirements analysis, systems programming, drafting an MOU/CMA and Reimbursement Agreement, testing, and validation of the match—will take several months.

Contact OCSE

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