



Employers' Guide

Arkansas Office of Child Support Enforcement

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Arkansas Office of Child Support Enforcement

The Arkansas Office of Child Support Enforcement (OCSE) is responsible for establishing, collecting, enforcing, and modifying child support and medical support orders for children who do not live with both parents. OCSE represents the State of Arkansas – not either parent – in making sure the children receive the financial and medical support they deserve.

By working cooperatively to withhold and remit child support payments and enroll children in health plans, Arkansas employers are an invaluable resource in our efforts to secure financial and medical resources for children.

Whether you own a small business or serve as the payroll manager for a large firm, you matter in the lives of children. Thank you for the part you play in this important work.

About This Handbook

The information in this handbook is intended to give employers a general overview of working with the Office of Child Support Enforcement (OCSE) in Arkansas.

How to Contact Us

The child support program is committed to providing excellent customer service. You may reach the Employer Relations Staff of the Arkansas Child Support Clearinghouse during business hours, Monday through Friday, 8:00-4:30.

Employer Relations

Phone: 1-800-216-0224

Email: Employer.Relations@ocse.arkansas.gov

Employer Portal: www.ark.org/MyWorkers

Introduction

The child support program was established by Congress in 1975 under Title IV-D of the Social Security Act to promote the collection of child support. Because of that, child support programs are referred to as IV-D programs.

In Arkansas, court orders for child support and/or medical support are not automatically forwarded to OCSE for enforcement. OCSE becomes involved when a customer applies for full enforcement services or is referred by another state agency or limited payment processing services are provided.

OCSE serves two categories of cases:

- Open enforcement cases, sometimes referred to as IV-D cases – These are cases in which full child support services are being provided based on the request of a party or referral from another state agency. There are 26 offices throughout the state providing direct support services to customers. Services include establishing paternity, obtaining orders for child and medical support, and enforcing and modifying child and medical support. In order to provide these services, OCSE may send employers requests for information regarding either parent's work history, income, and benefits such as health care coverage. For cases with an order for support, employers may receive a Notice of Income Withholding Order (IWO) to withhold funds from compensation paid to an individual, including bonuses or similar payments, and remit payments to OCSE for forwarding to the parent with custody of the children.
- Payment processing cases, sometimes referred to as Non-IV-D cases – These are cases that are not being enforced by OCSE. Services provided on these cases, are limited to receiving, recording, and disbursing payments to the recipient. OCSE will not provide income withholding orders, provide information on lump sum, or send withholding termination orders on Non-IVD cases.
- Please note that due to a variety of reasons, cases can change from IVD (enforced) to Non-IVD (non-enforced) and vice versa. To verify the status of a case, please contact 1-800-216-0224 or Employer.Relations@ocse.arkansas.gov.

Employers may also receive correspondence from other state's child support agencies. In general, employers must respond to out-of-state orders for child support and correspondence from other child support agencies in the same way as in-state orders and correspondence.

How to Get Help and Information When You Need It

- If you have received a letter or notice from OCSE and have questions, the phone number and email address to contact will be in the letterhead. Contact information for all OCSE offices is also available at www.childsupport.arkansas.gov, click Contact Child Support, and then choose Child Support Offices.
- For questions about payments, contact the Arkansas Child Support Clearinghouse, sometimes referred to as the State Disbursement Unit (SDU), at 1-800-216-0224 or Employer.Relations@ocse.arkansas.gov. The Employer Relations Department provides direct customer service to employers and can help with billing, adding and terminating employers.
- Online services are available through OCSE MyWorkers allowing you to manage all responsibilities related to your employees and their child support obligations. For help with MyWorkers, contact the Employer Relations Department at 1-800-216-0224 during regular business hours.

New Hire Reporting

Federal and state law requires employers to report all newly hired or rehired employees to the New Hire Reporting Center. New hire reporting not only helps locate parents to establish and enforce child support orders but also can be used by other agencies to verify eligibility for benefits such as unemployment compensation, workers' compensation, and public assistance benefits.

