

# US Department of Health and Human Services

## Privacy Impact Assessment

**Date Signed:**

09/08/2021

**OPDIV:**

ACF

**Name:**

National Directory of New Hires

**PIA Unique Identifier:**

P-6384563-016353

**The subject of this PIA is which of the following?**

Major Application

**Identify the Enterprise Performance Lifecycle Phase of the system.**

Operations and Maintenance

**Is this a FISMA-Reportable system?**

Yes

**Does the system include a Website or online application available to and for the use of the general public?**

No

**Identify the operator.**

Agency

**Is this a new or existing system?**

Existing

**Does the system have Security Authorization (SA)?**

Yes

**Indicate the following reason(s) for updating this PIA.**

PIA Validation

**Describe in further detail any changes to the system that have occurred since the last PIA.**

No significant changes to the NDNH.

**Describe the purpose of the system.**

The National Directory of New Hires (NDNH) is a national repository of employment information. It accepts New Hire and Quarterly Wage (QW) information from states, U.S. territories (Guam, Puerto Rico, and the Virgin Islands), and Federal agencies. The NDNH also receives Unemployment Compensation Insurance (UI) benefit information from all states and two U.S. territories (Puerto Rico and the Virgin Islands).

The NDNH interacts with other systems in the Federal Parent Locator Service (FPLS). Its primary purpose is to assist state child support agencies to locate noncustodial parents, putative fathers, and custodial parents to establish paternity and child support obligations, to enforce and modify orders for child support, and to address custody and visitation.

The Multi-State Employer Registry (MSER) is a sub-system of the NDNH. Section 453(i)(4) of the Social Security Act (42 U.S.C. § 653(i)(4)) requires the Secretary of Health and Human Services to maintain within the NDNH a list of multistate employers that are exercising the option to report to one state and the state to which the employer is reporting. The Office of Child Support Enforcement (OCSE) sends that list to each State Directory of New Hires (SDNH) on a monthly basis.

**Describe the type of information the system will collect, maintain (store), or share.**

The personally identifiable information (PII) collected by the NDNH includes the following:

1. Records pertaining to newly hired employees furnished by a SDNH pursuant to section 453A(g)(2)(A) of the Social Security Act (42 U.S.C. § 653a(g)(2)(A)). Records in the system are the first and last name, mailing address, date of hire, Social Security Number (SSN) of the employee, and the name, address, and federal identification number (FEIN) of the employer of such employee.
2. Records pertaining to newly hired employees furnished by a federal department, agency, or instrumentality pursuant to section 453A(b)(1)(C) of the Social Security Act (42 U.S.C. § 653a(b)(1)(C)). Records in the system are the first and last name, mailing address, date of hire, and SSN of the employee and the name, address, and FEIN of the employer.
3. Records furnished by a State Workforce Agency (SWA) pertaining to wages and UI paid to individuals pursuant to section 453A(g)(2)(B) of the Social Security Act (42 U.S.C. § 653a(g)(2)(B)). UI data elements collected are claimant SSN, claimant name, claimant address, claimant benefit amount, and reporting period.
4. Records furnished by a federal department, agency, or instrumentality pertaining to wages paid to individuals pursuant to section 453(n) of the Social Security Act (42 U.S.C. § 653(n)).
5. The NDNH collects new hire information from Guam, Puerto Rico, and the Virgin Islands. The information includes the employee first and last name, mailing address, SSN, date of hire, and date of birth (DOB). In addition, the new hire information includes the employer name, address, and FEIN associated with each new employee reported. Note that "New Hire" is the type of information, not necessarily new information. DOB is an optional field in the NDNH system. Military status information is collected by another OCSE system which is covered under a different PIA.

**Provide an overview of the system and describe the information it will collect, maintain (store), or share, either permanently or temporarily.**

The New Hire File contains information on all newly hired employees as reported by employers to each SDNH. Federal agencies report directly to the NDNH. Employers are required to report: employee name, employee SSN, employee mailing address, employer name, FEIN, employer address, and date of hire. Note that "New Hire" refers to the type of information; the information may not necessarily be new to the system.

