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The Employer’s Role in Child Support

As a key partner in California’s child support program, employer responsibilities regarding child support fall into five areas:

- Report newly hired employees
- Pursuant to an order, withhold a portion of an employee’s or independent contractor’s wages to satisfy a child support obligation
- Pursuant to an order, enroll an employee’s dependent children in health care insurance, if available
- Remit all child support wage withholding payments to the California State Disbursement Unit (SDU)
- Report terminated employees

Employers that comply with child support laws directly benefit their communities by:

- Improving the financial stability of families
- Enrolling dependent children in health insurance, thereby increasing access to preventive health care
- Saving taxpayer dollars - child support collections reimburse public assistance expenditures

How To Contact Us

The California Department of Child Support Services is here to assist you.

DCSS Employer Resource Center. For answers to frequently asked questions, program updates and downloadable documents, employers should visit the DCSS Employer Resource Center at [www.childsupport.ca.gov](http://www.childsupport.ca.gov) and click on the Employer tab.

Local Child Support Agencies. For other questions not related to electronic payments or for issues on a specific case being enforced by a Local Child Support Agency, contact the Local Child Support Agency or call 1-866-901-3212.

The SDU Electronic Help Desk. For assistance making electronic payments and all issues not related to electronic payments, contact the SDU’s Electronic Help Desk at 1-866-901-3212 option 1.
New Hire Reporting

How To Report New Hires

Employers must report all newly hired and rehired employees and independent contractors to the California Employment Development Department (EDD). Although EDD is a separate agency from the Department of Child Support Services, information about newly hired and rehired employees is used to obtain support for children.

Report all newly hired or rehired employees or independent contractors within twenty (20) days of their start-of-work date.

To report a newly hired or rehired employee, visit the EDD New Hire Reporting web page, download form DE 34 and fax it to 916-319-4400.

New Hire Reports can also be submitted by mail to:

Employment Development Department
Document Management Group, MIC 96
P.O. Box 997016
West Sacramento, CA 95799-7016

To report hiring an independent contractor, go to EDD’s Independent Contractor Reporting web page, download form DE 542 and fax it to: 916-319-4410.

New Independent Contractor Hire Reports can also be submitted by mail to:

Employment Development Department
Document Management Group, MIC 96
P.O. Box 997350
Sacramento, CA 95899-7350

Multi-State Employers – New Hires

Employers with employees in more than one state can register with the federal New Hire Program and report all new hires to a single state. For details, see the EDD New Hire page.
Processing Income Withholding Orders

When a party is receiving child support services offered through a local child support agency and an income withholding order (IWO) is in place, this is known as a IV-D case and is serviced through a local (county) child support agency. (Refers to Title IV-D of the Federal Social Security Act at Title 42, United States Code sections 651 and thereafter).

Note: Per 2007 revision, IWO replaced Order/Notice to Withhold Income for Child Support (Order/Notice).

Sometimes, the parties may have an IWO without seeking services from the IV-D child support program. This is known as a Non-IV-D or “private” IWO. After the court issues a Non-IV-D IWO, it is served on the obligor’s employer by the custodial party or by a representative acting on his or her behalf.

In either case, the employer’s responsibility is the same—to withhold the specified amount and remit it to the California State Disbursement Unit (SDU). However, since Non-IV-D orders do not originate within the child support system, the SDU needs additional information to assure the payment is processed accurately.

Processing a IV-D Income Withholding Order

Step 1. Within 10 days of receiving an IWO (form OMB 0970-0154 or form FL-195) the employer must notify the employee named and provide him/her with a copy of the Order/Notice, and a blank Request for Hearing Regarding Earnings Assignment with information and instruction sheet (form FL-450).

Step 2. The employer must begin withholding the amount specified in the order no later than the first pay period occurring 10 days after receipt of the IWO.

Step 3. The employer must remit the payment to the SDU within 7 working days of the pay date/date of withholding. The employer may charge the employee an administrative fee of up to $1.50 for each payment made per the employee’s IWO.

Notes: If the IWO is not directed to the California State Disbursement Unit (SDU) as required by federal law then the employer may reject the IWO and return it to the sender.
"All child support wage withholding payments must be sent to the California State Disbursement Unit"

2. Processing Income Withholding Orders

Effective 05/31/2012: If the employer receives a document to withhold income that is not issued on the OMB-approved IWO form as required by federal law - known in California as FL-195 - then the employer must reject the document and return it to the sender.

