

# Employer's Guide To Child Support

Employers play an essential role in ensuring that children are financially supported by non-custodial parents. The Maine Division of Support Enforcement and Recovery has consistently relied on a partnership with the employer community in its efforts to provide assistance to families seeking the establishment of paternity, child and medical support orders, and the enforcement of court ordered child support obligations. The staff of DSER is dedicated to improving the quality of life for children. Our efforts, combined with yours, ensures that children receive the financial support of both parents.

DSER provides the following services:

- Locating noncustodial parents
- Establishing paternity for children
- Establishing orders for financial and medical support
- Collecting child support payments
- Enrolling children in the parent's health insurance policies
- Modifying present child support orders

Maine law requires you, the employer, to provide information about your employees who have child support cases to DSER upon request. Information that DSER may request includes Social Security numbers; last known addresses; verification of employment and salary; availability of fringe benefits, such as health insurance; and other information.

Under State law, employers have three primary responsibilities in collecting child support from their employees:

- Reporting all newly hired or re-hired employees
- Withholding specified amounts of child support from an employees' wages, as ordered by courts, and timely submitting the withheld amount to the Maine Division of support enforcement and recovery
- Enrolling an employee's children in the health insurance plan offered through your company or chosen by your employee, and withholding insurance premiums for coverage of the children, if appropriate

**If you have questions about payments processed through or disbursed by the Maine DSER contact the Employer Relations Department: (207)624-475.**

## How You Are Helping:

- **By promoting a stable, reliable workforce:** Your employees will face less stress and be better able to focus on their jobs because their children are provided consistent support.
- **By saving taxpayers' dollars:** Child support collections reimburse public assistance spending, and because fewer children remain in poverty, lower costs for social programs,

such as Medicaid and food stamps. Nearly 75% of all support collected on behalf of Maine children is collected directly by the employers of Maine!

By decreasing the likelihood of fraud: New Hire reporting helps state agencies detect unemployment insurance and worker's compensation fraud.

By promoting the health of children: Every health insurance premium collected makes possible medical care to our children.

By encouraging a future skilled workforce: Providing financial stability through child support collections contributes to the education and training of a new generation of workers.

## New Hire Reporting

Maine law established the Division of New Hire Registry within the Maine Department of Workforce Services (DWS). All employers, regardless of size, must report newly hired and returning employees. You may transmit the report by first class mail, magnetically or electronically, or in any manner authorized by DWS for inclusion in the State Registry. Each report must include the name, address, and Social Security number of the employee and the company name, address, and federal taxpayer identification number. You have the option of submitting a copy of the IRS Form-W4, or an equivalent form, for the employee. You may use the [New Hire Reporting Form](#) or contact the [Maine New Hire Reporting Center](#) listed below for other reporting options or if you have further questions.

The report must be received no later than 20 days after the date the employee is hired or, if you are transmitting reports magnetically or electronically by 2 monthly transmissions, not less than 12 days nor more than 16 days apart. If you make the report by mail, the reporting date will be that of the postmark.

If you have employees in two or more states and you choose to transmit reports magnetically or electronically, you may comply with the reporting requirements by designating one state in which to report your newly hired or returning employees. However, the U.S. Department of Health and Human Services (DHHS) must be notified of the state where you will send your reports. You may do this online by visiting the [U.S. DHHS, Federal Parent Locator Service](#) website, or you may mail in the Multistate Employer Notification form for New Hire Reporting:

Maine New Hire Reporting Center  
State House, Station 11  
Augusta ME 04332-1098  
(207)624-475  
Fax Line: (207)624-5483

## Income Withholding

Unless the court approves an alternative arrangement, State law requires that child support must be paid by income withholding if the noncustodial parent is employed. An order/notice of income withholding for child support takes priority over all other legal processes under State law against the periodic earnings of the noncustodial parent.

When a court order/notice is received to withhold part of an employee's income to satisfy a child support obligation, Ark. Code Ann. § 9-14-222 mandates that the employer is bound by that order/notice until further notice. In addition to the court ordered amount, you may deduct and retain an additional administrative fee from the employee's salary not to exceed \$2.50 for each withholding.

