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DIRECTIVE : UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 27-00

TO : ALL STATE EMPLOYMENT SECURITY AGENCIES

FROM : GRACE A. KILBANE
Administrator
Office of Workforce Security

SUBJECT : Employer Addresses on Quarterly Wage Reports and on New Hire Reports Provided to the State and National Directories of New Hires (Directories)

1.Purpose. To advise State unemployment compensation (UC) agencies of problems with some employer addresses provided to State and National directories and to encourage the UC agencies to work with State and Federal child support enforcement (CSE) agencies to resolve the problems.

2.References. The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 ([P.L. 104-193](#)), Section 3304(a)(16), of the Federal Unemployment Tax Act (FUTA); Sections 303(h) and 453 of the Social Security Act (SSA); and [UIPL 37-96](#) dated September 25, 1996.

3.Background. The PRWORA, popularly known as the "Welfare Reform" legislation, established new hire directories at both the State and National levels for use in operating child support enforcement programs and requires States to collect and maintain certain information for the administration of both directories.

The PRWORA requires State UC agencies to provide the State directory with quarterly wage and UC information contained in its records, including among other things employer name, address, State and the Federal employer identification number of an employer paying wages to an individual.

The PRWORA also requires employers to furnish new hire information on each newly hired individual to the appropriate State directory. New hire information includes the name, address, and Federal employer identification number of the hiring employer. In many States, the UC agency collects this information for the State directory.

In addition, PRWORA requires the State directory to supply the new hire information and the quarterly wage and UC information to the National directory. [UIPL 37-96](#) contains a more complete discussion of these requirements. Federal, State, and local child support enforcement agencies use this information to locate non-custodial parents for purposes of employment verification and income withholding.

4.Problems. The Department of Health and Human Services, Office of Child Support Enforcement (DHHS/OCSE), has contacted the Department of Labor concerning a problem with the employer addresses included in the quarterly wage reports supplied to the State and National directories. In some cases, the address is that of a UC claims

administrator or agent, rather than the business address of the employer. If the agent receives an employment verification or income withholding request from a CSE agency and forwards it to the employer, then efforts to locate the non-custodial parent for child support purposes are delayed. If the agent simply returns the request to the CSE agency, efforts are thwarted. Although the agent's address on the quarterly wage report causes a problem with the CSE agency, it does not raise an issue with the requirements of PRWORA since the UC agency is required to supply only information which is already contained in its records, and is not required to obtain additional information (e.g., employer's business address) for these purposes.

In keeping within the intent of the PRWORA to access information to enforce child support activities, we encourage States to voluntarily work with CSE agencies to find a solution to this address problem. The effort incurred in solving this address problem will vary from State to State depending on whether the solution is reprogramming to provide the business address of the employer if such address is already in the UC agency's database or collecting the appropriate address from the employer.

A similar problem may occur with the employer addresses included in new hire reports when the State UC agency collects the information on behalf of the State directory. Although a hiring employer may provide its business address on the new hire report, the State UC agency may match the employer's name or identification number with an existing database that carries an agent's address. The agent's address is then supplied to the State and National directories. As indicated above, efforts to locate the parent for child support purposes will be either delayed or thwarted. As explained in the attached memo from the Commissioner of OCSE, Federal law requires the State directory to use and transmit "the information submitted by the employer." Accordingly, the problem created when the address provided by the hiring employer is not reported to the State and National directories must be resolved.

As noted in UIPL 37-96, Federal funds provided for the administration of the State's UC program may not be used to pay any costs incurred in supplying information to the directories. Therefore, all costs connected with supplying an employer's business address, rather than an agent's, must be borne by the CSE agencies. These agencies have expressed a willingness to work with the UC agencies to resolve these problems and pay the expenditures associated with any necessary changes.

5. Action Required. If the quarterly wage and new hire information provided by your UC agency to the State and National directories contains agents' addresses for employers, we encourage you to explore what would be required to correct these problems, including the effort and costs. (New hire information must contain the address provided by the hiring employer.) Please consult with your State CSE or contact Nancy Benner of the DHHS/OCSE for assistance. Ms. Benner can be reached by telephone on 202-401-5528 or by email at nbenner@acf.dhhs.gov.

6. Inquiries. Inquiries should be directed to the appropriate Regional Office.

[Attachment](#)



DEPARTMENT OF HEALTH & HUMAN SERVICES

ADMINISTRATION FOR CHILDREN AND FAMILIE
370 L'Enfant Promenade, S.W.
Washington, D.C. 20447

PIQ-99-07

DATE: DEC 2 1999

TO: State IV-D Directors
Regional Program Managers

FROM: David Gray Ross
Commissioner
Office of Child Support Enforcement

SUBJECT: SDNH Reporting of Employer Addresses

In consultation with States over the last couple of months we have identified a problem with the source of employer addresses on W-4 reports transmitted from the State Directories of New Hire (SDNH) to the National Directory of New Hires (NDNH). Specifically, what seems to be occurring in some States is that while an employer reports an address on his new hire report to the SDNH, the SDNH is not submitting that address to the NDNH. Instead, the SDNH is using the Federal Employer Identification Number (FEIN) to pull the address from another employer database housed at the State. The address pulled in this manner may not be the appropriate address for child support activities, such as employment verification or income withholding.

SDNH reporting of employer information is required by the Social Security Act as follows:

Social Security Act, section 453A

(b) EMPLOYER INFORMATION.-

(1) REPORTING REQUIREMENT.-

(A) IN GENERAL.-Except as provided in subparagraphs (B) and (C), each employer shall furnish to the Directory of New Hires of the State in which a newly hired employee works, a report that contains the name, address, and social security number of the employee, and the name and address of, and identifying number assigned under section 6109 of the Internal Revenue Code of 1986 to, the employer.

(e) ENTRY OF EMPLOYER INFORMATION.-Information shall be entered into the data base maintained by the State Directory of New Hires within 5 business days of receipt from an employer pursuant to subsection (b).

(g) TRANSMISSION OF INFORMATION.-

(2) TRANSMISSIONS TO THE NATIONAL DIRECTORY OF NEW HIRES.-

(A) NEW HIRE INFORMATION.-Within 3 business days after the date information regarding a newly hired employee is entered into the State Directory of New Hires, the State Directory of New Hires shall furnish the information to the National Directory of New Hires.

To summarize the statute: the employer reports six pieces of information to the SDNH, the SDNH enters that data on to the database at the State, the SDNH transmits that data to the NDNH. The clear language of the statute requires that the SDNH use and transmit the information submitted by the employer. This should be the most accurate, up-to-date information, and it is the specific information needed for the purpose for which it is submitted. Any other approach to submission undermines the NDNH, as it diminishes the accuracy of the information, and is contrary to the law.

Technical assistance is available to States that need help in identifying or correcting problems such as this. Please contact Angela Kasey at 202-205-3423, email akasey@acf.dhhs.gov, with any questions you may have.