



## ELECTRONIC PAYROLL WITHHOLDING

April 7, 2020

Dear Employer:

Since July 1, 2007, Virginia law (Code of Virginia § 20-79.3) requires all companies with at least 100 employees to submit child support payments electronically. If you are continuing to send payments in the form of a check on a weekly, bi-weekly, semi-monthly or monthly basis, then better options are available!

**The Division of Child Support Enforcement offers you the opportunity to electronically submit your payroll withholding for child support payments.** Regardless of your organization's size, there are many advantages to submitting your payments using Electronic Funds Transfer (EFT) and Electronic Data Interchange (EDI):

- ✓ **COST EFFECTIVENESS**  
*The cost of an EFT/EDI remittance is lower than the cost to write a check*
- ✓ **SECURITY**  
*The number of people accessing your financial and employee information is greatly reduced; as well as the elimination of mail and check fraud*
- ✓ **EFFICIENCY**  
*Payments received are distributed to families with greater accuracy*
- ✓ **RECONCILIATION**  
*Posting discrepancies between the issued check amount and the employee withholding are eliminated*
- ✓ **TIMELINESS**  
*Payments get from your employee to the intended recipient faster*

You can submit your employees' child support payments electronically through the Automated Clearing House (ACH) banking network. In this process, the employer transmits payment instructions (EFT) and remittance information (EDI) to its financial institution. The financial institution originates the ACH entries to transfer the payment and remittance information through the ACH network. This information is received by our financial institution and uploaded into our system, and the payments automatically post to the employee's child support case(s).

If you currently offer direct deposit to your employees, then you are already participating in the ACH network. Virginia's EFT/EDI program offers tremendous flexibility. Our program accepts the following Automated Clearing House Association (NACHA) formats:

- ✓ **CCD** Cash Concentration or Disbursement (CCD)
- ✓ **CCD+** Cash Concentration or Disbursement Plus Addenda
- ✓ **CTX** Corporate Trace Exchange



Flexibility and efficiency is what we're all about! In addition to the ACH network, there are other ways to remit your child support payments using the Virginia EFT/EDI program. These alternatives are offered to help you select the method most favorable to your circumstances:

- ✓ **My Child Support** allows employers to remit ACH child support payments on our safe and secure website at no cost. For more information, please visit: <https://mychildsupport.dss.virginia.gov>
- ✓ **Payroll Companies** can be used to pay child support income withholding electronically
- ✓ **Expert Pay™** is a private web-based business that can transmit electronic payments. There are fees associated with the use of this service; please visit: [www.expertpay.com](http://www.expertpay.com) for more details
- ✓ **Online Banking** can be used to pay child support electronically for financial institutions that contract with Check Free™. To determine if your financial institution uses Check Free™, please visit: <http://www.checkfreecorp.com>

Employers should consider with adopting alternate means to remitting child support payments. Submitting your child support payments electronically will not only ensure you are compliant with Virginia law; it also will give you the efficiency, cost-effectiveness and security you need to do more with less.

If you would like additional information to set your business up with one of the options provided above, please feel free to contact our EFT/EDI unit at (804) 726-7316 or (804) 726-7277 or via email: [eftpayments@dss.virginia.gov](mailto:eftpayments@dss.virginia.gov) for more information. You can also visit our New Hire Reporting Center website at <https://va-newhire.com/>.

Sincerely,

Peter E Finn  
Business Operations Director  
Virginia Department of Social Services  
Child Support State Disbursement Unit