

**National Directory of New Hires**

**OMB Information Collection Request  
0970 - 0166**

**Supporting Statement Part A - Justification  
July 2025**

**Type of Request:** Revision

Submitted by:  
Office of Child Support Enforcement  
Administration for Children and Families  
U.S. Department of Health and Human Services

## **1. Circumstances Making the Collection of Information Necessary**

The National Directory of New Hires (NDNH) is a federally mandated national repository of employment, unemployment insurance, and quarterly wage information submitted by state directories of new hires (SDNH), state workforce agencies (SWA), and federal employers. Collecting NDNH information is necessary to fulfill the federal child support enforcement requirements and to help congressionally authorized state and federal agencies administer certain benefit programs.

The U.S. Department of Health and Human Services (HHS), Office of Child Support Enforcement (OCSE) operates the NDNH under 42 U.S.C. § 653(i)(1). The information collection activities pertaining to the NDNH are authorized by: 1) 42 U.S.C. § 653a(b)(2)(A), which requires employers to report all newly hired employees to the SDNH within 20 days after hiring; 2) 42 U.S.C. § 653a(e), which requires states to enter the new hire information into the SDNH within five days of receipt from the employer; 3) 42 U.S.C. § 653a(g)(2)(A), which requires the SDNH to transmit the new hire information to the NDNH within three business days of the data being entered in the SDNH; 4) 26 U.S.C. § 3304(a)(16)(B) and 42 U.S.C. § 503(h)(1)(A), which require state unemployment compensation agencies to report wage and claim information to the NDNH; 5) 42 U.S.C. § 653a(g)(2)(B), which requires the SDNH to report wages and other compensation to the NDNH quarterly; 6) 42 U.S.C. § 653a(b)(1)(C) and 42 U.S.C. § 653a(b)(2)(A), which require federal employers to report all newly hired employees to the NDNH within 20 days after hiring; 7) 42 U.S.C. § 653(n), which requires federal agencies to submit quarterly wages paid to employees during the previous quarter to the NDNH, except for those employees performing intelligence or counterintelligence functions, if the head of the agency determines that such report would endanger the employee or compromise an investigation or intelligence mission; and (8) 42 U.S.C. § 653a(b)(1)(B), which requires multistate employers to notify the HHS Secretary about the state it designates for submissions.

This request is for a revision to the currently approved information collection. Please see A.15 for an explanation about the changes.

## **2. Purpose and Use of the Information Collection**

State child support agencies (CSAs), courts, parents, certain agents, attorneys, and foreign reciprocating countries use information reported to the NDNH to obtain locate, employment, and unemployment compensation benefits information pertaining to parents with child support obligations who reside and work in other states. CSAs use this information to establish, modify, or enforce a child support order. NDNH information is matched with child support case abstracts transmitted by CSAs to the Federal Case Registry of child support orders within two business days. The results of the comparisons are transmitted to the appropriate state child support agency. 42 U.S.C. §§ 653(a)(2), and 653a(h)(1) and (f)(2).\_\_

Legally authorized state and federal agencies, researchers, and data matching partners also use NDNH information to:

- Enforce state and federal law for unlawfully taking or restraining a child or making or enforcing a child custody or visitation determination. 42 U.S.C. § 653(a)(3).
- Administer the Earned Income Tax Credit program. 42 U.S.C. § 653(i)(3).
- Compare data among different components of the Federal Parent Locator Service (FPLS) to facilitate Temporary Assistance to Needy Families (TANF), child and family services, child support, foster care, and adoption. 42 U.S.C. § 653(j)(3).
- Administer the Social Security program. 42 U.S.C. § 653(j)(4).
- Conduct research that would contribute to TANF or child support programs. Any data provided to researchers would not include personal identifiers. 42 U.S.C. § 653(j)(5).
- Match individual student loan borrowers who are in default or have an obligation to refund an overpayment of a grant. 42 U.S.C. § 653(j)(6).
- Verify the employment and income of individuals participating in certain federal housing programs. 42 U.S.C. § 653(j)(7).
- Administer the unemployment compensation program. 42 U.S.C. § 653(j)(8).
- Collect federal (non-tax) debts. 42 U.S.C. § 653(j)(9).
- Administer the Supplemental Nutrition Assistance Program. 42 U.S.C. § 653(j)(10).
- Verify the employment and income of individuals applying for, or receiving, certain Veterans Administration benefits, compensation, or services. 42 U.S.C. § 653(j)(11).
- Administer child support programs by foreign reciprocating countries. 42 U.S.C. § 659a(c)(2) and (3).
- Locate a parent for purposes of the International Child Abduction Remedies Act. 22 U.S.C. § 9006(d) and 42 U.S.C. § 659(c)(3).

