

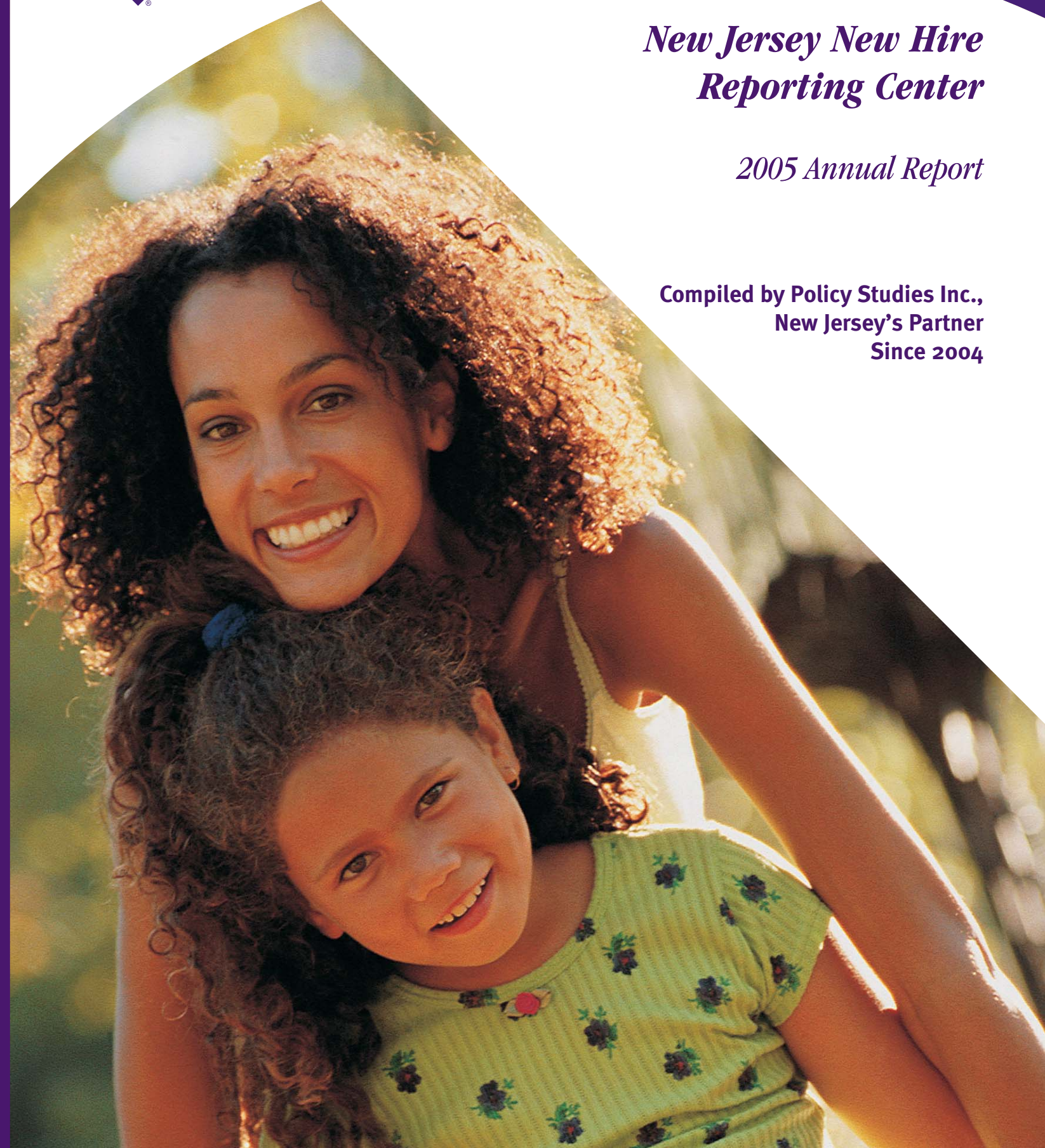


Performance. Service. Integrity.

