

2002-01B

NEW HIRE AND WAGE REPORTING

TO: Mayors, Selectmen, City/Town Managers and Municipal/District Treasurers

FROM: Joseph J. Chessey, Jr., Deputy Commissioner
Division of Local Services

DATE: January 2002

SUBJECT: Reporting Newly Hired Employees, Independent Contractors and Employee
Wages to the Department of Revenue

This *Bulletin* informs local officials of the requirement to report to the Massachusetts Department of Revenue (DOR) (1) newly-hired employees and independent contractors within 14 days of hire and (2) wages for all employees for each calendar quarter.

New Hire Reporting

Pursuant to G.L. Ch. 62E §2, all employers, including all cities, towns and districts, must report newly hired employees, as well as independent contractors who are to be paid \$600 or more over the course of a year, to DOR within 14 days of hire.

(over)

DOR uses new hire and independent contractor reports to collect and distribute child support payments to families. The reports are matched against DOR's caseload of non-custodial parents with child support orders. In the case of a match, a wage assignment is automatically generated and sent to the employer, who must then remit funds to DOR within three days of the payroll date. In FY2001, 80% of DOR's total child support collections of \$374 million came from employer payments. The reporting of new hires, independent contractors and quarterly wage helps families receive their child support payments on time.

Additional information on new hire reporting requirements and reporting methods, including fast and cost-free Internet reporting, can be found on-line at www.mass.gov/dor. At "Business Information," click on "New Hire Reporting." Call (617) 626-4154 for further information or to request a brochure.

Reports may also be submitted on paper forms. To obtain a report form, visit www.mass.gov/dor. You may obtain a faxed copy by calling **Fax on Demand, at (617) 887-1900**, and selecting document retrieval number 506. You may also obtain a form by **calling DOR's Child Support Enforcement Division, Customer Service Bureau, at (800) 332-2733**.

Wage Reporting

All persons, businesses and governmental entities that employ one or more individuals and maintain a place of business or do business in Massachusetts must file a quarterly wage report for every employee who either resides or is employed in Massachusetts, whether or not the employee's wages are subject to state income tax withholding. Municipalities should ascertain that independent contractors as well as new hires are included in their reports to DOR. Such reports may be filed on behalf of employers by their payroll service representatives. For further information on wage reporting requirements, refer to Form WR-1 instructions. For further information, **call the DOR's Automated Processing Bureau, at (617) 887-5030**.

Benefits to Families and to Taxpayers

New hire and quarterly wage reporting helps parents who pay child support to stay current with their payments so that their children receive their support on time.

New hire and quarterly wage reporting helps taxpayers, also, as the information is used in the administration of Social Security and public assistance programs, and to detect and prevent fraud within the Transitional Assistance, ("welfare"), Food Stamp, Unemployment, and Workers' Compensation. Since such programs are funded by taxpayers, fraud prevention greatly benefits taxpayers, saving millions of dollars of taxpayer money each year.