

Child Support Update

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Your Instructor

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Agenda

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Child Support Withholding Orders

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Processing the Order

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Moving to the 21st Century

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Child Support Withholding Orders

Wage withholding is required on all orders received by the employer



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Priority

- **Priority over all other garnishments**
 - EXCEPT federal tax levies that predate the original issue date of the child support order
- **Federal Bankruptcy Code**
 - Child support is nondischargeable



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Uniform Notice to Withhold (IWO)

- Latest (2017) revisions to the IWO
- Expiration date

INCOME WITHHOLDING FOR SUPPORT	
☐ ORIGINAL INCOME WITHHOLDING ORDER/NOTICE FOR SUPPORT (IWO)	
☐ AMENDED IWO	
☐ ONE-TIME ORDER/NOTICE FOR LUMP SUM PAYMENT	Date: _____
☐ TERMINATION OF IWO	
☐ Child Support Enforcement (CSE) Agency ☐ Court ☐ Attorney ☐ Private Individual/Entity (Check One)	

NOTE: This IWO must be regular on its face. Under certain circumstances you must repeat this IWO and return it to the sender (see IWO instructions www.auih.org/programs/cse/income-withholding-for-support/instructions). If you receive this document from someone other than a state or tribal CSE agency or a court, a copy of the underlying order must be attached.

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Uniform Notice to Withhold (IWO)

- Acceptable changes
 - Font & pagination
 - State-specific information
 - Bar code or box for document tracking

INCOME WITHHOLDING FOR SUPPORT

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Uniform Notice to Withhold (IWO)

- What may not be changed
 - Form text
 - Text cannot be rearranged

INCOME WITHHOLDING FOR SUPPORT

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IWO Form Instructions

Rejecting and returning orders

- Reasons to reject
 - Direct payments other than to SDU
 - Missing/altered/invalid information
 - Amount to withhold not a dollar amount
 - Copy of underlying order not included

☐ Return to Sender [Completed by Employer/Income Withholder]. Payment must be directed to an SDU in accordance with 42 USC §666(b)(5) and (b)(6) or Tribal Payee (see Payments to SDU below). If payment is not directed to an SDU/Tribal Payee or this IWO is not regular on its face, you must check this box and return the IWO to the sender.

Signature of Judge/Issuing Official (if Required by State or Tribal Law): _____

Print Name of Judge/Issuing Official: _____

Title of Judge/Issuing Official: _____

Date of Signature: _____

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Truncated SSNs

The full SSN is a mandatory element on the standard IWO

XXX-XX-6789

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Income Withholding Order

INCOME WITHHOLDING FOR SUPPORT

☐ INCOME WITHHOLDING ORDER/NOTICE FOR SUPPORT (IWO)

☐ AMENDED IWO

☐ ONE-TIME ORDER/NOTICE FOR LUMP SUM PAYMENT

☐ TERMINATION OF IWO

Date:

☐ Child Support Enforcement (CSE) Agency

☐ Court

☐ Attorney

☐ Private Individual/Entity (Check One)

NOTE: This IWO must be regular on its face. Under certain circumstances you must reject this IWO and return it to the sender (see IWO instructions www.aaf.hhs.gov/ssa/resource/income-withholding-for-support-instructions). If you receive this document from someone other than a state or tribal CSE agency or a court, a copy of the underlying support order must be attached.

State/Tribe/Territory

Remittance ID (include wipayment)

City/County/Dist./Tribe

Order ID

Private Individual/Entity

Case ID

Income Withholding Order

Employee/Income Withholder's Name

Employee/Income Withholder's Address

Employee/Income Withholder's FEIN

Child(ren)'s Name(s) (Last, First, Middle)

RE:

Employee/Child's Name (Last, First, Middle)

Employee/Child's Social Security Number

Employee/Child's Date of Birth

Custodial Party/Child's Name (Last, First, Middle)

Child(ren)'s Birth Date(s)

ORDER INFORMATION: This document is based on the support order from (State/Tribe). You are required to use to deduct these amounts from the employee/child's income until further notice.

\$ Per current child support

\$ Per past-due child support

\$ Per current cash medical support

\$ Per past-due cash medical support

\$ Per current spousal support

\$ Per past-due spousal support

\$ Per other (must specify)

Are any amounts greater than 12 weeks? ☐ Yes ☐ No

Net Total Amount to Withhold of \$

AMOUNTS TO WITHHOLD: You do not have to vary your pay cycle to be in compliance with the Order Information. If your pay cycle does not match the ordered payment cycle, withhold one of the following amounts.

