

## **VT Office of Child Support: Wage Withholding**

Wage withholding is the single most effective means of collecting child support payments. Most child support orders issued in Vermont today require wage withholding as the method of paying support. The withholding process begins when we or another state's child support agency sends you a document called *Income Withholding Summary for Employers*.

### **Legal Requirements**

You may receive this notice by first class or certified mail, email, fax, or by electronic means through the Office of Child Support Services Federal Portal. Sometimes, a non-custodial parent or employee will bring you a temporary notice to withhold wages. Vermont law requires you begin withholding wages within 10 business days of receipt of the wage withholding order, or the next pay period – whichever is later. You must remit subsequent payments *within 7 business days* of withholding them from the employee's wages.

Courtesy remittance coupons will be printed and mailed to you weekly, unless you report a different pay frequency to OCS. Please note that if you do not pay your employees weekly, the amount printed on the coupons will not feature the correct amount to be withheld each pay period. It is important that you contact our office at (800) 786-3214 to provide your business's pay frequency so that we can ensure the coupons print with the correct withholding amounts. You can also opt out of receiving these remittance coupons by calling us at that number.

To keep child support going to the family, you must inform us *within 10 days* if an employee terminates. Any information you can provide on the former employee's new employment is helpful.

If you were receiving remittance coupons and you have reported termination of an employee, please note you may receive one or two more coupon mailings before they stop completely, as they are coming from a third-party vendor.

The Uniform Interstate Family Support Act (UIFSA) requires employers to accept and process wage withholding orders sent directly to them from any state or U.S. Territory. This means you may occasionally receive notices from other states for the same children. If this happens:

1. Continue to honor the first notice you received;
2. Contact the agency that sent the latest withholding notice to tell them you are already withholding for the same children; and
3. Call the OCS Help Line if you have questions (800) 786-3214.

### **Limits on Withholding**

The federal *Consumer Credit Protection Act* limits the amount you can withhold from an employee's wages to meet child support and other obligations. These limits are designed to protect a portion of the employee's earnings for living expenses. Mandatory deductions that must be made from an employee's paycheck include:

- Taxes (e.g., federal, state, local, FICA & Medicare);
- Unemployment & Workers' Compensation insurance; and
- State employee retirement and any additional deductions mandated by state law.

## **VT Office of Child Support: Wage Withholding**

The income remaining after mandatory deductions is called *disposable income* and is available for withholding. Which withholding should be made next: back taxes, student loans, bankruptcy, or child support? *In almost all cases, child support must be paid first.*

When an employee works part-time, it may mean the employee is not earning enough to live on AND pay the child support obligation. The maximum allowable amount that may be withheld from the employees' wages to pay child support depends on two factors: (1) whether the employee has new dependents; and (2) whether the child support order issued by the court includes arrears (a periodic payment for past-due child support). The maximum percentages that may be withheld are:

### For employees with new dependents:

- 50% if the order covers current support only
- 55% if the order also requires an arrears payment

### For employees without new dependents:

- 60% if the order covers current support only
- 65% if the order also requires an arrears payment

While federal law allows for a maximum of 65% of disposable income to be withheld in certain circumstances, our policy is to ask you to remit 50% of an employee's disposable income when information about additional dependents is not available. Federal & state consumer protection limits may override instructions in the *Income Withholding Summary for Employers*.

## **Frequently Asked Questions**

**How soon do I remit wages withheld from my employee's paycheck?** After the initial remittance, you need to remit withheld wages within seven (7) business days.

**May I combine child support payments from several employees into one check?** Yes, as long as you are remitting payments to one state agency and you enclose the OCS coupons, or you list the amount of payment for each individual employee including their Social Security numbers.

**Where do I send payments?** Send payments and remittance coupons to: Office of Child Support, PO Box 1310, Williston VT 05495.

**May I recover the cost of withholding wages?** Yes. Vermont law allows you to retain an additional \$5 per month, above court-ordered child support as compensation for administrative costs.

**What if an employee tells me the court-ordered withholding is the wrong amount or not to withhold?** Advise your employee to contact the appropriate state child support agency if he or she has a dispute about any element in the order. By law you must comply with the withholding notice as issued – until you are otherwise notified by a state child support agency. You may be liable for any wages that are not withheld.

**Is there a maximum amount that may be withheld from an employee paycheck?** Yes. These limits are based on the *Consumer Credit Protection Act*. The withholding limits for child support and alimony are based on the disposable income of the employee. See the previous section called "Limits on Withholding" for more details.

## **VT Office of Child Support: Wage Withholding**

**What if the employee no longer works for us?** Vermont law states you are required to notify us within 10 days of the date the employee is terminated. This can be done by writing us, calling us, or reporting that information through the Office of Child Support Services Federal Portal at <https://ocsp.acf.hhs.gov/csp/home/employer>.

**Is there an easier way to send withholdings?** We offer *electronic funds transfer*, which allows you to submit specific information electronically, as well as other ways to remit payments as detailed on our “[Ways to Remit Child Support](#)” reference sheet.