The NDNH may also be used by entities such as law enforcement, the Department of Justice, courts, and other adjudicative bodies for critical issues pertaining to legal matters and national security and by contractors who are required to have access in the event of a security breach.

### **3. Use of Improved Technology and Burden Reduction**

OCSE strongly encourages employers that manually report new hire information to the SDNH to transition to electronic reporting using existing technology and state systems. Doing so will improve information security, and reduce the hourly and cost burdens associated with manual reporting. The burden for each SDNH, SWA, and federal agency to submit new hire, quarterly wage, and unemployment insurance information electronically to the NDNH is minimal because transmission is done using an automated secure managed file transfer method.

To ease the reporting requirement burden, multistate employers that do business in two or more states may report all new hires to one state versus reporting to each state in which their employees work. To report to a single state, multistate employers must notify the HHS Secretary by completing the Multistate Employer Registration (MSER) form. These

employers may register via the internet or email. The majority of multistate employers notify the Secretary electronically to identify the state where they will report their new hires.

#### **4. Efforts to Identify Duplication and Use of Similar Information**

The NDNH is unique. There is no other national database of wage and employment information.

The statute includes specific provisions to avoid duplication within state reporting. Multistate employers may designate one state (in which the employer has employees) for reporting new hires. This provision is intended to simplify the reporting of new hires for those employers-with employees in two or more states.

States determine where to house the SDNH so only one state agency collects and reports the new hire data to the NDNH. Most frequently, this is the child support agency, the state workforce agency, or the revenue department.

#### **5. Impact on Small Businesses or Other Small Entities**

To minimize the impact on small businesses, the information that states must report to the NDNH is limited to seven mandated data elements found on the IRS Form W-4: the employee name, address, and Social Security number; date of hire; and the employer's name, address, and Federal Employer Identification Number.

States have the authority to enact laws requiring information in addition to the federally mandated data elements. To accommodate employers and state requests, the NDNH can accept the employee's state of hire, date of birth, and employer's secondary and foreign address.

The quarterly wage and unemployment insurance claim data are already collected at the state level, so this requirement poses no additional burden on employers.

The requirement to register as a multistate employer does not affect most small businesses and other small entities because they may not operate in multiple states.

#### **6. Consequences of Collecting the Information Less Frequently**

Employers must submit new hire information to their respective SDNH within 20 days, and the SDNH must submit the information to OCSE for the NDNH within three days. Collecting the information less frequently puts employers and states in jeopardy of violating federal law. Collecting less frequently will also impair the ability of CSAs to locate an obligor and collect child and spousal support effectively and efficiently for families needing support. Less frequent collection will also negatively impact authorized federal and state agencies that use NDNH information to administer their benefit programs and detect improper use of benefits.

**7. Special Circumstances Relating to the Guidelines of 5 C.F.R. §1320.5**

Information is collected more frequently than quarterly in accordance with the Personal Responsibility and Work Opportunity Act (PRWORA).

**8. Comments in Response to the Federal Register Notice and Efforts to Consult Outside the Agency**

In accordance with the Paperwork Reduction Act of 1995 (Pub. L. 104-13) and Office of Management and Budget (OMB) regulations at 5 CFR Part 1320 (60 FR 44978, August 29, 1995), OCSE published a notice in the Federal Register at 90 FR 18982 on May 5, 2025. The notice announced that OCSE intends to seek OMB approval of collection of information and to provide a 60-day comment period for the public to submit written comments about this information collection activity. OCSE received a letter from the Maryland Department of Human Services expressing how critical the NDNH information is to the state's child support program's success.

**9. Explanation of Any Payment or Gift to Respondents**

No payments or gifts are made to respondents.