\$ Per weekly pay period

\$ Per biweekly pay period (every two weeks)

\$ Per monthly pay period

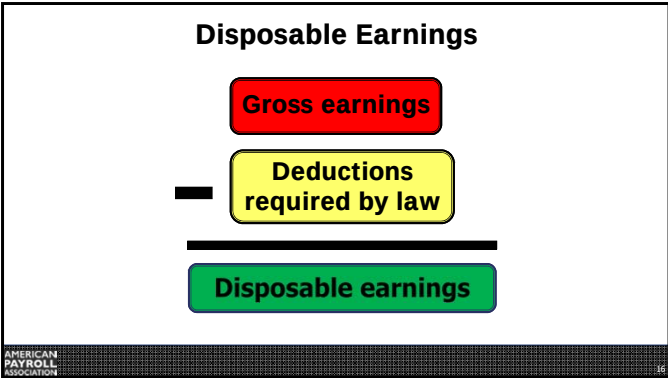
\$ Per semi-monthly pay period (twice a month)

\$ Per lump sum payment (Do not stop any existing IWO unless you receive a termination order).

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[illegible][illegible][illegible]



Disposable Earnings

Existing wage attachments

- Not considered required by law
- Not subtracted from gross

A photograph of a woman with long brown hair, resting her chin on her hand and looking thoughtfully to the side.

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Tips as Earnings

The logo for "TIPS" is shown, with each letter in a different colored block (T: red, I: green, P: blue, S: orange).

- Cash and credit card tips are not disposable earnings
- Service charges are earnings subject to child support withholding

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- Include tips in definition of disposable earnings
- APA has brought issue to state's attention

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Follows federal Other

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- Lump sum payments fully covered
- Lump sum payments partially covered
- Lump sum payments not covered



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Lump Sum Payments

Nonconforming states

- States may need to update earnings laws to conform



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An Office of the Administration for Children & Families

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Employers

Employer Responsibilities

- New Hire Reporting
- Verification of Employment
- Income Determining
- Medical Support
- Payments
- Terminations

State Contacts & Requirements

Child Support Portal

- Employer Information Updates
- Multistate Employer Registry
- eForm
- Bonus/Lump Sum Reporting

+INFO

Farms

FAGs

Child Support Portal

OCSE offers employers a variety of online applications to help you to meet your responsibilities. Your employer, company, or organization must register with us. Only authorized users have access to these applications. View the presentation and contact the Employers Services team for questions and how to access these applications.

Employer Information Updates

Employers are encouraged to keep their contact information current with this application to help child support agencies communicate with the right people in the company.

Multistate Employer Registry

This registration application allows employers to register with OCSE if they have employees working in more than one state and would like to report one time to a single state.

eForm

With Electronic Termination (eForm) application, employers can report their employee terminations online. Once registered, employers can upload files or enter information on the application.

Bonus/Lump Sum Reporting

Employee bonuses and other lump sum payments are considered income that can be garnished to collect child support. Online Lump Sum Reporting is an easy way for employers to notify many states at once about upcoming payments.

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Lump Sum Payments

OCSE's electronic Child Support Portal reporting used by all states except:

- Delaware
- Rhode Island
- Wisconsin

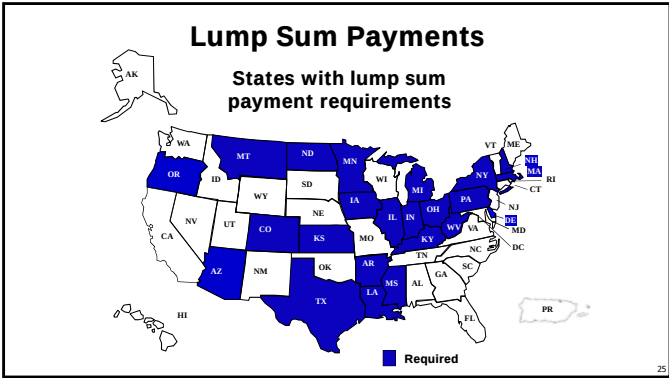


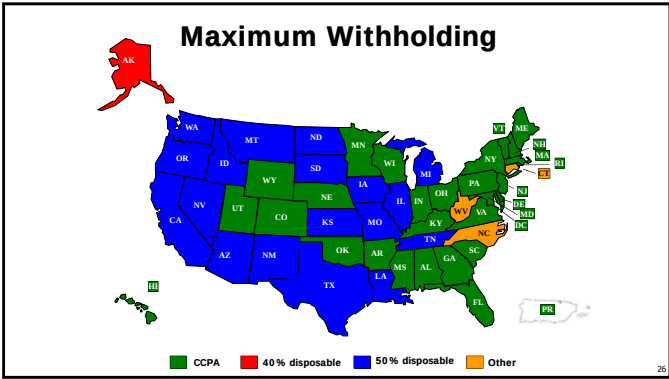
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Maximum Withholding

