Wage Garnishments

What [redacted] Must Do to Support Them Correctly

Leadership Briefing · Prepared by Michael Lund · July 23, 2026

How to read this document

Confidence icons. Every material claim carries one.

✓ Verified against a cited source ! Reasonable inference, unverified ? Must be answered before go-live

Inline definitions. Domain terms are **bolded** at first use and defined in a shaded box directly below the paragraph. Skip them if the vocabulary is familiar.

All citations are hyperlinked and resolve to a tiered source list at the end. Statutory claims are sourced to the statute itself, not to commentary.

Scope note. Prepared in four hours as an internal briefing. This is not legal advice and does not constitute a product specification. Its purpose is to give leadership enough command of the subject to run productive conversations with engineering, outside counsel, [redacted] *and the customer.*

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1 Executive summary

A large customer with Illinois and Florida employees is onboarding. [redacted] needs a wage garnishment product and has none today.

The math is the easy part. The challenge is moving money to the right place on the right clock, and answering the court.

Where [redacted] lands

[redacted] calculates every type, enforces the federal cap, and remits child support in all fifty states.

It does not remit creditor or tax levy money, handle contractor orders, or answer any court. Those are [redacted] to solve.

Recommendation

1. **Launch child support now, end to end.** The most common order type, fully supported by [redacted] today.
2. **Run everything else on a written manual playbook.** Withhold on [redacted] remit by hand, court answers to the customer's counsel, deadlines owned by a named person.
3. **Let order volume decide the first build.** Deadline tracker first, creditor remittance second.

2 The five garnishment types

A **wage garnishment** is any procedure through which part of an employee's earnings is withheld to pay a debt [1]. ✓

The distinction that drives product decisions: a private **creditor** must sue, win a **creditor judgment**, and obtain a **writ**. Government agencies order withholding administratively, with no lawsuit.

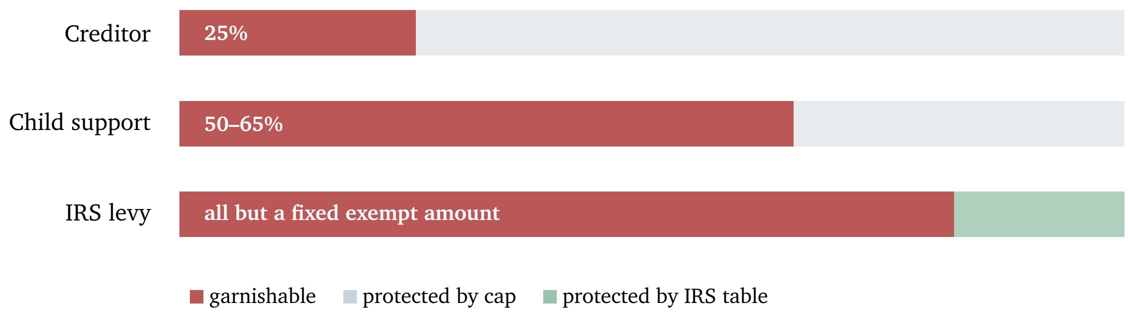
> **Wage garnishment** — A legal order requiring an employer to withhold part of an employee's pay and send it to someone the employee owes.
> **Creditor** — Anyone owed money by the employee; typically a private business rather than a government agency.
> **Creditor judgment** — A court ruling that the employee owes a private creditor. "Judgment" alone means this ruling.
> **Writ** — The court document commanding the employer to withhold.

