Employer Guide
MONTANA CHILD SUPPORT SERVICES DIVISION
THE MISSION

The Montana Child Support Services Division’s (CSSD) mission is to diligently pursue and ultimately achieve financial and medical support of children by establishing, enforcing, and increasing public awareness of parental obligations.
EMPLOYERS PLAY A VITAL ROLE

- **75%** of all child support payments are collected through wage garnishments
- Enrolling children in healthcare coverage
- Locating non-custodial parents
- Helping to keep families off assistance programs
- Fighting unemployment and welfare fraud

Thank You
COVID 19 AND CSSD

• Electronic methods are preferred for the following:
  • New hire reporting, phase out mail
  • Email contacts needed from employers
  • Child support withholding payments using participant (remittance) id numbers with leading zeros. We have options of EFT or online payments

• See our website @ childsupport.mt.gov and employer resource center tab for all electronic services
WORKING TOGETHER

• Focus of our Customer Services
  • Collect payments for families
  • Send payments to families within 2 business days
  • Enforce healthcare coverage if required and available

• Focus of our Employer Services
  • Efficiency
  • Cost-effectiveness
  • Service oriented
  • Accessibility of electronic services
**KEY AREAS OF IMPORTANCE**

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*reporting of bonus/lump sum payments is not required by law in Montana but employers may want to consider allowing the CSSD to attach these funds to help reduce any arrears debt their employees may have.*
WWW.CHILDSUPPORT.MT.GOV

- Information and Access to all our Employer Services can be found on our website
NEW HIRE REPORTING PROGRAM

• New Hire Reporting Law
  • Enacted by Montana legislation, October 1997
  • Enacted by Federal legislation, August 1996

• Requirements
  • Employers must report **ALL** employees within 20 days from the date of hire
  • Employer report must include:
    • FEIN, Business Name, Address, and Contact Information
    • Employee Social Security Number, Full Legal Name, Home and Mailing Addresses, and Date of Hire.
    • Optional information: Home and Work Phone, Date of Birth, State of Hire, Availability of Health Insurance.
  • **Only report valid Social Security Numbers**

• Quickest way to locate non-custodial parents
REPORTING TO NEW HIRE

How do I report?

- **Report electronically (Preferred method)**
  - Use your existing ePass account to access our web based application
    - If you do not have an ePass account, create one for **FREE**
    - [www.epass.mt.gov](http://www.epass.mt.gov)
      - DPHHS – New Hire Application
  - **OR**
    - File Transfer Service

- If you have not reported to New Hire under your current Federal Employer Identification Number (FEIN) or if you are unsure:
  - Contact the New Hire Reporting Program (NHR)
    - [NewHireReporting@mt.gov](mailto:NewHireReporting@mt.gov) or 406.444.9290
  - NHR staff will add your FEIN to the database which will allow you to access the web application through ePass

- Reports are uploaded to the National Directory of New Hires daily
- Reports are purged and destroyed after 24 months from receipt date
ONLINE NEW HIRE APPLICATION

• Enter new hire reports directly into the State database
  • Time efficient
  • Cost effective
  • FREE to use
  • Log in with your ePass account

• Two ways to access this application
  • www.epass.mt.gov
    DPHHS – New Hire Reporting Portal
  • www.childsupport.mt.gov
    Employer Services
    Electronic Services
    New Hire Reporting
    Online New Hire Reporting System
    Report New Hires Now
    Log into ePass
    DPHHS – New Hire Reporting Portal
ONLINE NEW HIRE APPLICATION

Step 1. Enter your company’s FEIN

Step 2. Verify your company information

*If your company is new to reporting, contact New Hire to get access to the Online Application.
NewHireReporting@mt.gov
406.444.9290
ONLINE NEW HIRE APPLICATION

Step 3. Click Add New* Employee

* Individuals that have been separated from work for more than 60 consecutive days are considered rehires and are required to be re-reported.

