

	INDIANA DEPARTMENT OF CHILD SERVICES TITLE IV-D POLICY MANUAL	
	Chapter 12: Enforcement	Effective Date: 03/22/2021
	Section 2.2: Social Security Benefits Withholding	Version: 2 Revision Date: 03/22/2021

BACKGROUND

N/A

DEFINITIONS

1. **“Social Security Disability Insurance”** (SSDI) is a benefit of the Title II program paid to individuals who can no longer work because of a medical condition that is expected to last at least one (1) year, or may result in death. SSDI is funded by and based upon the worker’s income tax contributions to the Social Security Trust Fund.
2. **“Social Security Retirement”** (SSR) is a benefit paid to eligible retired workers as early as age 62 and is funded primarily by employment taxes.
3. **“Supplemental Security Income”** (SSI) is a benefit, under the Title XVI program, that is awarded to individuals with low income and limited resources who are 65 or older, blind, or disabled. SSI benefits are also available to disabled children whose income and resources fall within the eligibility requirements. SSI is a form of public assistance, funded by general tax revenues, intended to protect the recipient from poverty.¹
4. **“State Verification and Exchange System”** (SVES) is an automated system administered by the Social Security Administration that contains information on Title II beneficiaries (retirement, survivors, disability, and health insurance), Title XVI recipients (supplemental security income), and prisoner data from federal, State, and local correctional facilities.² SVES information is received from the Federal Case Registry (FCR) and is shared with the statewide child support system and the Federal Parent Locator Service (FPLS) State Services Portal; this information is used by States to issue income withholding orders (IWOs) and check the status of participants’ Social Security claims.³
5. The **“Court Order Garnishment System”** (COGS) is a garnishment system that allows the Social Security Administration to respond to IWOs received from Title IV-D agencies.⁴

¹ OCSE-DCL-13-06

² OCSE-DCL-05-35

³ OCSE: Income Withholding and Medical Support for Social Security Beneficiaries

⁴ OCSE-IM-06-03

POLICY

The Social Security Act allows the Title IV-D agency to withhold an obligor's federal employment-based benefits, such as SSDI and SSR, for the collection of a child support obligation.⁵

SSI benefits, awarded as part of the federal welfare (Title XVI) program, are exempt from garnishment.⁶ A disabled obligor may receive concurrent SSI/SSDI or SSI/SSR benefits because the obligor qualifies for:

1. SSI benefits based on the obligor's income and assets; and
2. SSDI or SSR benefits because of employment credits.

If an obligor is receiving SSI, SSDI, or SSR benefits, the Title IV-D Prosecutor's Office may review the case to determine whether it is eligible for a modification.⁷ Also, the Title IV-D Prosecutor's Office may close a case if the Title IV-D Prosecutor's Office determines the obligor's sole income is from SSI benefits or a combination of SSI/SSDI or SSI/SSR benefits.⁸

If the Social Security Administration (SSA) receives an electronic income withholding order (e-IWO) from the Title IV-D agency on a case in which the obligor receives concurrent SSI/SSDI or SSI/SSR benefits, the SSA will garnish only the SSDI or SSR benefits.

REFERENCES

- [IC 31-16-15-3.5](#): Notice to withhold income
- [IC 31-16-15-4.3](#): Income withholding order; contesting implementation
- [465 IAC 3-3-3](#): Request for hearing
- [CSB-AT-411](#): State Verification Exchange System (SVES) Match
- [15 U.S.C. § 1673](#): Restriction on garnishment
- [42 U.S.C. § 659](#): Consent by United States to income withholding, garnishment, and similar proceedings for enforcement of child support and alimony obligations
- [42 U.S.C. § 666](#): Requirement of statutorily prescribed procedures to improve effectiveness of child support enforcement
- [5 C.F.R. § 581.104](#): Moneys which are not subject to garnishment
- [45 C.F.R. § 303.11](#): Case closure criteria
- [45 C.F.R. § 303.100](#): Procedures for income withholding
- [45 C.F.R. § 307.11](#): Functional requirements for computerized support enforcement systems in operation by October 1, 2000
- [OCSE-DCL-05-35](#): State Verification and Exchange System (SVES) Garnishment Match
- [OCSE-DCL-13-06](#): Garnishment of Supplemental Security Income Benefits
- [OCSE-IM-06-03](#): Social Security Administration "Court Order Garnishment System"
- OCSE [Income Withholding and Medical Support for Social Security Beneficiaries – Answers to States' Questions](#)

⁵ 42 U.S.C. § 659(a)

⁶ 5 C.F.R. § 581.104(j); 45 C.F.R. § 307.11(c)(3)(i)