Processing a Non-IV-D Income Withholding Order

**Step 1.** When the employer receives an OMB 0970-0154 or FL-195 Income Withholding for Support order, the employer should keep the original form and send a copy to the California State Disbursement Unit. This can be done by mail, eFax or Fax:

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

Efax to: casdu-electronichelpdesk@dcss.ca.gov
OR Fax number: 888-587-5471

**Step 2.** The SDU will respond to the employer's submission by return mail indicating a case number that must be included on all payments for that case.

**Step 3.** The employer can then remit all current and future child support income withholding payments to the SDU. The case number should be included with each payment. Employers may charge the employee an administrative fee of up to $1.50 for each payment made per the employee's IWO.

**Notes:** Some employees have more than one child support obligation and it is possible for an employee to have both a IV-D and Non-IV-D obligation, as well as IWOs from other states. Employers whose employees have multiple IWOs are advised to call 1-866-901-3212 for assistance calculating the amount to withhold.

If the IWO is not directed to the California State Disbursement Unit (SDU) as required by federal law then the employer may reject the IWO and return it to the sender.

Effective 05/31/2012: If the employer receives a document to withhold income that is not issued on the OMB-approved IWO form as required by federal law - known in California as FL-195 - then the employer must reject the document and return it to the sender.
Calculating an Employee’s or Independent Contractor’s Net Disposable Income

Generally, the maximum amount that can be withheld to satisfy an IWO is 50% of an employee’s net disposable income. Net disposable income is the wages left after taxes and mandatory fees, includes but is not limited to: income taxes, Social Security/Medicare (FICA), unemployment insurance, union dues and mandatory retirement deductions.

Wages counted as part of an employee’s or independent contractor’s income include salary, tips, bonuses, commissions, gratuities, vacation pay, retirement pay, and regular overtime.

Other wage sources include:

• Payments due for services of independent contractors, interest, dividends, rents, royalties, residuals, patent rights, or mineral or other natural resource rights
• Payments or credits due or becoming due as a result of written or oral contracts for services or sales whether denominated as wages, salary, commission, bonus, or otherwise
• Payments due for workers’ compensation temporary disability benefits
• Any other payments or credits due or becoming due, regardless of source

The value of housing, rent or other benefits paid in lieu of additional wages should be converted to dollar amounts for the purpose of calculating income.

In California, when an employee’s or independent contractor’s net disposable income is inadequate to meet his/her child support obligation, child support takes precedence over medical coverage.

The example on the following page shows a sample calculation of California child support income withholding deductions. It is important to remember that other states may calculate child support differently.
General Guidelines for Calculating California Child Support Deductions

Priority of Deductions
1. Current child support, family support, and/or spousal support
2. Monthly health premiums and/or other current medical support
3. Payment of ordered support arrears
4. Any remaining ordered amounts

Calculating 50% of Net Disposable Income

Net disposable income is the net amount after making mandatory deductions such as state, federal, and Social Security taxes, Medicare taxes, state disability insurance, union dues and mandatory retirement. Although the Consumer Credit Protection Act allows withholding of greater than 50% of the net disposable income in certain circumstances, all California Department of Child Support Services wage assignments are limited to 50% maximum withholding.

Example:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Income</td>
<td>$4,882.00</td>
</tr>
<tr>
<td>Federal Income Tax</td>
<td>-496.00</td>
</tr>
<tr>
<td>State Income Tax</td>
<td>-109.00</td>
</tr>
<tr>
<td>FICA</td>
<td>-313.00</td>
</tr>
<tr>
<td>Medicare</td>
<td>-73.00</td>
</tr>
<tr>
<td>SDI</td>
<td>-50.00</td>
</tr>
<tr>
<td>Mandatory Retirement</td>
<td>-150.00</td>
</tr>
<tr>
<td>Net Disposable Income</td>
<td>$3,691.00</td>
</tr>
</tbody>
</table>

Multiply by 50% x 0.5

Available for Deduction $1,845.00

Multiple Orders without Medical Deductions

Example:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order A: Current Child Support</td>
<td>$150.00</td>
</tr>
<tr>
<td>Order A: Child Support Arrears</td>
<td>+ $50.00</td>
</tr>
<tr>
<td>Total for Order A</td>
<td>$200.00</td>
</tr>
<tr>
<td>Order B: Current Child Support</td>
<td>$100.00</td>
</tr>
<tr>
<td>Order B: Child Support Arrears</td>
<td>+ $25.00</td>
</tr>
<tr>
<td>Total for Order B</td>
<td>$125.00</td>
</tr>
<tr>
<td>Total for Both Orders</td>
<td>$325.00</td>
</tr>
</tbody>
</table>

