

AMERICAN PAYROLL ASSOCIATION

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Brady J. Horenstein
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Re: Support for state legislation, “Requiring employers to report lump-sum wage payments to the Division of Child Support”

Dear Sharon and Brady:

The American Payroll Association (APA)¹ supports the Washington State Department of Social and Health Services’ Division of Child Support and the State of Washington in proposing legislation to enact and implement “Model Legislation on Managing Lump-Sum Payments for Child Support.”

The model was prepared by the National Council of Child Support Directors with the APA and support from the federal Office of Child Support Enforcement. It is designed as a best practice to create reasonable procedures for the management of lump-sum payments for child support. These procedures were identified after extensive research, surveys, and open discussion.

¹ Established in 1982, the APA is a not-for-profit association serving the interests of about 20,000 payroll professionals nationwide. One of the APA’s core missions is providing representation for payroll professionals at the federal, state, and local levels. This is done primarily by educating government and community leaders about the payroll industry and the best practices associated with paying America’s workers. APA’s Government Relations Task Force works with the legislative and executive branches of government to assist payroll professionals with understanding their employers’ legal obligations and advocating for more effective laws, regulations, and guidance.

The model identifies employer reporting requirements, mandates that child support agencies notify employers to withhold from the lump-sum payments or release the payments to the employees within a reasonable time frame following notice, and establishes that employees receive either the full amount of the payments or reduced amounts based on a legal document to withhold from a child support agency and within the federal Consumer Credit Protection Act's withholding limits.

For payroll professionals, the model procedures offer relief from the following difficulties:

- Employers may only agree to report to state agencies whose legislature clearly authorizes reporting and withholding of child support from lump-sum payments. Without established "child support lump-sum payment" law, employers risk liability for violations of wage and hour laws.
- A delay in response from agencies may cause a lag in processing payments to employees. This creates a conflict for employers' goals of making timely payments to employees and supporting children and families.
- Unclear and inconsistent requirements force employers to manually create state-specific processes. By leveraging the agreed-upon best practices, employers can identify efficiencies and automate reporting, withholding, and payment processes.

The APA would be pleased to discuss the importance of Washington enacting the model law with government leaders. We can be reached through Alice Jacobsohn at 202-669-4001 or ajacobsohn@americanpayroll.org.

Sincerely,



Alice P. Jacobsohn, Esq.
Director, Government Relations



Corrinne Flores
Chair, APA Child Support Subcommittee