

What is the California State Disbursement Unit?

Federal law requires all states to have a central location for processing child support payments, including all employer wage assignments.

The State Disbursement Unit (SDU) is California's central payment processing center devoted solely to the receipt and disbursement of child support payments, allowing payments to be made and received faster, easier, and more securely. The SDU collects and processes all employer wage withholdings.

How does the SDU help employers?

The SDU is a single processing center that simplifies wage withholdings for employers nationwide. Employers making payments for California cases have the following payment options:

- Bank account and credit/debit card payments. Learn more at <https://childsupport.ca.gov/payer>
- Pay the SDU using Automated Clearing House credit. Call 866.901.3212, Option 1
- Send a check or money order to:
California State Disbursement Unit
P.O. Box 989067
West Sacramento, CA 95798-9067

To learn more about payments, visit www.childsupport.ca.gov/state-disbursement-unit.

Visit the Employer Resource Center to get information and forms at:
www.dcss.ca.gov/employer-resource.

California Child Support Services

www.childsupport.ca.gov

866.901.3212

TTY | 866.399.4096

Enroll Today!



Gavin Newsom
Governor
State of California

CHHS

Kim Johnson
Secretary

California Health & Human Services Agency

CALIFORNIA
CHILD SUPPORT SERVICES

Kristen Erickson-Donadee
Director
California Child Support Services

PUB 307

California Employers and the State Disbursement Unit

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www.dcss.ca.gov/employer-resource

What is the employer's role in child support?

As a key partner in California's child support program, employer responsibilities regarding child support are to:

- Withhold a portion of an employee's or independent contractor's wages to satisfy a child support order.
- Enroll employee's dependent children in health care insurance, if available at a reasonable cost, to fulfill a medical support order.
- Report newly hired employees.
- Report terminated employees.
- Remit all wages withheld to pay child support to the California State Disbursement Unit.

Employers directly benefit their communities by improving the financial stability of families and enrolling dependent children in health insurance.

What is a wage assignment?

A wage assignment, also called an Order or Notice to Withhold Income for Child Support, is a legal document that requires an employer to make a deduction from a parent's paycheck to pay child, spousal, and/or medical support. Federal and state laws require a wage assignment in almost every case.

California wage assignments are limited to 50% maximum withholding of income after taxes. Wage assignments continue until the employer receives a terminated Income Withholding Order (IWO). For questions regarding the IWO, contact the issuing child support agency.

Employers must send copies of all IWO's to:

**California State Disbursement Unit
P.O. Box 980218
West Sacramento, CA 95798-0218**

What is an Electronic Income Withholding Order?

An Electronic Income Withholding Order (e-IWO) is an efficient and cost-effective way to electronically exchange information between state child support agencies and employers. An e-IWO can be used to:

- Receive Income Withholding Orders
- Report bonus or lump sum payments
- Submit employee terminations

Employers can register for e-IWO by contacting the e-IWO Team at eiwomail@acf.hhs.gov.

More information can be found at www.acf.hhs.gov/css/employers/e-iwo.

What if the employee changes jobs or is terminated?

The employer may notify the issuing child support agency by:

- Calling 866.901.3212, or
- Mailing the Termination of Benefits/Employment Notice, or
- Mailing or faxing page four of the IWO form.

The forms are available at www.dcss.ca.gov/employer-resource.

- **Employers have 10 calendar days after receiving the IWO to provide the employee a copy of the IWO, Statement of Employee's Rights, and Instructions to Request a Hearing.**
- **Employers need to maintain the IWO for one year after separation of employment.**
- **It is against the law to terminate or refuse to hire an employee because of a wage assignment.**

What is a National Medical Support Notice?

A National Medical Support Notice (NMSN) instructs the employer to enroll children in health insurance. If the employee is eligible for health insurance, children must be enrolled in the employer's health insurance plan even if the employee declines coverage.

Important timeframes for employers:

- Within 10 days of the date on the NMSN, provide the employee with a copy of the NMSN and a copy of the Statement of Employee's Rights.
- Within 20 days of the date on the NMSN, return Part A (Employer Response) to the issuing child support agency or party.
- Within 20 days of receiving the NMSN, provide Part B to the health insurance company with the instructions to enroll the child(ren).
- Within 40 days of receiving the NMSN, provide Part B (Plan Administrator Response) to the issuing child support agency with a description and/or summary of coverage.

How do I report new hires?

Employers are required to report new hires, rehires, gig workers, and independent contractors to the Employment Development Department.

Employers must report new hires and rehires within 20 days of their start-of-work date, and report independent contractors within 20 days of either making a payment or entering a contract by:

- Using e-Services for business at <https://eddservices.edd.ca.gov>, or by
- Visiting www.edd.ca.gov. Submit DE 34 to Report New Employees or submit DE 542 to Report Independent Contractors.