

NEW HIRE AND INDEPENDENT CONTRACTOR REPORTING INFORMATION FOR MASSACHUSETTS

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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. Massachusetts General Laws, Part 1, Chapter 62E, Section 2 and in the Code of Massachusetts Regulations, Title 830, Chapter 62E, Section 62E.2.1 is the implementation of PRWORA within the State of Massachusetts.

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 Massachusetts must report on the following employees:

- **New Employees:** Employers must report information on newly hired employees who reside or work in the State of Massachusetts. 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 for a few hours or 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 30 days and who reside or work in the State of Massachusetts. This includes teachers, substitutes, seasonal workers, etc.
- **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.
- **Independent contractors:** businesses and government entities are required to report specific independent contractor information when:
 - The independent contractor is 18 years old or older, and
 - You pay the independent contractor \$600 or more in a calendar year and you are required to file a Form 1099 for the services performed, and
 - The independent contractor is liable for his or her own taxes.

Employers are not required to report information on terminated employees.

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4. What information must be reported?

In accordance with the Federal legislation, the State of Massachusetts 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 or independent contractor's name (full name: first, middle and last)
- The employee or independent contractor's address
- The employee or independent contractor's Social Security Number
- The employee or independent contractor's date of hire

5. How and where is this information reported?

Massachusetts New Hire Reporting offers several options that make it easy for employers to report new hires.

Note that Massachusetts law requires that all employers who employ 25 or more employees throughout the year report any new hires or independent contractors electronically through the secure web site.

Electronic Reporting

- Go to <https://secure.cse.state.ma.us/newhire/newRegistration/newregistration.asp> to register to report any new hires on-line.
- Go to [http://www.mass.gov/?pageID=dorsubtopic&L=6&L0=Home&L1=Businesses&L2=Child+Support+Services&L3=New+Hire+Reporting&L4=Access+the+System+\(for+register+d+users+only\)&L5=Batch+Uploads+via+the+Web&sid=Ador](http://www.mass.gov/?pageID=dorsubtopic&L=6&L0=Home&L1=Businesses&L2=Child+Support+Services&L3=New+Hire+Reporting&L4=Access+the+System+(for+register+d+users+only)&L5=Batch+Uploads+via+the+Web&sid=Ador) for the data specifications for sending a secure file electronically.
- Go to [http://www.mass.gov/?pageID=dorsubtopic&L=6&L0=Home&L1=Businesses&L2=Child+Support+Services&L3=New+Hire+Reporting&L4=Access+the+System+\(for+register+d+users+only\)&L5=Batch+Uploads+via+the+Web&sid=Ador](http://www.mass.gov/?pageID=dorsubtopic&L=6&L0=Home&L1=Businesses&L2=Child+Support+Services&L3=New+Hire+Reporting&L4=Access+the+System+(for+register+d+users+only)&L5=Batch+Uploads+via+the+Web&sid=Ador) for instructions on how to send a secure file electronically or additional information on electronic reporting.

Non-Electronic Reporting

- New hire reporting form: Go to <http://www.mass.gov/Ador/docs/cse/programs/newhire/nhr.pdf> to download the form or use the one attached. Note that non-electronic reporting is only accepted from companies with fewer than 25 employees.
- New hire reports may either be faxed or mailed to the following:

Mail reports to:
Massachusetts Department of Revenue
P.O. Box 55141
Boston, MA 02205 -5141

Fax reports to:
617-376-3262

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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 14 days after an employee or independent contractor is hired, rehired or returns to work. If an independent contractor is re-hired under a new contract, send a report within 14 days of the independent contractor's first day under the new contract.

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. Also, a penalty of \$500 may be assessed for the failure to report new hire information if the failure is the result of conspiracy between the business or government entity and the employee.

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

9. What to do if you have never reported new hires.

Begin by reporting any new employees or independent contractors you've hired or rehired since your last quarterly report to the Massachusetts Department of Revenue. Then going forward be sure to report any new hires, rehires or the hiring of independent contractors within 14 days of the hire date.

10. Additional information.

For general questions regarding new hire and independent contractor reporting in Massachusetts please e-mail your questions to: pdustaff@dor.state.ma.us

For technical assistance, contact the New Hire Program Manager at 617-887-7607.



Form NHR

New Hire and Independent Contractor Reporting Form

Rev. 03/07
Massachusetts
Department of
Revenue

TO ENSURE ACCURACY, PRINT (OR TYPE) NEATLY IN UPPER-CASE LETTERS AND NUMBERS, USING A DARK, BALLPOINT PEN.

Employee Information

FIRST NAME*	MI	LAST NAME*
SOCIAL SECURITY NUMBER*	DATE OF HIRE OR REINSTATEMENT*	
ADDRESS*		
CITY/TOWN*	STATE*	ZIP* +4 (OPTIONAL)

IT'S THE LAW! - Massachusetts regulations requires employers with 25 or more employees to report their new hires and independent contractors electronically.

For more information, go to www.mass.gov/dor and select the **Report New Hires** link located in the **Online Services** section.

Employer Information

EMPLOYER IDENTIFICATION NUMBER*	-	
CORPORATE NAME*		
PAYROLL ADDRESS TO WHICH THE INCOME WITHHOLDING ORDER WILL BE SENT*		
PAYROLL ADDRESS (Continued)		
CITY/TOWN*	STATE*	ZIP* +4 (OPTIONAL)

NOTE: All fields on this form with an * are mandatory fields. Please ensure all information entered is legible and accurate prior to submitting the form to DOR.

Helpful Hint: Once you have completed your employer information, you may copy this form to save time when reporting future new hires and independent contractors.

Send Completed Form NHR to:

Massachusetts Department of Revenue, PO Box 55141, Boston, MA 02205-5141 or,
you may fax the completed form to 617-376-3262.