Step 4. Fill in the employee information

Step 5. Click Save
ONLINE NEW HIRE APPLICATION

Step 6. Confirm the information entered, edit if necessary

Step 7. Print a Copy for your records if needed

Step 8. **Click SAVE** to submit the report

- The report is then sent directly to the State Directory of New Hires database to wait for the nightly batch process to upload to the National Directory of New Hires.

- If the employee has a child support case anywhere in the United States, your business will be notified via income withholding order usually within 4 – 14 days.
ONLINE NEW HIRE APPLICATION

• Once submitted, the system will take you back to the start screen where you can add your next report.

• You can Edit or Delete any entries made from this screen as well*

*Please note: changes to submissions may only be made until the end of the day on which they were submitted.
REPORT NEW HIRES USING FILE TRANSFER SERVICE (FTS)

• Beneficial for companies with larger volumes of employees to report
• Create or use your existing ePass account to access this application
  • www.epass.mt.gov
    • File Transfer Service is an application available through ePass
• Upload files in the ASCII format
  • Allows the files to be loaded directly into the database by New Hire staff
  • ASCII format can be found at www.childsupport.mt.gov
    • Format starts on Page 11 of the New Hire Reporting Employer Guide
• Upload files in XLS format
  • Allows the files to be converted to ASCII format for direct upload
  • Email NewHireReporting@mt.gov to request the XLS template
NEW HIRE REPORTING PROGRAM
STATE CONTACT

Gary Dahlquist
New Hire Reporting Program Technician
NewHireReporting@mt.gov
406.444.9290
An income withholding order (IWO) for child support is an order for deduction of payments from an obligated parent’s income or contract proceeds. This order can be from a court or administratively ordered by a state or tribal IV-D agency.
WHO CAN ISSUE AN IWO

• State and Tribal IV-D Agencies Nationwide
  • IV-D Agencies are those that are covered under Title IV-D of the Social Security Act
  • Montana Tribal IV-D Agencies include
    • Blackfeet Nation
    • Chippewa Cree Tribe
    • Confeder ate Tribes of Salish and Kootenai
    • Fort Belknap Indian Community

• District Courts Nationwide
  • Order must be signed by a judge
  • Send child support garnishment payments as directed on the IWO.

*All income withholding orders are required to be issued to employers on the federally approved OMB form.
GARNISHABLE INCOME & LIMITS

- Wages, earnings, and remuneration for personal services
  - Montana CSED orders limit withholding to 50% of disposable earnings
  - Montana statute allows up to 65% of disposable earnings to be garnished
    - Out-of-state and tribal orders may request anywhere from 50% - 65%  
- Contract proceeds and rental income
  - Total withholding can be up to 100% of net income
  - Includes payments to contractors or subcontractors
- Lump Sum / Bonus payments
  - In some instances, up to 65% of the payment may be garnished depending on the employee's arrearage balance
  - Contact the employee’s caseworker for the proper amount to withhold
INCOME WITHHOLDING LAWS

• First deduction no later than the first pay period that occurs after the receipt of the order.  
  *MCA §40-5-421*

• Submit payments within 7 working days from employee’s pay date.  
  *MCA §40-5-421(1)*

• Payments must include the employee’s name, participant ID (Remittance ID including leading zeros), and their pay date. If multiple employees are on one payment, a breakdown of the amounts must also be included.  
  *MCA §40-5-421*

• Only Montana CSSD Orders limit withholding to 50% of disposable income after taxes and mandatory deductions. Other withholding orders can take up to 65%.  
  *MCA §40-5-416*
INCOME WITHHOLDING LAWS

• Child support takes priority over garnishments from other creditors. *MCA §40-5-423*

• Administrative Fee of $5.00 *per month* *per withholding order* may be collected from the employee to help offset the cost of withholding. *MCA §40-5-416 (1)(c)*

• Out-of-state orders fall under the laws of the employee’s principle place of employment. *MCA §40-5-1047*

• If a payment is sent in error or the information sent with the payment is incorrect, contact the CSSD right away.