1. **Child support.** Arrives on the **IWO**, the federal form every court and agency must use [2]. ✓ No court order. Up to 50% of disposable earnings, 60% if the employee supports no other spouse or child, plus 5% beyond twelve weeks in **arrears** [1]. ✓ Paid to a **SDU**. *Most common, most automatable.*
2. **Creditor judgment.** The only type requiring a lawsuit first. The lesser of 25% of disposable earnings or the amount above $217.50 weekly [1]. ✓
3. **Tax levy.** No court order, and the rules diverge sharply:
   - *Federal* — no percentage at all; see the ceilings below.
   - *Illinois* — up to 15% of gross wages after ten days' notice [3]. ✓
   - *Florida* — no income tax, and the Department of Revenue's power is expressly "exclusive of wages" [4]. ✓ **No state wage levy exists.**
4. **Federal student loan.** Collected by **AWG** at up to 15% of disposable earnings, no court order [1]. ✓ Private lenders must sue like any creditor.
5. **Bankruptcy order.** Court-administered; federal caps do not apply [1]. ✓

> **IWO (Income Withholding Order)** — The mandatory federal form used for all child support garnishments nationwide.
> **SDU (State Disbursement Unit)** — The state clearinghouse that receives child support payments and forwards them to the parent.
> **AWG (Administrative Wage Garnishment)** — A federal agency's power to order withholding without suing first.
> **Tax levy** — A government seizure of wages for unpaid taxes, issued without a court order. Federal levies come from the IRS; some states have their own.
> **Arrears** — Past-due support that has accumulated, as opposed to the current ongoing obligation.

2.1 Three ceilings, one starting point

Every calculation begins from **disposable earnings**: gross pay less *legally required* deductions only. Health insurance, union dues, and retirement contributions may not be subtracted [1]. ✓ Benefit elections never shrink the garnishable base.



1. **A percentage, with a floor** — ordinary creditors. The **cap** is 25% of disposable earnings, but never more than the amount exceeding 30 times the federal minimum wage. That sets a **floor** of $217.50 weekly, below which nothing may be taken [1]. ✓
2. **A higher percentage** — child support. Same structure, far more headroom: 50%, 60%, or 65% depending on the employee's circumstances [1]. ✓
3. **No percentage at all** — federal tax levies. The IRS inverts the logic: it leaves a fixed exempt amount looked up from Publication 1494 by filing status, pay frequency, and dependents, then takes everything above it [5]. ✓ This routinely exceeds what any creditor could take.

> **Disposable earnings** — Gross pay minus only legally required deductions — income tax, Social Security, Medicare.
> **Cap** — The maximum that may be withheld in a pay period.
> **Floor** — The protected minimum the employee keeps regardless of the cap.

A correction worth internalizing

The **CCPA** — the statute setting every cap in this briefing — says nothing about which garnishment gets paid first [1]. ✓

Other federal law ranks the top. Child support outranks other garnishments, and tax levies and bankruptcy orders take their rank from their own statutes [6]. ✓ Those hold nationwide.

State law ranks everything below. Illinois says support liens outrank all others and subsequent **summonses** take effect in the order served [7]. ✓ Priority logic must be jurisdiction-aware below the federal tiers.

> **CCPA (Consumer Credit Protection Act), Title III** — The federal wage garnishment law. Sets the national caps, the protected floor, and the ban on firing over a single garnishment.
> **Summons** — The court document notifying the employer it is part of the garnishment case. Plural: summonses.

3 Federal, Illinois, and Florida requirements

Federal law sets a national ceiling that applies everywhere. States may protect the employee further, and where the two differ, the law producing the *lower* garnishment controls [1]. ✓

These are therefore additive obligations, not alternatives. Every order we process must satisfy the federal layer and the state layer at the same time.

3.1 The federal baseline

- **Ordinary garnishments:** the lesser of 25% of disposable earnings or the amount exceeding 30 times the federal minimum wage [1]. ✓
- **Support orders:** 50% of disposable earnings, 60% where the employee supports no other spouse or child, plus 5% beyond twelve weeks in arrears [1]. ✓
- **Student loans:** up to 15% of disposable earnings; caps do not apply to bankruptcy orders or tax debts [1]. ✓
- **Anti-discharge:** an employer may not fire an employee garnished for any *one* debt [1]. ✓

The floor converts across pay frequencies — an easy way to over-withhold:

