Federal Parent Locator Service

A Guide to the

National Directory of New Hires

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Purpose

This guide provides a basic overview of data maintained in the National Directory of New Hires (NDNH) and the limitations on its use by authorized federal and state agencies. This guide only applies to agencies with legislative authority to access NDNH data. It does not apply to those who do not have legal authority to access the NDNH, for example, individuals, such as parents, and commercial entities.

This guide addresses the following:

1. What is the NDNH?
2. Who may request NDNH information?
3. What is required for agencies to receive NDNH information?
4. What is the cost to obtain NDNH information?
5. What are the next steps to obtain NDNH information?

1: WHAT IS THE NDNH?

Introduction to the NDNH

The federal Office of Child Support Enforcement (OCSE) operates the NDNH, a database established by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) for the purposes of assisting state child support agencies in locating parents and enforcing child support orders. In addition, Congress authorized specific state and federal agencies to receive information from the NDNH for authorized purposes.

The NDNH is a national database of wage and employment information. OCSE uses the NDNH primarily to assist states in administering programs that improve states' abilities to locate parents, establish paternity, and collect child support. The NDNH is located at the Social Security Administration's (SSA) National Support Center. The information in this database is only available to authorized persons or entities for authorized purposes. For more information, see Section 2 of this document.

Information Maintained in the NDNH

The NDNH database contains the following files:

- New hire
- Quarterly wage (QW)
- Unemployment insurance (UI)

Each file is described in detail below.

New Hire File	The new hire file contains information on all newly hired employees as reported by employers to each State Directory of New Hires (SDNH). Federal agencies report directly to the NDNH. Employers are required to report the following seven data elements; however, many states require additional information, such as state of hire and date of birth. • Employee name • Employee Social Security number or Taxpayer Identification Number (TIN) • Employee address • Employer name • Federal Employer Identification Number (FEIN); if a federal employer, then the Department of Defense code, if available, or employer identification number • Employer address • Date of hire
Quarterly Wage (QW) File	The QW file contains quarterly wage information on individual employees from the state workforce agency (SWA) and federal agency records. When an individual is working more than one job during the reporting period, separate QW records are established for each job. SWAs and federal agencies transmit the following QW data elements to the NDNH: • Employee name (if collected by the state) • Employee Social Security number or TIN • Employee wage amount • Reporting period (calendar quarter in which wages were paid) • Employer name • FEIN • Employer address • Employer optional address
Unemployment Insurance (UI) File	The UI file contains unemployment insurance information on individuals who received or applied for unemployment benefits, as reported by SWAs. The states only submit claimant information that is already contained in the records of the state agency administering the UI program. States transmit the following UI data elements to the NDNH: • Claimant name • Claimant Social Security number or TIN • Claimant address • Claimant benefit amount (gross amount before any deductions) • Reporting period (calendar quarter in which the UI claim was filed)

Reporting Schedule

There are mandatory timeframes for state and federal agencies to report new hire, QW, and UI data to the NDNH. The following table provides the data submission schedule for state and federal agencies. For more detailed information, refer to the NDNH Guide for Data Submission.

	DATA SUBMISSION TIMEFRAMES		
Reporting Entity	**New Hire**	**QW**	**UI**
Federal agency or payroll department	Reports new hires to NDNH within 20 days of date of hire **OR** Makes two monthly transmissions (if necessary) not less than 12 days nor more than 16 days apart.	Transmits QW data to the NDNH no later than **one** month after the end of a calendar quarter.	Not applicable
State agency	Employers • Report new hires to State Directories of New Hire (SDNH) within 20 days of date of hire **OR** • Makes two monthly transmissions (if necessary) not less than 12 days nor more than 16 days apart. The SDNH • Processes new hire data within five business days of receiving report from employer; and • Submits new hire data to NDNH within **three** business days after new hire data are entered into SDNH. The NDNH • Posts new hire reports within **two** business days of receipt.	SWA transmits QW data to the NDNH within **four** months of the end of a calendar quarter.*	SWA transmits UI data within **one** month of the end of a calendar quarter.

*Some states report QW data monthly or weekly to the NDNH.