The same law requires you, the employer, to notify the court if the employee terminates employment for any reason. Additionally, you are required to provide the last known address of the employee. **Termination notices for Maine cases can be faxed to the Maine Division of Support Enforcement and Recovery at (207)624-475.**

You are also required to withhold 50% of any net lump-sum payment up to the amount of any unpaid child support. DSER will assist you to determine the correct amount of unpaid child support.

Once you receive an order/notice to withhold income for the payment of child support, you must begin withholding no later than the first pay period that occurs after 14 days following the date the notice was mailed. You, as an employer may be held liable for any amount up to the amount that should have been withheld if you fail to honor the order. Employees cannot be disciplined or discharged, and you may not refuse to employ a parent, because of income withholding for child support payments or medical insurance premiums. Violations of this provision may subject you to the contempt powers of the court and result in a fine of up to \$50 a day.

The amount of disposable income from which child support can be withheld is subject to Consumer Credit Protection Act (CCPA) limits. Payments must be forwarded as instructed in the order/notice to the payee at the address designated in the order/notice.

**Child support payments, withheld in accordance with an Maine order, should be made at the same time the employee is paid. Payments should be forwarded to the following address:**

**Maine Division of Support Enforcement and Recovery  
State House, Station 11  
Augusta ME 04332-1098**

The DSER will also accept funds via Electronic Funds Transfer (EFT) from your bank. If you are interested in sending your payments electronically please contact the Employer Relations Department EFT Specialist at (207)624-475 for complete format information and

If you receive a request for withholding issued in this state but from a person or agency other than DSER, please complete and send the Employer's Information Sheet For Setting Up A New Child Support Case along with your first payment. After the case is set up by the DSER, payment coupons or an employer billing list will be mailed to you for your use in making future payments.

## **Interstate Income Withholding**

An income withholding order/notice issued in another state shall be treated the same as an income withholding order/notice issued in Maine. When you receive an income withholding order/notice, take the following steps:

- Immediately provide a copy of the order/notice to the affected employee.
- Withhold and distribute the funds as directed in the withholding order/notice, which will specify the duration and amount of periodic current child support payments and the person or agency designated to receive payments.
- The order/notice may also provide for cash medical support stated as a sum certain.
- The order/notice may also specify periodic payments of fees and costs for a support enforcement agency, the issuing court, the custodian's attorney, and the amount of periodic payments of arrearages and interest on arrearages, stated as sums certain.

### **If the employee contests the withholding order/notice . . .**

If the employee believes that the income withholding order/notice was issued in error or that the child support is not owed, the employee should contact the court, state agency, or attorney that sent the order to you. However, you must begin withholding within the time frames required by law and continue until the person or entity that sent the withholding notice informs you, in writing, to stop or withhold a different amount.

### **Whose law applies?**

The state law of the employee's principal place of employment will apply for the following issues:

- The employer's fee for processing an income withholding order/notice
- The maximum amount permitted to be withheld from the employee's income
- The times within which the withholding order must be implemented
- The priorities for withholding and allocating income withheld for multiple custodians

The law of the issuing state governs the nature, extent, amount, and duration of current payments and other obligations of support and the payment of arrearages under the order.

An Maine employer who willfully fails to comply with an income withholding order issued by another state and received for enforcement is subject to the same penalties that may be imposed for noncompliance with an order issued in Maine.

## **Amount Of Wages Subject To Wage Withholding**

Federal and State laws limit the amount of income that is subject to withholding for child support. The maximum amounts are expressed in percentages and depend upon whether the obligated parent has remarried and is supporting a new family and if arrearages are owed that equal or exceed 12 weeks of support. The following are CCPA limits:

- 50% of the disposable earnings (that portion of a person’s income that he or she is free to spend or invest as he/she sees fit after payment of taxes and other obligations) may be withheld if the employee is supporting a spouse or dependant child other than the spouse or child named in the court order for support.
- 55% of the disposable earnings may be withheld if conditions stated in “A” above apply and there are arrearages equal to 12 weeks or more.
- 60% of the disposable earnings may be withheld if the employee is not supporting a spouse or dependent child other than the spouse or child named in the court order for support.
- 65% of the disposable earnings may be withheld if the conditions stated in “C” above apply and there are arrearages equal to 12 weeks or more.