REMIT THE FULL OBLIGATION FOR EACH ORDER TO THE CALIFORNIA STATE DISBURSEMENT UNIT
**Income Withholding Orders from Other States**

IWOs from other states must be honored and the payment sent to the address identified in the IWO. Follow the law of the *issuing state* regarding:

- Duration and amount of child support, current and arrears
- Medical support terms
- Where to remit payments, and
- Payment of fees and costs charged (if any) by the child support enforcement agency, issuing court, or custodial party’s attorney

Follow the law of the employee’s *principal place of employment* regarding:

- When to begin withholding
- When to remit payments (this can be from 1 to 7 days after payday)
- Mandatory deductions
- Maximum amount to be withheld (within Consumer Credit Protection Act limits)
- How to allocate withholding across multiple child support orders
- Administrative fee that employer is permitted to charge, and
- Other terms and conditions that may be set by state law

If an employee has multiple IWOs totaling more than 50% of his/her net disposable income, the employer should call the state that issued the IWO or call 1-866-901-3212 for assistance.

**Bonus Payments**

Report bonus or other lump sum payments prior to payout by contacting the Department of Child Support Services at lumpsumresponseteam@dcss.ca.gov or 916-464-6640.

**Employee Termination**

When an employee with a child support obligation through a local child support agency (LCSA) leaves your company, notify the LCSA as soon as possible. The IWO includes a Termination Notice that can be sent to the LCSA.

**Note:** Employers SHALL NOT use an Order/Notice as grounds for refusing to hire a person or for taking disciplinary action against an employee. Employers could face civil penalties if they do so.
3. Remitting Payments

Under state and federal law, employers are required to remit all California child support income withholding payments to the California State Disbursement Unit (SDU). This includes any child support payments the employer may be currently sending to individuals (see “Processing a Non-IV-D Income Withholding Order” page 7).

For assistance in redirecting payments from individuals to the SDU, employers are advised to call 1-866-901-3212 option 1 for assistance.

Electronic Payments
California businesses are required to submit payments electronically to the SDU per California Family Code section 17309.5.

An employer who is required to withhold and, by electronic fund transfer, pay tax pursuant to Section 19011 of the Revenue and Taxation Code or Section 13021 of the Unemployment Insurance Code, shall make child support payments to the State Disbursement Unit by electronic fund transfer.

The SDU offers two electronic payment options:

- **Electronic Funds Transfer (EFT) via Automated Clearing House (ACH)**
  - **Credit:** This service allows employers to instruct their financial institution to automatically transmit child support payments, along with child support income withholding data, using the ACH network.

  Detailed information on ACH credit electronic child support payments can be found in the California State Disbursement Unit EFT Employer Information Guide at: [www.childsupport.ca.gov](http://www.childsupport.ca.gov). To enroll in EFT or for assistance, call the SDU Electronic Help Desk at 1-866-901-3212 option 1.

- **EFT - ACH Debit or by Credit Card:** This service allows employers to make payments by electronic debit from a checking or savings account, or with a Visa or MasterCard credit card. To enroll in EFT go to [www.childsupport.ca.gov](http://www.childsupport.ca.gov) click on the Employer tab and select E-Pay. Once enrolled, employers can make payments using the E-Pay feature or by using the SDU's Integrated Voice Response (IVR) telephone system by calling 1-866-901-3212 option 1.

“Electronic payments are faster, more accurate and less expensive to process”
3. Remitting Payments

By using E-Pay or the IVR, the employer can inform the SDU of the amount of support that has been withheld for each employee. The employer then authorizes the SDU to either debit this amount from the designated checking or savings account, or to place the amount on a Visa or MasterCard credit card.

Bulk-File Upload

The SDU also offers Bulk-File Upload capabilities to remit payments for employers with multiple employees/independent contractors with income withholdings. The bulk upload option is free and no software application is needed.

To utilize this payment option, a user will create a text file with employee-related payment details such as employee’s name, Participant ID, payment amount and date. Save the text file to your desktop to use again updating only related information with each submission. For assistance, call 1-866-901-3212 option 1 or e-mail at casdu-electronichelpdesk@dcss.ca.gov.