New Jersey New Hire Reporting Center

2005 Annual Report

**Compiled by Policy Studies Inc.,
New Jersey's Partner
Since 2004**



www.policy-studies.com



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New Jersey New Hire Reporting Center

2005 Annual Report

March 2006

Report Highlights

In 2005, the New Jersey New Hire Reporting Center benefited from:

- ◆ **An Experienced Staff.** PSI continued to provide strong, hands-on leadership and skilled front-line staffing.
- ◆ **Quality Customer Service.** Throughout the year, PSI's new hire team maintained a 99.6-percent quality assurance rating for data entered and transmitted to the State. Additionally, we maintained excellent customer service in meeting the needs of New Jersey's employers.
- ◆ **Effective Employer Outreach.** PSI orchestrated several targeted mailings that helped increase employers' awareness of and participation in new hire reporting.
- ◆ **Gains in Performance.** In 2005, the first full year of PSI's contract, the New Jersey office received 1,304,373 new hire reports. In addition, our rate for electronic reporting, which is more accurate and faster than manual reporting, was 76 percent.
- ◆ **Support From the National New Hire Leader.** PSI remained the country's leading provider of new hire services in 2005, bringing best practices developed across the nation to New Jersey.

Introduction

Employers' compliance with income withholding notices results in the single largest source of child support collections in every state—New Jersey included. With this in mind, PSI operates the New Jersey New Hire Reporting Center with a tremendous sense of urgency. We recognize that New Jersey's children and families are depending on our success.

Over the past year (January 1, 2005 through December 31, 2005), we remained focused on our goal of partnering with employers across the State for outstanding results. In the pages that follow, we begin by discussing the Center's staff, the measures we've taken to provide strong customer service, and the outreach initiatives we completed over the course of the year. We then address the cumulative results of our efforts in these three areas, focusing on key performance measures. We conclude the report with a brief discussion of our goals for 2006 and an overview of PSI's new hire reporting experience, which provides additional context for the results we achieved.

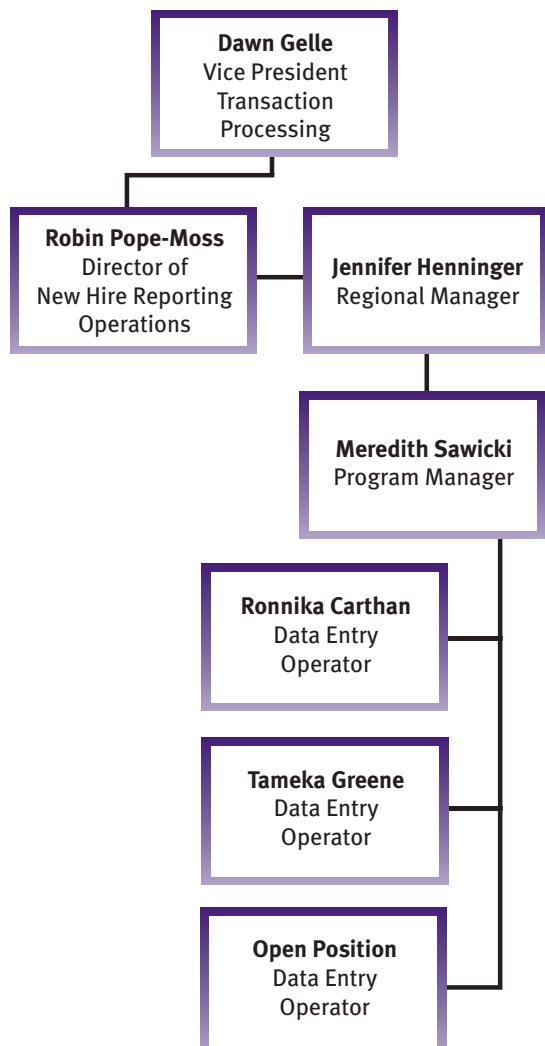


Organization and Staffing

A dedicated, experienced staff of new hire professionals oversees, manages, and operates the New Jersey New Hire Reporting Center. Vice President of Transaction Processing Dawn Gelle has accumulated nine years' worth of new hire expertise, Director of New Hire Reporting Operations Robin Pope-Moss has spent eight years in new hire operations, and Regional Manager Jennifer Henninger has more than five years' experience in new hire operations. Providing leadership for the Center's day-to-day operations is Program Manager Meredith Sawicki, who has been in her position for nearly one year. She is joined by three data entry operators. We are pleased to report that overall, the office has experienced low turnover, a testament to our staff members' commitment to the program.

The chart below depicts the New Jersey New Hire Reporting Center's structure, highlighting each employee's role.

Snapshot of the New Jersey New Hire Staffing Solution



Training

During the year, our staff underwent extensive training on Hires 4.0, the software used to enter the manual records we received. Other computer training focused on improving our skills in the new hire reporting system and the New Jersey new hire Web site. At the same time, PSI ensured that each employee was comfortable employing the procedures for forwarding new hire data on to the State. All of these training efforts helped boost our staff's knowledge, promoting productivity and efficient customer service.

