



Office of Temporary  
and Disability Assistance

# Child Support: Lump Sum and National Medical Support Notice

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October 18, 2017

- The Federal Office of Child Support Enforcement proposes and implements national policy for the child support program. They provide guidance and training to help states and tribes develop and operate their individual programs according to federal laws and regulations.
- In New York State, Child Support Services (CSS) is the single State agency designated to supervise the administration of the State's child support program.
- Local program activities are carried out by the fifty-eight (58) local social services districts (which consist of New York City and the remaining fifty-seven (57) counties) through their child support enforcement units and support collection units.
- CSS ensures all federal and State requirements are being carried out.

# Child Support Overview

- An application or referral is received
- Location
- Establishment of paternity and/or support through the courts
- Income withholding order and/or National Medical Support Notice issued
- Enforcement Actions: Administrative and Judicial
- Over 800,000 cases with support orders



# Critical Contribution Employers make to New York Families

In 2016

- Over \$1.8 billion in child support was collected
- 73% of all child support collected, \$1.3 billion, was received from employers
- Employers helped provide health insurance coverage for more than 173,000 children

# Today's Topics

- Lump Sum
- National Medical Support Notice (NMSN)
- Questions

# Consumer Credit Protection Act (CCPA)

The CCPA limits withholding for child support. The maximum that can be withheld for support may range from 50-65% of an employee's disposable income. The CCPA limitation percentage depends on the answers to two (2) questions:

Does the employee support another spouse or child besides those listed on the IWO?

Does the employee owe arrears greater than 12 weeks on any IWO?

# Lump Sum Reporting

- When the employee is eligible for a lump sum payment, the employer must contact the SDU for an arrears/past due support balance.
- When there are no arrears/past due support, the employee retains 100% of lump sum payment.
- When there are arrears/past due support owed, then the employer determines if the payment is for personal service or not.

# Lump Sum Payments

Lump Sum payments include, but are not limited to:

- 1099 Income
  - Commissions
  - Workers' Comp
  - Leave payouts
  - Severance payments
  - Retirement incentives
  - Bonuses
  - Social Security
  - Stock Options
- If the income is compensation for personal services (such as commissions, leave payouts, or severance payments) CCPA limitations apply.
  - If the income is not for personal services (such as benefits, dividend or interest payments) withhold the full amount of support arrears/past due support.



**Please carefully read all documents**

This package contains an **Original** Income Withholding Order/Notice for Support (IWO).

As the Original IWO directs, you must take immediate action to withhold support from the income of the employee/obligor named in the Original IWO. "Income" includes any earned or unearned income including wages, salaries, and commissions and also includes benefits such as disability, workers' compensation, and unemployment insurance benefits. See Civil Practice Law and Rules (CPLR) §5241 for a complete definition.

**You must include the Remittance Identifier (New York Case Identifier listed above), pay date, and county name (listed above) with your payment.** For your convenience, please go to the child support website at **childsupport.ny.gov** to:

- Obtain a payment coupon or payment listing form for use when mailing in payments to ensure that the required information is provided; or
- Use the on-line income withholding calculator to determine the maximum amount of income you can withhold for child support.

The total arrears owed as of \_\_\_\_\_ is \$\_\_\_\_\_. For the current total arrears due, e-mail: **nysdulumpsum@otda.ny.gov**

Your failure to withhold or remit the support as directed in the Original IWO may, upon a finding by the family court, result in the payment of a **civil penalty** to the creditor. If the employee/obligor never worked for you, is no longer working for you, or is not receiving benefits, you must notify the NYS Child Support Processing Center (SDU) by completing and returning the form as directed on page 4 of the Original IWO in the "**Notification of Employment Termination or Income Status**" section.

## Child Support

- Custodial Parents
- Noncustodial Parents
- Employers
- Providers
- Local Office

# New York Child Support

### To EPPICard™ holders:

[View notice](#)

The child support program provides custodial parents with financial support and medical insurance coverage for their children, establishes paternity, establishes support obligations for noncustodial parents, establishing support obligations for noncustodial parents, and distributing child support payments.