Remitting by Check for Out of State Employers

Out of state employers can send checks to this address only:

California State Disbursement Unit
P.O. Box 989067
West Sacramento, CA 95798-9067

If an employer has more than one employee with a child support obligation, the payments may be combined into a single check. When paying by check, regardless of the number of employees, it is essential to include the following information for each employee:

- Employee name/Independent contractor name
- Child Support Enforcement (CSE) case number
- Employee’s Social Security Number
- Date money was withheld (pay date)
- The amount withheld for each employee
- Include a company contact name and phone number
Failure to Withhold

Employers who fail to withhold the amounts as specified on the IWO may be found liable for the full amount of the support owed, plus a fine. Under certain circumstances, a willful failure to withhold is punishable by contempt of court. In addition, the court may order payment by electronic funds transfer from the employer’s bank account if the employer has willfully failed to withhold the required support.

In addition, an employer who fires, disciplines, or refuses to hire an employee based upon an income withholding may be assessed additional civil penalties.

Non Payment-related Correspondence or Documents

Do not include correspondence or documents that are not related to an income withholding payment. This will delay the correspondence in getting to the correct place. Send non payment-related correspondence or documents to the requesting local child support agency (LCSA) at its specified address. If the address of the LCSA is unknown, go to www.childsupport.ca.gov and click on “Contact my Local Office” or call 1-866-901-3212 and say “employer” when prompted.
National Medical Support Notice (NMSN)

By law, every order for child support must include a health insurance provision. If an employee or independent contractor is a noncustodial parent and eligible for health insurance, his/her children must be enrolled in the employer's health insurance plan whenever the noncustodial parent is ordered to provide health insurance coverage. Health insurance must be provided to the employee's children even if the employee declines his/her own personal health coverage.

Medical support orders may be for a specific dollar amount included on the IWO or as an order to provide health insurance that employers are noticed via a document titled: The National Medical Support Notice (NMSN) (form OMB 0970-0222). The NMSN is a standardized federal form that all state IV-D child support programs must use. The NMSN may accompany an IWO or it may be sent separately.

National Medical Support Notice Procedures

Step 1. Within 10 business days of receiving an NMSN, the employer must notify the employee named and provide him/her with a blank Request and Notice of Hearing Regarding Health Insurance Assignment (form FL-478) with the instructions (form FL-478-INFO) which will be included in the NMSN packet.

Step 2. Within 20 business days of receiving an NMSN, the employer must forward instructions to enroll the employee's children to the health care plan administrator.

Step 3. Within 40 business days, the employer must furnish the Local Child Support Agency a description of the coverage available, along with any forms required to activate coverage or claim benefits. This information should be submitted on the Health Insurance Information (DCSS 0054) form which will be included in the NMSN packet.

Employers That Process Their Own Health Care Enrollments

Follow the Part A, "Instructions to Employer" and Part B, "Instructions to Plan Administrator" of the NMSN (form OMB 0970-0222). Enroll the children in the employee's health insurance plan or in an insurance plan that is available within the premium limit stated on the notice.
4. National Medical Support Notice (NMSN)

- Note that medical insurance enrollment has priority over dental insurance enrollment.
- If the insurer requires that the employee be enrolled in health insurance in order to provide insurance for the employee’s children, enroll both the employee and children.
- Withhold the insurance premium from the employee’s wages and forward the payment to the insurance company.
- Complete the Plan Administrator Response or Health Insurance Information (DCSS 0054) and return it to the local child support agency (LCSA) that sent the NMSN within 40 business days from the date of the notice.
- Forward health plan membership cards and literature to the LCSA. The LCSA will forward them to the child’s custodial party.

Employers That Use a Third Party to Process Health Insurance Enrollments

- Forward the entire Part B of the NMSN and the Health Insurance Information (DCSS 0054) to the health plan benefits administrator within 20 business days from the date of the notice.
- Do not return any health care forms to the LCSA.
- Advise the health insurance provider to forward health plan membership cards and literature to the LCSA listed on the NMSN. The LCSA will forward them to the child’s custodian.

