

NEW HIRE REPORTING INFORMATION FOR IOWA

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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. Iowa Code, Title VI, Subtitle 6, Chapter 252G, Section 252G.3 is the implementation of PRWORA for new hires within the State of Iowa.

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 Iowa must report on the following employees:

- **New Employees:** Employers must report information on newly hired employees who reside or work in the State of Iowa. This includes employees of all ages, those who work less than a full day, those still in a probationary period, part-time and seasonal employees. This information must be reported even if the employee is employed for only one day before termination.
- **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 after 6 weeks and who reside or work in the State of Iowa.
- **Temporary employees:** Temporary agencies are responsible for reporting information on any employee hired to report for an assignment. This need be done only once, employees do not need to be re-reported each time they report to a new client, unless there is a break in service or gap in wages, in which case they need to be reported as a rehire.

Employers doing business in the state of Iowa 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 Iowa 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
- Dependent medical insurance availability

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- If available, the date on which the employee qualifies for dependent medical insurance
- The address to which income withholding orders or notices should be sent (if different from the employer's address above)
- The employee's name (full name: first, middle and last)
- The employee's address
- The employee's Social Security Number
- The employee's date of birth
- The employee's date of hire

5. How and where is this information reported?

Iowa's Central Employee Registry offers several options that make it easy for employers to report new hires. The options available are:

Electronic Reporting

- Go to <https://secureapp.dhs.state.ia.us/epay/Default.aspx?AspxAutoDetectCookieSupport=1> and click "Register Now!" to register to report any new hires on-line.
- Go to https://dhssecure.dhs.state.ia.us/epics/static/new_hire.htm for the data specifications and other instructions on how to send a tape with new hire reporting information. Mail any tapes to the address below.

Non-Electronic Reporting

- New hire reporting form: Go to <https://secureapp.dhs.state.ia.us/epay/PrintableForms.htm> to download the form or use the one attached.
- W-4 form: You may choose to submit a W-4 form as a new hire report. If you do, please ensure that the W-4 is easily readable and you must also submit a separate form with the remaining required information not on the federal W-4.
- New hire reports may either be faxed or mailed to the following:

Mail reports or electronic tapes to:

CER
PO Box 10322
Des Moines, IA 50306-0322

Fax reports to:

(515) 281-3749
Toll-free: (800) 759-5881

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 15 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.

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

Iowa has the right to bring a civil action against any employer failing to promptly report information on new hires. Willful failure to provide the information will be punishable as contempt.

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 Iowa families and helps to keep down the cost of welfare, unemployment and worker's compensation insurance.

9. Additional information.

For questions about new hire reporting you can contact the Employer Customer Service Center by phone at: (877) 274-2580 (toll-free), Monday through Friday, 8 a.m. to 4:30 p.m., Central Time, excluding state holidays; or by e-mail at: csrue@dhs.state.ia.us

Centralized Employee Registry Reporting Form

TO BE COMPLETED BY THE EMPLOYER
within 15 days of hire. Please Print or Type.

Submit this information online at

www.iowachildsupport.gov

...or mail this portion of the page to Centralized
Employee Registry, PO Box 10322, Des Moines IA
50306-0322; or fax it to 1-800-759-5881.

Please include your FEIN.

EMPLOYER INFORMATION - FEIN Required

____-____-____

FEIN plus last 3-digit suffix as shown on your Iowa label or return.

(____) _____ - _____

Phone: Area Code + Telephone Number

Name: _____

Street Address: _____

City: _____ State: ____ Zip Code: ____-____

Questions: For A through D below, please see instructions on back for definitions and clarification.

A. Is dependent health care coverage available? Yes or No

B. Approximate date this employee qualifies for coverage: ____/____/____
MM DD YYYY

C. Employee start date: ____/____/____
MM DD YYYY

D. Address where income withholding and garnishment orders should be sent, if different than above address.

Street Address: _____

City: _____ State: ____ Zip Code: ____-____

EMPLOYEE INFORMATION

Employee's Date of Birth: ____/____/____ Employee's Social Security Number: ____-____-____
MM DD YYYY

Last Name: _____ First Name: _____ Middle Initial: _____

Street Address: _____

City: _____ State: _____ Zip Code: _____



Iowa Department of Revenue
www.state.ia.us/tax

IA W4 2008

Employee Withholding Allowance Certificate

To be completed by the employee

Marital status: Single Married (If married but legally separated, check Single.)

