

# INCOME PROVIDER INFORMATION SHEET

WHAT EVERY EMPLOYER OR INCOME PROVIDER NEEDS TO KNOW

## INCOME PROVIDERS ARE KEY TO THE SUCCESS OF CHILD SUPPORT COLLECTIONS!

### BASIC INCOME WITHHOLDING RESPONSIBILITIES

#### Deducting child support from an employee's income

Income providers are responsible to begin deducting child support immediately (but no later than the first pay period occurring 14 business days after the date of the Notice) upon receipt of a Notice of Income Withholding, known as JFS 04047

Employers are to withhold and remit funds for child support immediately (but no later than 7 business days from the date that it is withheld).

#### What are my New Hire Reporting responsibilities?

Effective October 1, 1997, all Ohio Employers (both public and private) are required by law to report all newly hired, rehired or returning employees to the State of Ohio within 20 days of their start date. No employer is exempt from this law!

Not only is New Hire Reporting the law, it is also a valuable tool to the child support agencies in locating alleged fathers and absent parents to assist in paternity and support establishment, not to mention the benefit of collecting support for the children who deserve it.

There are several ways in which employers can comply with their new hire reporting responsibilities. For more information, visit the New Hire Reporting website at:

[www.newhirereporting.com](http://www.newhirereporting.com)

Employers and income providers are important stakeholders for the child support program and help ensure the financial stability for many children and families. Income providers must also comply with notices to withhold child support. About 70% of all child support payments are made through an income

withholding in the state of Ohio.

Program officials appreciate the work conducted by employers and income providers. Most county

agencies will conduct an in-service for payroll professionals or for employees of an organization, tailoring the outreach to the needs of the employer requesting the

presentation. Contact information for all Ohio CSEAs can be found at <http://ifs.ohio.gov/county/cntydir.stm>

We appreciate the support and collaboration from all employers and income providers in helping ensure the quality of the lives of children are improved through the financial support from both parents.

## HOW MUCH CHILD SUPPORT CAN BE WITHHELD UNDER LAW?

The amount to be withheld for child support may not exceed the following parameters: (The Notice of Income Withholding provides information on this Federal Regulation - The Consumer Credit Protection Act, CCPA)

Of the employees aggregate disposable weekly earnings (income left after making mandatory deductions such as:

State, Federal, Local Taxes, Medicare etc.) - you cannot withhold more than:

- 50% if he/she is supporting another spouse, dependent child or both, other than the party specified on the Withholding Notice.
- 60% if he/she is not supporting someone else.

- An additional 5% shall be withheld above the maximum amount permitted if the Obligor is twelve (12) or more weeks in arrears. Your Income Withholding Order will specify this.
- No more than 50% of the Obligor's weekly unemployment benefits may be deducted.

## WHAT KINDS OF PAYMENTS ARE CONSIDERED LUMP SUM PAYMENTS?

An employer is liable to report to the Child Support Enforcement Agency that issued the Notice of Income Withholding any lump sum amount over \$150.00. The Agency should receive notice of this lump sum payment at least 45 days prior to it being disbursed.

A lump sum payment is **any**

income other than personal earnings that the employee may be entitled to. Examples are; bonus pays, commissions, severance pay, vacation pay\*, sick leave\*, etc.

\*vacation and sick pay - this pertains only to the "cash-out" of a vacation pay - when an employee opts to receive vacation or sick pay in lieu of

taking actual vacation, sick time or leave.



**CAN AN EMPLOYER OR INCOME PROVIDER TRANSFER FUNDS ELECTRONICALLY?**



YES! Using Electronic Funds Transfer, or EFT, for child support, an employer or income provider can transfer child support withholdings directly to the financial institution of the

Child Support Payment Central, CSPC. This is done through an Automated Clearing House, or ACH, which is a government-regulated facility that coordinates electronic

transactions. There are different types of EFT. One type uses the Web. It is known as ExpertPay.

**TELL ME MORE ABOUT EXPERTPAY**

ExpertPay is a way for Ohio employers or income providers to submit withholdings electronically. It features a secure website that allows employers to create and maintain an employer profile, enter employee data, submit withholding lists, and authorize electronic withdrawals of child support withholdings from the

employer's or income provider's bank account. It is a simple, streamlined way to meet child support withholding responsibilities.

reduced. Employers or income providers can use ExpertPay to remit to all 50 states - but there could be a fee assessed for payments sent to states other than Ohio.

Employers or income providers who have used ExpertPay report an increase in accuracy while decreasing paperwork, postage costs, and mail time. Fraud and theft concerns are also

For more information, go to [www.expertpay.com](http://www.expertpay.com). You should call CSPC at 1.888.965.2676 before you make your first payment electronically.

**Where can I get more information about this fact sheet?**

- Contact information for all Ohio CSEAs can be found at <http://ifs.ohio.gov/county/cntydir.stm>
- You can also visit the ODJFS website for Employer Newsletters: <http://ifs.ohio.gov/Ocs/employers>.
- You can call CSPC at 1.888.965.2676



**HOW DO I DETERMINE HOW MUCH IS TO BE APPLIED TO EACH CASE IF THE EMPLOYEE HAS MORE THAN ONE SUPPORT ORDER?**

As an employer, you must honor all Income Withholding Notices but may be unable to comply with the entire amount ordered to be withheld based on the Consumer Credit Protection Act (CCPA) Guidelines. (Refer to ORC

3121.034 and the Federal Consumer Credit Protection Act (15 U.S.C. 1673(b)).

A Multi-Order Calculator is now available for employers. This calculator will determine the maximum amount of support to be

applied to each of an employee's order taking into consideration the CCPA Guidelines. To view/download this Calculator; go to: [www.ocda.us](http://www.ocda.us) and click on the Calculator page to access the Multi-Order Calculator.

**PRIORITY OF CHILD SUPPORT WITHHOLDINGS.**

A child support income-withholding order must be paid before all other garnishments except a federal tax levy (but only when the tax levy was served before the child support order was issued).

will yield priority to the child support order.

Child Support Income Withholding Notices must be honored even if an employee declares bankruptcy. Child Support debt is not dischargeable in bankruptcy actions.

obligated to continue withholding child support payments and remit them to Ohio CSPC. In some instances, child support payments may be taken over by the trustee of the bankruptcy court, however, an employer must continue withholding unless notice is received by the agency or the bankruptcy court stating otherwise.

Employers who are withholding income to satisfy a tax levy should notify the IRS if they receive a child support order. In some cases, the IRS

If an employee files bankruptcy, employers are still



**Ohio CSEA Directors Association**

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