2: AUTHORIZED USERS OF NDNH INFORMATION

Authorized Persons or Entities

OCSE receives numerous requests for information contained in the NDNH, specifically for comparisons of NDNH information with other information for various purposes. Title IV-D of the Social Security Act, which governs the NDNH, specifies the persons or entities authorized to request NDNH information and the purposes for which the information may be used. The table below summarizes the provisions of the law. The law may also include other relevant terms and conditions.

The law provides that this entity…	May receive this from the NDNH…	Only for this/these purpose(s)…
Secretary of the Treasury	NDNH Information	• To administer Section 32 (earned income tax credit) of the Internal Revenue Code (IRC). • To verify a claim of employment in a tax return. • To collect delinquent nontax debt owed to the federal government when the debt has been referred to the Secretary of the Treasury in accordance with 31 U.S.C. § 3711(g). 42 U.S.C. §§ 653(i)(3) and (j)(9)
State Welfare ("TANF" or "IV-A") Agencies	NDNH Information	• To carry out State responsibilities under programs funded under part A of title IV of the Social Security Act. 42 U.S.C. § 653(j)(3)
State Child and Family Services (IV-B) Agencies	NDNH Information	• To carry out State responsibilities under programs funded under part B of title IV of the Social Security Act. 42 U.S.C. § 653(j)(3)
State Foster Care and Adoption Assistance (IV-E) Agencies	NDNH Information	• To carry out State responsibilities under programs funded under part E of title IV of the Social Security Act. 42 U.S.C. § 653(j)(3)
Commissioner of the Social Security Administration (SSA)	NDNH Information	• To provide the Commissioner of Social Security with all information in the National Directory. 42 U.S.C. §§ 653(j)(4)

The law provides that this entity…	May receive this from the NDNH…	Only for this/these purpose(s)…
Secretary of Education (ED)	NDNH Information	• To collect debt from individuals who have defaulted on student loans or owe an obligation to refund an overpayment of a grant. • After removal of personal identifiers, to conduct analyses of student loan defaults. 42 U.S.C. § 653(j)(6)
Researchers/others	NDNH Information, but **without** personal identifiers	• To conduct research found by the Secretary of Health and Human Services (HHS) to be likely to contribute to achieving the purposes of part A or part D of the Social Security Act. 42 U.S.C. § 653(j)(5)
Department of Housing and Urban Development (HUD)	NDNH Information	• To verify the employment and income of individuals participating in certain enumerated housing programs. • After removal of personal identifiers, to conduct analyses of the employment and income reporting of those individuals. 42 U.S.C. § 653(j)(7)
State Workforce Agencies (SWA)	NDNH Information	• To administer an unemployment compensation program under federal or state law. 42 U.S.C. § 653(j)(8)
State Supplemental Nutrition Assistance Program (SNAP) Agencies	NDNH Information	• To administer a supplemental nutrition assistance program under the Food and Nutrition Act of 2008. 42 U.S.C. § 653(j)(10)
Veterans Affairs	NDNH Information	• To verify the employment and income of individuals applying for or receiving benefits, compensation, or services. • After removal of personal identifiers, to conduct analyses of the employment and income reporting of those individuals. 42 U.S.C. § 653(j)(11)

What If My Agency or Purpose Is Not Listed?	*Statutory authority is required to receive NDNH information.* OCSE cannot disclose NDNH information if the law does not specifically authorize an agency to receive specified NDNH information and the information or comparison being requested does not meet the purposes stated in the statutory authority.

3: WHAT IS REQUIRED FOR AGENCIES TO RECEIVE NDNH INFORMATION?

Requirements	In addition to meeting the requirements of the Social Security Act (specified information to an authorized agency for an authorized purpose), an agency must meet other requirements governing the information comparison as outlined in this section. Requests for research information must originate from a federal, state, or local government agency.

Memorandum of Understanding (MOU) / Computer Matching Agreement (CMA) and Security Addendum	OCSE enters into an agreement (MOU or CMA) with each agency that receives NDNH information. The agreement describes the purpose, legal authority, justification, expected results of the match, description of the records, retention and disposition of information, reimbursement, and performance reporting requirements. Each agency is required to sign the security addendum, which is a component of the agreement. The security addendum provides a detailed description of the security requirements and safeguards that an agency must have in place before receiving NDNH information.