• Always call if you have any questions 406.444.6893.
IWO EMPLOYER OPTIONS

- Two ways to receive income withholding orders
  - Electronic Income Withholding Orders (e-IWO)

- Paper Income Withholding Orders
ELECTRONIC INCOME WITHHOLDING ORDERS (e-IWO)

- Save time, money, and resources
- Communicate with CSSD agencies nationwide
- Receive orders via PDF, XLS File, or System-to-System Interface
- Send acknowledgments back to the issuing agency electronically
- Report bonus/lump sum payments and employee terminations
e-IWO PROCESS

- A paperless solution to income withholding orders.
- Uses Secure File Transfer Protocol (SFTP) or File Transfer Protocol Secure (FTPS).
- Pretty Good Privacy (PGP) can encrypt files in front of your firewall.
- FTP with Virtual Private Network (VPN) is also an option.
- Portal pulls files from and pushes files to your server daily.
- Email as a transmission option is not available.

IMPLEMENTATION OPTIONS

• System-to-system interface
  • If you receive a large amount of income withholding orders per week or month
  • If you have IT resources available
  • If you have time available to implement, average of 3 months to setup
  • Files are sent in your choice of a flat file or XML format for automatic download

• Non-programming options
  • PDF
  • XLS
  • Connectivity setup is required for both options with minimal amount of testing
  • Average of 3 weeks to setup

e-IWO PDF OPTION

- You will receive a PDF document for each order with a pre-filled acknowledgement PDF per order sent to you
- File names are coupled, so it is easy to match the order to the acknowledgement
- Check “Accept” or “Reject” on the acknowledgement PDF
  - If rejecting, provide the proper reason code
- Save the PDF
  - This will be your copy of the income withholding order
- Move to your outbound directory and you are done!

August 18, 2020
e-IWO PDF ACKNOWLEDGMENT SAMPLE

- Formatting consistent across IV-D agencies
- No mailing costs
- Easy, simple, efficient

*Please note, the income withholding order will be sent by PDF on the federally approved form currently in use.*
*Please note, the income withholding order will be sent by PDF on the federally approved form.

Enter A or R. Do a File Save. You're done!
EMPLOYER INITIATED CONTACT

- All e-IWO options allow employers to contact the child support program electronically to report the following:
  - Lump sum/bonus payments
  - Employee terminations
  - Employee in suspense status
How do I get started on e-IWO?

• Contact the Federal Office of Child Support (OCSE)
  • eiwomail@acf.hhs.gov

• Register with OCSE by completing the e-IWO Profile Form

• Profile form includes:
  • Agreement to exchange data
  • Your contact information
  • Your exchange preference
    • System-to-system, PDF, Excel
  • Your file names
  • Your server information
    • User ID, password, IP address, host name, directory name
Then what happens?

• OCSE connects to your SFTP server
  • A file is dropped on your server to ensure connectivity

• Testing begins
  • System-to-system: OCSE sends test IWOs, then you send test acknowledgements. All files are checked for data quality and conformance.
  • PDF & XLS: OCSE sends test IWOs, then you accept and reject them.

• You are ready to go ELECTRONIC!
CHILD SUPPORT PAYMENTS

• Submit payments within 7 working days from the date the employee is paid. *MCA §40-5-421(1)*

• Payments must include the employee’s name, participant ID (Remittance ID including leading zeros), and their pay date. *MCA §40-5-421*

• If multiple employees are on one payment, a break down of the amounts must be included. *MCA §40-5-421*

• **Submit Payments Electronically:**
  - Online Payments:  [https://app.mt.gov/csp/](https://app.mt.gov/csp/)
  - Electronic Funds Transfers:  EFT Specialist  406.444.2775

• Contact the CSSD immediately if a payment is sent in error or if an error is discovered - 406.444.6893
CONTRACTOR & SUB CONTRACTOR PAYMENTS

If your business hires a contractor or subcontractor and you receive an IWO, you are liable for withholding child support payments from any and all contract proceeds prior to paying that individual.