Employers That Do Not Offer Health Care Insurance

- Mark box 1 or 2 on the Employer Response form and return to the LCSA within 20 business days from the date of the notice.
- If health care coverage is not available because the employee is no longer employed with your company, complete either the employer response with box 3 marked or the Termination of Benefits/Employment Notice (DCSS 0114, included in the NMSN packet) and return it to the LCSA within 20 business days.
“Notify the local child support agency within 10 business days of any lapse in health care coverage”

Termination or Cancellation of Health Care Coverage

Notify the local child support agency (LCSA) within 10 business days of any lapse of health care coverage, including:

- The reason for the lapse in coverage
- Whether the lapse is temporary
- If the lapse is temporary, the date coverage will resume
- The effective date of the lapse in coverage

This information should be submitted to the LCSA on the Termination of Benefits/Employment Notice (DCSS 0114) which is included in the NMSN packet.
California Child Support Terminology

**Arrears**: Support, including interest when applicable, that has not been paid by the due date.

**Child Support Guidelines**: A standard method for setting the child support obligation, based on the income of both parents and other factors as determined by state law (California Family Code sections 4050 and thereafter).

**CCPA - Consumer Credit Protection Act**: A Federal law that, among other protections, limits the amount that may be withheld from earnings.

**Child Support**: Amounts required to be paid under a judgment, decree, or order; whether temporary, final, or subject to modification, for the support and maintenance of a child or children, which provides for any or all of the following: monetary support, health insurance coverage, arrearages, and may include interest on delinquent child support obligations.

**Court Order**: A decision or ruling issued by a court of law. A court order related to child support may specify how much, how often, and how long an obligor must pay support, and whether an employer must withhold support from the obligor’s wages.

**CP - Custodial Party**: Person with primary custody of and responsibility for a dependent child.

**Customer Connect (1-866-901-3212)**: The California Department of Child Support Services’ automated phone line. Available 24 hours a day. Employers needing to reach an LCSA or to speak with a representative can reach one Monday though Friday during regular business hours.

**DCSS - Department of Child Support Services**: The State of California department responsible for oversight of the state IV-D Child Support Program. Child Support Program services are delivered through 52 county and regional child support agencies.

**Disposable Earnings/Disposable Income**: The portion of an employee's earnings that remain after deductions required by law (e.g., taxes, union dues, etc.) that is used to determine the amount of an employee's pay subject to a garnishment, attachment, or withholding order.
**5. California Child Support Terminology**

**EDD - California Employment Development Department:** The Employment Development Department (EDD) is the agency to which all new hires must be reported. EDD promotes California’s economic growth by providing services to keep employers, employees, and job seekers competitive. The EDD administers the Unemployment Insurance, Disability Insurance, and Paid Family Leave programs, and provides employment and training programs under the federal Workforce Investment Act of 1998. Additionally, the EDD collects various employment payroll taxes including the Personal Income Tax.

**FEIN - Federal Employer Identification Number:** Unique nine-digit number assigned to all employers by the Internal Revenue Service (IRS), which must be used in numerous transactions, including submitting data and responding to requests relevant to child support.

**FL-195 (OMB 0970-0154):** Income Withholding Order/Notice For Support is issued by the LCSA or a judicial officer to inform an employer of an employee’s child support obligation. Prior to October 26, 2007 it was called the “Order/Notice To Withhold Income For Child Support.”

**FTB - Franchise Tax Board:** The Franchise Tax Board is responsible for administering the Personal Tax and the Corporation Tax. Tax program activities include taxpayer assistance and tax return processing, filing enforcement, audit and tax collection functions. The program also includes the collection and distribution of voluntary contributions to, and on behalf of, certain non-profit charitable organizations.

**Income or Wage Withholding:** When an employer deducts a child support payment directly from an employee’s paycheck to satisfy the employee’s court-ordered support obligation.

**IWO - Income Withholding Order (OMB 0970-0154):** The federal form that replaces the Order/Notice to Withhold Income for Child Support. The order or notice issued by a court or administrative child support agency and served on an employer whose employee has a support obligation. The form specifies the amount to be deducted from an employee’s income based on the frequency in which an employee is paid.

**IV-D Services:** When a party is receiving child support services offered through a LCSA. Refers to Title IV-D of the Federal Social Security Act at Title 42, United States Code sections 651 and thereafter.

**IVR - Integrated Voice Response System:** A user-prompted, automated phone system, available 24 hours a day.
LCSA - Local Child Support Agency: The California county or regional entity responsible for providing IV-D services. California child support program services are delivered through a network of 52 county and regional child support agencies that offer direct services to the public, including providing assistance in locating a parent; establishing paternity; establishing, modifying and enforcing a court order for child support; and establishing, modifying and enforcing an order for health coverage.