Pay period	Nothing may be garnished at or below	Full 25% cap applies at or above
Weekly	$217.50	$290.00
Biweekly	$435.00	$580.00
Semimonthly	$471.25	$628.33
Monthly	$942.50	$1,256.66

Disposable earnings thresholds at the current $7.25 federal minimum wage [1]. ✓

3.2 Illinois: a formula state with a filing duty

How much

The Illinois ceiling is the lesser of 15% of *gross* wages or the amount by which disposable earnings exceed 45 times the greater of the state or federal minimum wage [8]. ✓

Note the base: Illinois measures against *gross* pay while the federal test uses disposable earnings, so the two formulas cannot share a code path. State tax levies use the same 15%-of-gross base [3]. ✓

What the employer must do

1. File a sworn answer to the **interrogatories** on or before the **return date**, including a summary of the computation used to determine non-exempt wages, and mail a copy to the employee [7]. ✓
2. Apply Illinois priority: support liens outrank all others, and subsequent summonses take effect in the order served [7]. ✓
3. Remit to the creditor or its attorney on a **monthly** basis [7]. ✓
4. Continue withholding until the judgment is paid; the lien ends early only on termination or if the judgment is vacated [7]. ✓
5. Retain 2% of each amount deducted as an employer fee, charged to the judgment debtor [9]. ✓

> **Interrogatories** — Written questions from the court that the employer must answer under oath, confirming employment and earnings.
> **Return date** — The court-set deadline by which the employer's answer must be filed.

3.3 Florida: an exemption state with a default trap

How much

For an employee who is not head-of-family, the federal CCPA limits apply and nothing further [10]. ✓

The **head-of-family exemption** changes that picture completely:

- Head-of-family means providing more than one-half of the support for a child or other dependent [10]. ✓
- Disposable earnings of $750 per week or less are **entirely exempt** [10]. ✓
- Above $750 per week, earnings remain exempt unless the employee waived the protection in writing, in a separate document, in at least 14-point type [10]. ✓

> **Head-of-family exemption** — Florida's protection for an employee providing more than half the support of a dependent. Not automatic — the employee must claim it.
>
> **Claim of exemption** — The sworn form an employee files to assert an exemption. In Florida it must be filed within 20 days of receiving notice.

What the employer must do

1. Serve an answer on the plaintiff within **20 days** of being served with the writ [11]. ✓
2. Withhold under a **continuing writ**, and retain $5 for the first deduction and $2 for each one thereafter [11]. ✓
3. Do *not* mail the exemption paperwork — in Florida the plaintiff serves the **Notice to Defendant** and **claim of exemption** form, unlike child support [11]. ✓
4. Stop when the writ **dissolves** — automatic if the plaintiff fails to move for final judgment within six months, or leaves an exemption claim unanswered [11]. ✓
5. Never retain more than double the amount specified in the writ [11]. ✓

> **Continuing writ** — A single writ that reaches each future paycheck as it becomes due, rather than requiring a fresh order every pay period.
>
> **Notice to Defendant** — The Florida form telling the employee their wages have been garnished and how to claim an exemption.
>
> **Dissolution** — Cancellation of the writ. Once dissolved, the employer's authority to withhold ends immediately.

Illinois has one way to fail. Florida has two.

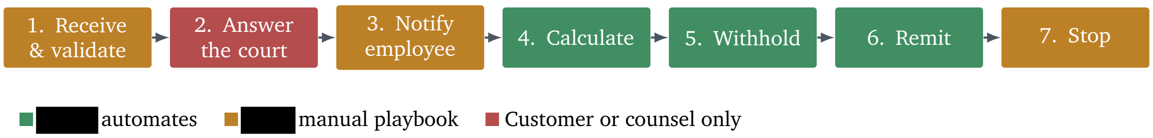
Both states punish a missed deadline hard. Illinois can enter a **conditional judgment** against the employer for the balance of someone else's debt [7]. ✓ Florida enters a default against the **garnishee** for the plaintiff's full claim plus interest [11]. ✓

Florida adds a second failure mode. Withhold from a head-of-family employee who was exempt and they can recover what was taken [12]. ✓ Illinois has no equivalent — its formula applies to every employee alike.

