

Independent Contractors and Nontraditional Workers: Implications for the Child Support Program

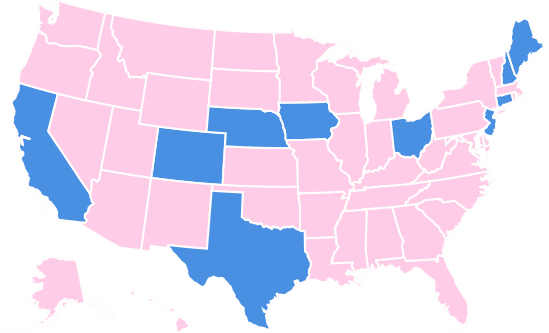
This study examines the response of the child support program to the growing presence of independent contractors and nontraditional workers.

The federal child support program partners with states, localities, and tribes to establish paternity, enforce child support orders, and facilitate child support payments.

75%

of child support collections come from automatic income withholding

This process is highly automated and not overly labor intensive for the child support agency or employer. It enables child support payments to come directly out of a noncustodial parent's paycheck on a regular basis.



16 states mandate employers report income of independent contractors

For nontraditional workers income withholding poses challenges:

- Virtually impossible to implement for one-time payments
- Employer compliance is low
- States lack information on how much to withhold
- Inconsistency in worker income makes it difficult to accurately calculate income withholding amounts



Child support agencies must rely on additional strategies:

- Outreach and education on alternate payment methods to noncustodial parents
- Employer outreach and education
- One-time collections techniques, such as federal tax offset
- Custodial parent engagement



Key Findings

- Recent economic shifts and an increasing number of nontraditional workers may result in less consistent payments for children and more work for child support programs.
- One-time collections techniques and outreach to employers, noncustodial parents, and custodial parents remain critical tools in collecting support payments from nontraditional workers.
- Existing automated income withholding methods may have limited effectiveness for collecting nontraditional workers' income.