The Quarterly Wage (QW) File contains quarterly wage information on individual employees from SWA and federal agency records. The NDNH receives: employee name (if collected by the state), employee SSN, employee wage amount, reporting period (calendar quarter in which wages were paid), employer name, FEIN, employer address, and employer optional address.

The UI file contains UI information on individuals who received or applied for unemployment benefits, as reported by SWAs. States transmit the following UI data elements to the NDNH: claimant name, claimant SSN, claimant mailing address, claimant benefit amount (gross amount before any deductions), and reporting period (calendar quarter in which the UI claim was filed).

The data is kept temporarily in accordance with a registered disposition with NDNH NARA Job # N1-292-10-002. In accordance with section 453(i)(2) of the Social Security Act (42 U.S.C. § 653(i)(2)), records are deleted from the database 24 months after date of entry into the NDNH.

**Does the system collect, maintain, use or share PII?**

Yes

**Indicate the type of PII that the system will collect or maintain.**

**Indicate the categories of individuals about whom PII is collected, maintained or shared.**

**How many individuals' PII is in the system?**

1,000,000 or more

**For what primary purpose is the PII used?**

The primary purpose of the PII data collected by the NDNH is to improve states' abilities to locate parents or relatives and collect child support. Additional purposes of the NDNH include assisting authorized federal and state agencies in establishing or verifying eligibility of applicants for, or beneficiaries of, federal or state benefit programs, and recouping payments or delinquent debts under such benefit programs.

State Child Support Enforcement (CSE) agencies provide valuable information such as: location information about noncustodial parents in child support cases, paternity results, and which states have primary court jurisdiction to establish, set, modify, or enforce child support orders.

Federal law authorizes that specified types of collected information may be shared with specified entities for specified purposes. In summary, the collected information is shared with the following entities: CSE agencies; courts with authority to issue a child support order; a resident parent, legal guardian, attorney, or agent of a child who is not receiving Temporary Assistance for Needy Families; a state agency administering child welfare or foster care programs; a state agency administering the UI program; a state agency administering the Supplemental Nutrition Assistance Program (SNAP); an agent or attorney of a state who has the duty or authority under state law to enforce a child custody or visitation determination; a court having jurisdiction to make or enforce child custody or visitation determinations; and an agent or attorney of a state or the United States with responsibility for matters involving the unlawful taking or restraint of a child.

Specified information is also shared with the following federal agencies for the authorized purposes specified in federal law: Department of the Treasury; Department of State; Department of Education; Department of Housing and Urban Development, and the Social Security Administration.

**Describe the secondary uses for which the PII will be used.**

The secondary use of PII from the NDNH is for research, after the removal of personal identifiers. Specified analyses are conducted, as well as research for purposes found by the Secretary to be likely to contribute to achieving the purposes of Title IV, Part A, of the Social Security Act (42 U.S.C. §§ 601 through 619), or Title IV, Part D, of the Social Security Act (42 U.S.C. §§ 651 through 669b).

OCSE receives numerous requests for information in the NDNH for comparisons with other information for various purposes. Title IV-D of the Social Security Act governs the NDNH and specifies the entities authorized to request NDNH information and the purposes for which the information may be used.

**Identify legal authorities governing information use and disclosure specific to the system and program.**

Section 453(l) and (m) of the Social Security Act (42 U.S.C. § 653(l) and (m)), and section 454(26) of the Social Security Act (42 U.S.C. § 654(26)).

**Are records on the system retrieved by one or more PII data elements?**

Yes

**Identify the number and title of the Privacy Act System of Records Notice (SORN) that is being used to cover the system or identify if a SORN is being developed.**

09-80-0381 February 14, 2018 (83 FR 6591)

09-80-0381 April 2, 2015 (80 FR 17906)

**Identify the sources of PII in the system.**

**Identify the OMB information collection approval number and expiration date**

OMB NO: 0970-0166, original package 3/31/2008 with numerous revisions and renewals without changes, the last renewal was 7/31/19, expiring 7/31/22.

**Is the PII shared with other organizations?**

Yes

**Identify with whom the PII is shared or disclosed and for what purpose.**

**Describe any agreements in place that authorize the information sharing or disclosure.**

There are agreements in place developed and executed for any approved disclosures. A Computer Matching Agreement (CMA) or Memorandum of Understanding (MOU) is in place with each federal and state agency with whom data is shared. Information Sharing Agreements (ISAs) are used where the partner agency so requires.

