

# Income Provider Info

A GUIDE TO ADDRESSING FREQUENTLY ASKED QUESTIONS



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## 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 JFS04047.

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)

## Income providers are key to the success of child support collections!

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 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 CSEA's 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 employee's 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?

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.

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.

\*Note: Vacation and sick pay pertains only to the cash-out of such 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 withholding directly to 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 and 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. 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 reduced. Employers or income providers can use ExpertPay to remit to all 50 states, but there may be a fee assessed for payments sent to states other than Ohio.

For more information, go to [www.expertpay.com](http://www.expertpay.com). You should contact CSPC at 1-888-965-2676 before making your first electronic payment.

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

- Contact information for all Ohio CSEA's can be found at: <http://www.jfs.ohio.gov/county/cnlydir.stm>
- You can also visit the ODJFS website for Employer Newsletters: <http://jfs.ohio.gov/ocs/employers>.
- You can call CSPC directly 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 Protection Act (CCPA) Guidelines. (Refer to IRC 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 support 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).

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 will yield priority to the child support order.

Child Support Income Withholding Notices must be honored even if an employee declares bankruptcy actions. If an employee files bankruptcy, employers are still 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.

### Summit County CSEA

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<http://www.co.summit.oh.us/prosecutor/childsupp.htm>