## Access your account through

- Employers
- Report New Hires
- Provide Information (WHBR)
- Calculator
- Income Withholding for Support
- Withholding Limitations
- Cases with Prorated Amounts
- Dependent Health Insurance
- Remit Payments

[https://www.childsupport.ny.gov/dcse/iwo\\_calc.html](https://www.childsupport.ny.gov/dcse/iwo_calc.html)



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## Employer Information



Not your employee?

[Report a termination](#)



[Withholding calculator](#)



Call or [email for lump sum payments](#)



[Employer publications](#)



Question? [Write to us](#)

## Report New Hires

Employers must [report new hires or rehires within 20 days](#) of the date of hire or rehire. For more information, visit the [NYS Department of Taxation and Finance New Hire Reporting page](#).



Employee Name

John Smith

**Calculate Aggregate Disposable Income ?**

Gross earnings per pay cycle

1500.00

Pay cycle

Monthly

**Deductions required by New York State law**

Federal income tax

0.00

Social Security tax

0.00

Medicare tax

0.00

State income tax

0.00

City/Local income tax

0.00

Involuntary retirement or pension plan payments

0.00

Total deductions required by law

0.00

**DISPOSABLE INCOME**

1500.00



## DISPOSABLE INCOME

1500.00

## Determine CCPA percentage and Maximum Withholding ?

Employee supports another spouse or child

Yes



Employee owes arrears greater than 12 weeks

Yes



## CCPA AND MAXIMUM

CCPA percentage is

0.55

Maximum Withholding = CCPA percentage ×  
Disposable income

825.00

## Compare total ordered to Maximum Withholding ?

How many IWOs did you receive for this  
employee?

2



## DISPLAY IWOS

## RESELECT

IWO 1 Total Amount to Withhold for your pay  
cycle

450.00

IWO 2 Total Amount to Withhold for your pay  
cycle

1400.00

Health Insurance Premium ?

0.00

## COMPARE TO MAXIMUM

Total of All IWOs and Health Insurance Premium

1850.00



**Prorated Calculation: Enter Current, Past-Due and Other Amounts  
from each IWO ?**

Pay cycle (selected above)

Weekly

**IWO 1**

Current Child Support

0.00

Convert from...

No conversion



...to Your Amount

0.00

Past-Due Child Support

450.00

Convert from...

No conversion



...to Your Amount

450.00

Current Cash Medical Support

0.00

Convert from...

No conversion



...to Your Amount

0.00

Past-Due Cash Medical Support

0.00

Convert from...

No conversion



...to Your Amount

0.00

Current Spousal Support

0.00

Convert from...

No conversion



...to Your Amount

0.00

Past-Due Spousal Support

0.00

Convert from...

No conversion



...to Your Amount

0.00

Other (third or fourth party)

0.00

Convert from...

No conversion



...to Your Amount

0.00

**CONVERT AND TOTAL IWO 1**

450.00



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**IWO 2**

Current Child Support	0.00
Convert from...	No conversion ▼
...to Your Amount	0.00
Past-Due Child Support	1400.00
Convert from...	No conversion ▼
...to Your Amount	1400.00
Current Cash Medical Support	0.00
Convert from...	No conversion ▼
...to Your Amount	0.00
Past-Due Cash Medical Support	0.00
Convert from...	No conversion ▼
...to Your Amount	0.00
Current Spousal Support	0.00
Convert from...	No conversion ▼
...to Your Amount	0.00
Past-Due Spousal Support	0.00
Convert from...	No conversion ▼
...to Your Amount	0.00
Other (third or fourth party)	0.00
Convert from...	No conversion ▼
...to Your Amount	0.00

**CONVERT AND TOTAL IWO 2**

1400.00


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**TOTAL ALL IWOS**

Total Current Support	0.00
Total Past-Due and Other	1850.00
Total All IWOS	1850.00

Health Insurance Premium (entered previously)