> **Garnishee** — The party holding the money — the *employer*, not the employee. A "garnishee answer" is the employer's response to the court.
>
> **Conditional judgment** — A judgment entered against the *employer* for the balance of the employee's debt, which becomes final unless the employer shows cause.

4 The order lifecycle

Every garnishment runs the same seven steps. Only the inputs and deadlines change. The colors below preview Section 7: who actually performs each step.

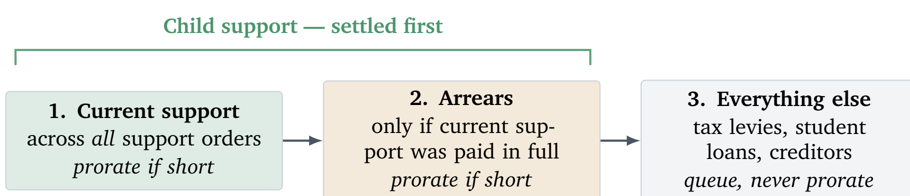


1. **Receive and validate.** Identify the type, the issuing jurisdiction, and the employee. Service of the writ itself creates a **lien** on wages as they come due [11]. ✓
2. **Answer the court or agency.** Illinois requires a sworn answer by the return date [7]; Florida allows 20 days [11]. ✓ Child support requires no answer, only prompt implementation.
3. **Notify the employee — if that duty is ours.** It is not always: in Florida the plaintiff serves the exemption paperwork, while for child support the employer distributes the order [11]. ✓
4. **Calculate.** Derive disposable earnings, apply the ceiling for the type and state, then apply priority if more than one order is live.
5. **Withhold.** The deduction comes out post-tax and appears on the paystub.
6. **Remit.** Send the money on that jurisdiction's clock — Illinois creditor deductions go out monthly [7]. ✓ This step is only green for child support; for creditor and tax levy orders [redacted] withholds but does not remit [13]. ✓
7. **Stop.** Terminate on satisfaction, release, employment termination, a granted exemption, or automatic dissolution.

> **Lien** — A legal claim against money or property. Serving a garnishment writ creates one over wages as they become due.
> **Remittance** — Actually sending the withheld money to the payee — a step separate from withholding, and the one most often missed.

4.1 When more than one order lands

The rule is not "prorate everything." Proration is a *method* used inside a stage, not a stage of its own. Child support is settled first — current support, then arrears — and only what survives reaches other creditors.



Steps 1 and 2 are both child support: current obligation first, past-due **arrears** second. If allowable disposable earnings cannot cover current support across every order, it is prorated among them and *nothing* goes to arrears [6]. ✓ Arrears are prorated only once current support is fully covered [6]. ✓

Child support outranks all other garnishments, with one exception: an IRS tax levy entered before the support order existed [6]. ✓ A creditor garnishment is never prorated against child support — it waits for what survives, often nothing [1]. ✓

Below child support, orders queue rather than share

Proration stops at the child support tier. Everything beneath it is settled by rank, then by date. The first three tiers come from federal law and hold everywhere; the ordering among ordinary creditors is state law:

1. **Bankruptcy orders** come first [14]. ✓
2. **Child support versus a federal tax levy** is decided by whichever existed first: an existing tax levy outranks a new support order, and an existing support order outranks a new tax levy [14]. ✓
3. **Multiple federal tax levies** rank by oldest effective date [14]. ✓
4. **Student loans, then creditor garnishments** come last. Among creditors the common rule is first served, paid to completion, while the rest wait [15]. ✓ Illinois puts this in statute: later summonses take effect in the order served [7]. ✓ This tier must be checked per state.

So two credit-card judgments do not split a paycheck. One collects until satisfied, then the next begins.

Anything left unpaid does not become the employer's problem. It remains the employee's own obligation [16], ✓ and a waiting writ stays in force against future paychecks until room opens up.

