



**Employers' Roles in Child Support
Fall Into Five Main Areas:**

1. Report newly hired employees.
2. Withhold a portion of the employees wage.
3. Remit all wage withholding to the California State Disbursement Unit .
4. Provide medical support to dependent children.
5. Report terminated employees.

Employers' Quick Reference Guide

Employers' Responsibilities



EMPLOYERS' RESPONSIBILITIES

Employers play a vital role in helping to ensure the financial security for millions of children through income withholding. By working cooperatively with California's Child Support Program, employers collect approximately 70 percent of all support disbursed. Cooperation between employers and child support agencies encourages parental responsibility, reduces taxpayer costs for public assistance, and helps families provide for their children.

Employer responsibilities with regard to child support fall into five areas:

1. Report newly hired employees to the Employment Development Department.

All new hires must be reported within 20 days of their start of work date to the Employment Development Department. All new hire reports are matched against child support records at the state and national levels to help locate parents who are not paying child support.

Report new hires electronically by visiting: <https://eddservices.edd.ca.gov/>

2. Pursuant to an order, withhold a portion of an employee's or independent contractor's wages to satisfy a child support obligation.

An Income Withholding Order (IWO) is the court ordered deduction of child and medical support obligations from a parent's income. The employer deducts the specified amount each pay period and sends it to the agency responsible for receiving and accounting for child support.

3. Remit all wage withholding payments to the California State Disbursement Unit (SDU).

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

Processing an Income Withholding Order on a County Managed (IV-D) Case

When a parent is receiving child support services from a local child support agency and an Income Withholding Order (IWO) is in place, the employer's responsibility is to withhold the specified amount and send it to the California State Disbursement Unit (SDU).

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 the information sheet and instructions ([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.

Processing a County Managed Case (IV-D) Income Withholding Order (continued)

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. If the IWO is not directed to the California State Disbursement Unit as required by Federal Law, then the employer may reject the IWO and return it to the sender. Effective May 31 2012: If the employer receives a document to withhold income that is not issued on form FL-195 - then the employer must reject the document and return it to the sender.

Processing an Income Withholding Order on a Privately Managed (Non-IV-D) Case

When a parent is receiving child support services privately, such as through an attorney, the court issues a Non-IV-D IWO. After the court issues a Non-IV-D IWO, it is served on the employer by the custodial party or by a representative acting on their behalf. The employer's responsibility is to withhold the specified amount and send it to the California State Disbursement Unit (SDU). When a private party issues an IWO, the SDU does not have access to that information and the employer is responsible for providing it to ensure accurate processing of private Non-IV-D payments.

Step 1. When the employer receives an IWO form OMB 0970-0154 or FL-195, the employer should keep the original form and send a copy to the California State Disbursement Unit. This can be done by:

Mail:

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

E-Mail: casdu-electronichelpdesk@dcss.ca.gov

Fax: 888-587-5471

Step 2. Each child support case is assigned a unique identifier, the Child Support Enforcement (CSE) case number. Once the SDU receives the completed IWO form from the employer, it will send the employer a CSE case number for the employee. It is important for the employer to include a CSE number on every IWO payment. Some employers have both county (IV-D) and private (Non-IV-D) obligations. If the employer neglects to include a CSE case number on each IWO payment, a payment could be held up or credited to the wrong case. Employers with employees that have multiple IWOs are advised to call 1-866-901-3212 for assistance calculating the amount to withhold.

Step 3. The employer sends all current and future child support income withholding payments to the SDU. The case number must 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. 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 May 31st 2012: If the employer receives an Income Withholding Order that is not issued on the official IWO form, then the employer must reject the document and return it to the sender. The official form has two names. FL-195 and OMB 0970-0154.

4. Pursuant to an order, provide an employee's dependent children with medical support if available.

Medical support is a form of child support often provided as health insurance under a parent's policy. Along with the income withholding or through a separate mailing, you may receive a [National Medical Support Notice](#) (NMSN) for an employee. The NMSN contains two parts:

- Part A - Notice to Withhold for Health Care Coverage
- Part B - Medical Support Notice to Plan Administrator

If you provide health insurance to your employees, you must forward Part B to your plan administrator. If your company does not provide health insurance please refer to the [National Medical Support Notice](#) for further instructions.

For more information, visit the [Employers Checklist for Child Support Health Insurance](#).

5. Report terminated employees.

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 Income Withholding Order includes a Termination Notice that can be sent to the LCSA. Employers' shall not use an IWO 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.

FEATURES TO HELP EMPLOYERS

Electronic Income Withholding Orders (e-IWO)

The Federal Office of Child Support Enforcement (OCSE), in partnership with state child support agencies, public and private-sector employers and payroll processors, has developed this free and efficient method for employers to:

- Acknowledge, accept or reject an IWO.
- Notify the child support agencies of employee terminations.
- Inform child support agencies of lump sum and bonus payments.

For more information visit:

<http://www.acf.hhs.gov/programs/cse/newhire/employer/eiwo/eiwo.htm>

Electronic Payments Through California State Disbursement Unit (CASDU)

Employers are encouraged to make payments electronically. These transactions are faster, more accurate and less expensive to process than paper checks. The [SDU](#) offers two electronic payment options:

1. ACH Debits- Employers may use our website to submit EFT payment request. This service is free to all employers and will allow you to input employee data once, and from that point forward, only make the necessary changes, deletions and additional. Employers can go directly to the site and enroll for this service. Using the ACH debit service, the employer will designate the date that the CASDU will debit the employer's bank account for the wage withholding amounts.
2. ACH Credits- Employers work with their banks to determine the method of creating and submitting ACH credit transactions to the CASDU bank account. Your bank may charge for this service. If the employer chooses this method, the employers must follow certain steps.

For additional questions or information on these services, please contact the electronic help desk phone at (866)901-3212 or visit our website at www.casdu.com

HOW EMPLOYERS HELP

At DCSS we acknowledge and appreciate the role employers play in the lives of children who receive child support. Employers who comply with child support laws help their communities:

- By deducting for child and medical support obligations – approximately 70 percent of child support collections come from income withholding.
- By saving taxpayers' dollars - Child support collections reimburse public assistance spending and reduce government spending by increasing child support collections for families who would otherwise be forced to seek public assistance.
- By preventing and reducing fraud - State agencies use new hire employment information to reduce overpayments in areas of public assistance, unemployment insurance, disability insurance, and workers' compensation benefits.
- By promoting a stable and reliable workforce - Employees whose children are provided consistent support will face less stress and be better able to focus on their jobs.
- By encouraging a future skilled workforce - Providing financial stability through child support contributes to the education and training of a new generation of workers.

This quick reference guide provides a general overview. For details in each of these areas, please consult the Employer Handbook: [California Child Support: A Guide for Business](#) and other materials available online at the DCSS [Employer Resource Center](#). If you are reading a hard copy, you can find the Employer Resource Center online at <http://www.childsup.ca.gov/Employer.aspx>.