

UNITED STATES DEPARTMENT OF AGRICULTURE
FOOD SAFETY AND INSPECTION SERVICE
WASHINGTON, DC

FSIS DIRECTIVE

4550.2
REVISION 3

4/8/99

GARNISHMENT OF WAGES FOR CHILD SUPPORT, ALIMONY, AND COMMERCIAL DEBT

I. PURPOSE

This directive gives procedures for compliance with legal requirements to withhold salary for court-ordered child support, alimony, and commercial garnishments.

II. CANCELLATION

This directive cancels FSIS Directive 4550.2, dated 8/27/84. **NOTE:** This directive is numbered Revision 3. Previous editions were dated 11/6/78 (basic), 4/11/83 (first revision), and 8/27/84 (second revision).

III. REASON FOR REISSUANCE

This directive is completely rewritten to:

- A. Include guidance on commercial garnishment requirements.
- B. Change the designated office for accepting legal process for garnishments from OGC to ERB.
- C. Update information on child support garnishments.

IV. REFERENCES

Title 5, U.S.C. 5520 (a), Garnishment of Pay
5 CFR Part 581, Processing Garnishment Orders for Child Support and/or Alimony
5 CFR Part 582, Commercial Garnishment of Federal Employee's Pay

DISTRIBUTION:

All Offices

OPI:

HRD – Classification and Compensation
Branch

V. ABBREVIATIONS AND FORMS

The following will appear in their shortened form in this directive:

ERB	Employee Relations Branch, HRD
HRB	Human Resources Division
IRS	Internal Revenue Service
NFC	National Finance Center
OGC	Office of the General Counsel
TSP	Thrift Savings Plan
AD-343	Payroll Action Request
AD-747	Court-Ordered Child Care or Alimony Deduction

VI. DEFINITIONS

- A. **Alimony.** Payments from employee wages to provide support and maintenance of a spouse or former spouse.
- B. **Arrears.** Unpaid and overdue debt, or an unfulfilled obligation.
- C. **Child Support.** Payments from employee wages to provide support and maintenance of a child or children for health care, education, clothing, or other specific needs of such children.
- D. **Disposable Income.** The part of employee earnings that remains after deductions required by law.
- E. **Interrogatory.** A document from a court, child-support agency, attorney, or other entity which requests information about an employee for garnishment.
- F. **Legal Process.** Any writ, order, summons or other similar process about a garnishment, which may include an attachment, writ of execution, or court-ordered wage assignment.

VII. RESPONSIBILITIES

The Federal Government is legally obligated to accept garnishment or attachment of wages for child support, alimony, and commercial debts.

- A. **General.** All employees (includes full time, part time, intermittent, and temporary) are subject to garnishment withholdings.

B. Receipt of Legal Process.

1. **Child Support or Alimony.** Any FSIS official may receive a court order or other legal process for enforcement of an employee's obligation for child support or alimony via regular, certified, or registered mail. The official should immediately send the order with the original envelope to:

CHIEF EMPLOYEE RELATIONS BRANCH
HUMAN RESOURCES DIVISION FSIS USDA
ROOM 3175 SOUTH BG
1400 INDEPENDENCE AVE SW
WASHINGTON DC 20250-3700
1-800-217-1886

2. **Commercial Debts.** A court order or other legal process is valid only when it is served on Chief, ERB, the designated agent. Any other official receiving a court order or other legal process for a commercial debt should **immediately** return the order to the person requesting service.

3. **Chief, ERB.** Maintains liaison with OGC, the NFC and appropriate courts.

VIII. PROCEDURES

A. Employee Relations Branch.

1. Reviews court orders for legal sufficiency.
2. Records the date and time of acceptance of a garnishment order.
3. Reviews payroll records and employment history of potential garnishee before responding to the court or other authorized agent.
4. Notifies the court, child-support agency, attorney, or other entity of the appropriate action and effective date of withholding.
5. Responds to interrogatories properly issued and served.
6. Notifies the employee via certified mail with return receipt request of the garnishment action, amount to be withheld, and the effective date. Also advises the employee to provide own defense against the legal process, if necessary, because the Federal Government does not represent the employee interest in the legal process.
7. Initiates child support and alimony withholdings through the NFC database system.

