

RCW 26.23.065 Requirement to remit payments by electronic funds transfer—Employer, business, or payroll processor—Waiver. (1) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Electronic funds transfer" means any transfer of funds, other than a transaction originated or accomplished by conventional check, drafts, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, or computer or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit a checking or other deposit account. "Electronic funds transfer" includes payments made:

(i) By electronic check (echeck); and

(ii) By any means made available through the division of child support's web-based payment services.

(b) "Income withholding order" means an order to withhold income, order to withhold and deliver, or notice of payroll deduction issued under this chapter or chapter *26.10, 26.18, 74.20, or 74.20A RCW.

(c) "Payroll processor" means a person, entity, agent, or company which provides payroll services to an employer or other business such as calculating paychecks and providing electronic funds transfer services for payments to employees and other entities.

(2) Except as provided in subsection (4) of this section, an employer or other business that has received an income withholding order from the department of social and health services requiring payment to the Washington state support registry must remit payments through electronic funds transfer when the following conditions apply:

(a) The income withholding order applies to a person who is either an employee or contractor of the business, and the employer or business has:

(i) Ten or more employees; or

(ii) Ten or more contractors;

(b) The employer or business has received an income withholding order for more than one employee or contractor, even if the employer or business has fewer than ten employees or contractors, but has received an income withholding order for more than one employee or contractor;

(c) The employer or business uses a payroll processor to handle its payroll, payment, and tax processes and the payroll processor has the capacity to transmit payments through electronic funds transfer; or

(d) The employer or business is required by the department of revenue to file and pay taxes electronically under RCW 82.32.080.

(3) All electronic funds transfer payments must identify the person from whom the payment was withheld, the amount of the payment, the person's identifying number assigned by the division of child support, or the division of child support case number to which the payment is to be applied. If a business, employer, or payroll processor required to remit payments by electronic funds transfer under this section fails to comply with this requirement, the division of child support may issue a notice of noncompliance pursuant to RCW 74.20A.350.

(4) The department may waive the requirement to remit payments electronically for a business, employer, or payroll processor that is unable to comply despite good faith efforts or due to circumstances beyond that entity's reasonable control. Grounds for approving a waiver include, but are not limited to, circumstances in which:

(a) The business, employer, or payroll processor does not have a computer that meets the minimum standards necessary for electronic remittance;

(b) Additional time is needed to program the entity's computer;

(c) The business, employer, or payroll processor does not currently file data electronically with any business or government agency;

(d) Compliance conflicts with the entity's business procedures;

(e) Compliance would cause a financial hardship.

(5) The department has the discretion to terminate a waiver granted under subsection (4) of this section if:

(a) The business or employer has received at least one income withholding order for a person or employee and has failed to withhold or failed to withhold within the time provided in the order at least twice;

(b) The business, employer, or payroll processor has submitted at least one dishonored check; or

(c) The business, employer, or payroll processor continues to incorrectly identify withholdings or makes other errors that affect proper distribution of the support, despite contact and information from the department on how to correct the error.

(6) The department of social and health services has rule-making authority to enact rules in compliance with this section, including, but not limited to:

(a) The necessary conditions required for a business, employer, or payroll processor to electronically remit child support payments to the Washington state support registry;

(b) Options for electronic funds transfers and the process by which one must comply in order to establish such payment arrangements;

(c) Which types of payment meet the definition of electronic funds transfer; and

(d) Reasons for exemption from the requirement to remit funds by electronic funds transfer. [2018 c 150 s 201.]

***Reviser's note:** Chapter 26.10 RCW, with the exception of RCW 26.10.115, was repealed by 2020 c 312 s 905. RCW 26.10.115 was repealed by 2021 c 215 s 170, effective July 1, 2022.

Effective date—2018 c 150 ss 201-401: "Sections 201 through 401 of this act take effect January 1, 2019." [2018 c 150 s 501.]