A [Wage Withholding Worksheet](#) is available for your convenience in computing the amount to be withheld.

## **Multiple Child Support Withholding Requests For One Employee**

If an employee has more than one child support obligation and the employee’s disposable income is not sufficient under CCPA limits to cover the total amount due for **ALL** withholding orders/notices, the amount withheld must be prorated according to the following criteria:

1. If the total to be withheld for current support alone exceeds the limits, you must prorate the withholding based on the amounts due under the order. For example, if Family A has \$150 due in current support and Family B has \$200 due in current support, the total current support due for both is \$350. If the employee has only \$300 available for withholding, you must compute the percentage due to each family.

$$\$150 \div \$350 = 43\% \text{ to Family A or } \$129 \text{ of the } \$300 \text{ available}$$

$\$200 \div \$350 = 57\%$  to Family B or \$171 of the \$300 available

2. If the total support to be withheld for current and past due support exceeds the CCPA limits, withholding for all current support must be satisfied first. The remainder must be prorated based on the amounts due for past child support under each order.
3. A wage withholding order/notice for costs must be honored to the fullest extent only if the full amount of child support, medical support, and arrearage payments for all families have been satisfied. Apply the same formula for pro-rating if more than one order/notice to withhold for costs is received.

**You may use the [Amount Due to Each Family Worksheet](#) to calculate current support or payments on arrearages due to each family, or use it when the total income available is not enough to cover the total amount to be withheld.**

## **Termination Of Income Withholding For Child Support**

Income withholding can be terminated when there is no current or past due support owed. Maine law describes two methods for terminating the income withholding: the Notice method and the Affidavit method.

### **The Notice Method:**

The notice should be delivered in person or by certified mail to the employer, the custodial parent or physical custodian, DSER, the Maine Division of Support Enforcement and Recovery, and the Clerk of the Court 30 days prior to the date of termination. The notice shall contain the following:

- The name and address of the employee
- The employer's name and address
- That income withholding for child support will be terminated
- The date and basis of the intended termination
- That the custodial parent or physical custodian, DSER, and the Clerk of Court have the right to file a written objection by certified mail to the employee and the employer within 10 days

The written objection shall state that the employee's duty is not fulfilled and the reasons for the nonfulfillment. If a written objection is filed, income withholding shall continue until an order of the court terminates the withholding. If no objection is filed, the employer may terminate the withholding on the date specified in the notice.

### **The Affidavit Method:**

The affidavit method is used when all parties are in agreement that income withholding should be terminated and one of the conditions set out in Maine law has been met.

The employee, the custodial parent or physical custodian, and DSER shall attest to the affidavit. The affidavit shall state the following:

- The name and address of the custodial parent or physical custodian
- The name and address of the employee
- The style of the court case and the number
- The condition of Ark. Code Ann. § 9-14-237 that has been met
- The date of the termination
- That there are no arrears owed
- That DSER has determined that there is no debt owed to the state

Withholding may be terminated upon receipt of the affidavit. However, if the case is enforced by DSER, the employer will receive notification from the DSER office to which the case is assigned directing the employer to terminate the withholding order.

## **Withholding For Medical Insurance Premiums**

If your company offers health insurance to your employees, you may receive the National Medical Support Notice directing you to withhold an amount of money sufficient to cover the premiums of the health plan you have in effect and to forward the notice to the Health Plan Administrator within 20 business days so that the employee's children may be enrolled. The children must be enrolled upon receipt of the notice without regard to any seasonal enrollment restrictions. The notice will contain the information necessary to complete enrollment.

Income withholding for health coverage applies to current and subsequent periods of employment once activated. Once enrolled, the child may not be removed from enrollment while the employee is eligible for coverage unless a court orders disenrollment or the child is enrolled with a comparable health care coverage with an effective date that is not later than the effective date of disenrollment in the other plan. If the employee terminates employment and premium payments are discontinued, please notify DSER immediately. DSER must inform the employer when there is no longer a current order for medical support in effect.