> **Proration** — Splitting a limited pot proportionally among orders at the same stage, by each order's share of the total due.

4.2 Deadlines and records

Event	Applies to	Clock
Employer answer	Illinois creditor	On or before the return date [7]
Employer answer	Florida creditor	20 days after service [11]
Notice before levy	Illinois state tax	At least 10 days [3]
Remittance	Illinois creditor	Monthly [7]
Employee exemption claim	Florida	20 days after notice [11]
Automatic dissolution	Florida creditor	6 months without plaintiff action [11]

Illinois raises the recordkeeping bar: its **sworn answer** must include a summary of the computation used to determine non-exempt wages, not just the figure [7]. ✓ The calculation itself is therefore a record we must reproduce on demand, alongside the order document, every withholding and remittance, and the release that ended it.

Federal tax levies carry their own paperwork: **Form 668-W** starts it, **Publication 1494** sets the exempt amount, and only **Form 668-D** ends it [5]. ✓

The employer must hand the employee the Statement of Dependents and Filing Status and get it back **within three days**. If it does not come back, the exempt amount is computed as married filing separately with zero dependents — the smallest protection available [17]. ✓ That is a three-day clock we would have to surface, not a form we can file away.

> **Sworn answer** — A written response signed under penalty of perjury; used interchangeably with the employer's answer to interrogatories.
> **Form 668-W** — The IRS notice that starts a federal tax levy, served on the employer.
> **Publication 1494** — The IRS table giving how much take-home pay is exempt from a tax levy.
> **Form 668-D** — The IRS release. Until it arrives, the tax levy keeps running.

Withholding is not remitting

A payroll system can deduct the correct amount, show it on the paystub, and still leave the employer in default — because the money sits in the company's own account rather than with the agency. Section 7 maps where that gap falls.

5 Edge cases

A system that handles a salaried employee on a steady biweekly paycheck will still get these wrong. Each is a live failure mode.

What counts as earnings

- **Lump sums are garnishable.** The CCPA counts commissions, bonuses, profit sharing, severance, and termination pay as earnings [1]. ✓ The test is whether it was paid for the employee's services. A **lump sum** unrelated to services is not earnings.
- **Tips are subtler than the common summary.** Cash wages plus any **tip credit** the employer claims *are* earnings; tips above the tip credit are not [1]. ✓ A mandatory service charge becomes earnings when passed to the employee [18]. ✓

> **Lump sum** — A one-time payment such as a bonus, commission, severance, or vacation payout.
> **Tip credit** — The portion of a tipped employee's wage an employer may satisfy with tips rather than cash wages.

Timing and people

- **Uneven weeks.** $500 disposable in week one and $80 in week two totals $580 for the biweekly period, so the full 25% applies — week two falling below the weekly floor is irrelevant [1]. ✓
- **Support crowds out creditors.** Where child support already takes 25% or more, an ordinary creditor collects *nothing* [1]. ✓
- **Off-cycle runs.** Comparable platforms do not process garnishments on off-cycle payrolls [19], ✓ and [redacted] documents no off-cycle garnishment behavior either [20]. ✓ Treat any off-cycle or bonus run as a manual check.
- **Termination.** Final pay is still subject to withholding, and the agency must be notified; the IWO carries a termination field [21]. ✓
- **Contractors.** Child support reaches independent-contractor income [21], ✓ but [redacted] cannot deduct from contractor payments [13]. ✓ Every such order is manual.
- **Reversals.** A Florida employee with a valid exemption may recover money already taken, not merely stop future withholding [12]. ✓
- **Relocation.** State law of the employee's principal place of employment governs the withholding maximum, timing, and allocation across orders [18]. ✓ A move changes the governing rules, and an HR address change does not reconfigure the order.

The lump-sum gap is an industry-wide manual control

Comparable platforms do not automatically calculate garnishments on bonuses and tell employers to confirm the amount with the agency [19]. ✓

Several states also require reporting an upcoming lump sum *before* paying it. No payroll engine discharges that, so it belongs in the manual playbook from day one.

