

Income withholding continued

Current obligations, past-due support (arrearages), and annual receipt and disbursement (R&D) fees are subject to income withholding.

Income withholding for child support has priority over any other legal process (e.g., a garnishment) against the same income. However, federal tax levies in effect before receipt of an income withholding notice have priority unless the Internal Revenue Service agrees to an alternative priority.

Medical Support

Under current law, every new child support order must include a provision for medical support. Either parent or both parents may be ordered to provide medical support.

Order to Include Children in a Health Insurance Plan

The order could require your employee to include the children in the health insurance plan provided by your company.

In this case, you will be notified to enroll your employee in your company's family coverage plan and deduct the premium from the employee's income. If an application is needed, you must accept an application from either parent, the State of Wisconsin, or the child support agency. You are required to notify the child support agency when coverage of the children under the health plan is in effect, and upon request, provide copies of necessary program or policy identification to the other parent.

The *National Medical Support Notice* serves as notice that the identified employee is obligated by a court or administrative child support order to provide health care coverage for the children identified in the *Notice*. The *National Medical Support Notice* replaces any Medical Support Notice that the Issuing Agency has previously served on you with respect to the employee and the children listed in the *Notice*.

Order to Pay Additional Amount

The order could provide that your employee pay an additional amount for his or her share of the children's health care costs.

In this case, the support ordered to cover health care costs would be included in the employee's overall child support obligation to be withheld from his or her income.

Other Employer Responsibilities

Termination Notification

Employers must notify the agency designated to receive support payments within 10 days after an employee terminates employment. If known, the employer must provide the agency with the employee's last known home address and the name and address of the new employer.

Employer Liability

Employers are required to forward child support money withheld from income to the designated collection location or agency within five days of the withholding. The employers have one week from the receipt of the initial income withholding notice to begin the withholding.

Employers can be held liable if they do not comply with income withholding notices. An employer who fails to withhold income after receiving a withholding notice or who fails to forward the withheld money may be liable for contempt of court and a financial penalty of not less than \$50. Courts may also impose a civil forfeiture on an employer who does not withhold money or who does not send the money to the specified location within five days. Courts may hold an employer responsible for the amounts of support that they fail to withhold.

Employers can also be held liable for failing to report New Hire information. The law provides for a penalty of up to \$25 for each employee the employer fails to report. Furthermore, employers can be held liable for a fine of up to \$500 for failing to report or reporting false information because of a conspiracy with an employee. Employers will be notified of any potential penalties and will have an opportunity to contest the penalty.

Discrimination Prohibited

Employers may be subject to a fine of up to \$500 for discharging an employee from employment, refusing to employ, or taking disciplinary action against any employee because of income withholding for child support. Employers may also be required to make full restitution to the aggrieved person, including reinstatement and back pay.

Providing Employee Information

When trying to locate support payers, child support agencies may contact employers and request information about their employees. Information typically requested includes employment dates, wages, home and work addresses, and health insurance coverage. Employers are required to provide all information requested by child support staff from Wisconsin within seven days of the request. Employers may ask that the requests be made in writing. If employers have concerns about the information being requested, they should contact the child support agency or the Bureau of Child Support.

For more information about income withholding and medical support, as well as calculators to help determine the withholding amounts and priorities, go online to

dcf.wisconsin.gov

Fees for Withholding

You may deduct a fee from an employee's wages to offset withholding costs. You may deduct this fee from the employee's wages, commission check, or other sources of income, but not from the support payment. The fee does not affect the employee's gross income for calculating support amounts. By law, the fee must reflect the actual cost, but may not exceed \$3.00 per withholding.

In general, you may charge more than one fee from the same paycheck **if you** send in withholdings to separate addresses or with separate documentation, such as:

- withholding child support and withholding R&D fees from the same paycheck (requires separate documentation and mailing)
- withholding child support from the same paycheck for two child support orders if the orders are from two different states (remitted to two different locations)

You may not charge separate fees for two or more withholdings from one paycheck if the withholdings are all remitted to the Wisconsin Support Collections Trust Fund with the same documentation. For example:

- withholding for two Wisconsin child support orders
- withholding for current and past-due support

You may not charge a fee for sending withheld premiums to an insurance provider.