Amount of premium	0.00
Pay Cycle (selected above)	Weekly

**CALCULATE WITHHOLDING****Allocated Withholding**

IWO 1 Total	200.68
IWO 1 Current	0.00
IWO 1 Past-Due and Other	200.68
IWO 2 Total	624.32
IWO 2 Current	0.00
IWO 2 Past-Due and Other	624.32

**Amounts to Withhold and Remit ?**

Withhold for Health Insurance	0.00
Total Amount to Withhold	825.00
Total Amount to Remit	825.00

PRINT

NEW CALCULATION

RESET

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# Lump Sum Payments – What to Report

- Employer contact information
  - Company name, address and phone number
  - Fax number and email address
  - FEIN
- Employee name and Social Security number
- New York Case Identifier (see page one (1) of the IWO)
- County name associated with the New York Case Identifier
- Amount of the lump sum payment
- Expected pay out date

# Lump Sum Payments — Contact Information

Email: [nysdulumpsum@otda.ny.gov](mailto:nysdulumpsum@otda.ny.gov)

Employer Helpline: 888-208-4485

Electronic Reporting: [employerserviceswebapp@acf.hhs.gov](mailto:employerserviceswebapp@acf.hhs.gov)



# Payment Options

- Electronic Funds Transfer (EFT)/Electronic Data Interchange
  - Employer Helpline at (888) 208-4485
- ExpertPay.com
  - Requires Federal Information Processing Standards (FIPS) code
  - ExpertPay does not charge a transaction fee for NYS
- Check
  - Include the date of withholding, NY Case Identifier, and amount of payment for each account
  - Mail payments to the NYS Child Support Processing Center (SDU)



# Electronic Income Withholding



- Saves income withholders time, money and resources at no cost;
- Money gets to the family faster;
- No more mail to open and IWO PDFs are image ready;
- Signing up in one state means you're signed up in all states;
- Increases accuracy and reliability of data;
- Same look for all IWOs from the Portal; and
- Reduces phone calls from state disbursement units and child support programs;
- Report employee/obligor terminations and lump sum payments electronically.

For more information on e-IWOs, contact Bill Stuart at [william.stuart@acf.hhs.gov](mailto:william.stuart@acf.hhs.gov) or (410) 200-4695.



# National Medical Support Notice (NMSN)

NMSN consists of four documents and instructions:

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

# National Medical Support Notice

## Part A – Notice to Withhold for Health Care Coverage

- Complete the employer response
- Forward Part B to the Plan Administrator if necessary
- Withhold premiums as appropriate
- Limitations on withholding
- Priority of withholding

# National Medical Support Notice – Employer Response

## EMPLOYER RESPONSE

If 1, 2, 3, 4 or 5 below applies, check the appropriate box and return this **Part A** to the Issuing Agency within 20 business days after the date of the Notice, or sooner if reasonable. **NO OTHER ACTION IS NECESSARY.** If 1 through 5 does not apply, complete item 7 and forward **Part B** to the appropriate Plan Administrator(s) within 20 business days after the date of the Notice, or sooner if reasonable. This includes any organization or labor union that provides group health care benefits to the employee. Check number 5 and return this **Part A** to the Issuing Agency if the Plan Administrator informs you that the child(ren) would be enrolled in or qualify(ies) for an option under the plan for which you have determined that the employee contribution exceeds the amount that may be withheld from the employee's income due to State or Federal withholding limitations and/or prioritization. You are required to respond to the Issuing Agency by returning this **Employer Response** regardless of whether you provide group health benefits or the employee named herein is no longer employed by your organization. Information for the Plan Administrator and the Employer Representative at the bottom of this section is required.