6 How competitors handle this

Every provider sits somewhere between "we do the math" and "we run the whole thing." The differentiator is never calculation — everyone does that. It is **remittance** and correspondence.

Provider	Calculates all types	Remits child support	Remits creditor/tax	Answers the court
ADP SmartCompliance	Yes	Yes	Yes	No
Paychex service	Yes	Yes	Yes	No
Gusto	Yes	Yes*	No	No
Rippling	Yes	Yes	No	No
QuickBooks	Yes	No	No	No
OnPay	Yes	No	No	No

*Gusto excludes South Carolina, tribal agencies, and US territories [22]. The **managed service** tier differs from the rest only in the middle two columns.

Full managed service

ADP sells a dedicated paid product: intake through calculation, withholding, disbursement, and reconciliation across all types, and it fields agency phone calls for the employer [23]. ✓

Paychex goes further in one respect — it pulls the withheld money by transfer and holds it in a Paychex account until due, then remits [24]. ✓

Modern full-stack

Gusto calculates, shows the deduction on the paystub, and auto-remits child support; for creditor and tax levy orders it withholds and leaves the employer to send the money [25]. ✓

Rippling supports every order type and syncs court orders into each pay run [26]. ✓ Its published materials describe calculation rather than remittance, so we treat creditor remittance there as employer-side until a demo shows otherwise.

Lightweight and SMB

QuickBooks and OnPay calculate and stop. QuickBooks cannot even electronically remit child support [27]; ✓ OnPay frames remittance and recordkeeping as the employer's job [28]. ✓

> **SMB** — Small and medium-sized business; also the lighter payroll tools built for that segment.
> **Managed service** — A paid layer of human operations — staff who chase agencies, cut checks, and track deadlines — wrapped around software.

Nobody answers the court

From the cheapest tool to the enterprise suite, no provider files the legal response in the employer's name. Paychex states it cannot file documents in legal proceedings for a client [29]; ✓ even ADP hands the employer the answer to sign for federal writs [30]. ✓

The employer is the party the court orders, so this is structural rather than a market gap.

Why nobody answers

It is not complexity. Answering for someone else may be **unauthorized practice of law**.

A business cannot represent itself in a legal proceeding the way an individual can [31]. ✓ Georgia's Supreme Court applied that to garnishments in 2011: a non-lawyer completing the answer, payroll providers included, is practicing law without a license [32]. ✓ Some providers had already stopped for that reason.

The rule is state-specific, and our two states differ:

- **Illinois looks permissive.** Its court forms are completed and certified by the "Employer/Agent" under penalty of perjury, with no attorney signature block [33]. ✓ The fee statute also assumes the employer files its own appearance and answer [9]. ✓
- **Florida assumes a lawyer.** Before a writ issues, the plaintiff must deposit $100, paid to the garnishee for the attorney's fee it expends "in obtaining representation in response to the writ" [11]. ✓ The statute pre-funds counsel for the employer.

Same pattern as everything else in these two states: Illinois treats the answer as paperwork, Florida treats it as litigation.

> **Unauthorized practice of law** — Doing something only a licensed attorney may do — such as filing a court document for another party. A possible criminal offense in some states.

7 What [redacted] handles, what stays manual

The case sets the test plainly: if a capability is in the [redacted] docs, [redacted] can build on it; if not, it is manual or needs product.

[redacted] represents every garnishment as a **post-tax deduction** with three types — child support, miscellaneous garnishment, and miscellaneous (other). A miscellaneous *garnishment* is calculated on what [redacted] calls disposable income, the same base this briefing calls disposable earnings; a **max_percent** field caps it; and child support is always processed first, per the CCPA [20]. ✓

The decisive feature is **managed remittance**: a flag telling [redacted] to send child support to the agency on the employer's behalf, available in all states and defaulting to true [20]. ✓ That is what makes the most common order type supportable end to end — and it is also the ceiling, because it exists for child support and nothing else.

