



New Hire Reporting Follow-up

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Department of Social and Health Services

New Hire Reporting

- Employers report newly hired employees to DCS within 20 days of employment
- DCS shares the data with ESD and L&I
- DCS uses the data to collect child support



States that Report Independent Contractors

- Alabama
- Alaska
- California
- Connecticut
- Iowa
- Maine
- Massachusetts
- Minnesota
- Mississippi
- New Hampshire
- New Jersey
- Ohio
- Guam

State New Hire Survey

Questions	Alaska	California	Iowa
Who is responsible for reporting independent contractors?	Hiring business	Hiring business	Hiring business
How are reports gathered?	Mail, fax, tape	Mail, fax, tape, web	Mail, fax, tape, web
Penalties for New Hire non-compliance?	\$10 per occurrence, \$100 if collusion	\$24 per occurrence	Contempt of court
What other state agencies use New Hire data?	Dept of Labor	Franchise Tax Board, UI	UI
How do state agencies use New Hire data?	Crossmatch for benefits fraud/overpayments	Crossmatch for benefits fraud/overpayments	Crossmatch for benefits fraud/overpayments



Identifying Non-Compliant Employers

- Support Enforcement Officer (Caseworker) Reports
- Custodial Parent Reports
- Employment Security Crossmatch
 - ES data is compared against the previous quarter's New Hire data

New Hire Education & Outreach

- When a Non-Reporting Employer is Identified DCS:
 - Sends a non-compliance letter
 - Sends New Hire program information
 - Makes personal contact with employers
 - Tracks compliance
- Penalties:
 - Penalty for failure to report as required
 - \$25 per month per employee
 - \$500 if conspiracy between employer and employee
- Outreach & Education is Our Focus





STATE OF WASHINGTON
DEPARTMENT OF SOCIAL AND HEALTH SERVICES
DIVISION OF CHILD SUPPORT (DCS)

New Hire Letter

TO: 00226097900000

RAINER STUDIOS
123 MAIN DRIVE
SEATTLE WA 98000

Your company hired or rehired a new employee MR. PRODUCTION in the 1st quarter of 2008.

- Your company failed to report this new hire to the Division of Child Support (DCS) within twenty days of hiring as required by federal and state law.
- Other:

The federal and state laws (42 U.S.C. 653a, RCW 26.23.040, and RCW 74.20A.350) exist to ensure that noncustodial parents pay child support. DCS is required to quickly intercept the wages of noncustodial parents who owe child support.

These laws also save employers money.

Industries in Washington State by Number of Employers



□ Construction	24,904 (13%)
□ Professional Services	16,805 (9%)
■ Attorneys, Accountants, etc.	
□ Retail	14,450 (7%)
□ Health Care	13,529 (7%)
□ Agriculture	7,726 (4%)

(Source: Employment Security Department)

Non-Compliance Snapshot

- ❑ Data from 145 non-compliance letters sent from March – October 2008
- ❑ 51 (35%) are construction employers & contractors
- ❑ 11 (8%) are food service employers
- ❑ 10 (7%) are agricultural employers
- ❑ 73 (50%) all other employers



New Hire Reporting Compliance

- ❑ Fluctuates due to economy & seasonal factors
- ❑ Many small businesses fail to report
- ❑ Small business owners typically say they were not aware of the requirement to report
- ❑ *Current Compliance Rate is About 50%*

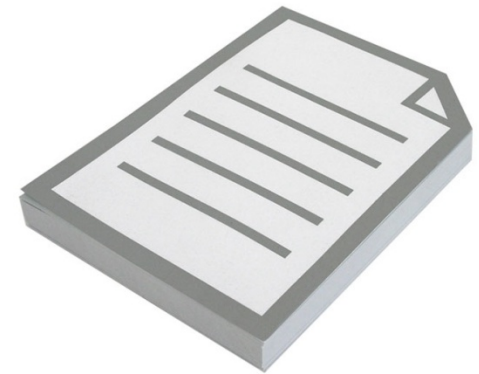
What DCS is Doing to Increase Compliance

- ❑ Outreach: Seminars, Partnerships, TV/Radio PSA's
- ❑ Employer liaisons in each field office
- ❑ SEO contact with employers
- ❑ Contact employers who do not report as required
- ❑ Collaborative efforts with ESD & L&I
- ❑ Need funding to increase marketing/outreach of program to employers



Education/Outreach Results

- Two Years Ago: 130,000 average reports per month
- Now: 160,000 average reports per month
- Still more to be done





Questions?