Arizona's Automated Wage Withholding Process

Arizona has shown tremendous foresight in reaping the benefits of automation and technology. By pairing its statewide, automated system with the State Directory of New Hires (SDNH), it has turned many of its new hire hits into automated wage withholdings. This frees the worker to pursue cases with more challenging enforcement and collection situations. Through a series of tests and edits, the automated system filters out those cases requiring manual intervention by case workers. For those cases that meet all of the criteria, automated wage withholding can be prepared and sent within 48 hours, including an automatically calculated payment on arrears, if applicable.

The reporting of new hires to the Arizona SDNH currently triggers the automated income withholding process. Automating the use of data from the National Directory of New Hires (NDNH) has been successfully tested by the State and is scheduled for implementation later this year.

In brief, the process comprises a series of tests designed to eliminate those cases that are not suitable for the automated process. In the first series of tests, ATLAS (Arizona's IV-D automated system) checks to see if the newly received employer data represents a brand new employer for the non-custodial parent, or if the non-custodial parent has been rehired by a previous employer. Under Arizona law, an employer is required to observe a previously issued order of assignment if the employee is rehired within 90 days and thus, a new withholding order is not required.

In the second step, ATLAS checks to see if good cause is an issue in the case. If not, processing continues to the third step, which checks the status of the case. If the case status is anything other than collection or enforcement, an automatic wage withholding order will not be initiated at this time and the new employer information is stored, a worker alert is generated, and the case is dropped from the automated process. The alert, however, ensures the case worker is aware there is new locate information available on the case.

Next, the system checks to see if there is a loss of contact with the custodial parent. If there is no current address for the custodial parent in a non-TANF (Temporary Assistance for Needy Families) case, there is no need to issue a wage withholding order at this time and the automated process stops and a worklist item is sent to the worker. This prompts the worker to initiate a locate request on the custodial parent or initiate case closure. However, in a TANF case, if an arrearage is owed to the State, the worker will review the case and may choose to change the case status to arrears only.

The fourth automated step involves checking to see if the case is local, with an Arizona underlying court order. If it is local, processing continues to the next set of tests. When the case is not local, the system reviews the data to determine if the case is initiating or responding. When the case is initiating, a valid Arizona order must exist and the custodial parent must be a resident of the State of Arizona. If the case is determined to be responding, a valid order from another jurisdiction must exist, and the non-custodial parent must reside within the State of Arizona.

Once court order information has been validated, the fifth set of tests reviews the active debts. The debt obligation must be for current child or spousal support or for a judgement for child or spousal support. Following this, ATLAS then reviews the case payment history.

The sixth series of tests is designed to check if payments are currently being made through wage withholding, and if so, does the new employer data represent a new, part-time job for the non-custodial parent. Specifically, when a payment is received via wage withholding which is equal to 92 percent or more of the total monthly obligation (considered a full payment), a future review date is calculated by the system for an additional 32 days from the date of the most recent wage payment. This delay in processing is important because it ensures that a new income withholding order is not sent to the new employer if the obligor is paying, in full, through a primary employer. If yet another wage payment is received within the designated timeframes that meets the percentage requirements within the review period, the case is considered to be in compliance. In this case, the new employer information is archived, the case is deleted from the pending review process, and a case note is written. However, if no additional payments are received within the timeframe indicated, the case continues through the automated withholding process.

The seventh, and final, test checks to see if an administrative review or legal hearing action is pending for the case. If not, the case meets all of the selection criteria. The federally mandated interstate wage withholding packet is generated through a trigger process and the administrative income withholding is completed and in the mail to the employer within the mandated 48 hour timeframe. Additionally, since Arizona provided for a statutory calculation of an arrears payment proportional .to the current order and the amount of any arrearages, ATLAS calculates and includes an additional payment on arrears with .the order.

Since this process was implemented on October 1, 1998, over 25,000 automated income withholding orders have been issued. Arizona is extremely proud of this effort, and its work on this project has been acknowledged by Arizona's governor through the State's Spirit of Excellence award program, which recognizes quality in state government. The income withholding order project earned the State's highest award-the Governor's Recognition A ward.

For further information on Arizona's automated wage withholding, please contact Patrick Barrington at (602) 274-7646.

Start

① **Is NCP employer information the same as on ATLAS?**
No → (loop back)
Yes ↓

Has an administrative income withholding order been sent?
Yes → Case Note
No ↓

Any employment termination date?
or
Termination date ≤ 90 days prior to date of hire?
Yes → Case Note
No ↓

② **Indication of good cause?**
Yes → Worker Alert
No ↓

③ **Case status ≠ enforcement or collection?**
or
Loss of contact with CP?
Yes → Work List Item
No ↓

④ **Local Arizona case?**
Yes → Review Debts
No ↓

Initiating or Responding?

Initiating → **Does valid AZ order exist and CP reside in Arizona?**
Yes → Review Debts

Responding → **Does valid order from another jurisdiction exist and NCP reside in Arizona?**
Yes → Review Debts

⑤ Review Debts

Is debt obligation for current child support, current spousal support, or a judgement for child support or spousal support?

Yes

Any payments made through a wage withholding?

No

Yes

Is payment < 92% of current support amount?

⑥

Yes No

Worker Alert

Future review date is calculated from date of last withholding payment

Second payment received through wage withholding?

No

Yes

⑦ Administrative review or legal action pending?

Is payment < 92% of current support amount?

Yes No

No

Worker Alert

New employer data is archived

Wage withholding packet is generated and administrative income withholding completed and mailed.