Print your full name: _____ Social Security No.: _____

Home Address: _____ City _____ State _____ Zip Code _____

EXEMPTION FROM WITHHOLDING. If you do not expect to owe any Iowa income tax this year, and expect to have a right to a full refund of ALL income tax withheld, enter "EXEMPT" here: _____ and the year effective here: _____ Nonresidents may not claim exemption.

IF YOU ARE NOT EXEMPT, COMPLETE THE FOLLOWING:

1. Personal allowances 1. _____
2. Allowances for dependents 2. _____
3. Allowances for itemized deductions 3. _____
4. Allowances for adjustments to income 4. _____
5. Allowances for child and dependent care credit 5. _____
6. Total allowances. Add lines 1 through 5. 6. _____
7. Additional amount, if any, you want deducted each pay period 7. _____

I certify that I am entitled to the number of withholding allowances claimed on this certificate, or if claiming an exemption from withholding, that I am entitled to claim the exempt status.

Employee Signature _____

Date _____

Employers: Detach this part and keep in your records unless more than 22 withholding allowances are claimed. If more than 22 allowances are claimed, complete the section below and send it to the Iowa Department of Revenue. See Employer Withholding Requirements on the back of this form.

Employer's name / address: _____

FEIN: _____

TOP PORTION OF FORM- CENTRALIZED EMPLOYEE REGISTRY REPORTING FORM – EMPLOYER REPORTING REQUIREMENTS

An employer doing business in Iowa who hires or rehires an employee **must** complete this section. Submit online at www.iowachildsupport.gov. You may also mail this portion of the page to Centralized Employee Registry, PO Box 10322, Des Moines IA 50306-0322; or fax it to 1-800-759-5881. Please include your FEIN. **If you have questions about employer reporting requirements, call the Employers Partnering in Child Support (EPICS) Unit at 1-877-274-2580.**

Questions A through D

- A.** Is a family health insurance plan offered through employment? This question does not relate to insurability of employee's dependents.
- B.** Example: Is dependent insurance coverage offered upon hire or after six months of employment? This question does not relate to insurability of employee's dependents.
- C.** Indicate the first day for which the employee is owed compensation.
- D.** This information is needed for income withholding and garnishment purposes.

BOTTOM PORTION OF FORM – IA W4 INSTRUCTIONS (January 1, 2008) – EMPLOYEE WITHHOLDING ALLOWANCE CERTIFICATE

(Detach this part and keep for the employer's records.)

Exemption from Withholding: You should claim exemption from withholding if you are a resident of Iowa and do not expect to owe any Iowa income tax or expect to have a right to a refund of all income tax withheld. If you qualify, write "EXEMPT" and the year exempt status is effective. Exempt guidelines are: (1) You are exempt if you will earn \$5,000 or less and are claimed as a dependent on another person's return, or (2) You are exempt if you will earn \$9,000 or less and are not claimed as a dependent on another person's return, or (3) married and both spouses' total is less than \$13,500. See your payroll officer to determine how much you expect to make in a calendar year. **Nonresidents may not claim exemption.**

Taxpayers 65 years of age or older: You are exempt if you are single and your income is \$18,000 or less or if you are married and your combined income is \$24,000 or less. Only one spouse must be 65 or older to qualify for the exemption.

You must complete a new W4 within 10 days from the day you anticipate you will incur an Iowa income tax liability for the calendar year (or your fiscal year) or on or before December 31 if you anticipate you will incur an Iowa income tax liability for the following year. If you want to claim an exemption from withholding next year, you must file a new W4 with your employer on or before February 15.

FILING REQUIREMENTS/NUMBER OF ALLOWANCES

Each employee must file this Iowa W4 with his/her employer. Do not claim more allowances than necessary or you will not have enough tax withheld.

