# VT Office of Child Support

Working together in partnership with Employers to benefit children and families



### **New Hire Reporting**

Welfare reform legislation, enacted in 1996, strengthened measures to ensure children receive financial support. New hire reporting, an integral part of this legislation, is a process by which you report information on newly hired employees to the Vermont Department of Labor. We match new hire reports against our child support records to locate parents, establish and enforce child and medical support orders, and establish parentage.



This information is also transmitted to the National Directory of New Hires, which allows the Federal Office of Child Support Services to assist states in locating parents on a national level.

By matching new hire data against child support records at the national level, the Federal Office of Child Support Services is able to help us locate non-custodial parents who are living in other states more quickly.

New hire reporting results in significant increases to child support collections for children across the country, reductions in welfare payments, and millions of dollars saved in Medicaid and Food Stamps. It also benefits employers by reducing unemployment and workers' compensation fraud.

## **Legal Requirements**

You must report the following information for all hired or rehired employees for whom you complete a W-4 form:

- Employer's name and address
- Employer's Federal Employer Identification Number
- Employee's name and address
- Employee's Social Security Number
- Employee's Date of Hire first date services performed for compensation

You must report this information within 10 days of the employee's first date of actual employment for an employee who has been hired or rehired.

### **Methods of Reporting**

Employers may choose one of these convenient reporting methods:

- Internet: This allows quick and easy online reporting. Access New Hire Reporting under "Employer Online Services" on the Department of Labor's website at: www.labor.vermont.gov
- Forms: Submit new hire information using the Vermont Department of Labor's C-61 New Hire Reporting Form. An employer may use its own form ensuring that it includes the required elements. A copy of the reporting form can be found under "Employer Forms" on the website.
- Compact Disc (CD): Specific data specifications are required. Please contact the Department of Labor at (802) 828-4333 for details and approval to use this reporting method. Note: Payroll Services may submit multiple employers on the same file.
- W-4 Form: This method of reporting may only be used if the employer completes information in Step 5 at the bottom of the page and includes the employee's date of hire. Fax or mail a copy of the W-4 form to the Vermont Department of Labor.
  - Employers filing more than 10 new hire reports must report electronically.

### **Frequently Asked Questions**

What is the definition of "employer" for New Hire Reporting purposes? Federal legislation states that an "employer" for New Hire Reporting purposes is the same as for the federal income tax purposes (as defined by Section 3401 (d) of the Internal Revenue Code of 1986) and includes any government entity or labor organization. At a minimum, in any case where an employer is required to give an individual a W-4 form, the employer shall comply with the New Hire Reporting requirements.

As a temporary employment agency, does each Individual placed by the agency need to be reported as a new hire? If the agency is paying wages to the individual, it must submit a new hire report. The individual needs to be reported only once, unless there is a break in service from the agency and a new W-4 form is required. If the agency simply refers individuals for employment and does not pay salaries, new hire reports are not necessary. Additionally, federal policy states that if work being performed is based on a contract rather than an employer/employee relationship, it is not required to submit a new hire report. However, the contractor is responsible for reporting his/her employees.

What is the "date of hire" considered to be? The "date of hire" is the first day services are performed for compensation by an individual for an employer.

When must an employer report the hire? The new hire report must be made within 10 days of the first day services are performed for compensation.

If an employee is laid off, and then rehired, or an employee returns after a leave of absence, does another New Hire report need to be sent? Yes, if an employee was previously employed by the employer but has been separated from such prior employment for at least 60 consecutive days. When in doubt, the employer is encouraged to report the new hire, especially upon return from a lengthy layoff, as it becomes a quick method to stop inappropriate payment of unemployment insurance benefits.

What if we have employees in more than one state? If you have employees in more than one state (multi-state) AND report new hires via the Internet, you may designate one state in which you have employees to which all new hires may be reported. If you choose this option, you must identify your reporting state in writing to the federal government. For help with multi-state filings, call the Multi-State Employer Help Desk at (800) 258-2736 (between 8 a.m. to 5 p.m. ET, Monday through Friday). This option is not available to payroll service companies reporting on behalf of their customers.

Isn't the quarterly wage information that I already report enough to satisfy this requirement? No. Because some non-custodial parents change jobs frequently, quarterly data is often outdated before we receive the information. Often, employees located through quarterly data have relocated or are no longer working and wage withholding cannot be initiated. With new hire reporting, the data is available within a significantly shorter time period and is therefore more up to date.

The New Hire Reporting program is administered by the Vermont Department of Labor's Employer Services Unit which can be reached by calling (802) 828-4344.

Here's an easy rule of thumb to help you remember when to report a new hire: if a W-4 is needed, you need to report.

#### We are here to help!

Contact our Customer Contact Center with any questions by sending us an email at <a href="https://ocscum.gov/ocscum.gov">OCSCSU@vermont.gov</a> or by calling us at (800) 786-3214.

https://dcf.vermont.gov/ocs

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