



Department of
Human Services



EMPLOYER GUIDE

Reporting Lump Sum Payments

Tennessee New Hire Reporting Program

Calling All Employers!

Lump sum payments are considered employee income and thereby are subject to withholding to collect past due child support. Employers that have received a child support order that includes an amount for past due support are required to comply with the instructions outlined therein.

Employers play an essential role in helping Tennessee's children receive the support they need. Many families who do not receive financial support are often forced to depend on public assistance or live in poverty. By acting in accordance with lump sum payment reporting practices, you will help children receive the support they deserve. Ultimately, lump sum reporting is an easy, yet vital process, designed to help employers have a positive impact on their communities.

<https://TNnewhire.com>

Contact

Tennessee New Hire Reporting Program

P.O. Box 438
Norwell, MA 02061

Website:

<https://TNnewhire.com>

Phone:

(888) 715-2280 Ext. 300

Fax:

(888) 339-5491

Email:

lumpsum@TNnewhire.com

Hours of Operation:

Monday through Friday from 8:00
a.m. to 4:30 p.m. CT

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Reporting Lump Sum Payments

REPORTING BASICS

What are my responsibilities as an employer / income payer?

As a registered employer (or income payer) with the State of Tennessee, you are responsible for reporting lump sum payments on behalf of employees to Tennessee's New Hire Reporting Program, prior to distribution.

FREQUENTLY ASKED QUESTIONS

Do I need to report upcoming lump sum payments for all employees or only those with a pre-established IV-D case?

Your responsibility to report upcoming lump sum payments is inclusive of all employees and contractors, regardless of IV-D case status.

What constitutes a "Lump Sum Payment?"

"Lump Sum Payment" includes, but is not limited to, discretionary and nondiscretionary bonuses, commissions, performance bonuses, merit increases, safety awards, signing bonuses, moving and relocation incentive payments, holiday pay, termination pay, and severance pay. Lump sum payment also includes workers' compensation, insurance settlements, and personal injury settlements paid as replacement for wages owed. Lump sum payment means income other than a periodic recurring payment of earnings on regular paydays and does not include reimbursement for expenses.

Is there a threshold amount that needs to be met for reporting purposes?

There is no established threshold that needs to be met for reporting purposes, all lump sum payments, regardless of their amounts, are to be reported.

How do I know whether CCPA limitations apply to lump sum payment amounts?

In determining whether certain lump-sum payments are earnings under the CCPA, the central inquiry is whether the employer paid the amount in question for the employee's services. If the lump-sum payment is made in exchange for personal services rendered, then like payments received periodically, it will be subject to the CCPA's garnishment limitations. Conversely, lump-sum payments that are unrelated to personal services rendered are not earnings under the CCPA. For additional information on the application of CCPA limitations, please review the "Federal Wage Garnishment Law, Consumer Credit Protection Act's Title III (CCPA)" fact sheet as published by U.S. Department of Labor, Wage and Hour Division, here: <https://www.dol.gov/sites/dolgov/files/WHd/legacy/files/whdfs30.pdf>.

Do I have any reporting options?

Employees last name and Social Security Number (SSN) can be entered into the system interface via 'Interactive Lookup' or using our Batch Upload process. Match results are instantaneous, so you know, in real time, if there is a match on your employee.

How will I know whether I can release the money?

The Tennessee New Hire Reporting Program can let you know in real time whether you can make a lump sum payment to an employee using our Interactive Lookup tool.

If money is owed, will the State issue an IWO, an administrative lien, or some other type of legal filing?

If money is owed by an employee for past due support, an Administrative Order for Seizure of Assets will be issued to the employee's employer / income payor as well as to the employee. Employers must comply with the instructions as outlined within this legal document.

Who do I contact if I have questions on the process?

If you have any questions about the process or require any assistance with your Lump Sum Payment Module registration, please contact the Tennessee New Hire Reporting Program via email at lumpsum@TNnewhire.com or directly by phone at (888) 715-2280 Ext. 300. All inquiries will be returned no later than twenty-four (24) hours after receipt.

EMPLOYER RESOURCES

Please visit our '[Employer Resources](https://TNnewhire.com/)' section on <https://TNnewhire.com/> to access additional information for your organization.