For more information, including what to do if you have employees in more than one state, go to www.AR-newhire.com. Information can also be found on the federal Office of Child Support Enforcement website at www.acf.hhs.gov/css/employers.

Employment and Income Verification

Upon request, employers must provide information to state child support agencies about employees and other payees such as independent contractors. Most requests are for the last known address, current and recent earnings information, and the availability of employment-related health insurance. Information may be requested for either or both parents of a child and is used to establish and enforce child support orders.

Employers can respond to these requests by using the form received from the state child support office, including electronically through OCSE MyWorkers. Employers who have chosen to receive forms electronically are also able to respond electronically. Arkansas also accepts responses to these requests on a Standard Response to Verification of Employment. For more information about the Standard Response to Verification of Employment, go to the federal

Office of Child Support Enforcement site at www.acf.hhs.gov/css/employers and go to Verification of Employment.

Income Withholding

Arkansas law requires that in most cases child support be paid by income withholding if the party who is ordered to pay support is employed. Income withholding is the deduction of a child support payment from a parent's income. Generally, an income withholding order (IWO) for child support will have priority over other garnishments, except an IRS tax levy entered prior to child support order.

Employers must honor an IWO for child support if the sender uses the Office of Management and Budget (OMB) Income Withholding for Support form, and the form directs the employer remit payments to a State Disbursement Unit.

An IWO may be issued by a state, tribal, or territorial child support agency, a court or county clerk's office, attorneys, or an individual. Upon receipt of an IWO, employers are required to withhold the specified amount until further notice.

NOTE: If the child support IWO is not directed to a child support State Disbursement Unit, as required by federal law, the employer may reject the IWO and return it to the sender.

IWOs will be sent to employers by mail unless they choose to receive IWOs electronically in one of two different ways:

- Employers can receive IWOs and other communications electronically through MyWorkers.
- The Electronic Income Withholding Order (e-IWO) is a cost-effective and efficient way for employers who do business in multiple states. For more information from the Federal Office of Child Support, go to www.acf.hhs.gov/css/employers.

Independent Contractors

Income paid to individuals working as independent contractors is subject to withholding for child support. Generally, payments made to an independent contractor are not subject to withholding limits under the Federal Consumer Credit Protection Act. If payments are periodic, such as weekly or monthly, an amount sufficient to meet the amount of child support ordered and stated in the notice of income withholding should be deducted along with any amount to be applied to arrearages or past due support. If the payments made to the individual are not at regular or periodic intervals, such as a single payment for services or a bonus, the income is subject to withholding as a lump sum payment. If a lump sum payment is made, the entire amount of past due support owed by the non-custodial parent up to 50% of the net lump sum must be withheld and paid as child support. To determine the amount of past due support owed at the time the lump sum payment is to be made, please contact 1-800-216-0224 for cases in Arkansas.

When Must Employers Begin to Withhold

Employers must begin withholding the amount specified in the IWO no later than the first pay period occurring 14 days after the IWO was mailed.

NOTE: Employees are prohibited by state law from disciplining, or terminating, or refusing to employ someone because of income withholding for child support payments or medical insurance premiums. Violations of this provision may subject employers to the contempt powers of the court and result in a fine of up to \$50 a day.

Income Subject to an Income Withholding Order

Income includes recurring payments such as salary and commissions, and also includes irregular payments such as for severance pay, vacation pay, bonuses, and other lump sum payments.

Amount to Withhold

When an employer receives an IWO directing payment of child support, the specified amount must be withheld until further notice. In addition to the court-ordered amount, the employer may charge the employee an administrative fee of up to \$2.50 for each payment made.

General Guidelines for Calculation Child Support Deductions

Maximum to withhold from an employee pay

The federal Consumer Credit Protection Act (CCPA) protects a portion of the employee's earnings for living expenses. Depending on the payor's circumstance, the amount that each employee can keep will vary. For general information, visit the federal Office of Child Support Enforcement site at www.acf.hhs.gov/css/employers and go to Income Withholding. CCPA withholding limits do not apply to independent contractors.

