

New Hire Reporting for Independent Contractors Checklist

Reporting Independent Contractors to Ohio New Hire Reporting Center

This document covers the suggested method for using the USAS software to track and report your "new hires" paid through USAS to the Ohio New Hire Reporting Center. **Contractors who sign a contract or work agreement with you must be reported within 20 days after "date payment begins"**. We recommend running VENHIRE's VHREPORT at least once a month to keep up with this. NOTE: The vendor will NOT appear on the VHREPORT until their CTD amount is equal to or greater than \$2500.

Setting up NEWHIRE vendors....

1. Enter the new hire info and set the "**New Hire Flag**" in USASWEB/Vendors to "Reportable" when the vendor is created or as soon as information becomes available
2. Enter "**Date Payment Begins**" if known or leave blank to optionally have VHREPORT determine it
3. Enter "**Length of Time**" in number of months contractor will be performing service
4. If you enter a "**New Hire SSN/FEIN**", then VHREPORT will use it. If the "New Hire SSN/FEIN" field is blank or zero, then VHREPORT will use the 1099 ID#. If the 1099 ID# is also blank or zero, then an error will be generated and displayed on VENERR.TXT report and the vendor will be excluded from reporting
5. Enter "**Birthdate**".

The "Last Reported Date" field will retain last report date for historical purposes.

Running VENHIRE's VHREPORT option...

When running VENHIRE/VHREPORT, first run it in "**Projection**" Mode. You have the option to:

1. Sort by "Firstname, Last" or "Lastname, First"
2. Set "Calculation Date Payments Begin" to "Y" if "Date Payments Begin" field on the vendor record is blank. It will calculate the date payments begin by using the current calendar year's check record dates.
3. You have the option to "Force Specified Vendor to be Included" which will override the \$2500 threshold and include any flagged "reportable" vendor number you enter on the VHREPORT text file.

Where to Report Vendors...

If the Projection report is error free, re-run VHREPORT selecting "**actual**" option (the other fields will retain the options you selected in the projection report). It will generate the VHREPORT.TXT file which can be fax to the Ohio New Hire Reporting Center at (614-221-7088).

Questions? Call their toll free number at (888-872-1611) Their toll-free number operates 24 hours a day, seven days a week. There is also help desk staff available for your assistance Monday through Friday, 8:00am to 5:00pm Ohio Time.

Alternative methods for reporting this information are to enter the information manually via the New Hire Reporting Center website (you must register with it) or mail the form to the address below:

Ohio New Hire Reporting Center
P.O. Box 15309
Columbus, OH 43215-0309

VENHIRE/VHRESET...

For other contractors where no contract is used (i.e. PO is used instead), report once a year. VENHIRE's VHRESET option is recommended for this and is part of NWOCA's CYE closing procedures. It resets the "New Hire Flag" back to "Reportable" and once they reach the \$2500 CTD amount, they will be included on next run of VHREPORT and marked as Reported.

Miscellaneous Information/FAQ's regarding reporting Independent Contractors to the New Hire Reporting Center

Q: I will use an independent contractor for one small job. I will not pay them enough to complete a 1099 form, do I still need to report them as a new hire?

A: The contractor should not be reported until it has been established that the compensation will be at least \$2,500 for the year, using the date the payments begin.

Q: We contract with legal firms, should they be reported as new hires?

A: Only if the legal firm meets the definition of a contractor as provided by the Ohio Revised Code

Q: I do not have a social security number for the contractor I am reporting. Can I use their federal employer identification number instead?

A: Yes, ORC section 3121.892 and OAC 5101:1-30-12 permits the use of FEIN in place of their social security number

Q: Do I need to re-report a contractor each time I use them?

A: Please report a contractor each time you enter into a new contract with them.

Q: We are a school district who uses contractors for maintenance, security and other purposes. We do not use a contract for these people, but we do complete a purchase order for them. How often should they be reported?

A: Please report these individuals once per year.