⁷ CSB-AT-411

⁸ 45 C.F.R. § 303.11(b)(9)(i); 45 C.F.R. § 303.11(b)(9)(ii)

- [SSA Program Operations Manual System: How Garnishment Withholding Is Calculated](#)

PROCEDURE

1. Income Withholding of Monthly Benefit

a. Generating the e-IWO

The Title IV-D Prosecutor's Office may receive information that the obligor has applied for, or receives, SSDI or SSR benefits from SVES through the statewide child support system or through an external locate request from FPLS.⁹ When there is a pending claim type of SSDI or SSR, SSA will automatically be added as the obligor's employer on the statewide child support system and an e-IWO will automatically be sent to the local SSA office.

The Title IV-D Prosecutor's Office may also receive information from a case participant that the obligor is receiving SSDI or SSR benefits. Upon entering SSA as obligor's employer in the statewide child support system, an e-IWO will automatically be sent to the local SSA office.

b. Notice to Withhold Income (NOW)

If the e-IWO automatically sent to SSA is the initial IWO in the case, a Notice to Withhold Income (NOW) shall be sent to the obligor.¹⁰ If required by local rules established by the Title IV-D Prosecutor's Office, additional NOWs may be issued manually and concurrently with each subsequent IWO issued on the case. SSA will also send the obligor its own notice that the obligor's Social Security benefits payments will be attached.

The NOW provides notice to the child support obligor of the following:

- i. Income withholding has commenced and that an IWO will be sent to all current and future income payors;
- ii. The amount of child support arrears that exists on the case;
- iii. The amount of income to be withheld as the sum of the following:
 1. The amount of the obligor's current child support obligation;
 2. The amount of any court ordered payments toward arrears;
 3. The amount of any statutory payment toward unadjudicated arrears; and
 4. A \$2.00 fee to be paid by the obligor, at the income payor's option, for each payment forwarded by the income payor to the Indiana State Central Collection Unit (INSCCU); and
- iv. How to contest the initial IWO, due to a mistake of fact, via written request to CSB no more than 20 days after the NOW is issued.¹¹

c. Contesting Withholding Through Administrative Hearing¹²

⁹ CSB-AT-411; OCSE: Income Withholding and Medical Support for Social Security Beneficiaries

¹⁰ IC 31-16-15-3.5(a); 42 U.S.C. § 666(b)(4); 45 C.F.R. § 303.100(d)(1)

¹¹ IC 31-16-15-3.5(b); 45 C.F.R. § 303.100(d)

¹² Chapter 12: Enforcement, Section 6: Administrative Hearings

If the obligor wishes to contest the issuance of the e-IWO, within 20 days of the date the NOW is mailed, the obligor must submit a written request for an administrative hearing to CSB.¹³ The only basis for contesting an IWO is that a “mistake of fact” has occurred.¹⁴ A mistake of fact, for the purposes of contesting an e-IWO, is either:

- a. An error in the amount of current or past due support listed on the NOW; or
- b. Mistaken identity of the obligor.¹⁵

d. SSA e-IWO Processing

After SSA receives the e-IWO, the order will be entered into COGS. SSA will immediately withhold and remit child support payments in response to the IWO if benefits are currently being paid.¹⁶ If the obligor’s benefits claim is pending and there are no current payments, the IWO will remain in COGS until SSA makes a decision about the obligor’s claim.¹⁷ If the obligor’s claim is later approved and the obligor begins receiving benefits, SSA will automatically begin remitting payments to the Indiana State Central Collection Unit (INSCCU) via electronic funds transfer (EFT).¹⁸

The IWO issued to SSA contains the applicable withholding limits set by the Consumer Credit Protection Act (CCPA) or by the State where the obligor/beneficiary resides.¹⁹ The CCPA limits the income withholding amounts to:

- i. 50%, if the obligor is supporting a spouse and/or child other than the spouse and/or child named in the order;
- ii. 60%, if the obligor is not supporting another spouse and/or child; and
- iii. 55% or 65% respectively, if the IWO includes an arrears greater than 12 weeks (at least three (3) months of past-due child support).²⁰

The statewide child support system will not automatically generate a FIDM IWO if the obligor receives SSI or concurrent SSI/SSDI benefits. If any SSI or concurrent SSI/SSDI or SSI/SSR benefits are incorrectly garnished from the obligor’s financial account, CSB is required to return those benefits to the obligor within five (5) business days.²¹

