

**INSTRUCTIONS TO
FEDERAL AGENCIES**

**Preparing
Administrative Wage
Garnishment Forms
SF-329E**

April 2005

**U.S. Department of the Treasury
Financial Management Service
Debt Management Services**

**Instructions to Federal Agencies
Preparing Administrative Wage Garnishment Forms**

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Instructions to Federal Agencies Preparing Administrative Wage Garnishment Forms

Purpose

This document explains how Federal Agencies terminate the AWG process and, if necessary, prepare a termination order by using the newly created Standard Form 329E (SF-329E). Agencies will use SF-329E when a debtor's employer requests an Order of Termination signed by Treasury.

Background

Wage garnishment is a process whereby an employer withholds amounts from an employee's wages and pays those amounts to the employee's creditor in satisfaction of a wage garnishment order issued by the creditor. A Federal Agency collecting delinquent, non-tax debt may garnish the wages of a debtor without first obtaining a court order. This process, known as Administrative Wage Garnishment (AWG), is authorized by section 31001(o) of the Debt Collection Improvement Act of 1996 (DCIA), Pub. L. 104-134, 110 Stat. 1321-358 (Apr. 26, 1998), codified at 31 U.S.C. ' 3720D. The rules and procedures governing administrative wage garnishment were published as a Final Rule in the *Federal Register* on May 6, 1998 (63 FR 25136).

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Paperwork Reduction Act

The administrative wage garnishment process under the DCIA is an administrative action taken by a Federal Agency against a debtor's employer. Therefore, any collection of information under the AWG termination process is exempt from the requirements of the Paperwork Reduction Act of 1980 (44 U.S.C. ' 3501 *et seq.*).

See 44 U.S.C. ' 3518(c)(1)(B)(ii)

- Act does not apply to the collection of information during the conduct of an administrative action involving an agency against specific individuals or entities.

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Termination of AWG

The wage garnishment action can be terminated for a number of reasons at any point in the process, both before the Order has been sent to the Employer and after it has been sent to the Employer. The termination can be a result of a request submitted by the Federal Agency, an action initiated by the DMS AWG Staff, or an automated system process.

A. Agency Termination Request

The valid reasons for a termination request are:

- a. Death
- b. Disability
- c. Bankruptcy
- d. Debtor enters into payment plan (repayment agreement, one-time compromise)
- e. Debtor works for the Federal Government
- f. Debtor is self-employed
- g. Prior order(s) in place => 25 %
- h. Debtor is no longer with employer
- i. Employer goes out of business
- j. Wrong employer / wrong debtor
- k. AWG started in error
- l. Other

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B. Termination by the DMS AWG Staff

The DMS AWG Staff can also terminate the AWG action for various reasons.

- a. Compromise Agreement - When a concurrence with a compromise offer is “granted,” the AWG is terminated.
- b. No AWG Package Request – An agency must submit an AWG Package request within 45 days of the Notice Letter Sent Date; a Hearing Resolution that required a new AWG Package; or a FMS Legal Counsel outcome that required a new package.
 - If no request for an AWG package is made within 45 days of the Notice Letter, a Hearing resolution, or the Legal Counsel decision, the AWG staff will terminate the AWG case.

C. Automatic System Terminations

When certain actions occur in the DMS collection system, the system terminates the AWG process and returns the debt to the originating agency. These actions include:

- a. Debt Paid in Full
- b. Debt Settled in Full
- c. Debt Recalled

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Preparing the Termination Order

As soon as the agency receives information that justifies terminating the AWG process, the agency is required to send, by first class mail, an AWG Release Letter to the debtor's employer. The AWG Release Letter should be forwarded to the employer within 24 hours of the agency's decision to discontinue AWG collection activities. This timely notification will ensure due process for the debtor.

An agency may use the Notice of Termination of Wage Garnishment Order (SF-329E) in place of the AWG Release Letter if a debtor's employer requests a signed order from a Treasury Official. The agency issuing the Order of Termination should mail the document to the employer after preparing the order in accordance with the instructions described below.

Box #

- 1a *Date of Notice of Termination.* Insert the date the agency issued the termination order. The date the agency issued the termination order is the date an agency official determines that the AWG process should be stopped.
- 1b *Date of Order/Amended Order.* Insert the date the agency issued an amended AWG Order. The originating agency may hold a hearing and decide that the ongoing AWG action should continue, but the amount and/or the terms of the AWG Order should be modified in consideration of the debtor's current financial status.
- 2 *Date Notice of Termination Mailed to Employer.* Insert the date the agency mailed the termination order. Agencies should take the necessary steps to ensure that the termination order is mailed the same day as the date inserted in this box.
- 3 *Creditor Agency Tracking No.* Insert the number used by the agency to identify the existing AWG Order being administered by the debtor's employer.

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Box

- 4 *Employee Name / Employee Alias Name.* Insert the full name of the debtor on file and any alias names by which the debtor may be known at his place of employment.
- 5 *Employee Social Security No.* Insert the debtor's social security number.
- 6-7 *Employer and Employer Mailing Address.* Insert the complete legal name and mailing address of the debtor's employer. Agencies should not abbreviate the name of the employer.
- 8-9 *Creditor Agency and Creditor Agency Mailing Address for Correspondence.* Insert the complete name and mailing address of the agency issuing the termination order. Agencies should be identified as agencies of the United States, for example, *U.S. Department of the Treasury* rather than *Department of the Treasury*, to avoid confusion with State agencies with similar names.
- 10-13 *Contact Name, Telephone No., Internet e-mail address, and Fax No.* Insert the name, telephone number (with area code), internet e-mail address, and fax number (with area code) of a person within the creditor agency who can respond promptly to questions about the information contained in the termination order.
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Creditor Agency Certification.

The head of the agency, or his or her delegatee, **must** sign the Order of Termination. The delegatee must be an official or employee of the agency. In addition, the signatory's printed name and title should be printed or typed where indicated.

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How to Obtain AWG Forms

Creditor agencies may obtain AWG forms (SF-329E) from FMS' web site at:
<http://www.fms.treas.gov/debt/awg.html#forms>.

Inquiries

Any inquiries may be made to:

U.S. Department of the Treasury
Financial Management Service
Debt Management Services
Cross-Servicing Division
3700 East-West Highway
Hyattsville, MD 20782
Attn: Richard Burnham, Manager, Private Collection Branch
Telephone: (202) 874-5879
Facsimile: (202) 874-8024

For additional information on AWG and or the entire debt collection program,
please visit FMS' website at: <http://fms.treas.gov/debt/crosserv.html>.