

# Employer Conference Q&A

## 1099 Questions

**1. How are CCPA withholding limitations applied to independent contractors?**

CCPA limitations apply to payments made to independent contractors where the income is compensation paid for personal services. Further instructions for calculating the withholding amount are included on the IWO form, as well as on [childsupport.ny.gov](http://childsupport.ny.gov).

**2. We use Quickbooks, do we also have to report manually at [nynewhire.com](http://nynewhire.com)?**

Yes.

**3. What if I did not receive an initial IWO Notice but then receive a compliance notice? What is the best way to get the document?**

Contact the Child Support Helpline (888-208-4485) to request that another IWO be sent.

**4. For the new law for contractors, do I need to supply a list of current contractors and then only remit payments according to the law from 2022 onward?**

Yes. As of January 1, 2022, independent contractors with contracts in excess of \$2,500 are now included within the definition of an employee for purposes of new hire reporting, and employers are required to report the name, address, and Social Security number of each newly hired or re-hired employee who works in the state within 20 calendar days of the employer's hiring or re-hiring. After the independent contractors are reported to the State Directory of New Hires, you will receive an income withholding order for each individual. Further information and instructions regarding new hire reporting is available at <https://www.tax.ny.gov/bus/wt/newhire.htm>.

## IWO

**1. Is disposable income withholding before or after taxes?**

Disposable income is the gross income minus the NYS required deductions: Federal tax, Social Security tax, Medicare tax, State tax, City/Local income tax and involuntary retirement or pension plan payments.

**2. Is an NCP obligated to pay child support if they are not working?**

Yes, a child support order is a court order just like any other order. If the NCP does not pay, they will accrue debt each month. There may be an employment services unit within the social services district so the employer can recommend the NCP contact their local child support program to determine if they are eligible for an employment program. The NCP can also petition the court for a downward modification of the obligation amount.

**3. How do I treat the IWO for an employee that was furloughed during Covid?**

Only remit payments when the NCP is receiving a paycheck.

**4. Do multi-state employers reporting to another state also have to report new hires to NYS?**

No.

**5. Do we have to report independent contractors as new hires?**

If the individual has one or more contracts in excess of \$2,500, they must be reported to the State Directory of New Hires. However, for administrative ease, employers may choose to report all individuals with whom they contract regardless of amount paid.

**6. Are cash tips included as income?**

Tips in New York State are considered income.

**7. Does a child support deduction need to be made on vacation buyback checks?**

Yes, as this would be considered income.

**8. Can an employer forward checks directly to the family?**

No. The employer must never pay the family directly; always follow the language and direction in the IWO Notice to pay directly to the State Disbursement Unit (SDU). Not doing so will hurt the employee because they will not be credited for money paid directly to the custodial parent.

**9. If the employer mistakenly pays after termination notice received, how can the employer request reimbursement?**

Once the employer notices the error, they should contact the Child Support Helpline at 888-208-4485. Nothing else needs to be done by the employer other than terminating future payments. If an NCP is entitled to a refund, the local child support office will handle it.

**10. Does the NCP get a reimbursement if an IWO is adjusted?**

There is no reimbursement unless the account is overpaid. In that scenario, the NCP will receive a refund of the amount their account is overpaid. Employers should remit the amount indicated on the adjusted IWO as soon as possible. If there is an overpayment, it will be handled by the local child support office.

**11. How are overpayments handled?**

If the employer realizes an error has been made, they should contact the Child Support Helpline (888-208-4485) as soon as they become aware. In certain circumstances the agency may be able to rectify the overpayment made by the employer. A refund will only be made to an NCP if the account is overpaid, not if a single payment is made in an amount greater than the amount to be remitted under an IWO.

**12. Are there any new laws for child support with the new EITC monthly payment?**

No. The change in law that employers should be aware of right now is the independent contractor law (requiring that employers report certain independent contractors to the State Directory of New Hires).