1. Personal Allowances: You can claim the following personal allowances:

- 1 allowance for yourself or 2 allowances if you are unmarried and eligible to claim head of household status, plus 1 allowance if you are 65 or older, and plus 1 allowance if you are blind.
- If you are married and your spouse either does not work or is not claiming his/her allowances on a separate W4, you may also claim the following allowances: 1 for your spouse, plus 1 if your spouse is 65 or older, and plus 1 if your spouse is blind.
- If you are single and hold more than one job, you may not claim the same allowances with more than one employer at the same time. If you are married and both you and your spouse are employed, you may not both claim the same allowances with both of your employers at the same time.
- To have the highest amount of tax withheld, claim "0" allowances on line 1.

2. Allowances for Dependents: You may claim 1 allowance for each dependent you will be able to claim on your Iowa income tax return.

3. Allowances for Itemized Deductions

- (a) Enter total amount of estimated itemized deductions (a) \$ _____
- (b) Enter amount of your standard deduction using the following information (b) \$ _____
If single, married filing separately on a combined return or married filing separate returns, enter \$1,750.
If married filing a joint return, unmarried head of household or qualifying widow(er), enter \$4,310.
- (c) Subtract line (b) from line (a) and enter the difference or zero, whichever is greater (c) \$ _____
- (d) Additional allowance: Divide the amount on line (c) by \$600, round to the nearest whole number and enter on line 3 of the IA W4 on other side.

4. Allowances of Adjustments to Income: Estimate allowable adjustments to income for payments to an IRA, KEOGH or SEP; penalty on early withdrawal of savings; alimony paid; moving expense deduction from Federal form 3903; and student loan interest, which are reflected on the Iowa 1040 form. Divide this amount by \$600, round to the nearest whole number, and enter on line 4 of the IA W4.

5. Allowances for Child/Dependent Care Credit: Persons having child/dependent care expenses qualifying for the Federal and Iowa Child and Dependent Care Credit may claim additional Iowa withholding allowances based on their net incomes. If you have qualifying child and dependent care expenses and wish to reduce your Iowa withholding on the basis of this credit, you may claim additional withholding allowances for Iowa based on the following table. Married persons, regardless of their expected Iowa filing status, must calculate their withholding allowances based on their combined net incomes. Note that if net income is \$45,000 or more, no withholding allowances are allowed for the Child and Dependent Care Credit as taxpayers with these incomes are not eligible for the Iowa Child and Dependent Care Credit.

Withholding Allowances Allowed:	Iowa Net Income	Allowances	Enter the number of allowances on line 5 of the IA W4 on the reverse side. If you are married and both you and your spouse are employed, the total allowances for child and dependent care that you and your spouse may claim cannot exceed the total allowances shown to the left.
	\$0 - \$20,000	5	
	\$20,000- \$30,000	4	
	\$30,000 - \$44,999	3	

6. Total: Enter total of lines 1 through 5.

7. Additional Amount of Withholding Deducted: If you are not having enough tax withheld, you may request your employer to withhold more by filling in an additional amount on line 7. Often married couples, both of whom are working, and persons with two or more jobs need to have additional tax withheld. You may also need to have additional tax withheld because you have income other than wages, such as interest and dividends, capital gains, rents, alimony received, etc. Estimate the amount you will be under-withheld, and divide that amount by the number of pay periods per year. If you reside in a school district that imposes a school district surtax, consider reducing the amount of allowances shown on lines 1-5 or have additional tax withheld on line 7.

Changes in Allowances: You may file a new W4 at any time if the number of your allowances INCREASES. You must file a new W4 within 10 days if the number of allowances previously claimed by you DECREASES.

Penalties: Penalties apply for willfully supplying false information or for willful failure to supply information which would reduce the withholding allowances. If you file as exempt from withholding and you incur an income tax liability, you may be subject to a penalty for underpayment of estimated tax.

Employer Withholding Requirements: The employer must maintain records of the W4s. If the employee is claiming more than 22 withholding allowances or is claiming exemption from withholding when wages are expected to exceed \$200 per week, the employer must send a copy of the W4 under separate cover within 90 days to the Individual Unit, Examination Section, Iowa Department of Revenue, P.O. Box 10456, Des Moines, Iowa 50306-0456.

Questions: If you have questions about Iowa taxes, call 515-281-3114 or if calling in Iowa or from the Rock Island/Moline or Omaha calling areas, call toll free at 1-800-367-3388 or e-mail: idr@iowa.gov