- ☐ 1. The employee named in this Notice has never been employed by this employer.
- ☐ 2. We, the employer, do not offer our employees the option of purchasing dependent or family health care coverage as a benefit of their employment.
- ☐ 3. The employee is among a class of employees (for example, part-time or non-union) that are not eligible for family health coverage under any group health plan maintained by the employer or to which the employer contributes. Do not check this box if the employee is only temporarily ineligible for health care coverage.
- ☐ 4. Health care coverage is not available because the employee is no longer employed by the employer:  
Date of termination: \_\_\_\_\_  
Last known telephone number: \_\_\_\_\_  
Last known address: \_\_\_\_\_  
\_\_\_\_\_  
New employer (if known): \_\_\_\_\_  
New employer telephone number: \_\_\_\_\_  
New employer address: \_\_\_\_\_
- ☐ 5. State or Federal withholding limitations and/or prioritization prevent the withholding from the employee's income of the amount required to obtain coverage under the terms of the plan.
- ☐ 6. The participant is subject to a waiting period that expires \_\_\_\_\_ (more than 90 days from the date of receipt of this Notice), or has not completed a waiting period, which is determined by some measure other than the passage of time, such as the completion of a certain number of hours worked (describe here: \_\_\_\_\_). At the completion of the waiting period, the Plan Administrator will process the enrollment.
- ☐ 7. Employer forwarded **Part B** to Plan Administrator on \_\_\_\_\_

MM/DD/YY

Complete and return to the child support agency within 20 business days.



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# National Medical Support Notice

## Part B – Medical Support Notice to Plan Administrator

### Plan Administrator:

- Enrolls the child and notifies the employer of the amount of the premium
- Notifies the employee and the custodial parent of the child's enrollment
- Notifies the child support agency





# National Medical Support Notice - Plan Administrator

## PLAN ADMINISTRATOR RESPONSE

(To be completed and returned to the Issuing Agency within 40 business days  
after the date of the Notice, or sooner if reasonable)

Case # \_\_\_\_\_ (to be completed by the issuing agency)

This Notice was received by the plan administrator on \_\_\_\_\_.

- ☐ 1. This Notice was determined to be a "qualified medical child support order," on \_\_\_\_\_. Complete Response 2 or 3, and 4, if applicable.
- ☐ 2. The participant (employee) and alternate recipient(s) (child(ren)) are to be enrolled in the following family coverage.
- ☐ a. The child(ren) is/are currently enrolled in the plan as a dependent of the participant.
  - ☐ b. There is only one type of coverage provided under the plan. The child(ren) is/are included as dependents of the participant under the plan.
  - ☐ c. The participant is enrolled in an option that is providing dependent coverage and the child(ren) will be enrolled in the same option.
  - ☐ d. The participant is enrolled in an option that permits dependent coverage that has not been elected; dependent coverage will be provided.

Coverage is effective as of \_\_\_\_/\_\_\_\_/\_\_\_\_ (includes waiting period of less than 90 days from date of receipt of this Notice). The child(ren) has/have been enrolled in the following option (if plan is insured, identify provider, policy and group numbers): \_\_\_\_\_.

Any necessary withholding should commence if the employer determines that it is permitted under State and Federal withholding and/or prioritization limitations.

- ☐ 3. There is more than one option available under the plan and the participant is not enrolled. The Issuing Agency must select from the available options. Each child is to be included as a dependent under one of the available options that provide family coverage. If the Issuing Agency does not reply within 20 business days of the date this Response is returned, the child(ren), and the participant if necessary, will be enrolled in the plan's default option, if any: \_\_\_\_\_.
- ☐ 4. The participant is subject to a waiting period that expires \_\_\_\_/\_\_\_\_/\_\_\_\_ (more than 90 days from the date of receipt of this Notice), or has not completed a waiting period which is determined by some measure other than the passage of time, such as the completion of a certain number of hours worked (describe here: \_\_\_\_\_). At the completion of the waiting period, the plan administrator will process the enrollment.
- ☐ 5. This Notice does not constitute a "qualified medical child support order" because:
- ☐ The name of the ☐ child(ren) or ☐ participant is unavailable.
  - ☐ The mailing address of the ☐ child(ren) (or a substituted official) or ☐ participant is unavailable.
  - ☐ The following child(ren) is/are at or above the age at which dependents are no longer eligible for coverage under the plan \_\_\_\_\_ (insert name(s) of child(ren)).

Complete Part B  
and return to the  
child support  
agency within 40  
business days.



# Questions?

Employer Helpline: (888) 208-4485

Child Support Website: [childsupport.ny.gov](http://childsupport.ny.gov)