All disclosures of the NDNH are mandated, authorized, and detailed in section 453(j) of the Social Security Act (42 U.S.C. § 653(j)).

**Describe the procedures for accounting for disclosures.**

OCSE enters into an MOU or CMA with each agency that receives NDNH information. The MOU/CMA describes the purpose, legal authority, justification, expected results of the match, description of the records, retention and disposition of information, reimbursement, and performance reporting requirements.

Each agency is required to sign the security addendum, which is a component of the MOU/CMA. The security addendum provides a detailed description of the security requirements and the safeguards that an agency must have in place before receiving NDNH information. Disclosure of the information is tracked based on the signature date of the MOU/CMA and the purpose of the match.

**Describe the process in place to notify individuals that their personal information will be collected. If no prior notice is given, explain the reason.**

Notification to individuals is not required as the information collected is a mandatory collection required by federal law.

The NDNH is primarily comprised of information supplied from IRS W-4 information. This information is not collected directly from individuals. OCSE receives the information from the state SDNH and employers. The NDNH is cited as a recipient of information provided by the individual on the IRS W-4 in the form's Privacy Act and Paperwork Reduction Act Notice.

Information in the NDNH is deleted 24 months after the date of entry into the NDNH. See 42 U.S.C. § 653(i)(2)(A). Intentional modification of the information only occurs when data is used for research purposes; PII is de-identified and replaced with pseudo elements to prevent re-identification.

Role-Based Access control is in place to ensure that PII is available only to those who need to know and for the fulfillment of assigned tasks. Additionally, non-repudiation measures are in place to ensure that those handling PII are accounted for and their actions are tracked.

1) Each employer shall furnish to the SDNH of the State in which a newly hired employee works, a report that contains the name, address, and SSN of the employee, the date services for remuneration were first performed by the employee, and employer name and address and identifying number assigned under section 6109 of the Internal Revenue Code of 1986. See 42 U.S.C. § 653A (b)(1)).

2) Federal law states that an "employer" for New Hire reporting purposes is the same as for federal income tax purposes (as defined by Section 3401(d) of the Internal Revenue Code of 1986) and includes any governmental entity or labor organization. See 42 U.S.C. § 653A(a)(2)(B). At a minimum, in any case where an employer is required to have an employee complete a W-4 form, the employer must meet the New Hire reporting requirements.

3) Employers have the option to report new hires to the SDNH either on a copy of the W-4 form, or by an equivalent form developed by the employer. See 42 U.S.C. § 653A(c). Some states have developed an alternate form for reporting, but its use is optional.

The PII in the NDNH system (OMB Information Collection No. 0970-0166) pertains to the mandatory legislative requirement that employers submit new hire information collected on the W-4 form, which is completed by individuals. Employers then submit new hire and quarterly wage information to the SDNH, which in turn is submitted to the NDNH. The new hire, quarterly wage, and UI information must be collected by employers and federal agencies.

**Is the submission of PII by individuals voluntary or mandatory?**

Mandatory

**Describe the method for individuals to opt-out of the collection or use of their PII. If there is no option to object to the information collection, provide a reason.**

Legal and/or statutory provisions require the collection and use of PII in the NDNH. There is no opt-out option since this collection is mandated by federal law. See sections 453 and 453A of the Social Security Act (42 U.S.C. §§ 653 and 653A).

**Process to notify and obtain consent from individuals whose PII is in the system when major changes occur to the system.**

Consent is not required because the information collected is mandated by federal law. See section 453A of the Social Security Act (42 U.S.C. § 653A). Data use is published in the NDNH SORN in the Federal Register.

**Describe the process in place to resolve an individual's concerns when they believe their PII has been inappropriately obtained, used, or disclosed, or that the PII is inaccurate.**

Notification is sent to OCSE. Information on notification, access to records, and contest procedures are published in the Federal Register at 80 FR 17894, 17906, and 17909. The information being contested must be specified along with supporting justification to show how the record is inaccurate, incomplete, untimely, or irrelevant, and the corrective action sought.