- **Some states limit withholding less than state statute**
 - Alaska, Illinois, Iowa, Missouri, Montana, and Nevada
 - Should employers follow the law or administrative practice
 - Private party or non-SDU IWOs

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State Disbursement Units

- **South Carolina has one FINALLY!**
 - Notification to employers in 8/19
 - Then pay SDU not courts



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Electronic Child Support Payments



All states are required to accept electronic payments

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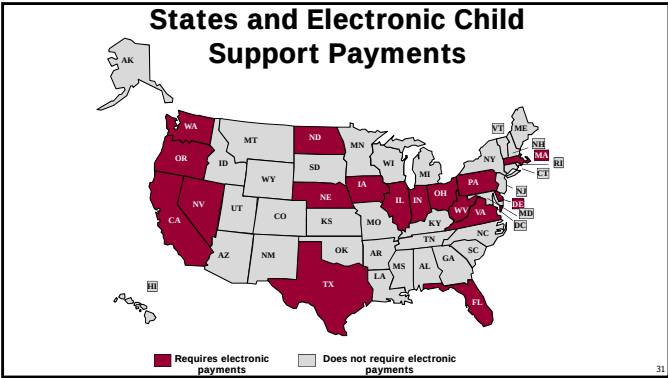
Benefits of Electronic Payments

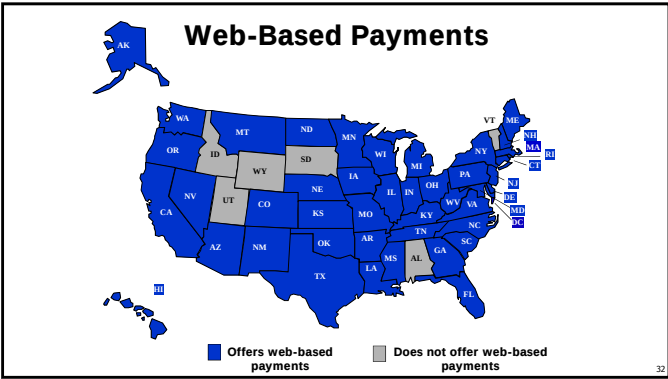
- Benefits to employers
- Benefits to financial institutions
- Benefits to CSE agencies and custodial parents



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Notifications

After an employee leaves employment

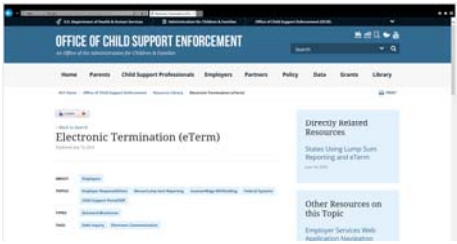
- Notify the child support agency
- Timeframe is set by the state
- Employee ill or injured? Contact:
 - Workers' Compensation
 - Disability benefits



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OCSE's eTerm Application



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Orders From Other States

Uniform Interstate Family Support Act (UIFSA)

- Appears regular on its face



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UIFSA

Follow the rules [from the order](#)

- Duration & amount of support, fees, arrears
- Where to send payments
- Medical support

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UIFSA

Follow the rules from the employee's [work state](#)

- Employer's administrative fee
- Maximum amount permitted by law
- When to implement order and remit payments
- Priorities for multiple orders
- Penalties

Principal Place of Employment

Employee's work state

- Time spent in each location
- Level of activity
- Income significance
- State where UI taxes are paid



Employee IWOs

- **Multiple IWOs – same child**
 - Continue to withhold
 - Copy of order to the employee
 - Contact both agencies

Complying With More Than One Withholding Order

Priority set by state law

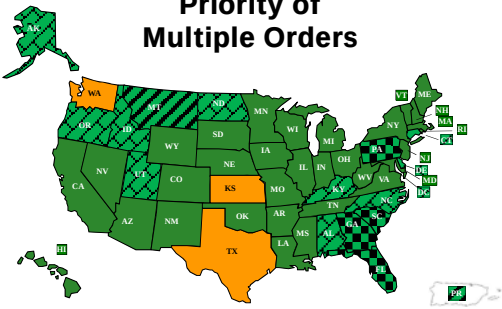
- Allocate each order based on percentage
- Allocate equally
- Follow the law where the employee works



