



OFFICE OF THE RAMSEY COUNTY ATTORNEY
JOHN J. CHOI, COUNTY ATTORNEY

**Reporting of Independent Contractors to Enforce Child Support Orders and Increase Payments to Families in Need
HF1316 (Curran)/SF2306 (Westlin)**

Purpose

This legislation requires employers in the state to report new hires of 1099 independent contractors to the Minnesota Department of Child Youth and Families (DCYF) Child Support Center in an effort to increase payments and enhance fairness of child support orders.

Background and History

In Minnesota, all employers must currently report new hires of W2 employees to the Minnesota DCYF. This allows for the effective establishment and collection of child support orders, when necessary, through payroll withholding.

There has been a substantial rise over the past decade in non-traditional employees that include 1099 independent contractors working for companies. A 2021 study by Pew Research Center found that of current or recent gig workers, nearly 1 in 3 received their primary source of income through independent contract work.

This has made it more difficult to collect child support under the current law when necessary and it means children are not always receiving court ordered child support even when the paying parent is working, and this means families are forced to rely on public assistance because of non-compliance. Additionally, accurate income information will help calculate the fair amount of child support a person should be paying to support their child.

Government agencies are currently required to report hiring independent contractors, but non-government employers are not; they are only encouraged to do so. This bill would simply extend the requirement to report the hiring of independent contractors to all employers in the state.

Doing so will make the child support system fairer because it will be able to accurately account for people with independent contractor income who have child support obligations and improve its ability to ensure child support is received in a timely and efficient manner.

Supporters

Ramsey County has met with representatives of the MSBA Family Law Section, Minnesota Legal Aid, Minnesota Family Support & Recovery Council, and Ujama Place, all of which have expressed support for this legislative proposal.

Other State Jurisdictions with Similar Laws

California, Colorado, Connecticut, Florida, Guam, Illinois, Iowa, Maine, Massachusetts, Nebraska, New Hampshire, New Jersey, New York, Ohio, Oregon, Texas, Virginia, and West Virginia.