• When contract proceeds are not wages, earnings, or remuneration for personal services:
  • 100% of contract proceeds are subject to child support garnishment
  • Examples of these types of proceeds are:
    • Rental income
    • Royalties
    • Any proceeds not for personal services

• When contract proceeds are for remuneration from personal services:
  • Up to 50% of proceeds are subject to garnishment for Montana IWO’s
  • Up to 65% of proceeds are subject to garnishment on other IV-D agency IWO’s

• Contact the caseworker on the order to verify what amount you should withhold when the individual is a contractor or subcontractor.
ORDER TO ENROLL
NATIONAL MEDICAL SUPPORT NOTICE

• May be issued for the Custodial and/or Non-custodial Parent.

• Out-of-pocket cost for the child(ren)’s portion of the insurance premium cannot exceed 5% of the employee’s gross income.
  • Total withholding can not exceed 50% of the employees disposable income after taxes and mandatory deductions.

• Must provide health coverage information to either parent and the CSSD.
EMployer Liability

- An employer **may not** discharge, discipline, or refuse to hire an obligor because of a child support obligation or the institution of income withholding on the obligor's income and may be fined up to $500.00 for doing so. *MCA §40-5-422*

- If an employer chooses to not withhold and/or submit payments in compliance with an income withholding order that was served on their business, a fine of $500.00 may be assessed per count of contempt found plus the missing child support payments. A separate count of contempt occurs each time the employer fails to withhold and submit child support payments from the employee’s pay check or contract payment. *MCA §40-5-226*

- An employer that provides health insurance to their employees must enroll the children of the order on the employee’s health insurance, regardless of the employee’s enrollment status, if required to do so by the National Medical Support Notice. If an employer chooses not to enroll eligible children on the health insurance plan, a civil penalty may be assessed of $150.00, or a fine of $25.00 per day from the date the business knowingly violated the medical order to the date of enrollment. *MCA §40-5-813 & MCA §40-5-821*
REPORTING
LUMP SUM / BONUS PAYMENTS

• Help Reduce Arrears Debt Quicker

• What to Report:
  • Employee Name & Case Number or Participant ID
  • Expected Payout Date
  • Amount (if known)
  • Employer Contact Information

• How to Report:
  • OCSE Employer Services Portal
    • employerserviceswebapp@acf.hhs.gov
  • e-IWO
    • Employer initiated contact
  • Email
    • The caseworker’s email address is on the income withholding order
      • Please do not send encrypted or password protected emails
      • Do not include SSN information in your email
  • Phone
    • Contact the Employer Liaison at 406-444-6893
NOTICE OF EMPLOYEE TERMINATIONS

Why is notifying the IV-D Agency important?

- Look for a new source of income for the non-custodial parent
- Stop unnecessary calls/letters from the individual's caseworker
- The caseworker can notify the custodial parent of the possible interruption in payments

How to notify the IV-D Agency

- OCSE Employer Services Portal
  - employerserviceswebapp@acf.hhs.gov
- e-IWO
  - Employer Initiated Contact
- Contact the employee's Caseworker
  - All CSSD orders have the Caseworker's direct contact
- Contact the Employer Liaison
  - 406.444.6893

Information to give the CSSD:

- Date of termination, last known address and phone number, and new employer info if known.

August 18, 2020
WHERE CAN I FIND MORE INFORMATION?

www.childsupport.mt.gov

Employer Services

- Contact the Employer Liaison
  - 406.444.6893

- Contact the employee’s caseworker
  - Information on the IWO
ELECTRONIC SERVICES

Electronic Services

The electronic services listed below are the most convenient and cost-effective way for employers to comply with CSED requirements. Please take advantage of these services by clicking the appropriate box below.

