

2024 Employer Workshop Questions & Answers

New Hire Reporting

Q. We use ADP for our payroll and HR. We forward all IWOs, etc., to them and they file the forms. Is it correct that we would not need to be enrolled in online reporting with EDD since ADP handles this for us?

A. Generally, ADP will handle all the reporting requirements with the EDD including the reporting of new hires and enrolling employer's online with EDD as an agent. However, it is ultimately the employer's responsibility to ensure that ADP complies with all the filing and reporting requirements, as any reporting failure would result in penalties against the employer.

Q. When talking about new hire reporting, you showed three requirements for reporting independent contractors. What are those three requirements

A. You are required to report independent contractor information if you pay compensation or enter into a contract with an independent contractor and the following statements all apply:

- You are required to file a federal Form 1099 for the services performed by the independent contractor.
- You pay the independent contractor \$600 or more or enter into a contract for \$600 or more.
- The independent contractor is an individual/sole proprietor or single-member LLC.

Q. If an employee changed some of their personal information does the employer have to send to EDD?

A. If the employee has previously been reported as a new hire to EDD no additional reporting is required to correct any personal information. However, if the change is in name and/or social security number for employees whose wages have already been reported to the EDD, please refer to the EDD's website for how to make the corresponding corrections (https://edd.ca.gov/en/payroll_taxes/how-to-correct-a-quarterly-contribution-return/).

Income Withholding Orders (IWO)

Q. Should spousal support be taken out of final vacation pay out of a deceased employee (paying the beneficiary)? We took it out because the order does say all wages.

A. Yes, if wages are owed to a deceased employee, you would deduct from those wages according to the IWO.

Q. How can an employer ensure that all IWOs and NMSNs are received electronically?

A. e-NMSN is not available in California. You can enroll in e-IWO by contacting the e-IWO Team at eIWOMail@acf.hhs.gov.

Q. If an employee is working at two different companies and both have the IWOs on file which should deduct? Or do both deduct?

A. Both companies should comply with the IWO received. If your employee has concerns, have them contact the Local Child Support Agency (LCSA) at (866) 901-3212.

Q. Can payroll processors enroll their clients in e-IWO and have all communications come to the payroll processor?

A. A company can designate a payroll agent. For information on e-IWO, contact the e-IWO Team at eIWOMail@acf.hhs.gov. To update contact information and/or mailing addresses for an employer go to <https://dcss.ca.gov/update-contact-information/> or call (888) 898-1743.

Q. When calculating Net Disposable Income (NDI), is an FTB Withholding Order subtracted from the gross income?

A. No, when determining NDI the following are mandatory deductions: State & Federal Income Tax, Social Security, Medicare, State Disability Insurance, and mandatory union dues or retirement.

Q. How much is an employer allowed to charge an employee for processing IWO payments?

A. An employer may deduct a fee of \$1.50 from the employee's earnings for each payment.

Q. Does the IWO have priority over the NMSN?

A. Yes, the IWO takes priority and should be implemented as instructed. When responding to the NMSN, the employer should complete the Employer Response indicating that the employee does not make enough for the medical coverages requested in conjunction with the IWO. The LCSA will let the employer know if there will be a change in the IWO to accommodate the NMSN.

If the IWO is requesting withholding for child support and a monetary amount for medical support and the employee does not make enough to deduct for both, then the withholding for child support takes priority over that of medical support. In this situation, if the IWO was issued by a California agency, the employer should deduct the maximum amount of 50% of the NDI and remit to the SDU. The SDU will allocate the payment according to hierarchy rules.

National Medical Support Notice (NMSN)

Q. When the NMSN indicates to enroll in all available coverages does that mean all or nothing? For example, if the dental and vision plans are considered reasonable but the medical is not, should the employer enroll in dental and vision? Or does the employer not enroll them at all?

A. Please complete the Employer Response and provide the information regarding the cost of the coverages and the employee's NDI. The LCSA will review and if appropriate will send the NMSN again indicating to enroll in dental and vision only.

Q. Are all NMSNs not considered reasonable if the cost to add the child exceeds 5% of the employee's NDI?

A. This applies to NMSNs issued by an LCSA in California.

Q. Are NMSNs mandatory?

A. Yes, an NMSN requires an employer to enroll the child listed in reasonable coverages available to the employee.

Q. If the medical coverage is through the Union how should an employer respond to receipt of an NMSN?

A. The NMSN should be forwarded on to the Union.

Q. What happens if the employee does not have medical support? Then we don't deduct, correct?

A. The employer would complete the Employer Response to indicate they do not offer coverage to employees. If the employer does not offer coverage and does not enroll then there would be no deduction for the premium.

Lump Sum IWOs

Q. How far in advance does an employer need to notify the state about bonus earnings?

A. Please notify the Lumpsum Response Team at lumpsumresponseteam@dcss.ca.gov or by calling (916) 464-6640 as soon as you know the employee will be receiving the lump sum/bonus payment.

General

Q. We received a form to update our information with the Department of Child Support Services (DCSS), but it is not allowing a change to the company name. How do we do that?

A. We have updated our employer email registration using SimpliGov, this is a legitimate email. You will receive an email with editable fields to be able to change or input your information. We apologize if this has caused any confusion and appreciate your patience and registration. You can register on the Employer Resource Center at <https://dcss.ca.gov/employer-resource/>.

