

NYS Employer Requirements for Reporting Independent Contractors

NYC Child Support Employer Conference 2024



**Department of
Social Services**
Human Resources Administration
Department of Homeless Services

Office of Child
Support Services




**Office of Temporary
and Disability Assistance**

NYS Employer Requirements for Reporting Independent Contractors

- Overview – Federal and State New Hire Reporting Requirements
- New York’s Requirement to Report Independent Contractors
- Implementation Considerations
- Resources

New Hire Reporting Laws



Since July 1, 1993, Virginia employers must report all newly hired Employees. This brochure explains your responsibilities and reporting options.

The law provides:

- ◆ More financial support for children
- ◆ Savings for taxpayers
- ◆ Flexible reporting for employers



What is the Purpose of New Hire Reporting?

- ❑ New Hire Reporting helps children receive vital support
- ❑ Helps to quickly locate fathers and noncustodial (paying) parents to help establish paternity and child support
- ❑ Key to the income withholding process, streamlining collection of support from parents who become employed or change jobs

Federal New Hire Reporting Requirements – Then and Now

- ❑ Employers must report all newly hired or rehired employees to the State Directory of New Hires (SDNH)
- ❑ W-4 or equivalent form
- ❑ State may prescribe the reporting timeframe, but *not later than 20 days from the date of hire or if reporting electronically, 2x/month*

(42 U.S.C. 653a; N.Y. ;Tax Law 171-h)

Federal Requirements for States and the Child Support Program

States must:

- Enter information in State Directory within 5 business days
- Transmit to National Directory within 3 days

Child Support Program must:

- Match New Hire data against child support administrative records
- Use matched information to obtain noncustodial parents' location and employer name and location
- Send income withholding notice to employers within 2 days



What's New - Reporting Independent Contractors

Employers must report independent contractors to SDNH:

- ❑ NYS Chapter Law 504, Effective January 1, 2022
- ❑ Amended New Hire Reporting Law (NY Tax Law 171-h)
- ❑ Requires employers to report "*individuals under an independent contractor relationship with contracts in excess of \$2,500*"



What's New – Reporting Independent Contractors

❑ What to Report:

- Independent contractor's name, address, Social Security Number
- Date services first performed by independent contractor
- Employer name, address, Federal Employer Identification Number (FEIN)

❑ How to Report:

- New York New Hire Online Reporting Center
www.nynewhire.com
- Employers **must** report independent contractors using the online reporting link above, **not** Form IT-2104.



Implementation Considerations

- ❑ Update onboarding procedures for independent contractors
- ❑ Coordinate between accounts payable and payroll
 - New Hire Reporting
 - Compliance with IWOs – Employers are required to comply with IWOs for independent contractors just as they do with employees
- ❑ Consider reporting all independent contractors, not just those with contracts exceeding \$2,500

Helpful Resources

☐ NYS Division of Child Support Services (DCSS)

- New Hire Employer Fact Sheet
https://es.childsupport.ny.gov/dcse/pdfs/CSFS_NewHire.pdf

☐ NYC OCSS Employer Page: <https://www.nyc.gov/site/hra/help/ocss-employers.page>

☐ NYS Dept of Tax & Finance (DTF)

- New Hire Online Reporting Center www.nynewhire.com
- New Hire Frequently Asked Questions
https://www.tax.ny.gov/bus/wt/newhire_faq.htm