Customer Service

Excellent customer service is at the heart of PSI's management approach. We are fully committed to delivering sufficient personnel and telephone lines—as well as a Web presence—to promptly and professionally handle all employer inquiries for New Jersey's new hire program. Throughout 2005, we:

- ◆ Continued to provide customer service Monday through Friday 8:00 AM to 5:00 PM
- ◆ Handled between 150 and 200 calls to the Center per month, responding to employers' questions and concerns promptly and professionally with no hold times
- ◆ Provided online customer support, helpful information, and electronic submission capability through our interactive, user-friendly Web site, www.nj-newhire.com
- ◆ Successfully fielded and promptly responded to customer e-mails each day
- ◆ Consistently maintained a quality assurance rating of at least 99.6 percent by tracking our data entry operators' productivity daily through the new hire reporting system

New Jersey's New Hire Web Site



NEW JERSEY
NEW HIRE DIRECTORY

Home | Site Index

Table of Contents | Forms

Welcome to the New Jersey New Hire Reporting Directory

What's New

[Employer Resources](#)
[NJ Child Support](#)
[NJ National Medical Support Notice \(NMSN\)](#)

Calling all employers!

Federal and State law requires employers to report newly hired employees in New Jersey to the New Jersey Reporting Directory. Using this site, you can get information about reporting new hires, report new hires or learn about other reporting options!

REGISTER Register to Report New Hires on the Internet or to securely transfer files

LOG ON Logon to Report New Hires online or to transfer files if you are already registered.

READ THIS...
if your employee is called up for active duty!

Many of your employees may be called to active military duty in the coming weeks. [Click here](#) for more information.

Reporting Basics: Learn about new hire reporting and find out about our convenient reporting options.
Frequently Asked Questions: All you need to know about new hire reporting.
Electronic Reporting: Save time, save money...report electronically!
Multistate Reporting: Employees in more than one state?
Compliance: How does the State ensure I am reporting?
Public Relations /Outreach: Help us spread the word about new hire reporting requirements.
Contact Us: Send us feedback, request technical support or customer service.

Our site allows employers to submit reports electronically 24 hours a day. It also provides answers to frequently asked questions about the new hire reporting process.

Employer Outreach

During the past year, we continued to center our outreach efforts on:

- ◆ Increasing the number of employers in New Jersey that are submitting their new hires to the program
- ◆ Heightening the efficiency and effectiveness of the new hire program by increasing electronic submission volumes

In order to accomplish these goals, we consistently worked to:

- ◆ Identify potentially non-compliant employers
- ◆ Develop a targeted approach to efficiently and effectively reach non-compliant employers
- ◆ Provide simple approaches and compelling reasons for compliance that keep employers from falling back into non-compliance

Outreach Methods

In 2005, our team successfully increased employers' awareness of the new hire program by orchestrating multiple mailings. First, in March 2005 PSI sent an informational mailing to all employers in the State of New Jersey reminding them of their obligation to report new hires and educating them on reporting requirements. Second, we conducted monthly proactive compliance mailings, targeting 770 employers historically known to have hired new employees each month but from whom we did not receive reports during the previous month. The chart on the next page summarizes the results of these mailings, which generated an average response rate of more than 60 percent.



2005 Proactive Compliance Mailing Results: 1/1/05 - 12/31/05

Mailing Date	Number of Employers Contacted	Number of Employers Responding by Reporting	Number of Records Received	Response Rate
2/28/05	107	84	14,633	78.5%
3/31/05	65	50	29,756	76.9%
4/29/05	48	39	19,454	81.3%
5/31/05	90	66	22,665	73.3%
6/30/05	68	46	2,771	67.6%
7/29/05	73	56	3,557	76.7%
8/31/05	76	49	3,086	64.5%
9/30/05	71	47	2,997	66.2%
10/31/05	47	22	1,397	46.8%
11/30/05	48	26	1,629	54.2%
12/31/05	77	31	486	40.3%
Total	770	516	102,431	60.53% (average)

Third, by cross-referencing federal employer data (i.e., employer participation project or EPP data) against New Jersey's new hire program data, we were able to identify prospective non-compliant employers. Using our findings, we then completed a mailing on September 15, 2005 that targeted 1,069 employers. We received 245 employer responses and 20,747 new hire records as a result of this mailing.

