

## **NEW HIRE REPORTING INFORMATION FOR ALABAMA**

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## **1. What is the new hire law?**

The “Personal Responsibility and Work Opportunity Reconciliation Act” (PRWORA) of 1996 was passed as part of the larger welfare reform legislation. This Act requires that all employers report information on people they hire or re-hire to a state directory shortly after they are hired. Although a Federal law, this legislation looks to the individual states to implement the law and to maintain the directories of new hires. Alabama Code at Title 25, Chapter 11, Sections 25-11-3, 25-11-5, and 25-11-17 is the implementation of PRWORA within the State of Alabama.

## **2. Why is new hire reporting required?**

New hire reporting was designed to speed up any child support withholding order processes by expediting collection of child support from parents who change jobs frequently. It also helps locate non-custodial parents to help in establishing paternity and child support orders. Thus, employers serve as key partners in ensuring financial stability for many children and families by helping them receive the financial support they deserve.

## **3. Who is required to report?**

Employers doing business in the state of Alabama must report on the following employees:

- **New Employees:** Employers must report information on newly hired employees who reside or work in the State of Alabama.
- **Rehired or recalled employees:** Employers must report information on employees who are rehired or recalled to work after being laid off, furloughed, separated, granted a leave without pay or are terminated from employment and who reside or work in the State of Alabama. This includes teachers, substitutes, seasonal workers, etc.

Employers doing business in the state of Alabama must report information on anyone hired if the individual is considered an employee for purposes of paying federal income tax withholding. This includes employees of all ages, those who work less than a full day, those still in a probationary period, part-time, seasonal employees and employees who are rehired. This information must be reported even if the employee is employed for only a few hours before termination.

## **4. What information must be reported?**

In accordance with the Federal legislation, the State of Alabama requires the following information to be reported:

- The employer’s Federal Employer Identification Number (FEIN). If the employer has more than one FEIN, use the same one used to report quarterly wage information
- The employer’s name
- The employer’s address
- The employee’s name (full name: first, middle and last)
- The employee’s address
- The employee’s Social Security Number
- The employee’s first day of work
- Whether the employee is a new hire or rehire (N, R)

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## **5. How and where is this information reported?**

As of May 1, 2008, employers with 5 or more employees must report via the Internet through the Alabama New-Hire website.

### **Electronic Reporting**

- Go to <http://dir.alabama.gov/nh/NewHireRegistration/> to register to report any new hires on-line or to submit a file a file electronically through the Alabama New-Hire site.
- Go to <http://dir.alabama.gov/nh/instructions.aspx#magformat> for the data specifications for sending a secure file electronically through the Alabama New-Hire site.

### **Non-Electronic Reporting**

- Companies with fewer than 5 employees may choose to submit a W-4 form as a new hire report. If so, make sure that the W-4 is easily readable and has the employer's name, Federal Employer Identification Number, and address written in blocks 8 and 10 on each form and includes the other required information.
- New hire reports may either be faxed or mailed to the following:

**Mail reports to:**  
Alabama Department of Industrial Relations  
New-Hire Unit  
649 Monroe St., Room 3203  
Montgomery, Al 36131-0378

**Fax reports to:**  
(334) 242-8956

### **Other Reporting Methods**

- Payroll Service: Leading payroll services are already electronically reporting new hires for thousands of employers. If you use one a payroll or accounting service see if the service can report new hires for you.

## **6. How often must the information be reported?**

Employers are required to submit new hire reports within 7 days after an employee is hired, rehired or returns to work. If you have multiple new hires in a month and are submitting electronic files, these files must be submitted which are not less than 12 days nor more than 16 days apart.

## **7. What is the penalty if the report is late?**

A penalty of \$25 per employee per month may be assessed for each failure to report a new hire.

## **8. How will the information be used?**

Federal and State laws contain strict regulations on how new hire reporting information may be used. New hire reporting information is matched against any open child support orders to locate non-custodial parents and enforce these orders.

This information will also be fed into a national directory to provide more current information for locating out-of-state noncustodial parents.

New hire information may also be used by states to help detect and prevent fraudulent payments to recipients of unemployment insurance, worker's compensation and welfare benefits.

The use of this information helps maintain financial stability in Alabama families and helps to keep down the cost of welfare, unemployment and worker's compensation insurance.

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## **9. Additional information.**

For questions about new hire reporting you can contact the Alabama New-Hire Unit at (334) 353-0408. You can also e-mail questions to: [newhire@dir.alabama.gov](mailto:newhire@dir.alabama.gov)