

Lump Sum Reporting

Effective October 1, 2021, employers/income payers who have been ordered to withhold child support payments are required to notify the Division of Welfare and Supportive Services, at least 10 days prior to issuance of a lump sum payment of \$150.00 or more to an employee/obligor if arrears are owed.

1. What is considered a lump sum payment?

Lump sum payments made to employees are considered income and may be garnished to collect past-due child support. Examples of lump sums include:

- commissions
- discretionary or performance bonuses
- incentive payments for moving or relocating
- referral or sign on bonuses
- attendance awards
- safety awards
- cash payment awards
- termination pay
- profit sharing
- severance pay
- any other one-time unscheduled or irregular payment of compensation

2. What is *not* considered a lump sum payment?

Lump sum payments do not include payroll advances or reimbursement for expenses incurred by the employee on behalf of the income payer.

3. Are income payers required to report lump sum payments?

Yes, effective October 1, 2021 all income payers that have received an income withholding order that includes an amount for past due support must notify the Child Support agency before making lump sum payments of \$150.00 or more.

4. When should the lump sum be reported?

Information regarding a lump sum payment should be reported at least 10 days prior to the date an income payer intends to release the payment to the employee.

5. What is the threshold amount for reporting lump sum payments?

Lump sum amounts of \$150.00 or more must be reported.

6. Is there a quick and easy way to report upcoming lump sum payments?

Yes, there are currently two different ways income payors can report an upcoming lump sum payment.

Federal Child Support Portal: The federal Office of Child Support Enforcement (OCSE) provides a secure online lump sum reporting application on the Child Support Portal. OCSE compares the employees who are receiving lump sum payments to individuals who owe child support and sends matches to the child support agencies. For more information on the portal or to sign up for lump sum reporting, please visit: [Report Lump Sum Payments Online](#).

Fax or Email: The Notice of Lump Sum Payment form 4004-EC may be downloaded and faxed or emailed using the contact information provided on the Income Withholding Order (IWO) on file for the employee. If sufficient contact information is not available on the IWO, the form may be emailed to CSEP_PolicyUnit@dwss.nv.gov or faxed to (775)684-0702 ATTN: LUMP SUM REPORTING.

7. How long must the income payer hold the lump sum payment?

The payment may be released to the employee 11 days after providing notice to the Child Support agency if a reply is not received or sooner if the Child Support agency provides written authorization that the payment may be released.

8. Is the Income Withholding Order (IWO) used for lump sum payments?

Yes. Upon receipt of notice from an income payer that an employee is due a lump sum payment, the Child Support agency will review the case and provide an IWO if appropriate. The IWO will indicate One-Time Order/Notice for Lump Sum Payment and does not replace the IWO on file for the employee.

Electronic Income Withholding (e-IWO): e-IWO is an efficient and cost-effective way to electronically exchange income withholding information between child support agencies and income payors. For more information regarding e-IWO please visit: [e-IWO](#)

9. Are lump sum payments subject to the limits of the Consumer Credit Protection Act (CCPA)?

Lump sum payments which are considered earnings are subject to CCPA withholding limits. Earnings include wages, salaries, commissions, bonuses and most lump sum payments.

10. What happens if an income payer does not report a lump sum?

Failure to comply with these requirements may subject an income payer to fines, punitive damages, attorney's fees and/or court appearances to show cause for non-compliance.