Fourth, we contacted the following employers, providing them with educational materials in both English and Spanish that explained the new hire reporting process:

- ◆ University of Medicine and Dentistry of New Jersey
- ◆ Lehigh Press
- ◆ Safety Bus Company
- ◆ Volunteers of America
- ◆ Motivated Security Services
- ◆ Atlantic City Hotels and Casinos
- ◆ Ancora Psychiatric Hospitals
- ◆ Township of Dover
- ◆ City of Newark Housing Authority
- ◆ DMFS
- ◆ Paychex Business Solutions
- ◆ Parts Distributors

Finally, we mailed brochures in English and Spanish to key partners positioned to help spread the word about new hire reporting laws and the different options available to employers. In the bullets that follow, we summarize these mailings.

- ◆ In August 2005 we mailed letters describing new hire reporting to 112 New Jersey chambers of commerce.
- ◆ In October 2005 we contacted the New Jersey Association of Professional Employer Organizations.
- ◆ In November 2005 we sent a letter and 50 brochures to the president of the New Jersey Retail Merchants Association.
- ◆ In December 2005 we faxed materials to CAMCA (County and Municipal Consumer Agencies of New Jersey) proposing that we give a presentation on new hire reporting in the coming year. During the month we also completed a second mailing to chambers of commerce across the State for the upcoming year.

Going forward, we plan to conduct more employer outreach by partnering with employer groups and associations to increase awareness about new hire reporting. We also plan to continue completing quarterly EPP mailings and monthly proactive compliance mailings. We believe that adding these activities to our current practices will further strengthen the program and employers' participation in it.



Performance

On the strength of our staff, customer service, and outreach initiatives, PSI reached several performance milestones in 2005. Our team excelled on multiple levels, ensuring widespread employer compliance as well as a high percentage of electronic reporting. These achievements—which we discuss in more detail throughout this section—helped elevate New Jersey’s overall child support enforcement results and directly benefited families and children across the State.

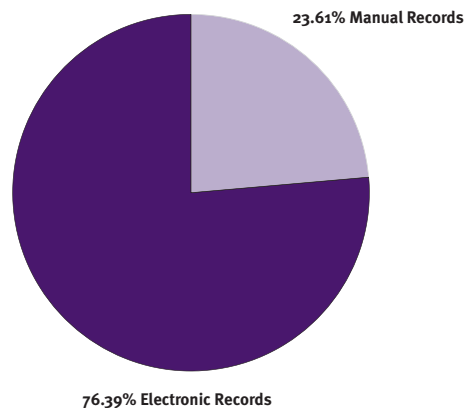
In terms of the volume of reports received from New Jersey employers, we successfully processed a total of 1,304,373 reports from 73,879 employers with unique Federal Employer Identification Numbers in 2005. This number of records is comparable to the volumes processed in each of the previous two years (1.3 million in both 2003 and 2004). The chart that follows shows the number of electronic and manual submissions during the year.

Number of Records Processed

	2005
Electronic	996,394
Manual	307,979
Total	1,304,373

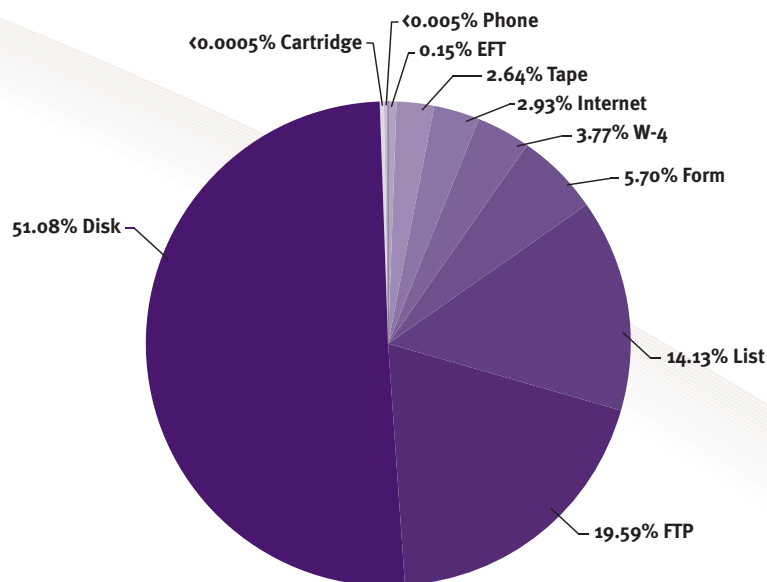
The statistics from 2005 on electronic reporting also show great strength, as depicted in the chart that follows. Overall, electronic reporting constituted 76.39 percent of all reports received. This represents an increase of 2 percent over the electronic reporting rate in 2004 and 7 percent over the rate in 2003.