Statutes

- Combining payments – §767.75(7) Wis. Stats.
- Discrimination – §767.75(6)(c) Wis. Stats.
- Employers' costs and charges – §767.75(3h), Wis. Stats.
- Employer liability for income withholding – Chapters 767, 778, and 785, Wis. Stats.
- Faxing income withholding notices – §767.75(2r), Wis. Stats.
- Forwarding withholdings – §767.75(3h), Wis. Stats.
- Gross income reporting – §767.75(3h), Wis. Stats.
- Income definitions – Administrative Rule DCF 150.02(13)
- Interstate income withholding – §769.501, §769.504, §769.505, Wis. Stats.
- Medical insurance – §767.75(3h); §767.513, Wis. Stats.; federal Omnibus Budget Reconciliation Act of 1993; federal Employee Retirement Income Security Act.
- New Hire Reporting – §103.05, Wis. Stats.
- Priority (legal process against same income) – §767.75(4), Wis. Stats.
- Providing information – §49.22(2m), Wis. Stats.
- Termination notification – §767.75(6)(b), Wis. Stats.
- Withholding amounts – §767.75(1)(b); §767.75(1f), Wis. Stats.
- Withholding limits – 45 CFR 303.100(a)(3); 15 U.S.C.1673 (b); §767.75(1f), Wis. Stats.
- Withholding R&D – §767.75(2m), Wis. Stats.

Employer Resources

Contacts

- Withholding list/coupon, contact the Wisconsin Support Collections Trust Fund, weekdays 8:00 am to 5:00 pm (CST) at: 877-209-5211 (toll free).
- Electronic Funds Transfer, contact the Trust Fund, weekdays 8:00 am to 5:00 pm (CST) at 414-615-2422.
- Calculating the amount to withhold, contact the county/tribal child support agency listed on the income withholding notice. (Contact information for child support agencies is also online at dcf.wisconsin.gov).
- New Hire Reporting, contact New Hire weekdays, 8:00 am - 4:00 pm (CST), at: 888-300-4473.
- R&D fees, contact the R&D Line, weekdays 8:00 am to 5:00 pm (CST) at 414-615-2585.

Websites

- Child Support Information for Employers & Payroll Service Providers at dcf.wisconsin.gov
- New Hire Reporting for Wisconsin Employers at dwd.wisconsin.gov/uinh/

Brochures

The brochures below are available free from your child support agency and are online at dcf.wisconsin.gov. Child support agencies are listed in your phone book under "county government" or tribal name and online at dcf.wisconsin.gov.

- WI Employers' Guide to Income Withholding
- WI Employers' Guide to Submitting Withheld Support
- National Medical Support Notice Instructions for Employers

DCF is an equal opportunity employer and service provider. If you have a disability and need to access this information in an alternate format, or need it translated to another language, please call (608) 266-9909 or the Wisconsin Relay Service (WRS) 711 TTY (toll free). For civil rights questions, call (608) 422-6889 or Wisconsin Relay Service (WRS) 711 TTY (Toll Free).

Wisconsin Employers' Overview of the Child Support Program

Wisconsin's Child Support program helps children receive the financial support they need and deserve from both parents. The program succeeds because of cooperation between federal, state, and local public agencies working in partnership with the private sector. Wisconsin's employers play an essential role in our efforts to improve conditions for our children - collecting almost 70% of Wisconsin's child support.

Wisconsin county and tribal child support agencies and the Wisconsin Support Collections Trust Fund (WI SCTF) provide direct services to you and other Child Support program partners and customers.

Income Withholding

An important component of the Wisconsin Child Support program is the statutory requirement that all orders for child support, maintenance, and family support include a provision for immediate income withholding by the payer's employer. Income withholding is required whether or not the individual is delinquent in making payments. A court order for child support constitutes an assignment to the agency designated to receive payments of all income, including commissions, earnings, salaries, wages, pension benefits, and other money due or to be due in the future. Courts or their designated agents must notify employers of the amount of support to be withheld from income.

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