

ELECTRONIC INCOME WITHHOLDING (e-IWO) OVERVIEW

The Federal Office of Child Support Enforcement (OCSE), in partnership with states, public- and private-sector employers, payroll processors, and related organizations developed the electronic Income Withholding Order (e-IWO) process. Started in 2004, it has resulted in:

- Reduced processing and handling costs for employers
- Improved communication between child support agencies and employers
- Withholding information that is provided in a consistent and uniform format
- Increased child support collections
- Reduced administrative costs for States (e.g., postage, paper, handling)

The first step was a “system-to-system” interface with electronic (flat file and XML schema) formats to enable:

- States to electronically transmit Income Withholding Orders (IWOs)
- Employers to electronically acknowledge IWOs and to report terminations and lump sum payments

A centralized federal Internet Portal enables States and employers to easily and securely exchange files with just one entity. The Portal retrieves the Income Withholding Orders (IWOs) from each participating State daily, edits them, formats them according to each employer’s preferences, bundles them for each employer from all participating States, and then delivers them to the employers. The Portal then retrieves the Acknowledgements from participating employers, edits them, formats them, bundles them for each State from all participating employers, and then delivers them to the States.

“No Programming Needed” Options Available For Employers

You can save \$3.00 to \$4.00 per IWO and be up and running in as little as two weeks using a simple, no programming alternative that automates the mandatory IWO Acknowledgment. It uses a pre-filled Acknowledgment in either a spreadsheet or Portable Document Format (PDF). You can view samples of each at www.in.gov/dcs/2936.htm.

Either a Pre-filled Spreadsheet with the list of IWOs or separate PDF Acknowledgments are delivered to the employer along with a PDF of each IWO document. The spreadsheet or PDFs are completed by the employer with minimal data entry and are saved to a directory. The Portal retrieves the completed documents, processes the acknowledgments, and delivers them to the appropriate State(s). The process uses either a Secure File Transfer Protocol (SFTP) or a File Transfer Protocol (FTP) server with a Virtual Private Network (VPN). An expanded description of each process follows.

Acknowledgment Spreadsheet

Employers receive an Acknowledgment Spreadsheet containing the Non-Custodial Parent (NCP) Names, Case Identifiers, and other information from the IWOs along with a separate PDF of each IWO.

The employer manually completes the Record Disposition Status Code for each order on the spreadsheet by entering 'A' (accepted IWO) or 'R' (rejected IWO). If the IWO is rejected, a Rejected Reason Code must be selected from a drop down list. Examples of reasons that IWOs may be rejected are the employee never worked for this employer, was terminated, etc. Columns to the right allow the employer to provide additional information such as termination date, NCP address, new employer, etc.

The Acknowledgment Spreadsheet can also be used by employers to initiate notifications of Terminations and Lump Sum information for cases that were not included on the spreadsheet received that day. Employers can add these notifications to an existing Spreadsheet or to a provided Acknowledgment Spreadsheet template. The employer then saves the spreadsheet(s) to a directory for retrieval by the Portal. The completed Acknowledgment Spreadsheet is used by the Portal to create the mandatory e-IWO Acknowledgement records for the State(s).

Acknowledgment PDF

The Acknowledgment PDF uses the same concept as the Acknowledgment Spreadsheet. Employers receive a separate PDF Acknowledgment document for each IWO and a separate PDF of each IWO. The employer updates the Acknowledgement PDF to indicate whether the IWO is accepted or rejected. If the IWO is rejected, the employer chooses the reason from a drop down list just as with the Acknowledgment Spreadsheet.

