



# EMPLOYER GUIDE

## Reporting Lump Sum Payments

### *Calling All Employers!*

[Pursuant to R.I. Gen. Law § 15-16-2\(6\)\(i\)](#), lump sum payments are considered employee income and are thereby 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, including the remittance to the clerk of the family court, or any other remittee as directed in the income withholding order, all amounts withheld from the income of an obligor within seven (7) days of the date the income was paid or payable to the obligor, per [R.I. Gen. Law § 15-16-10\(a\)](#).

Employers play an essential role in helping Rhode Island'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://ri-newhire.com>

### Contact

#### Rhode Island New Hire Reporting Directory

P.O. Box 485  
Norwell, MA 02061

#### Website:

<https://ri-newhire.com>

#### Phone:

(888) 870-6461 Ext. 300

#### Fax:

(888) 272-8885

#### Email:

[lumpsum@ri-newhire.com](mailto:lumpsum@ri-newhire.com)

#### Hours of Operation:

Monday through Friday from 8:00 a.m.  
to 5:00 p.m. ET

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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 Rhode Island, you are responsible for reporting lump sum payments on behalf of employees to Rhode Island's New Hire Reporting Directory, 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>, or we suggest consulting with your legal counsel.*

#### **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 Rhode Island New Hire Reporting Directory 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 Income Withholding Order (IWO) 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 Rhode Island New Hire Reporting Directory via email at [lumpsum@ri-newhire.com](mailto:lumpsum@ri-newhire.com) or directly by phone at (888) 870-6461 Ext. 300. All inquiries will be returned no later than twenty-four (24) hours after receipt.*

### EMPLOYER RESOURCES

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