Medical Support Order (also known as a Health Insurance Order): An order requiring the parent to provide health insurance coverage if it is available at a reasonable cost. Health insurance coverage is presumed to be available if an employer has a group health insurance plan. It often also includes an order for both parties to share the cost of uninsured medical expenses for the dependent children.

NCP - Noncustodial Parent: The parent who does not have primary custody of and responsibility for a dependent child.

NMSN - National Medical Support Notice: The form sent to employers by the LCSA ordering the employer and its health plan administrator to enroll a noncustodial parent’s dependent children in health insurance coverage when such coverage is available through the employer and is required as part of a child support order.

Non-IV-D: Individuals who are not receiving IV-D services from a LCSA but have served a private income withholding order on an employer. Non-IV-D payments are received and disbursed by the California State Disbursement Unit (SDU), as required by federal law.


Order/Notice to Withhold Child Support: This form was revised on October 26, 2007 and is now referred to as the Income Withholding Order/Notice For Support (IWO).

PRWORA - Personal Responsibility and Work Opportunity Reconciliation Act of 1996: Federal legislation that provides a number of requirements for employers, public licensing agencies, financial institutions, as well as state and federal child support enforcement agencies, to assist in the location of noncustodial parents and the establishment, enforcement, and collection of child support.

SDNH - State Directory of New Hires: A database maintained by each state, which contains information on newly hired employees. Employers are required
to submit new hire data to the SDNH within 20 calendar days of the hire date. In California, this is operated by EDD. Multi-state employers (those who do business and hire workers in more than one state) have additional options on where to report new hire information.

**SDU - State Disbursement Unit:** The single state entity responsible for collecting and processing all employer child support income withholding payments, including those from private support orders.

**UIFSA - Uniform Interstate Family Support Act:** Laws enacted in each state to establish and enforce child support obligations in interstate cases [when a noncustodial parent lives in a different state from his/her child(ren).]

**Wage Assignment:** See Income Withholding Order.

**Wage Withholding Order:** See Income Withholding Order.
General Child Support
Frequently Asked Questions

Q: Which child support income withholding payments do I send to the SDU?
Payments for all child support income withholding orders that originate in California must be remitted to the California SDU. Payments can be made electronically at www.childsupport.ca.gov by selecting E-Pay or by mailing check/money order payments to this address only:

California State Disbursement Unit
P.O. Box 989067
West Sacramento, CA 95798-9067

Q: How does remitting all income withholding payments to the SDU benefit my business?
There is no need to keep track of multiple addresses for child support agencies. The chance of lost payments is minimized and postage costs are reduced with electronic payments.

Multiple payments (payments for more than one employee) can be combined into a single transaction.

Q: What happens if I need to make programming or other changes to my company’s workflow in order to make electronic payments?
For assistance, contact the SDU Electronic Help Desk at 1-866-901-3212 option 1.

Q: How do I make payments using the website?
Visit the E-Pay section on the DCSS website www.childsupport.ca.gov and click on "E-Pay."

Q: How do I handle lump sum payments such as bonuses, commissions, benefits, and severance payments?
Employers are encouraged to call 1-866-901-3212 for guidance when they know that an employee will be receiving a lump sum payment. For employers with IV-D IWOs, the local child support agency (LCSA) will issue an Order/Notice to Withhold Income for the month in which the employee will receive the bonus, to withhold part of the lump sum.
Q: May the IWO’s lump sum box be used for recurring lump sums?
No. An employer may check the lump sum box in addition to either the “original” or “amended” IWO box, but the lump sum box may not be used for recurring lump sums.

Q: Am I required to send my income withholding payments electronically?
If you pay your tax or employment obligations to the California Franchise Tax Board or the Employment Development Department by Electronic Fund Transfer (EFT), then by law, you must also remit child support income withholding payments to the SDU by EFT.

Detailed information on ACH credit electronic child support payments can be found in the California State Disbursement Unit EFT Employer Information Guide.

Q: What do I do with payments I used to send directly to the custodial party? Do I need to notify the custodial party that future payments will come from the SDU?
A letter will be sent from DCSS to the custodial party, notifying them of the change and explaining that all child support income withholding payments must be sent to the SDU for disbursement.