**10. Assurance of Confidentiality Provided to Respondents**

Subsection 453(m) of the Social Security Act requires the Secretary of HHS to establish and implement safeguards to restrict access to and use of confidential information in the NDNH to authorized persons. The Social Security Administration (SSA) houses the NDNH at a secure facility with access limited to authorized personnel. Data extracts authorized by legislation are made by batch processes and transmitted securely to recipients.

To protect the NDNH information, administrative, technical, and physical controls are in place to ensure that the records collected and maintained in the NDNH are stored securely (See OCSS National Directory of New Hires, System No. 09-80-0381 published at 89 FR 25625 on April 11, 2024). Access to the records is restricted to authorized personnel. Staff must take privacy and security training before being granted access to the records. NDNH undergoes continuous risk assessments to ensure the continued safeguarding of data maintained, processed, and transmitted throughout the system aligns with National Institute of Standards and Technology NIST SP 800-53 revision 5, Office of Management and Budget (OMB), and the Social Security and Privacy Acts.

All recipients must demonstrate that their systems' security posture meets federal requirements to access and receive NDNH information; enter into agreements that contain the terms and conditions for accessing, receiving, and using the NDNH information; and, comply with the agreement, security, and privacy requirements drawn from applicable sections of the Social Security and Privacy Acts, the National Institute of Standards and Technology, and OMB requirements.

When used for research purposes (as authorized by the HHS Secretary), disclosure is

limited and provided without personal identifiers under subsection 453(j)(5) of the Social

Security Act. In addition, each state must have safeguards to protect personally identifying information and other data releases. All state data is transmitted over secure lines to the NDNH.

## **11. Justification for Sensitive Questions**

Federal law requires OCSE to operate the FPLS for the primary purpose of assisting state CSAs to establish, modify, and enforce child support orders. Collecting sensitive information, such as an individual's Social Security number, is justified because it helps child support case workers correctly identify individuals named in a child support order. It also helps authorized federal and state agencies administer their benefit programs to ensure program integrity and detect fraud and abuse.

## **12. Estimates of Annualized Burden Hours and Costs**

### ***Estimated Burden Hours***

The estimates of burden and costs to respondents are based on these assumptions:

- The NDNH received approximately 74 million new hire submissions in Fiscal Year (FY) 2024.
- Employers in all 50 states, as well as the District of Columbia, Guam, the Virgin Islands, and Puerto Rico, are required to report the hiring of all employees to the SDNH.
- There are approximately 6.3 million employers in the United States.
- States must enter new hire data in the SDNH within five days of receipt from employers and transmit data to the NDNH within three business days of data entry.
- Approximately 10% of employers report all new hires electronically.
- Approximately 83% of the nation's employees are employed by 10% of employers.
- Employers who report new hires electronically usually transmit their reports in a batch file, thus significantly reducing the per-response hour burden.
- There is no incremental burden at the employee level for the new hire data collection, as employees are already required to report their name, address, and Social Security number on the IRS W-4 Form. Even if the state reports one or all of the optional data elements (employee's date of birth, state of hire, and employer's secondary and foreign address), no incremental burden would be placed on the employees because these data elements could all be accounted for by the employer.
- Quarterly wage and unemployment insurance data are treated as one information collection for this clearance request, as they are received from the same source.
- Quarterly wage and unemployment insurance data are furnished to the NDNH by the states on a quarterly basis.
- There is no incremental burden at the employer level for the quarterly wage and unemployment compensation data collection, as employers are already required to submit this information to the states. Because this data will be reported from the SDNH to the NDNH electronically, the burden on the states is minimal.
- Multistate employers complete the MSER form to register with HHS as a single-state reporter as a one-time submission and OCSE has received the majority of the multistate registrations.

The burden calculation includes multistate employers that completed the form for the first time and those that updated their information, including removing itself from the Multistate Employer Registry.

***Estimated Cost to Respondents***

OCSE calculated the cost to respondents using the Bureau of Labor Statistics (BLS) job code for Child, Family, and School Social Worker [21-1021] and wage data from May 2024 (<https://data.bls.gov/oes/#/industry/000000>), which is \$30.25 per hour. For employees reporting data to the states, OCSE calculated the burden using the BLS job code for Bookkeeping, Accounting, and Auditing Clerks [43-3031], which is \$25.01 per hour. To account for fringe benefits and overhead, these rates were doubled to \$60.50 and \$50.02, respectively, when calculating the annual cost of each collection instrument.

