

NEW HIRE REPORTING INFORMATION FOR MARYLAND

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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. Maryland Code, Title 8, Subtitle 6, Part IV, Section 8-626.1 is the implementation of PRWORA within the State of Maryland.

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 Maryland must report on the following employees:

- **New Employees:** Employers must report information on newly hired employees who reside or work in the State of Maryland. 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 90 days and who reside or work in the State of Maryland. 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.

While Maryland welcomes employers reporting on the hiring of Independent Contractors, it is not required.

Employers doing business in the state of Maryland 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.

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 Maryland 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 employer's Maryland Unemployment Insurance Number (SUI)
- The employer's contact name (optional)
- The employer's fax number (optional)
- The employer's phone number (optional)
- The employer's e-mail address (optional)
- 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
- Medical insurance availability
- The employee's salary and pay frequency
- The employee's date of birth (optional)
- The employee's gender (optional)

5. How and where is this information reported?

The Maryland New Hire Registry offers several options that make it easy for employers to report new hires. The options available are:

Electronic Reporting

- Go to: <http://newhire-reporting.com/MD-Newhire/default.aspx> and click "Register" to register to report any new hires on-line.
- Go to: <http://newhire-reporting.com/MD-Newhire/media.aspx> for the data specifications and other instructions on how to send a tape, disk or CDR with new hire reporting information. Mail any disks, tapes or CDs to the address below.
- Go to: <http://newhire-reporting.com/MD-Newhire/ftp.aspx> for instructions on how to send a secure file electronically or additional information on electronic reporting.
- Contact the Maryland New Hire Registry at (410) 281-6000, or toll-free at (888) 634-4737 for instructions and information on sending new hire reports as an attachment to an encrypted e-mail.

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Non-Electronic Reporting

- Printed List: If you cannot or do not wish to report new hire information electronically, you might be able to have your accounting, payroll, or personnel software create a printed list containing your new hire data. The printed list should contain all of the required information, use at least a 10-point font size, and have the employer's name, Federal Employer Identification Number, and address clearly displayed at the top of the report.
- New hire reporting form: Go to <http://newhire-reporting.com/Downloads/mdform.pdf> 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 has the employer's name, Federal Employer Identification Number, and address written in blocks 8 and 10 on each form.
- New hire reports may either be faxed or mailed to the following:

**Mail reports, disks, CDs or
electronic tapes to:**

Maryland New Hire Registry
P.O. Box 1316
Baltimore, MD 21203-1316

Fax reports to:

(410) 281-6004
Toll-free: (888) 657-3534

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 20 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 in two monthly transmissions not more than sixteen 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. 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 Maryland families and helps to keep down the cost of welfare, unemployment and worker's compensation insurance.

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

Begin by reporting any new employees you've hired or rehired in the last 180 days. Then going forward be sure to report any new hires or rehires within 20 of the hire date.

10. Additional information.

For questions about new hire reporting you can contact the Maryland New Hire Registry at (410) 281-6000, or toll-free at (888) 634-4737 for any questions regarding the new hire reporting process. Our telephone system can help you 24 hours a day, seven days a week. Help desk staff are available to answer your questions Monday through Friday during normal business hours.

You can also submit questions electronically by going to:
<http://newhire-reporting.com/MD-Newhire/feedback.aspx>