> **Post-tax deduction** — [redacted] data object for anything withheld after tax, including all garnishment types.
> **max_percent** — The [redacted] field capping a garnishment at a share of disposable earnings [redacted] docs call this disposable income).
> **Managed remittance** — A [redacted] setting where [redacted] itself sends withheld child support to the agency.

7.1 Capability map

Read the middle column as the verdict: *Yes* is buildable on [redacted] today, *No* is manual or needs product, *Unclear* is a question for [redacted]

Capability	On [redacted]	Basis
Calculate on disposable earnings	Yes	Post-tax deduction types [20]
Enforce the CCPA percentage cap	Yes	`max_percent` field [20]
Child support before other garnishments	Yes	Documented ordering [20]
Remit child support (all states)	Yes	`managed` flag [20]
Remit creditor / tax levy money	No	Not automated [13]
Remit child support to tribal agencies	No	Not automated [13]
Deduct from contractor payments	No	Unsupported [13]
Answer IL interrogatories / FL exemption	No	Out of scope for any payroll API
Multi-order proration logic	Unclear	Ordering documented; allocation is not
Lump-sum / bonus handling	Unclear	No documented off-cycle support
Track deadlines and dissolution dates	Unclear	No evidence of a deadline engine

7.2 Three [redacted] constraints that affect the Illinois–Florida rollout

1. **Creditor and tax levy remittance is not automated** [13]. ✓ Illinois requires monthly remittance to the creditor, so that step is a manual one [redacted] owns.
2. **Contractor deductions are unsupported** [13]. ✓ Since child support reaches contractor income, any such order is manual from the start.
3. **Puerto Rico and the territories are hard-blocked** [13]. ✓ Irrelevant to Illinois and Florida, but a scoping limit for the next customer.

The one-sentence version for engineering

[redacted] gives us calculate, withhold, cap, and remit-child-support out of the box. Everything else — remitting creditor and tax levy money, answering the court, tracking dissolution deadlines, contractors — is a manual playbook or a [redacted] build.

None of it blocks the common case; all of it argues against promising the customer full coverage on day one.

8 What stays manual, what needs product

Support the common case on the rails [redacted] provides, run the rare and legal steps by written playbook, and reserve engineering for gaps a process cannot safely cover.

Phase 1 — now

- **Child support, end to end.** Create the post-tax deduction, leave `managed` true, and confirm the percentage cap [20]. ✓
- **Creditor and levy orders, withheld on [redacted] remitted by hand,** since [redacted] does not automate it [13]. ✓
- **Court answers by the customer or its counsel**, because no provider does this [29]. ✓
- **A named owner watching the calendar** — Illinois return dates, Florida's 20-day answer, the six-month dissolution clock [11]. ✓ A person, not a system, until the volume justifies one.

Phase 2 — what earns a build

1. **A deadline tracker**, replacing the manual calendar above. The legal exposure concentrates here and a person watching dates will not scale.
2. **Creditor and tax levy remittance** — the managed-service layer incumbents charge for.
3. **A prepared-answer generator**, if counsel confirms preparation is safe. The one thing no competitor offers, because they stopped at the law license rather than at the paperwork.
4. **Multi-order allocation**, once an employee with competing orders appears.
5. **Lump-sum handling**, including pre-payment reporting.

The recommendation in one line

Launch child support end to end on [redacted] now, wrap every other order type in a written manual playbook, and let real order volume — not speculation — decide which manual step becomes the first product [redacted] builds.

9 Questions for each stakeholder

Each question is tied to a decision we cannot make without the answer. The consequence is stated so nobody has to guess why we are asking.

The customer

- **Which of the edge cases in Section 5 apply to your workforce — contractors, bonuses, tips, uneven pay periods?** Each one is a manual control rather than something the software catches.
- **Who at your company answers the court?** No provider does this, so we need a named person to work with before the first order arrives.
- **Do you plan to hire outside Illinois and Florida?** Every new state brings its own formula, deadlines, and exemptions, and we would need to build for them.