Electronic Versus Manual Records as of 12/31/2005



The next chart provides a more detailed view of how our office received new hire reports in 2005. Disk and FTP submissions were the most popular reporting methods.

Breakdown of New Hire Reporting Methods as of 12/31/2005



The statistics from 2005 on electronic reporting show great strength. Overall, electronic reporting constituted 76.39 percent of all reports received.

We would also like to highlight the Web component of electronic reporting in New Jersey for this past year. Our well-designed Web site greatly enhanced the effectiveness of New Jersey's new hire program at a low cost to the State. More and more employers are attracted to electronic reporting, as it is convenient and easy. This trend is evident in the chart below, which shows an increasing amount of monthly traffic to our Web site starting in November 2004 (when our contract began) and continuing through December 2005.

The table below illustrates the number of hits (a single event on the Web site), visits (all the activity of one visitor to the site), visitors (individuals

who visited the site), and employers registered to report online (includes both employers and service bureaus registered to report on our Web site).

Given that Web submissions are generally more accurate, are typically received and processed closer to new employees' hire dates, and ensure more efficient processing than manual methods of submission, we are pleased to report that as of December 31, 2005 3,600 employers had registered to use our Web site.

Web Site Traffic Since Contract Inception

Month	Hits	Visits	Visitors Online	Number of Employers Registered to Report Online
November 2004	4,915	325	251	1,177
December 2004	18,513	1,321	849	1,240
January 2005	21,913	1,714	1,149	1,324
February 2005	17,042	1,483	974	1,378
March 2005	26,230	2,091	1,366	1,542
April 2005	46,286	3,172	2,149	2,181
May 2005	36,213	2,619	1,674	2,507
June 2005	33,289	2,506	1,555	2,708
July 2005	30,012	2,260	1,455	2,881
August 2005	30,485	2,493	1,527	3,016
September 2005	56,558	4,833	1,553	3,198
October 2005	24,409	2,603	1,433	3,414
November 2005	26,731	2,174	1,169	3,522
December 2005	22,437	1,890	1,047	3,600



