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New Hire Reporting: Who, What, When, and How

Hiring a new employee triggers a host of responsibilities, including reporting that new hire to the appropriate state agency. In this Tip, you will learn about the various new hire reporting requirements, including what information must be reported, how the information must be reported, and the deadline for reporting.

New Hire Reporting: Who, What, When, and How

Whenever an employer hires a new employee, it triggers a host of responsibilities. One of which is reporting the new hire to the state. Both federal and state law address new hire reporting requirements. All employers must comply, and failure to do so can result in fines. To help you understand what information must be reported and when, review the following frequently asked questions.

Q: What is the purpose of new hire reporting?

A: New hire information is entered into a government-run database that can be accessed by federal and state agencies to locate parents who owe child support and to prevent abuse of unemployment insurance, workers' compensation, and public assistance programs.

Q: What information must be reported?

A: Under federal law, the following information must be reported:

- The employee's name, address, Social Security number, and date of hire (that is, the date the employee starts working for pay); and
- The company's name, address, and Federal Employer Identification Number (FEIN).

Some states have additional requirements, such as reporting whether employer-sponsored health coverage is available to the employee. Check your state law to ensure compliance.

Q: How do I submit new hire reports?

A: Employers have several options for reporting new hires, such as submitting the new hire's W-4 or an equivalent form via first class mail, filing by magnetic tape, or submitting the information online. Note: Some states may require employers to use a particular reporting method. Check your state's new hire reporting program for requirements and options.

Q: Where do I submit new hire reports?

A: Each state has a designated agency to handle new hire reports. You can find contact information for your designated state agency [here](#).

Q: How long do I have to report a new hire?

A: It depends on your state. In some states, employers are allowed up to 20 days from the date of hire to report new employees, but some states have shorter timeframes (e.g., 14 days or 7 days). Check your state law to ensure compliance.

Q: Which employees do I report?

A: Employers must report all newly hired employees as well as rehired employees. Under federal law, an employee is any individual who is considered an employee for federal income tax withholding purposes, and a rehired employee is an employee who returns to the employer after at least 60 consecutive days of separation from the company. Note: Some states define a rehired employee more broadly (e.g., after 30 days of separation).



Q: Am I required to report independent contractors?

A: It depends on your state. A growing number of states are requiring employers to report independent contractors. It is important to remember that employers must carefully analyze whether an individual meets the IRS common law test, as well as other applicable tests, for independent contractor status. If the worker doesn't meet these criteria, he or she must be classified as an employee and treated accordingly.

Q: Must I report an employee returning from a layoff or leave of absence?

A: If the returning employee is required to complete a new Form W-4, or has been separated from your employment for a length of time that qualifies the individual as a rehired employee under federal or state law, you must report him or her as a new hire.

Q: Do I have to report temporary employees?

A: Generally, if you pay the temporary employee directly, you are responsible for new hire reporting. However, if a staffing agency pays the employee, the staffing agency is generally responsible.

Q: I just hired employees who are under the age of 18.

Must I submit new hire reports for them?

A: Yes. A new hire report must be submitted on any newly hired or rehired employee regardless of the employee's age.

Q: I hire the same seasonal employees year after year. Do I have to report them each year?

A: Yes. These employees would fall under the definition of rehired employees, and therefore they must be reported each year you rehire them.

Q: An employee quit before my state's deadline for submitting the new hire report. Must I still submit the report?

A: Yes. Any time wages are earned, the employer must report the new hire to the state, even when the employment relationship lasts a short time.

Q: If I hire employees in more than one state, must I submit a new hire report in each state?

A: Employers with employees in more than one state have the option of choosing one state to report all new hires. The other option for multi-state employers is to report each new hire to the state in which the employee is working.

Multi-state employers that choose to report to one state must: (1) submit new hire reports by magnetic tape or electronically; and (2) notify the federal Department of Health and Human Services' Office of Child Support Enforcement.

Q: How will my state know if I am complying with new hire reporting requirements?

A: States typically review employers' quarterly wage reports to confirm compliance with new hire reporting requirements.

ADP offers a New Hire Reporting service to help you comply with new hire reporting laws. Contact your payroll service center for more information.

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