Payments formerly sent directly to the custodial party will need a case number to ensure prompt and accurate processing. To obtain a case number, call the SDU at 1-866-901-3212. The case number must accompany all future payments.

Q: Should non payment-related correspondence or documents be included with an IWO payment mailed to the California State Disbursement Unit?
No. For IV-D cases, correspondence should be sent to the Local Child Support Agency (LCSA) case worker. For Non IV-D cases, correspondence should be sent to whoever is listed in the “Contact Information” section of the IWO you received.

Q: The Order/Notice doesn’t have a judge’s signature. Do I still have to comply with it? Is it based on a court order?
Yes. The Order/Notice has been a federally required form since January 1, 2000 and is used in all support cases in all states. The signature of a judicial officer is not required when the Order/Notice is sent by a LCSA. The ongoing child support order is taken from the most recent court order. An arrears payment on an Order/Notice may be based on a court order, but the LCSA also has the authority to administratively set an arrears payment.

Note: Employers SHALL NOT use an Order/Notice as grounds for refusing to hire a person or for taking disciplinary action against an employee. Employers could face civil penalties if they do so.
Q: **What if the name and/or Social Security number on the Order/Notice do not match my employee?**

Contact us at 1-866-901-3212 to check if there is an error in the number or name, or if this could be a case of mistaken identity.

Q: **May I allow an employee to pay child support directly to the SDU as long as I know the payments are being made?**

No. The employer must comply with the Order/Notice.

Q: **What do I do if the employee does not have sufficient earnings to satisfy the Order/Notice?**

Prioritize deductions in the following order:
- First, to current support, family support and/or spousal support.
- Second to current monthly health premiums and/or other current medical support.
- Third, to payment of ordered support arrears
- Fourth, to any remaining ordered amounts.

Q: **What do I do if the employee does not have sufficient earnings to satisfy multiple Orders/Notices?**

Prioritize deductions, prorated in proportion to each total amount owed, in the following order:
- First, to current support, family support and/or spousal support.
- Second to current monthly health premiums and/or other current medical support.
- Third, to payment of ordered support arrears
- Fourth, to any remaining ordered amounts.

Q: **Some of my employees only work part time. What do I do if 50% of their net disposable earnings is less than the withholding amount for the pay period?**

California law requires that you only withhold up to 50% of your employee’s net disposable earning each month (this withholding limit varies from state to state). If your employee voluntarily agrees to pay more, he or she should first contact the court or if they have an open case with a local child support agency (LCSA), that office will work with the employee to make arrangements to pay more.

Q: **An employee is an independent contractor. Can I garnish his/her wages?**

Yes. Independent contractor wages are subject to an Order/Notice to Withhold.
Q: **What do I do if an employee has other non-support income attachments?**

Except when an IRS tax lien was served prior to the date the child support order was entered, federal and state laws require child support withholding to take priority over all other income attachments. You must withhold the required amount as long as the amount does not exceed 50% of the employee's net disposable earnings. An Order/Notice for child support has priority against any attachment, execution or other assignment.

Q: **Can an Income Withholding Order (IWO) be terminated over the telephone?**

No, an IWO form must be used for IWO termination.

Q: **How does an employer update their employer company information?**

Maintaining accurate employer information with the California Department of Child Support Services benefits employers by ensuring notices are sent to the proper location and preventing issuance of duplicate notices. You can update your company information here: [https://childsupport.ca.gov/employer-resource-center/](https://childsupport.ca.gov/employer-resource-center/)
National Medical Support Notice
Frequently Asked Questions

Q: What if health insurance is available but the payroll deduction for the premiums, when combined with the employee’s child support obligation, exceeds 50% of the employee’s net disposable earnings?

Check box #5 on Part A of the National Medical Support Notice (NMSN) and return it to the issuing agency within 20 business days.

Unless you are notified otherwise, cash support always has priority over healthcare coverage premiums; however, the custodial party has the option of choosing to receive health coverage over child support.

Q: What if I offer medical insurance and receive the NMSN, but my employee, has declined the insurance?

Noncustodial parents may decline health insurance for themselves, but they must still provide it for their children. The employee does not have to be involved in the enrollment process. On the signature line of the enrollment forms, simply write “per court order — copy attached.”

The employee may need to enroll in health coverage or change plans in order to make the employee’s children eligible for health coverage.

Q: What will happen if the employer does not comply and enroll the children?