Leveraging PSI's National Leadership in New Hire

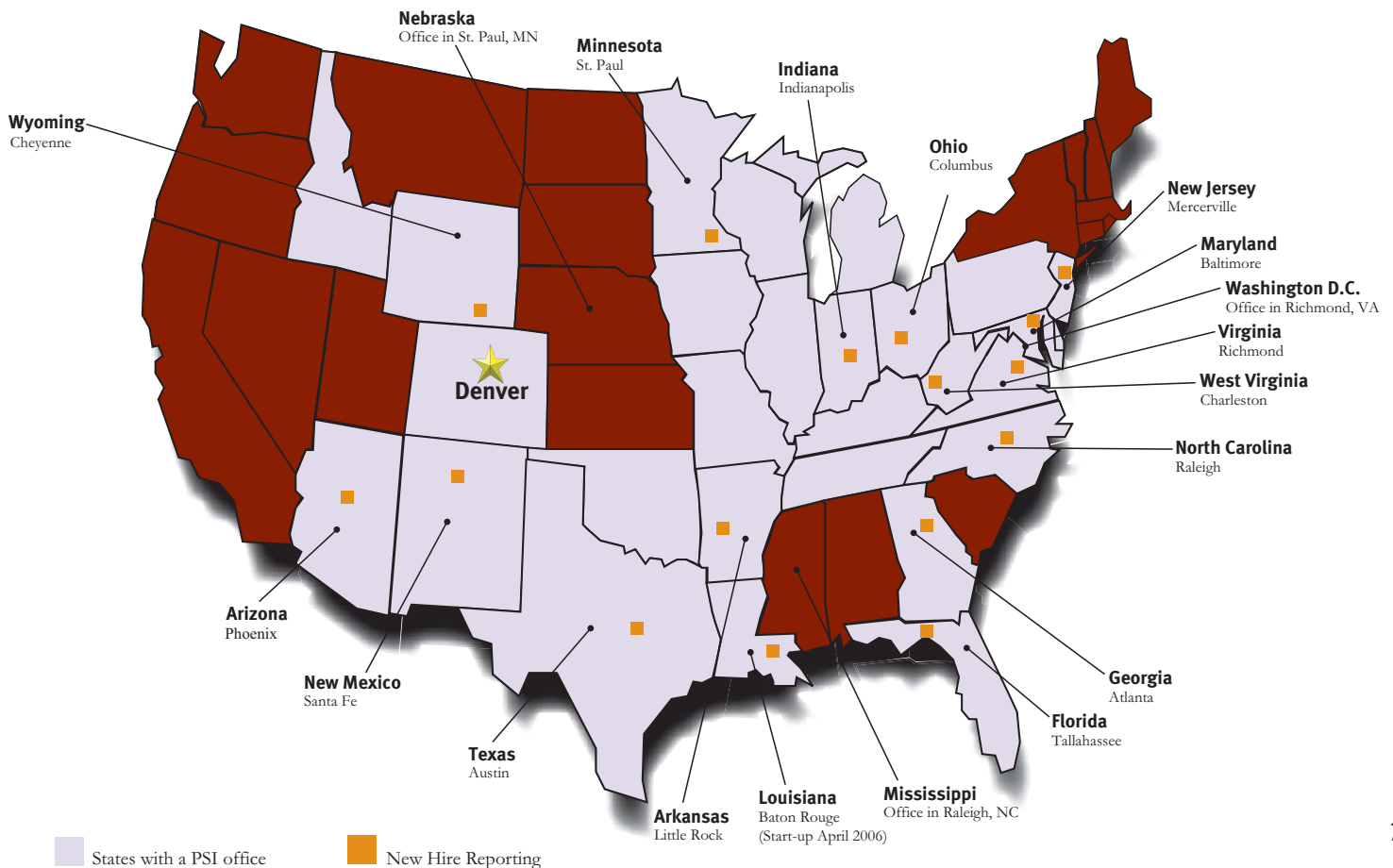
We would like to conclude this report by providing additional context for our results and goals in New Jersey. PSI has extensive expertise in large volume transaction processing through our current operation of 18 new hire reporting programs. Additionally, PSI was awarded the Louisiana New Hire Reporting/Paternity Acknowledgement contract in December 2005, with a projected start-up date of April 2006. Not only are we able to leverage the experience we've accumulated across the nation in our New Jersey operation, but also we have the largest pool of programs from which to draw future best practices and program enhancements.

In winning new hire program contracts in Arizona, Arkansas, the District of Columbia, Florida, Georgia, Indiana, Maryland, Minnesota, Mississippi, Nebraska, New Jersey, New Mexico, North Carolina, Ohio, Texas, Virginia, West Virginia, and Wyoming, we've been awarded 67 percent of the nation's outsourced new hire contracts.

The map that follows illustrates the breadth of PSI's new hire experience. As a result of this experience, our new hire approach is the most flexible, our technology has the broadest tool kit, and our staff members are the most prepared to ensure a successful new hire reporting operation. In short, PSI's team has the ability to operate the New Jersey New Hire Reporting Center with an expertise unparalleled by our competitors.

***PSI has been awarded
67 percent of the nation's
outsourced new hire contracts.***

PSI-Operated New Hire Reporting Programs



Putting Performance First

In the coming year, we renew our commitment to:

- ◆ Maintaining high standards for quality and customer service
- ◆ Seeking out new and innovative ways to reach employers
- ◆ Raising employer compliance
- ◆ Increasing employers' submission of electronic reports
- ◆ Providing a safe and secure work environment
- ◆ Protecting confidentiality at all times
- ◆ Doing our part to help improve the financial well-being of New Jersey's children

As a result of PSI's experience, our new hire approach is the most flexible, our technology has the broadest tool kit, and our staff members are the most prepared to ensure a successful new hire reporting operation.

PSI'S NEW HIRE EXPERIENCE BY THE NUMBERS

- ◆ *PSI was the first contractor to operate an outsourced new hire program (Minnesota, January 1996 to the present).*
- ◆ *PSI has operated six state new hire operations for more than five years.*
- ◆ *We currently manage new hire operations for 17 states and the District of Columbia.*
- ◆ *In 2005, PSI processed approximately 23 million new hire reports, with more than 76 percent processed electronically.*
- ◆ *We've been awarded 67 percent of the nation's outsourced new hire contracts.*