- Electronic Income Withholding Orders (e-IWO)
- Online New Hire Reporting System
- Report Bonus / Lump Sum Payments
- ePass File Transfer Service New Hire Reporting
- Report Employee Terminations
- Make an Online Payment
- Federal Office of Child Support Employer Services Portal
- Make a Payment by Electronic Funds Transfer
- Contact Information for Employers

- www.childsupport.mt.gov
- Employer Resource Center
- Electronic Services
REFERENCES

Federal Law

42 USC §653a (State Directory of New Hires)
45 CFR §303.108 (wage and unemployment compensation claims reporting to national directory of new hires)

42 USC §666(b) (Income Withholding Laws)
45 CFR §303.100 (Income Withholding regulations)

42 USC §666(a)(19) (Health Care Coverage)
45 CFR §303.32 (National Medical Support Notice)

Montana Law

MCA §40-5-922 (Directory of New Hires)

MCA §40-5-226 (Administrative Hearing)
MCA §40-5-403 (Definitions of Employer, Payor and Income)
MCA §40-5-416 (Determination of Income to be Withheld)
MCA §40-5-421 (Duties of Payor (for income withholding)
MCA §40-5-422 (Obligor Rights Protected)
MCA §40-5-423 (Priority of Income Withholding)
MCA §40-5-424 (Civil Liability for Failure to Comply)
MCA §40-5-443 (Payors to Provide Information)
MCA §40-5-1046 – 1051 (Income Withholding Orders from another state)

MCA §40-5-804 (Definitions of Health Benefit Plan, Medical Support Order, Payor)
MCA §40-5-809 (Medical Support Order effect on Health Benefit Plans)
MCA §40-5-810 (Order to Enroll in Health Benefit Plan)
MCA §40-5-812 (Obligations of Health Benefit Plan)
MCA §40-5-813 (Obligation of Payor re: Medical Support Order)
MCA §40-5-814 (Obtaining Information re: health benefit plan)
MCA §40-5-821 (Penalty Imposed by Tribunal)

August 18, 2020
IMPORTANT CONTACTS:

Employer Liaison and New Hire Program Supervisor
Shawn Rafferty  srafferty2@mt.gov  (406) 444-6893
For information regarding child support withholding laws, state withholding limits, out of state orders, lump sum/bonus payments, FEIN and address changes, terminations, New Hire Reporting Program, payment errors, etc.

New Hire Help Desk and Program Technician
Gary Dahlquist  (406)444-9290 or 1 (888) 866-0327 NewHireReporting@mt.gov  (Do Not send new hire reports via email)

New Hire Reporting Options
• Montana File Transfer Service:  (Mt.Gov Help Desk (406) 449-3468 option #4)
• Fax:  (406) 444-0745 or 1 (888) 272-1990
• Mail:  MT New Hire Reporting Program
     PO Box 8013; Helena MT  59604-8013

Electronic Payment Options
• Sign-up for Electronic Funds Transfers (EFT) contact EFT Specialist Terrie McNac tmcnac@mt.gov,  (406)444-2775
  Or
FREQUENTLY ASKED QUESTIONS

- **When are child support payments due?**
  Payments must be received at the CSSD within seven (7) business days from the date the employee is paid per state and federal law.

- **What priority does child support payments take compared to other wage deductions?**
  Child support payments are to be deducted from the employee’s income after taxes and mandatory deductions and prior to any assignments of income, voluntary deductions, and other court-ordered garnishments. *MCA §40-5-310*

- **What information should I send with a payment?**
  The employee's name, case number or participant id, and date the employee was paid must be included with each payment.

- **My employee says he/she does not owe child support, can I stop withholding?**
  No. No matter what an employee says, child support orders are valid until a termination order is received from the issuing agency. Continue to withhold and have your employee contact his/her caseworker if they feel the withholding is in error.

- **My employee did not earn enough to deduct the ordered amount, what do I do?**
  You must withhold up to 50% of disposable earning (gross less payroll taxes). It is recommended you contact the case worker and notify them if reduced hours are scheduled due to seasonal slowing.

- **I received multiple child support orders for the same employee from different states, which order do I follow?**
  Payments are to be prorated between child support withholding orders with current amounts being paid first, arrears second. Arrears are split evenly.

- **If you have questions, please contact the CSSD Employer Liaison at (406) 444-6893.**
THANK YOU

The CSSD would like to thank you again for all that you do and we hope you now have more of an understanding of just how important the CSSD-Employer relationship is to the families of this great state. If you should have any questions please do not hesitate to contact the CSSD.

Thank you!