8. Notifies NFC via Forms:
 - a. AD-747 and AD-343 to begin manual deductions for child support and alimony garnishments.
 - b. AD-343 to begin deductions for commercial garnishments.
9. Prepares Forms AD-747 and AD-343 and notifies NFC of missing payments.
10. Reviews and processes court-ordered subpoenas.

B. Personnel Operations Branch and Employment Services and Policy Branch.

1. File a copy of the notification to the employee on the temporary side of the Official Personnel Folder and removes it when deductions are no longer required.
2. Notify ERB when the status of an employee with a garnishment changes (**EXAMPLES:** temporary or extended leave without pay, separated, transferred, or suspended).

IX. MAXIMUM GARNISHMENT LIMITATIONS

The Consumer Credit Protection Act established maximum garnishment limitations for child support, alimony, and commercial debts. The limitations are:

A. Child Support or Alimony. Disposable earnings of an employee for a workweek are subject to:

1. **Fifty percent** withholding when the employee is supporting a spouse or dependent child not covered by the legal process.
2. **Fifty-five percent** withholding when the employee is 12 weeks or more in arrears.
3. **Sixty percent** withholding when an employee is not supporting another family.
4. **Sixty-five percent** withholding when the employee is not supporting another family and is 12 weeks or more in arrears.

B. Commercial Debts.

1. The garnishment order is **not** honored when the weekly disposable income of an employee is equal to or less than 30 times the hourly minimum wage under the Fair Labor Standards Act. **EXAMPLE:** The current minimum wage is of \$5.15 per hour. The garnishment order is not honored if the weekly disposable pay is less than \$154.50 (30 times \$5.15).

2. The garnishment order **is** honored when the weekly disposable income of an employee:

a. **Exceeds 30 times but is less than 40 times** the hourly minimum wage rate. The deduction reflects that portion of the employee weekly disposable income which exceeds \$154.50. **EXAMPLE:** The weekly disposable income for 32 hours is \$164.80 (32 times \$5.15). The deduction is \$10.30 (\$164.80 minus \$154.50).

b. **Is equivalent to or greater than 40 times** the hourly minimum wage. The deduction is up to a maximum allowable amount of 25 percent of the employee disposable income.

C. Multiple Garnishments.

1. If a commercial garnishment order is received and an employee has child support or alimony garnishment in effect which:

a. **Exceeds 25 percent** of the disposable earnings, the Agency does not further garnish wages to satisfy the order. The court order is returned to the person seeking the garnishment with a written explanation.

b. **Does not exceed 25 percent** of the disposable income, the Agency will honor the commercial order for an amount up to but not exceeding 25 percent of the disposable income. **EXAMPLE:** The child support or alimony garnishment in effect equals 12 percent of the disposable income. The commercial debt withholding will be 13 percent of the disposable income.

2. Commercial garnishments are honored in the chronological order of receipt (first come, first served). If the garnishment has an expiration date, it is returned to the person requesting service with a written explanation. If the order does not have an expiration date, FSIS holds the order until garnishment can be honored.

3. Commercial garnishments are not honored for creditors named under a bankruptcy order. The commercial garnishment is returned to the requestor with a written explanation.

X. INCOME SUBJECT TO GARNISHMENT

- A. Pay for hours worked, including overtime.
- B. Workers compensation.
- C. Disability retirement pay, including TSP where an application has been filed.
- D. Cash awards, including performance-based awards.
- E. Severance pay.
- F. Advances in pay.

XI. INCOME DEDUCTIONS NOT SUBJECT TO GARNISHMENT

The following deductions are not considered part of disposable income:

- A. Federal income tax withholding.
- B. State and local income tax withholding.
- C. Retirement contributions, including deductions for the TSP.
- D. Federal Employees Health Insurance premiums.
- E. Basic Life Insurance premiums (but not optional coverage premiums).
- F. Hospital Insurance Tax (Medicare).
- G. Social Security Tax.
- H. IRS liens and levies for alimony and commercial debts. IRS liens and levies **are** considered part of the disposable income when garnishment is for child support.
- I. Other amounts owed by the employee to the United States (i.e., student or Veterans Affairs loan).



Deputy Administrator
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