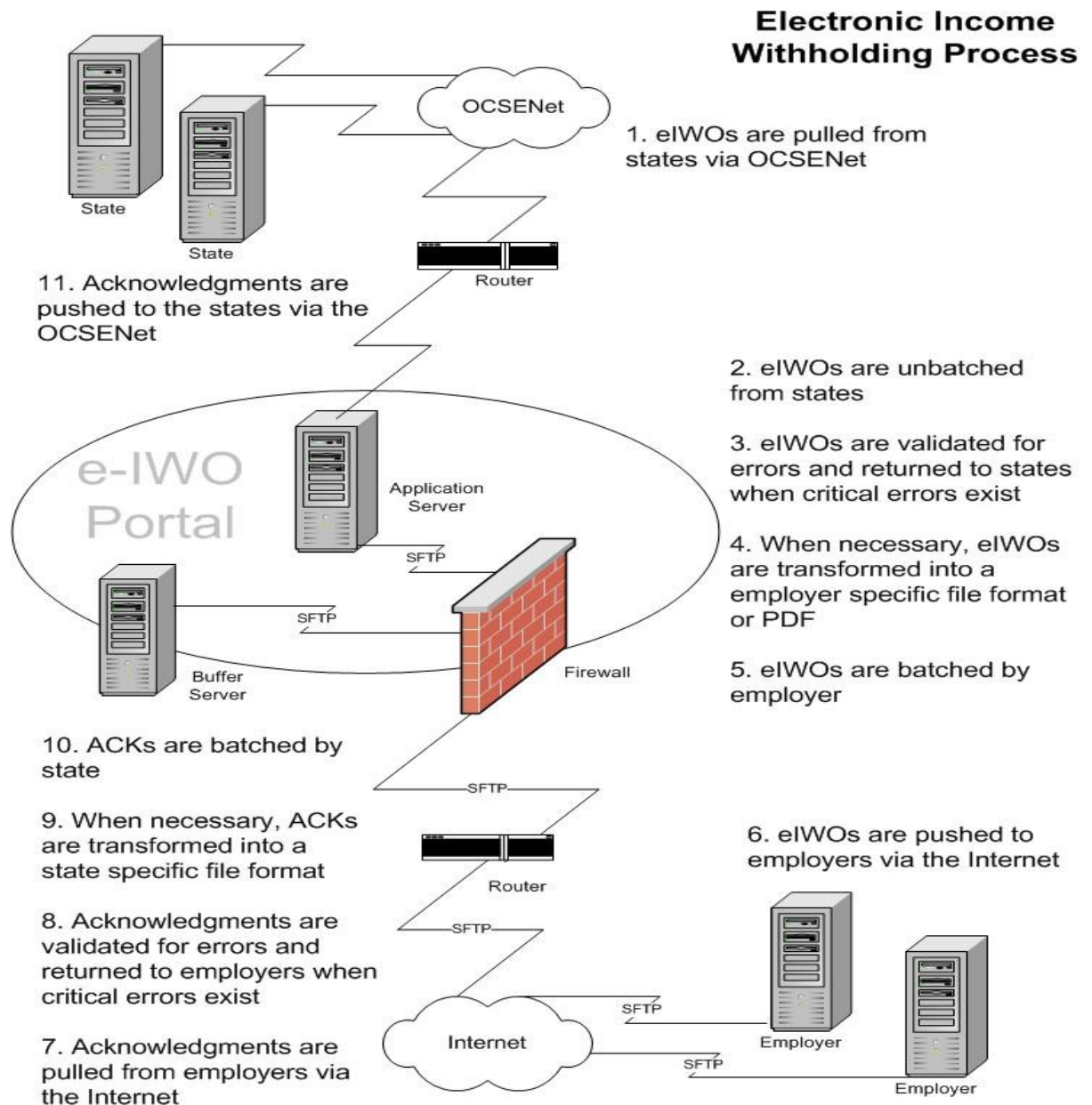
For employer-initiated Terminations and Lump Sum notifications, employers are provided with a blank Acknowledgement to complete. The employer saves the completed Acknowledgment PDFs to a directory for retrieval by the Portal. The completed Acknowledgment PDFs are used by the Portal to create the mandatory e-IWO Acknowledgment records for the State(s).

Transmission: What Do You Need?

The Acknowledgment PDFs or Acknowledgment Spreadsheet, and PDFs of the IWOs are automatically sent to participating employers by the Portal. After completion, the employer saves the Acknowledgements in an outbound directory for retrieval by the Portal. The e-IWO Portal uses SFTP to send files to and retrieve files from an employer.

The employer must have an SFTP server on site for send/retrieve capability. An alternative solution for employers that do not have an SFTP server is a File Transfer Protocol (FTP) server with a Virtual Private Network (VPN). Please direct your questions about transmission/connectivity options to Bill Stuart at william.stuart@acf.hhs.gov or (518) 399-9241. He will help get you set up.

Electronic Income Withholding Process Flow



CONTACTS AND ADDITIONAL INFORMATION

See www.acf.hhs.gov/programs/cse/newhire/employer/eiwo/eiwo.htm for additional information, including a list of participating employers and States.

There is an e-IWO "Workgroup" that meets monthly. Anyone interested in joining this workgroup should contact Bill Stuart at the address below. Anyone interested in more details or in participating in the project should contact:

Bill Stuart at william.stuart@acf.hhs.gov (518) 399-9241 or
Sherri Grigsby at sherri.grigsby@acf.hhs.gov (202) 401-6114