Each IWO will include instructions for the maximum amount allowed to be withheld on the second page of the document in the section titled Remittance Information. Remember that the withholding limits vary per person and case. If the employee has more than one income withholding, with varying percentage allowed, use the lowest amount.

For your convenience in calculating the amount to be withheld, click [here](#) for a Wage Withholding Worksheet.

Multiple Income Withholding Orders – Same Employee and Same Child

There ordinarily should only be one withholding order for current support for a child. If an employer receives a duplicate withholding order for the same child:

- Continue to honor the first order received.
- Give a copy of the second order to the employee.

- Inform the agency, court, or party that sent the second withholding order that you are already sending current support payments for the same child to another jurisdiction.
- Inform the agency, court, or party that sent the first withholding order of the second order.

Multiple Income Withholding Orders – Same Employee and Different Children

Employers must withhold payments on each order for withholding even if there are multiple orders for the same employee. Do not pay IWOs on a “first come, first served” basis.

If the payor has more than one child support obligation, and the employee's disposable income is not sufficient to cover all orders and pay the employee, determine how much to withhold for the employee and how much is due for all support orders by completing the Wage Withholding Worksheet.

Once the total amount withheld for support has been determined, prorate how much should be paid to each case. Do NOT split the money equally between cases. The [Prorate Worksheet](#) will assist in determining the amounts to pay each case.

Using current support first, prorate the amount due each family. 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. $\$150 \div \$350 = 43\%$ to Family A or \$129 of the \$300 available $\$200 \div \$350 = 57\%$ to Family B or \$171 of the \$300 available

If there amount withheld is enough to cover all current support but not enough to cover the past due support, pay the current to each case first then prorate the remaining amount for arrears due.

Income Withholding Orders from Other States

IWOs from other states must be honored and the payment sent to the address identified on 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

Follow the law of the employee's principle place of employment for the following issues:

- The employer's fee for processing an income withholding order
- The maximum amount permitted to be withheld
- When to begin withholding
- The priorities for withholding and allocating income withheld for multiple custodial parties

Lump Sum Payments

Income in the form of lump sums is subject to withholding whether or not the employer is withholding current support for the employee. Examples of lump sums subject to withholding for past due child support include severance pay, sick pay, vacation pay, commissions, and bonuses. The amount of a lump sum payment to be withheld is the lesser of the past due support owed by the employee or 50% of the lump sum payment. To determine the amount of past due support owed at the time a lump sum payment is to be made, please call 1-800-216-0224.

Billing Notices

Billing notices are mailed to employers monthly. However, employers can choose to receive notices electronically or can also request to not receive billing notices. Contact the OCSE Employer Section at 1-800-216-0224 for more information.

Ways to Make Payments

There are several ways an employer can submit child support payments.

- Traditional Electronic Funds Transfer (EFT) methods - contact your bank for more information.
- Credit card or free eCheck payments through MyWorkers, the OCSE employer portal – go to <http://www.ark.org/MyWorkers> to create an account.
- Checks or money orders
 - Send checks or money orders to the Arkansas Child Support Clearinghouse, PO Box 8125, Little Rock, AR 72203. To ensure your employee receives credit for the payment, be sure to return the coupon section of the Employer Billing Notice.

For more information on making payments, contact OCSE Employer Customer Service at 1-800-216-0224.

Failure to Withhold

Arkansas law provides that employers who fail to withhold the amounts as specified on the IWO are liable for the full amount of the support owed. Under certain circumstances, a willful failure to withhold may be punishable by contempt of court.

Health Insurance

The medical support, such as health insurance for the children or an extra payment to be withheld, is generally included in all child support orders. Either parent may be responsible for the medical coverage needs of their children.

National Medical Support Notice

The National Medical Support Notice (NMSN) is a standardized form developed by the federal government so that all states, employers, and plan administrators have one easily recognizable form that provides all information needed for the employer to enroll children in employer-sponsored health insurance coverage. It is designed to simplify the work required of employers and health plan administrators by providing uniform documents requesting health care coverage.

