

U.S. DEPARTMENT OF THE TREASURY
BUREAU OF THE FISCAL SERVICE



Administrative Wage Garnishment

Guide for Employers

Administrative wage garnishment is used by the Federal Government to enforce collection when working debtors fail to pay or resolve their nontax debts.



Questions?

Visit our website:

www.fms.treas.gov/debt/awg.html

Email:

employer.questions@fms.treas.gov

Telephone:

(202) 874-6810



DEBT MANAGEMENT SERVICES

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What is Administrative Wage Garnishment (AWG)?

AWG is a debt collection process that allows a Federal agency to order an employer to withhold up to 15% of an employee's **disposable** wages to pay a nontax delinquent debt owed to the agency. No court order is required.

How does AWG work?

The AWG process is governed by Federal law. State laws do not apply.

- ▶ Federal agencies send garnishment orders to employers.
- ▶ The U.S. Department of the Treasury's Bureau of the Fiscal Service, Debt Management Services, may send orders to employers on behalf of an agency. Similarly, a federal agency may contract with a private collection agency to send orders on its behalf.
- ▶ Upon receipt of an AWG order, the employer must comply with the instructions in the order.
- ▶ The employer is not permitted to terminate an employee as a result of an AWG order.

What are the employer's responsibilities?

Upon receipt of an AWG order, Federal law requires an employer to:

- ▶ Verify an employee's employment.
- ▶ Complete and return the applicable forms: Wage Garnishment Worksheet (SF-329C) and Employer Certification (SF-329D).
- ▶ Deduct the wage garnishment amount from the employee's wages on the first payday after receipt of the order.
- ▶ Continue deductions until an employer receives notification from the creditor agency to suspend or discontinue deductions.
- ▶ Send withheld monies to the address listed in the wage garnishment order within 3 days of withholding.

What happens if an employer fails to comply with an AWG order?

An employer that fails to comply with an AWG order is liable for amounts that the employer fails to withhold, plus possible penalties and fees. Noncompliance may result in legal action.

Where can an employer find more information for general questions?

- ▶ For additional information about private collection agencies under contract with the Bureau of the Fiscal Service, visit: www.fms.treas.gov/debt/pca.html
- ▶ For instructions on completing AWG forms, visit: www.fms.treas.gov/debt/awg/SF329.pdf
- ▶ For general questions about AWG, visit: www.fms.treas.gov/debt/awg.html

