

BUSINESS START-UP CHECKLIST

✓ DETERMINE YOUR ORGANIZATIONAL STRUCTURE

- 📖 Resources: Internal Revenue Service: [Business Structures](#)
Small Business Administration: [Choose Your Business Structure](#)
Montana Secretary of State's Office: [Organizational Structures](#)

✓ REGISTER YOUR ASSUMED BUSINESS NAME

- 📖 Resources: [Application for Registration of Assumed Business Name](#)
- ☎ Contact: Montana Secretary of State's Office, [Business Services Division](#), (406) 444-3665

✓ FILE APPROPRIATE ORGANIZATIONAL DOCUMENTS

- 📖 Resources: Montana Secretary of State's Office: [Business Forms](#)
- ☎ Contact: Montana Secretary of State's Office, [Business Services Division](#), (406) 444-3665

✓ APPLY FOR FEDERAL AND STATE TAX IDENTIFICATION NUMBERS

- 📖 Resources: Internal Revenue Service: [How to Apply for an EIN](#)
Internal Revenue Service: [Form SS-4 & Employer Identification Number \(EIN\)](#)
Montana Department of Revenue: [Taxpayer Access Point \(For Businesses\)](#)
- ☎ Contact: Internal Revenue Service, 1 (800) 829-4933, [List of Montana Offices](#)
Montana Department of Revenue, (406) 444-6900

✓ DETERMINE BUSINESS LICENSING REQUIREMENTS

- 📖 Resources: Montana Department of Revenue: [State of Montana Licenses](#)
- ☎ Contact: [Montana Association of Counties](#), (406) 449-4360
Montana Department of Revenue, [One-Stop Licensing](#), (406) 444-6900
Montana Department of Labor & Industry, [Professional & Occupational Licensing](#), (406) 841-2300
Montana Department of Agriculture, [Technical Services Bureau](#), (406) 444-5400
Montana Department of Revenue, [Liquor Licensing Division](#), (406) 444-6900
Montana Department of Justice, [Gambling Control Division](#), (406) 444-1971
Montana Department of Labor & Industry, [Construction Contractor Registration Unit](#), (406) 444-9586
Montana Department of Labor & Industry, [Independent Contractor Central Unit](#), (406) 444-9029

✓ COMPLY WITH EMPLOYMENT RULES AND REGULATIONS

- 📖 Resources: Montana Department of Revenue: [Employer's Tax Guide](#)
Montana Department of Labor & Industry: [Employment Laws](#)
Montana Department of Labor & Industry: [Workers' Compensation and Occupational Disease Blue Book](#)
Montana Department of Labor & Industry: [Montana Unemployment Insurance Employer Handbook](#)
Montana Department of Public Health & Human Services: [New Hire Booklet](#)
- ☎ Contact: Montana Department of Labor & Industry, [Workers' Compensation Regulations Bureau](#), (406) 444-0566
Montana Department of Labor & Industry, [Unemployment Insurance Division](#), (406) 444-3834
Montana Department of Public Health & Human Services, [New Hire Reporting Program](#), 1 (888) 866-0327

✓ DETERMINE YOUR TAX OBLIGATIONS AND SET UP WITHHOLDING RECORDS

📖 Resources: IRS Publication 583: [Starting a Business and Keeping Records](#)
IRS Publication 334: [Tax Guide for Small Business](#)
IRS Publication 505: [Tax Withholding and Estimated Tax](#)
Montana Department of Revenue: [Montana Wage Withholding Tax Information](#)

☎ Contact: Internal Revenue Service, 1 (800) 829-4933, [List of Montana Offices](#)

✓ PROTECT YOUR INTELLECTUAL PROPERTY

📖 Resources: Montana Technology Innovation Partnership (MTIP): [Protecting Your Intellectual Property](#)

☎ Contact: [Montana Technology Innovation Partnership](#) (MTIP), (406) 994-3885
[U.S. Patent & Trademark Office](#), 1 (800) 786-9199
[U.S. Copyright Office](#), 1 (877) 476-0778