Security Requirements	Federal law requires that OCSE implement safeguards to restrict access to NDNH information to authorized entities and restrict the use of the information to authorized purposes.
	
	Recipients of NDNH information must agree to comply with security safeguards, such as:
	
	• Operational safeguards that ensure NDNH information is secure from unauthorized entities and unauthorized uses at all times
	• Technical safeguards that ensure NDNH information is processed, stored, and transmitted in a secure manner and that information is processed using methods that protect the confidentiality and integrity of the information
	• Management safeguards that are tailored to the information system environment and require written security agreements, policies, and procedures that must include:
	    ○ Notification to OCSE of any breach of NDNH information, and
	    ○ A provision that OCSE has the right to request a site visit or assessment to ensure compliance with security requirements
	
	Additional safeguards are found in the *HHS Rules of Behavior for the Use of HHS Information and IT Resources Policy* (approved June 7, 2019, content last reviewed January 9, 2020) and the *Office of Child Support Enforcement Division of Federal Systems Security Requirements for [Federal][State] Agencies Receiving Federal Parent Locator Service Data* documents that OCSE provides upon approval of the request. These requirements are based on applicable privacy and security laws and guidance, including:
	
	• Federal Parent Locator Service, 42 U.S.C. § 653
	• Safeguarding and disclosure of confidential information, 45 C.F.R. 303.21
	• Privacy Act of 1974 and the amended Computer Matching and Privacy Protection Act of 1988
	• Federal Information Security Modernization Act (FISMA) of 2014
	• National Institute of Standards and Technology (NIST) Federal Information Processing Standards (FIPS) Publication 200, Minimum

Security Requirements for Federal Information and Information Systems, March 2006
- NIST 800 series of Special Publications (SP) (Series 800-53 Rev. 4, Security and Privacy Controls for Federal Information Systems and Organizations (April 4, 2013))
- Office of Management and Budget (OMB), Circular A-130, *Managing Information as a Strategic Resource*
- Office of Management and Budget (OMB), Circular A-130, Appendix I, Federal Agency Responsibilities *for Maintaining Records About Individuals*
- OMB Memorandum M-01-05, Guidance on Inter-Agency Sharing of Personal Data - Protecting Personal Privacy (December 20, 2000)

Performance Reporting Requirements

OCSE requires authorized users of NDNH information to provide a written description of the performance outputs and outcomes attributable to the use of NDNH information for the purposes set forth in the agreement. If the match is ongoing, OCSE requires regular performance reports throughout the term of the agreement(s).

4: WHAT IS THE COST TO OBTAIN NDNH INFORMATION?

Reimbursement of Costs by Requestors

Federal law provides that a state or federal agency that receives NDNH information must reimburse OCSE for the costs of obtaining, verifying, maintaining, and comparing the information at rates that OCSE determines to be reasonable.

OCSE uses a standard methodology to calculate fees based on three components:

1. Access (a fee that is split evenly among NDNH users)
2. Frequency of matches
3. User-specific costs related to performing the match

New NDNH users will be charged a one-time new user start-up fee to cover costs incurred by OCSE to set up a new agreement and perform the work required to implement a new match.

In addition to the requirements addressed in Section 3, a separate reimbursement agreement will be negotiated each fiscal year to establish the amount and manner of reimbursement to OCSE.

5: WHAT ARE THE NEXT STEPS TO OBTAIN NDNH INFORMATION?

The Next Step

After reviewing this guide, your agency should assess the value of the NDNH information to your mission and determine whether legislative authority is in

	place or should be pursued. Please keep in mind that even after authority is obtained, working out the implementation process (requirements analysis, systems programming, drafting an agreement and reimbursement agreement, testing and validation of the match) will take several months.
Contact OCSE	Please address inquiries to: Venkata Kondapolu, Acting Director Division of Federal Systems Office of Child Support Enforcement Mary E. Switzer Building 330 C Street SW 5th Floor Washington, DC 20201 Phone: 202-260-4712 Fax: 202-401-5553 Email: Venkata.Kondapolu@acf.hhs.gov