



American Payroll Association

Government Relations • Washington, DC

October 6, 2016

The Honorable Mike Padden
Chair, Senate Committee on Law and Justice
Washington State Senate
455 J.A. Cherberg Building
P.O. Box 40466
Olympia, WA 98504-0466

Re: Support for Senate Bill 5597, *An act relating to requiring electronic payments to the division of child support when remitting funds in response to an order to withhold income*

Dear Senator Padden:

The American Payroll Association (APA) appreciates the opportunity to comment on Senate Bill 5597 now before your Committee on Law and Justice. Electronic payments of child support are the fastest and most efficient method to ensure prompt payment of child support withholding. APA encourages electronic options to transfer these funds.

About the APA

Established in 1982, APA is a nonprofit professional association serving the interests of more than 20,000 payroll professionals in the United States. APA's primary mission is to educate members and the payroll industry about the best practices associated with paying America's workers while complying with all applicable federal, state, and local laws. APA's Government Relations Task Force (GRTF) works with legislative and executive branches at the federal and state levels to help employers understand their legal obligations with significant emphasis on minimizing the administrative burden on government, employers, and individual workers.

According to the federal Office of Child Support Enforcement, payroll professionals collect \$24.5 billion or 75 percent of all child support nationwide. Because of payroll professionals' important role in child support, we are a key stakeholder of the Washington State Department of Social and Health Services, Division of Child Support in collecting child support payments.

Electronic Payments of Child Support

APA supports legislation enabling electronic payment of child support as a means of reducing the administrative burden on employers, increasing management capabilities for state child support enforcement agencies, and improving accurate recordkeeping. In the experience of

payroll professionals, use of electronic systems reduces the number of errors in processing child support while increasing the ability to track payments. The result is faster assistance to children.

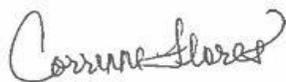
APA welcomes the provisions in S.B. 5597 allowing flexibility for the Department of Social and Health Services to waive electronic filing for businesses that are “unable to comply despite good faith efforts or due to circumstances beyond that entity’s reasonable control.” The proposed legislation recognizes that some employers may not have full access to electronic systems and that compliance may conflict with business procedures or cause financial hardship. Some employers may need additional time to comply.

The majority of APA’s members work for employers that conduct business in multiple states and child support often crosses state lines. Currently, among the 16 states and territories that mandate electronic payments, covered employers range from those having a minimum of 5 to 250 employees. S.B. 5597 requires electronic funds transfer of child support payments by employers, including those with as few as 10 employees. With the exceptions built into the bill, APA feels that this is a reasonable approach.

S.B. 5597 also would impose a \$100 penalty on employers that fail to remit funds electronically. APA appreciates the fact that such fines would only be imposed after the employer is notified in writing and is able to correct the problem or explain why compliance is not possible. Because the mandate applies so broadly, employers unable to comply should be afforded ample opportunity to justify their behavior.

APA urges you to vote in favor of S.B. 5597 to move forward with better management of child support payments in Washington. We would be pleased to discuss the role of payroll professionals and electronic capabilities with you further.

Sincerely,



Corrinne Flores
Chair, GRTF Child Support and Other Garnishments Subcommittee
American Payroll Association



William Dunn, CPP
Director, Government Relations
American Payroll Association

Cc: Honorable Steve O’Ban (Vice Chair), Honorable Jamie Pedersen (Ranking Minority Member), Honorable Jan Angel, Honorable Jeannie Darneille, Honorable David Frockt, Honorable Lynda Wilson