MONTANA SMALL BUSINESS DEVELOPMENT CENTERS

Billings SBDC, [Big Sky Economic Development Authority](#)
dena@bigskyveda.org, (406) 254-6014

Bozeman SBDC, [Montana State University](#)
anya.petersenfrey@montana.edu, (406) 728-9234

Butte SBDC, [Headwaters RC&D Area, Inc.](#)
jjaksha@headwatersrcd.org, (406) 533-6780

Colstrip SBDC, [Southeastern Montana Development Corporation](#)
sbdc@semdc.org, (406) 748-2990

Great Falls SBDC, [Great Falls Development Authority](#)
jnitschke@gfdevelopment.org, (406) 771-9032

Havre SBDC, [Bear Paw Development Corporation](#)
jlaplante@bearpaw.org, (406) 399-1557

Helena SBDC, [Helena College-U of M](#)
Brandon.orr@umhelena.edu, (406) 447-6376

Kalispell SBDC, [Flathead Valley Community College](#)
sjuneau@fvcc.edu, (406) 756-3836

Missoula SBDC, [University of Montana](#)
jennifer.stephens@mso.umt.edu, (406) 728-9234

Wolf Point SBDC, [Great Northern Development Corporation](#)
sbdc@gndc.org, (406) 653-2590

ADDITIONAL RESOURCES

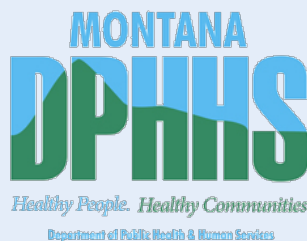
- Business Resources: [Montana Office of Tourism & Business Development](#), Montana Department of Commerce, (406) 841-2730
- Exporting: [Export Montana](#), Montana Department of Commerce, (406) 841-2754
- Government Contracting: [Montana Procurement Technical Assistance Centers](#), Big Sky Economic Development, (406) 869-8410
- Healthcare Reform: [Montana Health Insurance Answers](#), Montana Commission of Securities & Insurance, (406) 444-2040
- Manufacturing: [Montana Manufacturing Extension Centers](#), Montana State University, (406) 994-3812
- Market Research: [Montana Site Selector](#), GCS Research, (406) 532-3265
[Census and Economic Information Center](#), Montana Department of Commerce, (406) 841-2740
[U.S. Census Bureau](#), U.S. Department of Commerce, 1 (800) 923-8282
[Our Facts Your Future](#), Montana Department of Labor & Industry, (406) 444-2430
- Montana Products: [Made in Montana](#), Montana Department of Commerce, (406) 841-2757
- Veteran Business Outreach Center: [VBOC](#), (406) 869-8411
- Women in Business: [Montana Women's Business Center](#), Prospera Business Network, (406) 587-3113

MONTANA CHILD SUPPORT ENFORCEMENT DIVISION



EMPLOYER GUIDE TO NEW HIRE REPORTING

- Flexible New Hire Reporting Options
- New Hire Reporting Law
- State and Federal Contacts



Montana Child Support Enforcement Division New Hire Reporting Program

The Montana Child Support Enforcement Division (CSED) was established in 1975. Since then, employers have helped to collect an estimated \$1 billion dollars in child support payments for Montana families by participating in programs such as the New Hire Reporting (NHR) Program.

The NHR was established through the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 with the purpose of locating a non-custodial parent's income source for collection of child support. This law requires employers to report all newly hired and rehired employees to the CSED within certain time-frames.

Employers are a vital part of the CSED's mission to diligently pursue and ultimately achieve financial and medical support for children by establishing, enforcing and increasing public awareness of parental obligations.

**Thank you to all the employers who help make
Montana a better place for the children of our great state!**

Sincerely,

*New Hire Reporting Program
Montana Child Support Enforcement Division*

Definitions & Terms

MCA § 40-5-901 Definitions

Date of Hire

The first day that an employee starts work for which the employee is owed compensation by the payor of income.