A National Medical Support Notice takes priority over all other legal processes under State law against the periodic earnings of the noncustodial parent **EXCEPT** an order of income withholding for current child support. The Consumer Credit Protection Act limits shall apply to the combined total withheld for both child support and medical coverage. Income withholding for child support shall take priority over the deduction for health care premiums.

The employee may contest income withholding for health care premiums based on a mistake of fact by objecting within 20 days after the receipt of the notice to the court or its representative. Notice of the objection should be provided to the agency that sent the notice. However, the employer must immediately initiate withholding for insurance premiums and forward the notice to the Health Plan Administrator in accordance with the instructions included with the notice while the employee's objection is being reviewed. DSER, or the other state child support agency that issued the order, will notify the employer when the matter is resolved.

## Worker's Compensation Reporting

When an employee files a worker's compensation claim, you are required to ask the employee if he or she has a child support obligation, if the obligation is current or past due, and to whom the obligation is payable. Request that the employee fill out the [Worker's Compensation Reporting Form](#). You are then required to forward the information to DSER State House, Station 11, Augusta ME 04332-1098.

## The Maine Child Support Clearinghouse

State and federal law requires that DSER operate a centralized collection and disbursement unit, the Maine Child Support Clearinghouse (Clearinghouse), for all child support payments. The Clearinghouse will provide one location for employers to submit one check for all Maine child support orders. Spousal support payments (alimony) are to be sent to the Clearinghouse **ONLY** if the order directing the payment of alimony also contains a provision for child support. All child support or spousal support payments should be properly identified with the following information:

- DSER case identification number (9 digit number, no alpha characters)
- Federal Employer Identification Number (FEIN)
- Employee name
- Amount withheld
- Social Security number of employee/obligor
- When appropriate, notice of employee termination
- Name of custodial parent

Payments made by check or Money Order should be mailed to

Maine Division of Support Enforcement and Recovery  
State House, Station 11  
Augusta ME 04332-1098

Employers will receive an Employer Billing Notice and Employer Billing List listing all of their employees known to have an income withholding order for child support. The number of transmittals you receive each month depends on the frequency of your pay periods. You may send one check for all withholdings. Complete the Employer Billing List by providing the following:

- The amount sent per case
- Add any employees not already listed; be sure to complete all information for each person added at the end of the list
- Complete the Employer's Information Sheet For Setting Up a New Child Support Case **ONLY** if the request to withhold came from a person or agency other than a state child support agency

If you have questions or need assistance with changes to the Employer Billing List, contact the Employer Relations Department at (207)624-475.

Child support payments can be sent to the Clearinghouse by Electronic Funds Transfer from your bank. The Clearinghouse accepts funds transferred in the CCD+ and CTX formats. If you are interested in sending your payments electronically please contact the Employer Relations Department EFT Specialist at (207)624-475 for complete format information and case reconciliation.

## **Questions & Answers**

### **How will I receive notice, and when do I begin to withhold from income?**

The Maine Division of Support Enforcement and Recovery (DSER) will send the notice by regular mail to your company, or you may choose to receive notices electronically through the Employer Portal. Notice may also be sent by a party to the legal action, a private attorney, or a child support enforcement agency in another state. By law you must begin the withholding no later than the first pay period that occurs after 14 days following the date the notice was mailed.

### **What if the employee tells me the amount claimed is wrong and that I do not need to withhold?**

The law requires you to withhold until notified to stop or modify the withholding by the court or its representative. If you do not withhold as instructed in the order/notice, you may be liable for the full amount that should have been withheld. Ark. Code Ann. § 9-14-240 allows for termination of income withholding upon proper notice. If the employee disputes the withholding, refer the employee to his or her attorney, Maine DSER, or the agency named in the notice.

### **In addition to regular wages, we periodically pay our employees a sales commission or bonus. Do I have to withhold child support from this commission?**

Yes. You are required to withhold from any lump sum that you pay to the employee if you have received an income withholding notice that directs you to withhold from lump sums. The amount to be withheld is 50% of the net lump sum up to the amount of the unpaid child support owed. Contact DSER to verify the amount of unpaid support.