**13. Is there a portal to input employee information in order to activate any outstanding child support orders for new employees or do we have to wait for orders to be sent to the company?**

There is no portal through which an employer may activate outstanding child support orders, however employers do have an obligation to report employees and certain independent contractors to the State Directory of New Hires. An IWO will be sent to the employer when the child support office receives notification of new employment. The employer can register through the federal employer portal to receive electronic IWOs and to electronically report terminations or lump sum payments.

**14. Is there a grace period allowed for employer to acknowledge income withholding, thereby giving employee the opportunity to resolve the dispute?**

The employer must begin withholding no later than the first pay period that occurs 14 days after the date of service of the order/notice.

**15. How many employers participate in E-IWO?**

Currently there are 28,871 employers participating in e-IWO nationwide. Approximately 10% of our IWOs are sent via e-IWO

**16. How can we register for electronic/ ach transfers for prompt payment?**

Income payors can either contact the Child Support Helpline at 888-208-4485 (TTY 866-875-9975) or they can email the NYSCSPC at [NYSCSPCEFT@Conduent.com](mailto:NYSCSPCEFT@Conduent.com). For online payment services, payments can also be sent through ExpertPay.

### **IWO Calculator**

**1. How is back support calculated?**

Retroactive support (“back support”) is determined by the court. It is usually the amount of the child support obligation that accrued between the date of the petition filing and the court hearing date. For example, if the petition was filed on January 1<sup>st</sup> and the hearing took place on March 1<sup>st</sup>, the retroactive support would be the obligation amount, as set by the court, that accrued in those two months.

**2. How many IWOs can be entered into the calculator?**

The calculator will accommodate up to 5 IWOs.

**3. Do lump sum payments include leave payments and vacation payments?**

Yes.

**4. If the NCP receives a secondary check (bonus/lump sum payment), do I also need to send it?**

As long as the NCP has a child support order or child support arrears, deductions should be made. You can contact the Child Support Helpline at 888-208-4485 to determine if the NCP owes past-due support/support arrears. If the bonus/lump sum payment is for personal services, you can use the lump sum calculator to determine the amount to garnish for child support. The calculator is located on the child support website, [childsupport.ny.gov](http://childsupport.ny.gov).

**5. My employee has 2 child support orders and I have received a marshal’s execution order; do I still use the CCPA?**

Yes. Note that the child support obligation will take precedence over the execution order issued by the marshal.

**6. My employee has a levy on file and now a child support withholding order. What do I do?**

The child support order takes precedence over any other levies unless it is a tax levy.

**7. How do we know we’re sending the right amount if we use the calculator?**

Make sure you have the correct accounts if you are sending for multiple accounts. The calculator will determine the amount to send for each account.

### **Medical Support Notice**

**1. How are medical support notices handled? What is the priority?**

The priority for child support is current support, medical coverage, and then anything towards arrears. If the current support plus the cost for medical premiums exceeds CCPA limitations, then the employer should check box 5 and send back. The child will not have to be enrolled at that time.

**2. How should a medical order be processed if the child is already covered under the health plan?**

Process it under choice 2 of the Employer Response, indicating that the child is already enrolled, and return it to the address on the form.

**3. When a medical support order is received by the organization is the employee required to enroll the child in benefits?**

Yes, if it's ordered and does not exceed the withholding limitations.

**4. Is there a way to report terminated employees in regards to medical support orders?**

Return the Employer Response, checking box #4. If you no longer have a copy of the Employer Response, call the Child Support Helpline at 888-208-4485. If the employer has enrolled in the federal employer portal, they can report a terminated employee. Once an employee is terminated, that includes medical support.

**Other**

**1. Do child support arrears ever expire?**

No, we continue to collect towards arrears until they are paid in full.

**2. What child support services are available?**

Child support services include establishing parentage, locating NCPs, and establishing, modifying, and enforcing child support orders. NYC has an employment program and debt reduction initiatives.

**3. What happens if an employee has two orders for the same child from two different states? Who should we notify?**

The employee should contact the local child support office. There should not be two different active orders, but it can happen that the employer is receiving two IWO notices from different states – one for current support and one for arrears.

**4. How can an employee modify their child support order?**

They need to petition the court for a modification of the obligation.