Employer

A person, firm, corporation, association, governmental entity, or labor organization that engages an employee for compensation and withholds federal or state tax liabilities from the employee's compensation.

Employee

A person 18 years of age or older who performs labor in this state for an employer in this state for compensation and for whom the employer withholds federal or state tax liabilities from the employee's compensation.

Rehire

The first day, following a termination of employment that an employee begins to again perform work or provide services for a payor. Termination of employment does not include temporary separations of less than 60 days from employment, such as unpaid medical leave, an unpaid leave of absence, or a temporary or seasonal layoff.

Other terms

CSED	(Montana) Child Support Enforcement Division
DHHS	Federal Department of Health & Human Services
DPHHS	Department of Public Health & Human Services
EDI	Electronic Data Interchange
FEIN	Federal Employer Identification Number
NDNH	National Directory of New Hires
NHR	New Hire Reporting
OCSE	Federal Office of Child Support Enforcement
PRWORA	Personal Responsibility & Work Opportunity Reconciliation Act of 1996
SDNH	State Directory of New Hires
UIC	Unemployment Insurance Claimant

[MT CSED Employer Information](#)

Overview

This guide is intended to provide Montana Employers with the information needed to be in compliance with federal and state laws, to help choose a New Hire Reporting option, and to make available contacts who can help employers with the new hire reporting process.

42 USC § 653(a) State Directory of New Hires and MCA § 40-5-922 Directory of New Hires require employers to report all employees hired / rehired on or after October 1, 1997 within twenty (20) days of the employee's first day of work. In 2013, federal and state legislation defined the term "rehire" as an individual that has been separated from employment for more than sixty (60) days. (MCA § 40-5-901(12) Definitions)

Required Information

Employer

- Federal Identification Number
- Business name
- Business address

Employee

- Full legal name
- Date of hire
- Social Security Number
- Mailing & Home address

Optional Information

Employers are encouraged, but not required, to report the information below:

Employer

- Work phone number
- Fax number
- State of Hire
- Health Insurance Availability

Employee

- Home phone number
- Work phone number
- Date of Birth

New Hire Reporting Deadlines

- Reports must be submitted within twenty (20) days of the date the employee is hired or rehired.
- Reports submitted by electronic media must be submitted not less than 12 nor more than 16 days apart.

Options for Reporting New Hires

New hires may be reported by any of the following means:

- **Online New Hire Reporting System***
- **State of Montana File Transfer System***
- Electronic Media
- Facsimile
- Mail
- Phone

**Recommended reporting method*

Online New Hire Reporting System*

The *quickest and easiest* option for reporting new hires.

Get started by using your existing ePass Montana account or create one at [ePass Montana](#). Then call the Montana New Hire Reporting Specialist at 406.444.9290 or at 1.888.866.0327 for assistance with setup.

Montana File Transfer System (ePass Montana)*

Submit reports using the Excel Template or ASCII file format

Format for both is found at [CSED New Hire Reporting](#). An example of ASCII file format is also found on page 11 of this brochure.

It's recommended to call the New Hire Reporting Specialist to assist with setup for both Excel & ASCII at 406.444.9290 or 1.888.866.0327.

Scanned new hire reports may be submitted via Montana File Transfer Service. Please include your name and email address in case there is a question regarding a report.

DO NOT EMAIL NEW HIRE REPORTS

KEEP YOUR EMPLOYEE'S INFORMATION SAFE

USE THE MONTANA FILE TRANSFER SYSTEM

Other Options for Reporting New Hires

Electronic Media

Employers may submit reports on CD using the ASCII format found on pages 9 -11. You will need to mail the CD to the NHR program at the address below.