2. Income Withholding of Lump Sum Payments

In addition to the obligor’s monthly SSDI or SSR benefits payments, SSA may notify the Child Support Bureau’s (CSB) Employer Maintenance Unit (EMU) that it is holding a lump sum payment payable to the obligor totaling more than \$500.00. A separate lump sum IWO is not sent to SSA, because SSA will withhold the lump sum payment based on the initial IWO. If SSA has an IWO on file for the obligor, SSA will notify EMU by

¹³ IC 31-16-15-4.3(a); 465 IAC 3-3-3(c)

¹⁴ IC 31-16-15-4.3(b)

¹⁵ IC 31-16-15-4.3; 465 IAC 3-3-3(k); 45 C.F.R. § 303.100(c)(2)

¹⁶ OCSE-IM-06-03

¹⁷ OCSE: Income Withholding and Medical Support for Social Security Beneficiaries

¹⁸ OCSE-DCL-06-39

¹⁹ SSA Program Operations Manual System: How Garnishment Withholding is Calculated

²⁰ 15 U.S.C. § 1673(b); 42 U.S.C. § 666(b)(4); 45 C.F.R. § 303.100(a)(3); SSA Program Operations Manual System: How Garnishment Withholding is Calculated

²¹ 45 C.F.R. § 307.11(c)(3)(ii)

phone or email of the pending lump sum payment and verify the withholding amounts and/or arrearage.²² EMU then emails notice of the pending SSA lump sum payment to both the Title IV-D Prosecutor's Office that issued the IWO and CSB's Central Enforcement Unit (CEU).

SSA determines the lump sum amount it will send to satisfy the IWO. After SSA verifies the arrearage amount with EMU, it will send the lump sum payment to INSCCU via EFT. SSA typically sends the lump sum payment within one (1) to two (2) weeks after receiving EMU's response. The lump sum payment will be processed as a regular income withholding payment.

3. SSA Lump Sum Due Process²³

When CEU is notified by EMU of the pending SSA lump sum payment, it will place a 25 day hold on the obligor's MPI in the statewide child support system. During the 25 day hold period, a hold will be placed on all of the obligor's incoming child support payments. The Title IV-D Prosecutor's Office may also research and update the arrears balance, if applicable, during the hold period.

EMU will send the obligor notice of the SSA lump sum payment and along with the obligor's right to appeal the withholding of the SSA lump sum payment to satisfy a child support obligation. The SSA lump sum NOW is separate from the NOW that is sent when the initial IWO is generated.

The obligor has 20 days from the date of the NOW to request an appeal by submitting a written request for an administrative hearing to CSB.²⁴ The only basis for contesting withholding the lump sum is that a "mistake of fact" has occurred.²⁵ A mistake of fact, for the purposes of this appeal, is either:

- c. An error in the amount of current or past due support listed on the NOW; or
- d. Mistaken identity of the obligor.²⁶

If the obligor sends a written request for an administrative hearing to CEU within the 20 day appeal time frame, CEU will document the obligor's appeal request in the statewide child support system. After the 25 day hold ends, payments from other sources will be processed. However, the statewide child support system will continue to hold incoming payments from SSA until the appeal is resolved. If the obligor does not request an appeal within the designated time frame, the hold on the obligor's MPI will end and the SSA lump sum payment will be processed.

FORMS AND TOOLS

1. [Appeals Processing: How to Process Appeals in ISETS](#)
2. [Income Withholding and Medical Support for Social Security Beneficiaries – Answers to States' Questions](#)

²² OCSE: Income Withholding and Medical Support for Social Security Beneficiaries

²³ Chapter 12: Enforcement, Section 6: Administrative Hearings

²⁴ IC 31-16-15-4.3(a); 465 IAC 3-3-3(c)

²⁵ IC 31-16-15-4.3(b)

²⁶ IC 31-16-15-4.3; 465 IAC 3-3-3(k); 45 C.F.R. § 303.100(c)(2)

3. [e-IWO Acknowledgements and Checking for e-IWO Instructions](#)
4. [Social Security Administration \(SSA\) FAQs](#)
5. [State Verification and Exchange System Report](#)
6. [State Verification and Exchange System \(SVES\) Title II Benefits](#)
7. [State Verification and Exchange System \(SVES\) Title II Pending Claims](#)
8. [State Verification and Exchange System \(SVES\) Title XVI SSI Information](#)
9. [ISETS Income Withholding Complete Guide](#)

