

What Every Employer Should Know About Multiple Income Withholdings

Employers are KEY

- DID YOU KNOW that Lucas County Job and Family Services, Division of Child Support, currently partners with over 40,000 employers to ensure children in our community receive the consistent support they need?

In keeping with our Child Support Awareness Month theme—Support is Key—we have prepared a series of newsletters to guide our Employer Partners through the intricate world of Child Support orders. We understand that as an Employer you have business priorities, and the legal obligations to comply with child support orders can be burdensome. That is why we are taking the extra time this month, to provide you with the necessary information to assist you.

Sincerely,
Lucas County JFS, Child Support Division

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What do I do when I receive multiple orders for an employee?

- To the extent possible, you are required to process all of the income withholdings. This obligation, however, is subject to current federal and state limitations on garnishment, the Consumer Credit Protection Act (CCPA), Ohio laws limits the amount of an employees disposable income that can be withheld, 15 U.S.C. 1673(b), and ORC§2329.66
- CCPA defines disposable income as the net income the employee is entitled to receive after withholding federal, state and local taxes, social security, statutory pension contributions, and Medicare.
 - Ohio follows the CCPA definition of disposable income;
- First you will need to determine the amount that should be withheld, by adding up the obligations, multiplying them by 12 and dividing them by the number of pay periods in a year. This will tell you how much should be withheld;
- Next you will need to determine how much you can withhold by applying the CCPA regulations:
 - 50% of disposable income *if Obligor is supporting another family or 60% of the disposable income if the Obligor is not*. However those limits increase by 5% when the arrears are greater than 12 weeks.
 - When in doubt, please contact your child support professional at 419-213-3010.
- Finally you will need to **prioritize and allocate** the money being withheld whenever there are multiple orders.

How To Prioritize and Allocate Funds With Multiple Orders?

- If an Employee has more than one order Employers must **prioritize and allocate** the amounts being withheld.
- **Prioritizing** Employers must add up the amounts listed in the withholding order as current support and;
 - If the amount withheld is more than the total of the current support, then you must allocate the withheld funds first to all of the current support for each of the orders, before allocating any funds to the past due amounts.
 - If the amount withheld is less than the total of the current support on each of the orders, you must pro-rate the amount withheld between all of the current support obligations and identify how the funds are to be applied;
 - Example – John Smith has 3 cases;
 - DR2010-1111 - current child support \$50.00 per month, current spousal \$100.00 payment on arrears \$25.00 per month plus processing;
 - AP1999-2222 - arrears payment \$200.00 per month plus processing;
 - JC09156666 - Current child support \$150.00 per month, current cash medical \$50.00 per month and arrears \$50.00 per month plus processing;
 - In this example, the Employer would add up the sums listed a current support for a total of \$350.00.
 - If the amount withheld is less than \$350.00, the Employer must **pro-rate** between the current support obligations (and in this scenario, would not pay any of the past-due payments). In the above example, if the total net paid to John Smith was \$600.00 and pursuant to CCPA maximum withheld was \$300.00 you would divide \$300.00 by \$350.00 (total of current obligations) which gives you 85.7%; you would then subtract the current support due on each order by 85.7% and allocate that amount from the withheld funds to the order.
 - Example – John Smith's 3 cases would each receive from this payment;
 - DR2010-1111 – would receive \$42.87 current child support and \$85.71 current spousal support;
 - AP1999-2222 – would receive \$0.00;
 - JC09156666 – would receive \$128.56 current child support and \$42.86 current cash medical.
- **Allocating** – Employers who are remitting payments withheld pursuant to an income withholding notice are required to provide a detailed itemized statement listing the CSE Agency Case Identifier number, Order Identifier number and the corresponding amount based on the above prioritizing and pro-rating to be applied to that case.
More information on this topic can be found at our website at <http://www.co.lucas.oh.us/index.aspx?nid=671>.

What if an Employee doesn't receive any payment due to absence or lack of work?

- You must notify the Child Support Agency when an employee's pay is interrupted for any reason. Prompt and proper notification will minimize the phone calls and inquires you will receive as a result of the missed payment. You can notify the Agency by indicating 'no pay' on the itemized list (if you are remitting one payment for all of your Employee's), by completing and mailing page 6 of the IW - Notification of Employment Termination or Income Status form to the Child Support Agency or by calling the dedicated Employee line at 419-213-3010 and leaving a detailed message.

Can an Employee have more than one case for the same child?

- Yes, there are several situations in which an Employee may have more than one Income withholding for the same child, for example;
 - If the parents are married, but due to separation or other factors, support is set under a Juvenile Order number and the parents later divorce, the Juvenile Current Support Order will terminate and the Employee will likely begin paying current support under a Domestic Court Order (DR/DM), however, if any arrears are owed under the Juvenile Order, an Income Withholding would be issued for the past due support on that case in addition to the current support on the Domestic Order, or
 - If support is set under a Domestic Violence (DV) Order, those types of orders terminate at a set point and current support will need to be addressed under a divorce or Domestic Court Order (DR/DM) or Juvenile Court Order (JC), but if any arrears remain under the DV an Income Withholding will be issued for the past due support on the DV and the current support on the DR/DM or JC.
- Always contact your Child Support Professional at 419-213-3010 with any concerns or questions you may have with any of the Income Withholdings you receive.