Facsimile

Fax reports using the New Hire Reporting form or a copy of the employee's W-4 form to the NHR program. Please make sure all required information found on page 2 is included on the report. **Fax #s: 1.406.444.0745 or 1.888.272.1990**

Mail

Employers may mail a hard copy of their report using the New Hire Reporting form, W-4 form or any other reporting form. All required information must be typed or printed legibly.

Montana New Hire Reporting Program
PO Box 8013
Helena, MT 59604-8013

Phone

Employers with only a few new hires to report may do so by calling 1.888.866.0327 or 406.444.9290. You may leave a message with the required information found on page 2.

Tips for New Hire Reporting

- ✓ Include a contact name and phone number for your company with your new hire reports.
- ✓ Do not use any punctuation when reporting new hires online or electronically.
- ✓ When naming your electronic files, please use your company name and the current date. For example: **CompanyNameMMDDYYYY**
- ✓ If your company's FEIN changes and your employee(s) are being paid under the new FEIN, you must submit a new hire report for each employee under the new FEIN number with the date of hire as the first day the employee started working under the company's new FEIN.
- ✓ The employee's name should match the name on the employee's social security card. If it does not, there is a good chance the report will be rejected.
- ✓ Only report valid Social Security Numbers to the NHR Program. Do not report fake numbers or Alien Identification Numbers. Reports containing such numbers will be rejected.
- ✓ If an employee is rehired, use the date the employee was rehired as the date of hire.
- ✓ For more information, go to: [CSED Employer Services](#)

New Hire Reporting Law

In 1997 Montana passed legislation in response to passage of the Federal Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA). This created the Montana Directory of New Hires (NHR).

State statute MCA § 40-5-922 requires Montana employers to report all employees hired or rehired within twenty (20) days after the date of hire. "Rehire" is defined as an individual that has been separated from employment for more than sixty (60) days.

The NHR Program matches New Hire reports against child support records to locate parents, establish a child support order, or enforce an existing order.

All Employees must be reported

All newly hired or rehired employees are required to be reported to the NHR Program regardless of whether they have a child support obligation. The NHR Program not only serves as a way to locate the income source of non-custodial parents to provide families with child support payments, but also as a way to combat unemployment and public assistance fraud.

If an employee quits or is terminated before a new hire is reported you must still report them to the NHR Program. Reporting these individuals may help child support agencies locate them for services.

Confidentiality & New Hire Reporting Data

NHR information is confidential and may only be shared on a limited basis with other agencies. The Montana NHR Program will match new hire information against the Montana Department of Public Health and Human Services (DPHHS), Child Support Enforcement Division (CSED) case records to locate parents, establish an order, or enforce an existing order. Montana will also transmit the NHR information to the National Directory of New Hires (NDNH) in order to cross reference the information against that of other child support agencies across the country.

State agencies operating Employment Security and Workers' Compensation programs may also have access to Montana's NHR information to detect and prevent erroneous or fraudulent benefit payments. Montana may conduct matches between the NHR database and the public assistance and Medicaid agencies for the purpose of determining eligibility, continued eligibility, and fraud.

The CSED is required to maintain NHR records for twenty-four (24) months from the date the report is entered into the State Directory of New Hires (SDNH). After

the retention timeframe has lapsed, physical records are shredded and the SDNH database is purged and records are deleted.

National Directory of New Hires

The federal Office of Child Support Enforcement (OCSE) estimates that over 30% of child support cases involve parents who do not live in the same state as their children. By matching NHR data with child support participant information at the national level, the OCSE will be able to assist states in locating parents who are living in other states. Upon receipt of NHR information, the CSED will be able to take the necessary steps to establish paternity, issue child support orders or enforce existing orders.

Personal Responsibility & Work Opportunity Reconciliation Act (PRWORA) of 1996

A major focus of PRWORA is parents sharing the responsibility of supporting their children. It contains strict work requirements for custodial parents receiving public assistance and increases the effectiveness of child support programs by including the development of NHR Programs in each state.

Employer Impact

The majority of the information employers are required to submit to the NHR Program will be found on the employee W-4 form. Montana offers a variety of reporting methods to ensure efficiency and convenience for employers to report their newly hired and rehired employees.

