



April 15, 2024

Adam Norman
Deputy Director, Indiana Child Support Bureau
Indiana Department of Child Services
402 W. Washington Street
Indianapolis, IN 46204

Dear Deputy Director Norman:

PayrollOrg¹ requests guidance on how S.B. 148 will be implemented. The new law, with an effective date of July 1, 2024, requires reports of newly hired employees to be filed electronically, and requires employers to provide an employee's current primary Standard Occupational Classification (SOC) codes and starting compensation.

Specific questions include:

1. Will Indiana offer an implementation period for the changes in new hire reporting? It is unlikely that employers would be able to comply by the July effective date.
2. How will the starting salary data be used by child support?

SOC Codes

Indiana's New Hire Reporting Center has not yet provided employers with file format specifications in accordance with the new requirements in S.B. 148. SOC codes are not currently a data field in new hire reporting in any state. The July 1 effective date of S.B. 148 is not sufficient to allow Indiana to add the field and for employers to update their systems.

PayrollOrg recommends that Indiana create the field as an optional item with a message that the field will be mandated later. Once the state establishes the field and employers are notified and provided final programming specifications, employers will need 9 to 12 months to update their systems. This will give employers time to comply and without causing new hire reports to be rejected in Indiana.

¹ PayrollOrg, formerly the American Payroll Association, is a nonprofit association representing more than 20,000 payroll professionals throughout the United States. PayrollOrg's Government Relations Task Force partners with government agencies to help payroll professionals with compliance, while minimizing the administrative burden on government, employers, and individual workers. PayrollOrg members are directly responsible for calculating wages and withholding for their employers across all industries and employer types.



Starting Salaries

PayrollOrg requests that starting salary not be used to establish child support orders because the amounts are estimates and could fluctuate. Only one other state requires reporting of starting wages and salary (Maryland). Five other states and territories add it as an optional data element (Arizona, Guam, Louisiana, Oklahoma, and Texas).

Starting salary information is an estimate because it may only apply to the first month or year for a newly hired employee and it may be provided as a range depending on certain conditions. Starting salaries are often determined on a 40-hour per week basis and do not include actual hours worked, overtime pay, or other work situations changing an employee's pay.

While the rate of pay is well-established as of the first day of service, employers and employees often do not know in advance how many hours the employee may work in the first year of service. Hours often fluctuate depending on staff availability and are subject to temporary or periodic disruptions related to family and/or health situations as well as market demand and business cycles. Thus, any estimates of starting salary should not be used to establish child support amounts and/or medical support orders without careful consultation with the employer and employee(s) affected.

Ideally, a delay in implementation to allow Indiana's agencies to prepare and employers to comply would be warranted.

Until full compliance can be achieved, PayrollOrg asks that you not reject employers' new hire reports or issue penalties for missing or questionable input, at least for the first year. As noted, both changes are unusual and are generally viewed as extraneous or non-core to the essential success of the new hire reporting system.

Thank you for your consideration of this important issue for payroll professionals, their employers and team members.

Sincerely,



Alice P. Jacobsohn, Esq.
Director, Government Relations

For: Government Relations Task Force
Child Support Subcommittee
Chair, Corrinne Flores

State and Local Topics Subcommittee
Chairs Pete Isberg; Carlanna Livingstone, CPP; and
Bruce Phipps, CPP