

Subject Child support; independent contractors and payors

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Summary

The centralized work reporting system (the New Hire Reporting Center) in the Department of Human Services requires employers doing business in Minnesota to report the hiring of paid employees within 20 calendar days of the date of hire, with exceptions for employment for less than two months or less than \$250 per month. The child support system matches this hiring information against child support cases and orders. Information from the New Hire Reporting Center can also be used to detect improper payments for other public benefits. States send this employment information to the National Directory of New Hires.

Currently in Minnesota, payors of independent contractors are permitted, but not required to report independent contractors to whom they make payments that require the filing of a 1099-MISC report. This bill requires payors of independent contractors to report such independent contractors to the centralized work reporting system, effective January 1, 2025. The bill also defines “independent contractor” and “payor” for purposes of the centralized work reporting system, and adds them to sections governing the duty to report, means to report, and sanctions.