For quick and cost-effective reporting for employers, the NHR Program recommends submitting reports using one of the electronic methods listed on page 3.

Benefits to Employers

A direct benefit to employers is the reduction and prevention of fraudulent unemployment and workers' compensation payments. Timely receipt of NHR data allows Montana and other states to cross-match this data against their active unemployment claimant (UIC) files which may result in stopping erroneous or fraudulent payments.

Independent Contractors & Subcontractors

As an employer, you must first make the determination of whether or not an employer/employee relationship exists. If the work being performed is based on a contract rather than an employer/employee relationship, you are not required to report. In such a circumstance, the contractor is responsible for reporting his/her employees.

Temporary Employment Agencies

If your agency is paying wages to the individual, you must submit a NHR.

If your agency simply refers individuals for employment and does not pay the individual directly, a NHR is not necessary. However, the employer who actually hires and pays the individual will be required to submit a NHR.

Labor Organizations & Hiring Halls

Labor organizations and hiring halls must report their own employees - individuals who work directly for the labor organization or hiring hall - to the NHR Program.

If the labor organization or hiring hall simply refers individuals for employment, a NHR does not need to be filed.

New Hire Reporting Information Safeguards

Security and privacy of NHR data are important issues for all those involved in this vital program. Federal law requires all states to establish safeguards for confidential information handled by the state agency. All Montana NHR data is transmitted to the NDNH over secure and dedicated lines. Federal law also requires that the Secretary of the Department of Health and Human Services (DHHS) establish and implement safeguards to protect the integrity and security of information in the NDNH and to restrict access to and use of the information to authorized persons and purposes.

Multistate Employers

An employer who has employees in two or more states and who transmits reports electronically may comply with the NHR Program by designating one of the states in which they have an employee to transmit their new hire reports to electronically. See Format for Electronic Reporting on pages 9 -11.

A multistate employer who elects to report to only one state should give written or electronic notice to the Secretary of DHHS notifying them of which state they plan to electronically transmit their new hire reports to.

The Secretary of DHHS will need the following information:

- Federal Employer Identification Number (FEIN)
- Company Name, Address, and Telephone Number
- State you will be electronically transmitting NHR to
- List of states in which your company has employees
- Contact Person Name and Telephone Number

Register as a multistate employer online at:

[Office of Child Support Enforcement Employer Information](#)

Or mail all **multistate employer information** to:

Office of Child Support Enforcement
Multistate Employer Program
PO Box 509 Randallstown, MD 21133

Montana NHR Program Contact Information

Additional information and materials regarding the New Hire Reporting Program can be found online at: [CSED Employer Services](#) . Here you will find further instructions on reporting your new hires to the NHR Program as well as useful tools such as:

- Online New Hire Reporting System
- ePass Instructions for File Transfer
- ASCII Format for Electronic Reporting
- Spreadsheet Template for Electronic Reporting
- New Hire Reporting Forms
- New Hire Reporting FAQs
- Montana Employer Guide

If you have further questions after reviewing the information on our website, please contact the NHR Program using the contact information below.

Email: NewHireReporting@mt.gov

Telephone: 1.888.866.0327 or 1.406.444.9290

Employers are a vital part of the Montana NHR Program. The CSED **thanks you** for all that you do to make a difference in the lives of children across the state of Montana and the country. If you have any questions regarding New Hire Reporting, please do not hesitate to contact us.

*New Hire Reporting Program
Montana Child Support Enforcement Division*

Format for Electronic Reporting

This section details the submission requirements for those employers who submit via the Montana File Transfer System. It also delineates the minimum required for submission using either hard copy or electronic medium.

Note that employers who wish to submit reports electronically may contact the New Hire Reporting Program at 1-888-866-0327; those in the Helena area and outside of Montana can use 1-406-444-9290 to obtain additional information about the format.

