

EMPLOYER GUIDE

Reporting Lump Sum Payments

Attention All Employers!

Lump sum payments are considered employee income and thereby are subject to withholding to collect past due child support. Employers should comply with the instructions outlined within this guide.

Employers play an essential role in helping New Jersey'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.

Contact

New Jersey Child Support
Employer Services,
Lump Sum Payment
Department

P.O. Box 4654
Trenton, NJ 08650

Website:

<https://njcseesp.com>

Phone:

(877) 654-4737, ext. 2

Fax:

(877) 450-6782

Email:

lumpsum@njcseesp.com

Hours of Operation:

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

On the Reverse

[Reporting Basics](#)

[Frequently Asked Questions](#)

[Employer Resources](#)

<https://njcseesp.com>

EMPLOYER GUIDE

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 New Jersey, you are responsible for reporting lump sum payments on behalf of employees to New Jersey Child Support Employer Services, prior to distribution.

FREQUENTLY ASKED QUESTIONS

Do I need to report upcoming lump sum payments for all employees or only those with a child support case?

Your responsibility to report upcoming lump sum payments is inclusive of all employees and contractors, regardless if they have a child support case.

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, clothing stipend 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>.

Do I have any reporting options?

Log in or create an account and select “Lookup Lump Sum” on the Employer Dashboard. Enter the employee’s last name and social security number to get instant results. You can also upload a file if there are multiple employees receiving a lump sum.

How will I know whether I can release the money?

New Jersey Child Support Employer Services 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 will be issued to the employee’s employer / income payor. 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 New Jersey Child Support Employer Services via email at lumpsum@njcesp.com or directly by phone at (877) 654-4737, extension 2. All inquiries will be returned no later than twenty-four (24) hours after receipt.

EMPLOYER RESOURCES

Please visit our ‘[Employer Resources](https://njcesp.com)’ section on <https://njcesp.com> to access additional information for your organization.