### **Sometimes an employee already has a wage attachment against his/her paycheck. How do I handle this situation?**

State law requires that child support withholding take priority over all other claims against the same income.

### **What happens if the employee files bankruptcy?**

If income withholding is in place when an employee files bankruptcy, the wage withholding continues. However, if you receive a wage withholding notice for an employee who has already filed bankruptcy, you must notify DSER that the employee has filed bankruptcy and wait for further instructions before withholding child support or medical payments.

**I feel sorry for my employee and want to intercede with DSER. Can I do this?**

DSER is governed by strict confidentiality rules. We have disclosed to you that your employee owes child support for the sole purpose of implementing wage withholding for child support. We can't discuss any other details of the employee's case with you without the employee's written authorization.

**What if my employee is called up for Active Duty?**

You may have an employee who is called to active military duty. For those reservists who owe child support, it would be helpful if you would:

- Contact the child support agency that issued the income withholding order,
- Tell them that your employee/reservist has been called up to military duty,
- Provide the date of activation.

The child support agency can then issue a new income withholding order to the military service branch. By providing this information, you are helping your employee avoid lapses in payment to his or her children while serving our country.

**What if the employee quits the job?**

Continue to withhold through the final paycheck and notify the agency named in the notice. If you know the employee's new address or employer, please provide this information.

**What happens if I get a withholding notice for someone who doesn't work here?**

Return the notice, along with a letter, to the agency that sent it to you. If you received the notice electronically through the Employer Portal, please print a copy of the notice to include with your letter. If the noncustodial parent was previously an employee and is now not working for you, please indicate that in the letter and inform us of the termination date, forwarding address in your file, or any other information you may have that would help DSER locate the former employee. If the noncustodial parent has never worked for your company, please state that in your letter.

**How often do I forward the money? May I send a check for more than one employee?**

You must forward the money each payday. You may combine payments from more than one employee as long as each payment is properly identified.

**May I withhold a fee for processing and withholding the money?**

Yes, you may charge a fee for the administrative processing of the withholding of no more than \$2.50 per withholding, if available, from the employee's salary dependent upon CCPA limits. Child support takes priority over all other deductions against the same money.

**Can I dismiss or refuse to hire someone with a payroll deduction or other withholding for child support or medical support?**

No. State law prohibits you from refusing to hire, dismissing, or otherwise disciplining an employee because of a wage withholding for child support. Immediate wage withholding was initiated on October 1, 1989, to ensure payment on a regular basis. There is no stigma attached to it. You may receive a fine or other penalty for refusing to hire or for dismissing an individual because of wage withholding for child support or medical insurance premiums.

**I have received an order to enroll an employee's dependents in our medical insurance plan. What do I do if our insurance company will not enroll the child in the plan?**

Maine law prohibits an insurance company from refusing to enroll children upon request in the health plan of a noncustodial parent. If this occurs, you should contact DSER.

**What if the insurance company requires the permission of the employee before they will add any dependents to the policy?**

Maine law allows insurance companies to add dependents upon receipt of notice from the Division of Support Enforcement and Recovery. If your insurance company has questions, refer them to OCSE.

**What if our insurance plan requires the employee to pay a premium for dependents?**

Withhold the premium from the employee's income and forward the National Medical Support Notice to the health plan administrator within 20 business days so that the employee's children can be enrolled. Forward the premium to the insurance company. Do not take the premium from the funds withheld for child support.

**If the court orders an employee to pay an amount of child support monthly and our company pays each week or every two weeks, how do we convert the amount to match our pay periods?**

The easiest way to calculate how much should be withheld is to convert the support amount to an annual amount, then divide by the number of pay periods in a year.

**What if the amount billed for income withholding does not match the court order?**

Many court orders contain a provision requiring the employer to withhold an additional amount to be applied toward child support arrears. In these cases, you may be directed to withhold an additional amount to pay past due support owed by the noncustodial parent. If you believe the amount to be withheld in a case enforced by DSER is incorrect, you or your employee may contact the office referenced on the notice of income withholding for more information.