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Priority of Multiple Orders



Legend:

- Prorates
- Equal
- Agency allocates
- Court provides
- Agency prorates

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Tribal Child Support

- Can direct payments to:
 - Custodial parent
 - Tribal court
 - Tribal accounting office
 - Tribal IV-D agency



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Electronic Income
Withholding Orders

- e-IWO: The electronic transmission of an IWO
- OCSE's e-IWO portal
- Voluntary employer involvement
- Contact OCSE for more information
 - Pat Snodgrass
 - Patricia.Snodgrass@acf.hhs.gov



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Benefits of e-IWO

- Reduced delivery time
- Elimination of manual keying errors
- Significant cost and time savings
- Effective communication tool for SDUs
- Errors quickly identified

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e-IWO

Electronic Withholding (e-IWO) Participant
Information website

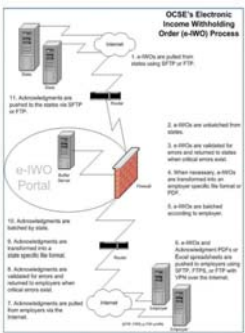
- Information to implement the e-IWO process



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What Is the e-IWO Process Flow?



e-IWO Options

- e-IWO options**
- 1) System-to-system interface
 - 2) No programming option – PDF

International Child Support Enforcement



International Child Support Enforcement

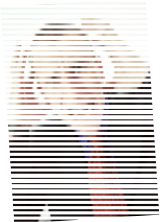
State agencies must conform with international requirements



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Handling Employee Complaints



- Continue withholding until receipt of a notice from the agency or court
- Have the employee contact the agency or court for alleged mistakes or family changes

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Attempts to Avoid Withholding

- Increases federal/state income tax withholding
- IRS withholds child support arrearages from tax refunds



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Private Collection Agency, State Policy Matrix

IM-10-01

Library

Other Resources on this Topic

Practices for Working With Child Support Private Collection Agencies

08-02-05

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Example: Oregon

State Child Support Enforcement (IV-D) Private Collection Agency (PCA) Policy

State Title D Contact	Primary Case	Lien on Bank Requirements	Fee Limitations	Contract Cancellation Limitations	Allow Payment Reduction	Current Support Limitations	Fee for State/Fed Collections	Punished Practices
Oregon Bob David bob.david@dcsls.state.or.us (503) 998-4555	Oregon Chapter 20 Support Enforcement §ORS 20.020 OR Support Enforcement System	Lien on §ORS 467.010 and bank §ORS 887.021 required OR Collection Services Law	§ORS 20.020 (3)(c)(iii) May not charge interest or a fee for its services exceeding 20 percent of each support payment received unless fee is allowed by the terms of the collection agency's contract with the state child support agency and the obligor. Fees are allowed to perform legal services on behalf of the obligor	§ORS 20.020 (3)(c)(iv) Payments to Private Collection Agencies (2) When the Oregon Child Support Program (OCSP) is notified by a collection agency or an obligor that the obligor has entered into an agreement with a collection agency, the administrative will send to the obligor an enforcement form demonstrated pursuant to section (1) of this rule. Private Administration Rule	Yes, §OR 137.026-028 Distribution of Support Payments to Private Collection Agencies (2) When the Oregon Child Support Program (OCSP) is notified by a collection agency or an obligor that the obligor has entered into an agreement with a collection agency, the administrative will send to the obligor an enforcement form demonstrated pursuant to section (1) of this rule. Private Administration Rule	No	§OR 441.010 OCSP Management or allowance §OR 441.010-030 False or Misleading Representations §OR 441.010	

Employees Serving in the Military



- Notify the agency when an employee-reservist is called to military duty
- The agency will issue a new order to DFAS

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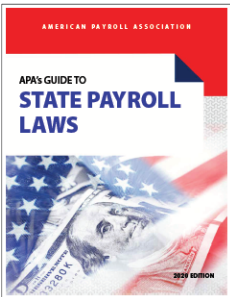
Child Support and Bankruptcy

Child support debts are not dischargeable under a bankruptcy – don't stop withholding



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<https://ebiz.americanpayroll.org/ebusiness/ProductCatalog/Product.aspx?ID=9019>



<https://ebiz.americanpayroll.org/ebusiness/ProductCatalog/Product.aspx?ID=19>

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