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Quick Facts: Income Withholding

This Quick Facts guide provides information about the income withholding process for the collection of child support obligations.

The Child Support Program¹ is a successful federal-state partnership whose mission is to promote economic stability for children whose parents live apart. Income withholding is an efficient and effective enforcement tool for collecting child support obligations and has resulted in increased compliance with these legal obligations.

Income withholding is the deduction of a court or administratively-ordered child support obligation from a parent's wages or other source of periodic income. An income withholding order/notice is an order from a court or administrative agency to an employer or payor of income to deduct from the parent's wages or income the amount of the child support obligation. The specified amount could include an amount to cover a cash medical obligation or repay past-due support obligations, in addition to the current support obligation. The amount of income that may be withheld from a parent's income is limited by the Consumer Credit Protection Act. Income withholding orders are valid across state lines and must be honored throughout the United States (US) and the US territories. Income withholding orders have priority over all debts except for federal tax levies and must be paid before honoring any other garnishment.

- In 1984, Congress modified Title IV-D of the Social Security Act to require states to use income withholding as a method for enforcing child support obligations². Congress required states to initiate the income withholding procedure when a parent became delinquent in paying the court or administratively ordered support. The threshold for delinquency that would trigger the procedure was the amount of the monthly obligation.
- Congress and the states quickly recognized the effectiveness of the income withholding procedure. In 1988, Congress enacted legislation that required states to implement "immediate income withholding" without regard to whether there was a delinquency in the child support payments.³ This requirement remains in place.
- Of all methods used for enforcing child support obligations, income withholding has consistently been the most effective.

¹ Title IV, Part D of the Social Security Act (42 U.S.C. 651, *et seq.*)

² Child Support Enforcement Amendments of 1984 (PL 98-378)

³ Family Support Act of 1988 (PL 100-485)





- The Office of Child Support Enforcement (OCSE) and the state child support agencies collaborated with employers to develop a simple and uniform income withholding process. Key components of the process are (1) a uniform employer notice form that is used across the country and (2) employers send all support payments to one place, the state disbursement unit, in each state. As a result, most employers have been very cooperative in the implementation of income withholding.
- Efforts are on-going to streamline and automate the income withholding process. For example, in 2004, OCSE initiated the Electronic Income Withholding Order (e-IWO) project to enable states and employers to electronically transmit income withholding documents and to allow employers to transmit status information to the state agencies.
- OCSE and several states have created online, interactive portals for employers to report events that impact income withholding, such as termination of employment and lump sum/bonus payments.
- In FY 2016, child support payments of over \$32.7 billion were collected through different methods of collection, such as income withholding, unemployment compensation interception, and State or Federal tax refund offsets. Of these collections, 75% was collected through income withholding.⁴

Successful implementation of income withholding has been, and continues to be, aided by cooperation and collaboration between OCSE, the state child support agencies, the state courts, and employers. As a result of income withholding, a significantly increased number of families receive the financial support to which they are entitled and need.

⁴ Office of Child Support Enforcement FY 2016 Annual Report to Congress