If medical coverage is available and your organization fails to enroll and send in coverage and materials, the court may find the employer in contempt. The resulting penalties can include a fine. In addition, any employer who willfully fails to comply with the NMSN is liable for the amount incurred in health care services that would otherwise have been covered.

Q: What if the employee’s dependent children live in another state?

Contact the LCSA and verify that the children live out-of-state. If so, check to see if your health insurance provider extends coverage to out-of-state residents. If so, the dependent children should be enrolled.

If health care coverage is not “accessible” to children living outside California, check item #2 of the NMSN Employer Response (Part A) and return it to the LCSA.
7. Medical Support—Frequently Asked Questions

Q: What if the employee’s dependent children are already covered by the non-custodial parent but under a private plan—or under a current spouse’s plan?

The employer must comply with the NMSN until receipt of a court order or a notice from the LCSA indicating coverage may be terminated.

Q: When should I terminate children’s health care coverage?

Continue health care coverage until you are notified by the LCSA, indicating coverage may be terminated or upon receipt of a newly filed court order.

Q: What if the children are covered under Medi-Cal?

Medi-Cal is not considered a substitute for private health care coverage. The employer must comply with the NMSN or other court order.

Q: What if the employee terminates employment?

When an employee with a child support or medical support obligation leaves your company or is terminated, notify the issuing LCSA within 10 business days of any lapse in health insurance coverage for the minor child(ren). Provide the termination date and employee’s last known address. If you know the name and/or address of the employee’s new employer, please provide this as well. This information should be submitted to the LCSA on the Termination of Benefits/Employment Notice (DCSS 0114) which will be included in the NMSN packet.

Child support/medical support income withholding orders remain in effect until further notice, so the employer should keep the income withholding order and the NMSN, in the event the employee returns to work. Also, if the employee returns to work, the employer must report the employee as a new hire, to the Employment Development Department.

Q: What if I need to send a COBRA letter or other notification to the custodial party, but do not have his/her address?

If you don’t have the custodial party’s address, send correspondence to the LCSA and the LCSA will forward it to the custodial party.

Q: I sometimes receive duplicate documents from the LCSA for the same employee’s child support case. How can I reduce these?

The LCSA and the California State Disbursement Unit (SDU) receive information on active child support cases from several databases. If you receive what appear to be duplicate documents, please contact the LCSA to have the duplicate files deleted.
APPENDIX / FORMS

Contact Information

DCSS home page
www.childsupport.ca.gov

Assistance with electronic payments
SDU Help Desk — 1-866-901-3212 option 1

DCSS Employer Resource Center
www.childsupport.ca.gov/employer-resource-center/

Employer child support FAQs
www.childsupport.ca.gov/employer-resource-center/employer-faqs/

General child support FAQs
https://childsupport.ca.gov/faq/

Employer medical support FAQs
https://childsupport.ca.gov/employer-resource-center/bonus-termination-reporting/#HealthCare

Update Employer Information
https://childsupport.ca.gov/employer-resource-center/

Subscribe to E-Update employer e-newsletter
https://childsupport.ca.gov/employer-resource-center/

General child support publications
https://childsupport.ca.gov/publications/

DCSS online feedback form
https://childsupport.ca.gov/customer-service/

E-Pay - make a payment — 1-866-901-3212
https://childsupport.ca.gov/employer-resource-center/employer-payment-information/

California State Disbursement Unit (SDU) — 1-866-901-3212 option 1
www.casdu.com/CAS_SDU/

Contact a Local Child Support Agency (LCSA) — 1-866-901-3212, Say “employer” when prompted or https://childsupport.ca.gov/find-my-local-agency/

Questions about processing Income Withholding Orders —
Customer Connect — 1-866-901-3212, Say “employer” when prompted or https://childsupport.ca.gov/customer-connect/
8. Appendix/Forms

California Employment Development Department (EDD), New Hire Reporting
http://www.edd.ca.gov/Payroll_Taxes/New_Hire_Reporting.htm

California Franchise Tax Board (FTB), business information
http://www.ftb.ca.gov/businesses/index.shtml

Federal Office of Child Support Enforcement
www.acf.hhs.gov/programs/cse/

Forms

FL-195 or OMB 0970-0154: Order/Notice to Withhold Income for Child Support

FL-196: How to complete the Order/Notice to Withhold Income for Child Support

OMB-0970-0222: National Medical Support Notice (NMSN)