Arkansas law requires insurance companies to add dependents upon receipt of notice from the Office of Child Support Enforcement. If an individual is eligible for health insurance and is ordered to provide coverage, his or her children must be enrolled in the employer's health insurance plan. Health care coverage for the children may be required even if the employee declines health coverage.

Termination of Income Withholding

Certain life events such as emancipation of the child, marriage of the parties, change of custody, death of the child or one of the parties will affect the withholding. However, once a life event occurs, there may still be arrears and the withholding can continue until the arrears are paid.

In cases in which OCSE is providing enforcement services, the office responsible for the case will review the case and if appropriate send a notice to terminate income withholding.

In payment processing only cases, OCSE does not have authority to terminate income withholding. Arkansas law found at Ark. Code Ann. § 9-14-237 and § 9-14-240 provides information and instruction about how a payor may terminate withholding of support without the necessity of a court order. Your employee may wish to consult with their attorney for guidance.

To verify the status of a case, please contact Employer Relations at 1-800-216-0224
Employer.Relations@ocse.arkansas.gov.

Resource for Employers

Federal OCSE - www.acf.hhs.gov/css/employers

Arkansas OCSE, information for employers – www.ark.org/MyWorkers

Arkansas OCSE, general child support information – www.childsupport.arkansas.gov

Prorate Worksheet

Amount Due to Each Family

If you receive more than one withholding order for the same employee and there are not enough wages to cover the total of all withholding orders, State law requires that each family receive a pro-rata share of the amount of wages available for withholding.

NCP Name _____

1. Enter the amount available for withholding 1. _____
** The limit on how much can be withheld is listed at the bottom of page one of the wage withholding. This amount varies from person to person. **

2. Calculate the total amount to be withheld from all orders

2a. Family A	Case ID _____	Amount _____
2b. Family B	Case ID _____	Amount _____
2c. Family C	Case ID _____	Amount _____
2d. Family D	Case ID _____	Amount _____

Total lines 2a through 2d 2. _____

3. Calculate the pro-rata share (percentage) of each order

3a. Line 2a ÷ Line 2 = _____
3b. Line 2b ÷ Line 2 = _____
3c. Line 2c ÷ Line 2 = _____
3d. Line 2d ÷ Line 2 = _____

4. Calculate the amount due to each family

Line 1 X Line 3a = _____ due to Family A
Line 1 X Line 3b = _____ due to Family B
Line 1 X Line 3c = _____ due to Family C
Line 1 X Line 3d = _____ due to Family D

This form may be used to calculate current support, payments on arrears due to each family or payments for costs due to the State when the total wages available are not enough to cover the total amount to be withheld.

Wage Withholding Worksheet

Employee's Name: _____

Date: _____

1. Enter employee's gross earnings for this pay period. 1. _____
2. Calculate excluded amounts:
 - a. _____ Federal Income Tax
 - b. _____ FICA
 - c. _____ State Income Tax
 - d. _____ Medicare Tax
- ADD lines 1a through 2d and enter total excluded amounts 2. _____
3. Figure disposable earnings (subtract Line 2 from Line 1) 3. _____
4. Enter amount of support for this pay period (see Order) 4. _____
5. Compute maximum withholding
 - a. _____ Disposable earnings from Line 3
 - b. _____ Maximum Percentage that can be withheld as shown on the order
- MULTIPLY Lines 5a and 5b and enter maximum withholding 5. _____
6. If Line 4 is less than Line 5 (child support less than maximum)
enter amount from Line 4 and **WITHHOLD THIS AMOUNT** *6. _____
7. If Line 4 is more than Line 5 (child support more than maximum)
enter amount from Line 5 and **WITHHOLD THIS AMOUNT** *7. _____

Special instructions apply when an employer has more than one court order for an employee. Use the "Prorate Worksheet Amount Due to Each Family" included in this document to calculate current support, payments on arrearages due to each family, or costs due to the State.