FREQUENTLY ASKED QUESTIONS

1. Q. May the Title IV-D Prosecutor's Office manually add SSA as the obligor's employer on the statewide child support system if it receives information that the obligor receives SSDI benefits?
 - A. There may be circumstances when the Title IV-D Prosecutor's Office may manually add SSA as the obligor's employer on the statewide child support system if a case participant provides documentation that the obligor receives SSDI benefits. Documentation may include a copy of the obligor's SSDI benefits approval letter or a letter received by the custodial party (CP) with notice of a SSDI derivative benefit for the child(ren) in the case.
2. Q. Where should a Termination of Income Withholding Order (Termination e-IWO) be sent for SSA benefits?
 - A. After the Termination e-IWO is generated by the statewide child support system, it is sent electronically to the SSA. The paper Termination IWO that automatically prints should not be mailed. The e-IWO to SSA should not be terminated unless:
 - a. There is no current support and/or arrearage owed; or
 - b. Full payments are being received regularly from another income source.
3. Q. Should a Termination e-IWO be sent to SSA if the CP opts out of Title IV-D services?
 - A. No, a termination e-IWO should not be sent to SSA if payments are posting, even if the CP opts out of Title IV-D services. In this situation, the SSA IWO remains in effect unless there is a court order to terminate the e-IWO.
4. Q. What happens if SSA notifies EMU of a lump sum payment on a case that is closed to Title IV-D services (NIVD) and the previously issued e-IWO was not terminated?
 - A. If the case is NIVD and SSA notifies EMU of a lump sum payment, EMU informs SSA that the Title IV-D Prosecutor's Office is no longer enforcing the child support order and that the lump sum can be returned to the claimant.
5. Q. Does the Title IV-D Prosecutor's Office need to send a Lump Sum e-IWO to SSA to collect a lump sum payment?
 - A. No, when appropriate, SSA will send a lump sum payment in response to the initial e-IWO.
6. Q. Does amending an e-IWO to SSA follow the same process as amending a regular

e-IWO (i.e., an e-IWO sent to an employer)?

- A. Yes. The e-IWO will be updated with the amended child support and/or arrearage amounts in the statewide child support system. The e-IWO will be generated by the statewide child support system and will be sent electronically to the SSA.
7. Q. What happens if an obligor's Social Security disability or retirement benefits are interrupted?
- A. This may happen when the obligor receives benefits, is deemed to be ineligible, and then becomes eligible for benefits again. If the Social Security employment record is closed and a termination e-IWO is sent, then a new Social Security employment record is opened when the obligor becomes eligible for benefits again, any new e-IWO will be rejected by Social Security due to a previous termination having been sent. In order to reinstate the e-IWO, the Title IV-D Prosecutor's Office will need to mail a paper copy of the IWO, with a cover letter, to the Social Security office local to the obligor. If the Title IV-D Prosecutor's Office is unable to reinstate the income withholding by sending a paper IWO, the Title IV-D Prosecutor's Office may contact EMU for assistance.
8. Q. If a case is coded as an intergovernmental (UIFSA) case, will the enforcing State issue an IWO, even if it is not the ordering State?
- A. If the case's intergovernmental indicator on the statewide child support system is RESP or NA, the enforcing State will issue the IWO to SSA regardless of where the obligor applied for Social Security benefits. If multiple States issue IWOs to SSA for the same case, SSA will reject and send notice to the States that issued the subsequent IWOs.
9. Q. What if the e-IWO is rejected by the SSA?
- A. The Title IV-D Prosecutor's Office should check the "EIWO" case event note for information on why the e-IWO was rejected. The Title IV-D Prosecutor's Office may contact EMU for assistance in resolving any problems that may arise. If the e-IWO was rejected because the obligor does not receive SSDI or SSR benefits, the Title IV-D Prosecutor's Office should attempt to locate another source of income for the obligor.

For additional related FAQs, refer to the [Social Security Administration \(SSA\) FAQs Smart Sheet](#) and the SSA FAQs section in the [ISETS Income Withholding Complete Guide](#) on the CSR.

RELATED INFORMATION

1. Chapter 12: Enforcement, Section 2.1: Income Withholding Orders
2. Chapter 12: Enforcement, Section 6: Administrative Hearings
3. Chapter 17: Case Closure, Section 20: Non-Custodial Parent Sole Source of Income is from Supplemental Security Income (SSI) or Combination of SSI and Social Security Disability Insurance (SSDI) (CSID)
4. [OCSE: Garnishing Federal Benefits for Child Support](#)

5. [Social Security Administration: You May Be Able to Get Supplemental Security Income \(SSI\)](#)
6. [Social Security Administration: Benefits Planner](#)

REVISION HISTORY

Version	Date	Description of Revision
Version 1	09/17/2019	Final Approved Version
Version 2	03/22/2021	Updated for consistency with other parts of Section 2. Verified citations are correct. Revised FAQs #4 and #7.