**Describe the process in place for periodic reviews of PII contained in the system to ensure the data's integrity, availability, accuracy and relevancy.**

NDNH PII is not subject to periodic reviews in this system as it is information received from the SDNH. Data accuracy is a responsibility of the state agency prior to transmitting the data to the NDNH. OCSE contractors ensure confidentiality and integrity of the files by meeting requirements for Federal Information Processing Standards (FIPS) 199 (as a "moderate" system) and all other cybersecurity requirements necessary to receive its Authorization to Operate (ATO).

**Identify who will have access to the PII in the system and the reason why they require access.**

**Describe the procedures in place to determine which system users (administrators, developers, contractors, etc.) may access PII.**

All users are specifically authorized by their roles. State users are authorized by the state agency. Proper administrative procedures, such as background checks, and security measures, such as Role Based Access Controls (RBAC), are in place to ensure that the individuals with access to PII are vetted and have followed all required policies and procedures, and have taken all required training.

**Describe the methods in place to allow those with access to PII to only access the minimum amount of information necessary to perform their job.**

The principle of Least Privilege is maintained throughout the system, meaning that only those who need access to PII to perform or accomplish specified tasks are granted access to PII.

**Identify training and awareness provided to personnel (system owners, managers, operators, contractors and/or program managers) using the system to make them aware of their responsibilities for protecting the information being collected and maintained.**

New hire orientation, Computer Awareness and Record Management, and annual security awareness training is required for all. Training is provided by HHS, ACF, and OCSE.

**Describe training system users receive (above and beyond general security and privacy awareness training).**

Annual training includes role-based training, IRS regulations, federal law, HHS and ACF regulations, and refresher training.

**Do contracts include Federal Acquisition Regulation and other appropriate clauses ensuring adherence to privacy provisions and practices?**

Yes

**Describe the process and guidelines in place with regard to the retention and destruction of PII.**

There is a registered disposition with NARA Job # N1-292-10-002. Pursuant to section 453(i)(2) of the Social Security Act (42 U.S.C. § 653(i)(2)), records are deleted from the database 24 months after date of entry into the NDNH. In accordance with section 453(i)(2)(B) of the Social Security Act (42 U.S.C. § 653(i)(2)(B)), OCSE shall not have access for CSE purposes to quarterly wage and UI information in the NDNH, if 12 months have elapsed since the information was provided by an SDNH, and there has not been a match resulting from the use of such information in any information comparison. Notwithstanding these retention and disposal requirements, OCSE may retain such samples of data entered into the NDNH as OCSE may find necessary to assist in carrying out its responsibility to provide access to data in the NDNH for research purposes found by OCSE to be likely to contribute to achieving the purposes of Part A or Part D of Title IV of the Act (42 U.S.C. §§ 601 through 619 and 42 U.S.C. §§ 651 through 669b), but without personal identifiers (see sections 453(i)(2)(C) and 453(j)(5) of the Social Security Act (42 U.S.C. §§ 653(i)(2)(C) and 653(j)(5))). Samples are retained for only so long as necessary to complete such research. Disposition: Records are kept temporarily, cut off quarterly, and deleted 24 months after cutoff, pursuant to section 453(i)(2) of the Social Security Act (42 U.S.C. § 653(i)(2)).

**Describe, briefly but with specificity, how the PII will be secured in the system using administrative, technical, and physical controls.**

The information is secured in accordance with a system classified as "moderate" according to FIPS 199. The security controls are specified in an up-to-date System Security Plan (SSP). This SSP restricts access and disclosure to persons as authorized in the statute and provides administrative, physical, and technical system controls.

Technical controls include access controls with strong passwords, tokens, PIV cards, encryption of data in transmission and at rest, RBAC, separation of duties, auditing tools and logs, and monitoring and scanning for vulnerabilities. Intrusion detection systems, firewalls, Virtual Private Networks, and demilitarized zones are implemented. Physical controls include restricted access to facilities, secured system locations, and continued audits to ensure robust security posture. Employees must use government issued IDs; visitors are vetted and escorted at all times. Cameras are strategically located at entry and exit points. The system requires monitored access.

OCSE promotes security training. All personnel with access to the system are required to sign the HHS and OCSE Rules of Behavior and sign a non-disclosure oath upon completing security awareness training as a new hire and then annually.