The total burden hours for “New Hire: Employers Reporting Manually” is estimated to be 221,047.24 hours. The total cost for these burden hours is \$11,056,782.94 (221,047.24 x \$50.02). The cost to each employer is \$1.95 (\$11,056,782.94 / 5,667,878).

The total burden hours for “New Hire: Employers Reporting Electronically” is estimated to be 22,251.28 hours. The total cost for these burden hours is \$1,113,009.03 (22,251.28 x \$50.02). The cost to each employer is \$1.78 (\$1,113,009.03 / 626,726).

The total burden hours for “New Hire: States” is estimated to be 150,105.82 hours. The total cost for new hire records burden hours is \$9,081,402.11 (150,105.82 x \$60.50). The cost to each state is \$168,174.11 (\$9,081,402.11 / 54).

The total burden hours for “Quarterly Wage & Unemployment Compensation” are estimated to be 0.42 hours. The total cost for these burden hours is \$25.41 (0.42 x \$60.50). The total cost for states submitting QW and UI records is \$0.48 per state (\$25.41 / 53).

The total burden hours for “Multistate Employer Registration” form are estimated to be 77.75 hours. The total cost for these burden hours is \$3,889.06 (77.75 x \$50.02) The total cost for each MSER Form respondent is \$2.50 per respondent (\$3,889.06 / 1,555).

Information Collection Instrument	Annual Number of Respondents	Number of Responses per Respondent	Average Burden Hours per Response	Total Annual Burden Hours	Average Hourly Wage	Total Annual Cost
New Hire: Employers Reporting Manually	5,667,878	1.56	.025	221,047.24	\$50.02	\$11,056,782.94
New Hire: Employers Reporting Electronically	626,726	126.80	.00028	22,251.28	\$50.02	\$1,113,009.03
New Hire: States	54	163,513.97	.017	150,105.82	\$60.50	\$9,081,402.11

QW & UI: States	53	28.00	.00028	0.42	\$60.50	\$25.41
Multistate Employer Registration Form	1,555	1.00	.05	77.75	\$50.02	\$3,889.06
<b>Estimated Annual Burden and Respondent Costs Total:</b>				<b>393,482.51</b>		<b>\$21,255,108.55</b>

**13. Estimate of Other Total Annual Cost Burden to Respondents and Record Keepers**

Respondents use systems already in place to provide information to the NDNH, so there is no capital or startup cost burden to respondents. There are also no incremental costs associated with collecting this information or ongoing operations and maintenance costs attributable to the requirement to submit to the NDNH.

There are no ongoing maintenance costs for respondents for the Multistate Employer Registry; OCSE bears the maintenance costs.

**14. Annualized Cost to the Federal Government**

The annualized cost to the federal government is estimated to be \$9.5 million. This includes the system enhancement and technical assistance contracting costs, telecommunications, security, data quality, and software and hardware costs incurred by OCSE in association with the NDNH.

**15. Explanation for Program Changes or Adjustments**

The estimated new hires manually reported by employers increased since the previous approval while the number of new hires electronically reported decreased; however, total new hires reported by employers increased by approximately 256,698. State workforce agencies submissions increased since the previous approval, but the number of quarterly wage and unemployment insurance responses per respondent did not change. The average annual number of new MSER forms increased since the previous approval. The adjustments to the responses constitute program changes and resulted in a net increase to the total burden.

The overall respondent burden changes resulted in an increase to the estimated annual burden hours. The burden costs increased as a result of wage increases.

The NDNH record specifications underwent changes to remove the unconventional date format to a standard format. The MSER form underwent formatting changes and minor edits, including removing the address for users to send hard copy forms via the U.S. Postal Service.

**16. Plans for Tabulation and Publication and Project Time Schedule**

Not applicable.

**17. Reason(s) Display of OMB Expiration Date Is Inappropriate**

Not applicable.

**18. Exceptions to Certification for Paperwork Reduction Act Submissions**

Not applicable.