



American Payroll Association

Government Relations • Washington, DC

November 11, 2016

Mr. Robert Patrick, Jr., Director
Pennsylvania Department of Human Services
Bureau of Child Support Enforcement
P. O. Box 8018
Harrisburg, PA 17105-8018

Re: Pennsylvania Act 64 of 2016 \$50 One-Time Employer Fee

Dear Mr. Patrick:

The American Payroll Association (APA) is requesting that the Pennsylvania Bureau of Child Support Enforcement reconsider changes under Act 64 of 2016 that the Bureau established regarding the \$50 one-time employer fee. Employers are concerned about only allowing a one-time fee for the life of an order, how to monitor the balance across multiple cases, and conflicts with federal and commonwealth laws. While APA understands the need to make changes to improve efficiencies, we ask that you consider the unintended consequences that employers are facing as a result of the passage of Act 64.

Previously, employers were allowed to deduct up to 2 percent of the ordered amount per pay period as reimbursement for administrative costs related to withholding. However, effective with Act 64 of 2016, the employer is now limited to a one-time \$50 fee per employee for reimbursement of the expense in complying with the order. With most child support orders effective until a child turns 18 years old, a one-time fee of \$50 per employee does not seem equitable to recover the costs in processing the payments. APA recommends that Pennsylvania reconsider and allow for a nominal per-payment/remittance, fixed-dollar amount fee, as is the practice in the majority of states today.

In addition, the change from a per-payment to a one-time maximum limit deduction for the duration of the employee's employment is complex for an employer to manage. A one-time \$50 fee (or any one-time amount) is administratively difficult to manage because payroll systems do not store a balance specific to fees. Therefore, tracking of the \$50 fee must be performed manually. If there are multiple child support orders processed for one employee, the employer must also investigate to see whether the one-time fee had already been withheld. A nominal per-payment/remittance, fixed-dollar amount fee without a balance for each order seems more equitable if the intent of the fee is to help reimburse the employer for processing orders and payments.

APA is concerned about a discrepancy between the Pennsylvania and federal laws. Pennsylvania Act 64 states, “In no case shall the employer's reimbursement be deducted from the amount of the support order.” However, the language in Section 466(b)(6)(A)(i) of the federal Social Security Act allows employers to collect fees prior to remitting the payment. The section reads, “pay such amount (after deducting and retaining any portion thereof which represents the fee so established).” Employers request that Pennsylvania’s child support requirements follow the federal guidelines in allowing the fee to be deducted from the amount withheld. This does not lower the amount the noncustodial parent owes to the custodial parent.

According to statistics provided by the federal Office of Child Support Enforcement (OCSE), employers are responsible for withholding 75 percent of all child support collected nationally. In fiscal year 2015, employers collected \$24.5 billion. The role that APA members play in ensuring the success of the child support program is extremely important. We are focused on maintaining and advancing that success for employers, employees, and our state, local, and federal partners.

About the APA

Established in 1982, the APA is a nonprofit professional association serving the interests of more than 20,000 payroll professionals in the United States. The 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. The APA’s Government Relations Task Force (GRTF) works with legislative and executive branches at the federal and state levels to assist employers with understanding their legal obligations with significant emphasis on minimizing the administrative burden on government, employers, and individual workers. The GRTF maintains a close relationship with state child support agencies and the federal Office of Child Support Enforcement to ensure that APA’s members receive the latest information about child support laws and that the state and federal agencies receives meaningful feedback on its programs, regulations, guidance, and laws.

Sincerely,



Lisa Poole, CPP



Corri Flores

Cochairs, GRTF Child Support and Other Garnishments Subcommittee
American Payroll Association



William Dunn, CPP

Director, Government Relations
American Payroll Association

Cc: Sen. Patrick Browne, Rep. William Adolph Jr., Rep. Joseph Markosek, Rep. Ron Marsico,
Rep. Joseph Petrarca, Sen. Stewart Greenleaf, Sen. Daylin Leach