CD: Reports submitted on CD must be in ASCII listing format. Include employer's name and FEIN on the CD cover and write (with CD marker pen) FEIN and NHR on the CD.

The 9's in the data format represent character data. All data should be in character format, left justified and blank filled.

The two character state code must adhere to the United States Postal Services acceptable abbreviations for U.S. states and territories (example: Montana = MT).

* The Foreign Address and Foreign Postal Code are only required if the employer or employee have foreign addresses.

** The changed Employer Address Flag and Changed Employer Address fields are only required when the employer wants to report a change in address.

*** The Employee Residential Address field requirements are only applicable if the employee has an address different from the mailing address.

Header Record Layout	Columns			Data	Required
	Start	End	Length	Format	Entry
Record Type	1	1	1	1=Header Record	Yes
Employer Process Date	2	9	8	YYYYMMDD	Yes
Record Count	10	18	9		Yes
Filler	19	868	850		Yes
Data Record Layout	1	868	868		Yes
Record Type	1	1	1	2=Data Record	Yes

Format for Electronic Reporting continued

EMPLOYER INFORMATION

	Columns			Data	Required
	Start	End	Length	Format	Entry
Business Name	2	41	40		Yes
Federal ID Number (FEIN)	42	50	9	999999999	Yes
State ID Number	51	56	6	999999	Yes
Address Line 1	57	96	40		Yes
Address Line 2	97	136	40		No
City	137	161	25		Yes
State	162	163	2		Yes
Zip	164	168	5	99999	Yes
Zip+4	169	172	4	9999	No
Foreign Country Name	173	202	30		*Yes
Foreign Country Postal Code	203	217	15		*Yes
Contact Name	218	257	40		No
Voice Phone Number	258	267	10	9999999999	No
Voice Phone Extension	268	272	5	99999	No
Facsimile Number	273	282	10	9999999999	No
Changed Address Flag	283	283	1	Y or Blank	**Yes
Changed Address Line 1	284	323	40		**Yes
Changed Address Line 2	324	363	40		**No
Changed Address City	364	388	25		**Yes
Changed Address State	389	390	2		**Yes
Changed Address Zip	391	395	5	99999	**Yes
Changed Address Zip+4	396	399	4	9999	**No
Changed Address Foreign Country	400	429	30		*Yes
Changed Address Foreign Postal Code	430	444	15		*Yes

Format for Electronic Reporting continued

EMPLOYEE INFORMATION

	Columns			Data	Required
	Start	End	Length	Format	Entry
Date of Hire	445	452	8	YYYYMMDD	Yes
SSN	453	461	9	999999999	Yes
Last Name	462	481	20		Yes
First Name	482	501	20		Yes
Middle Initial	502	502	1		No
Mailing Address Line 1	503	542	40		Yes
Mailing Address Line 2	543	582	40		No
Mailing Address City	583	607	25		Yes
Mailing Address State	608	609	2		Yes
Mailing Address Zip	610	614	5	99999	Yes
Mailing Address Zip+4	615	618	4	9999	No
Mailing Address Foreign Country	619	648	30		*Yes
Mailing Address Foreign Postal Code	649	663	15		*Yes
Residential Address Line 1	664	703	40		***Yes
Residential Address Line 2	704	743	40		No
Residential Address City	744	768	25		Yes
Residential Address State	769	770	2		Yes
Residential Address Zip	771	775	5	99999	Yes
Residential Address Zip+4	776	779	4	9999	No
Residential Address Foreign Country	780	809	30		*Yes
Residential Address Foreign Postal Code	810	824	15		*Yes
Home Phone Number	825	834	10	9999999999	No
Work Phone Number	835	844	10	999999999	No
Work Phone Extension	845	849	5	99999	No
Date of Birth	850	857	8	YYYYMMDD	No
State of Hire	858	859	2		No
Health Insurance Available Indicator	860	860	1	Y or Blank	No
Health Insurance Available Date	861	868	8	YYYYMMDD	No