[redacted]

- **Do you handle garnishments on bonuses and off-cycle runs?** Determines whether lump sums are a setting or a manual step before every run.
- **Do you split the money when someone has multiple orders and there is not enough to cover them?** Determines whether we build that logic or hand you the amounts.
- **Do you track deadlines or expiry dates on an order?** Determines whether we build the tracker or rely on yours.
- **What are you building next in this area?** We should not spend months on something you are about to ship.

Legal counsel

- **What are we allowed to do on court answers in Illinois and Florida?** Georgia bars non-lawyers outright. Illinois looks permissive and Florida looks like it expects an attorney, but we need that confirmed before we go near this.
- **Could [redacted] prepare a fully populated answer for the customer's lawyer to review and sign,**

without that counting as practicing law? We hold the computation Illinois requires. If preparation is safe there is a product here nobody offers; if not, we stay out.

- **What is our exposure when we withhold correctly but the customer never sends the money?** Determines how hard the product must push before an unremitted balance becomes our problem.

Engineering

- **How do we make sure money we withheld but have not sent cannot be quietly forgotten?** This is the worst failure in the process and the one most likely to happen.
- **How do we flag edge cases before payroll runs?** A manual review step on contractors, bonuses, and tips would keep us out of trouble cheaply.
- **Which gaps in the Section 7 map are easiest for us to build?** Tells us what Phase 2 should start with, independent of what we wish were easy.

10 Risks, assumptions, and unresolved questions

Major risks

- **Withheld but not remitted.** [redacted] withholds a creditor or levy amount and it sits in the account because no one sent it — a default in both states [7, 11]. ✓
- **Missed answer.** An unanswered Illinois interrogatory or Florida writ can produce a judgment against the employer for the whole debt [7, 11]. ✓
- **Over-withholding in Florida.** Taking from an exempt head-of-family employee invites a claim to recover it [12]. ✓
- **Stale writ.** Withholding after a Florida writ dissolves has no legal basis [11]. ✓
- **Contractor orders.** Cannot be processed on [redacted] and must be caught before payroll runs [13]. ✓

Key assumptions

- Child support is the customer's likely first and most common order type. ! *Testable in one question to the customer.*
- A manual playbook is acceptable to leadership as day-one coverage for other order types. ! *This is a decision, not a fact.*

Open — and what each one blocks

- Whether [redacted] prorates competing support orders. ? *Blocks scoping the allocation logic.*
- Whether the customer has contractors or already-active orders. ? *Blocks knowing if Phase 1 actually covers them.*
- Who owns the court response on the customer's side. ? *Blocks the highest-severity deadline in the process.*

Everything else previously open has been closed against a primary source: state tax levy rules for both states, the IRS three-day statement clock, employer fees, priority below child support, off-cycle behavior, and how Illinois and Florida each treat a non-lawyer garnishee answer.

Bottom line

The common case is within reach on [redacted] today. The risk is not the math — it is money movement and legal deadlines. A phased launch with a written playbook captures the value while keeping that exposure contained.

A Appendix: processing the first order

A working checklist for the first garnishment [redacted] customer receives. It maps the seven-step lifecycle onto concrete actions.

A.1 On receipt

1. Record the date of service — it starts every clock.
2. Identify the type: child support, creditor, tax levy, student loan, or bankruptcy.
3. Identify the issuing state: Illinois or Florida.
4. Confirm the worker is an employee, not a contractor. If a contractor, stop and route to the manual process — [redacted] will not deduct [13]. ✓

A.2 Before the first payroll

1. **Child support:** create the post-tax deduction, leave `managed` true, and confirm `max_percent` [20]. ✓
2. **Creditor or levy:** create a miscellaneous garnishment deduction, and flag the remittance for manual sending.
3. Calculate against the correct ceiling — Illinois 15% of gross, or the federal disposable-earnings test, whichever is lower [8, 1]. ✓
4. Check for competing orders and apply priority before finalizing.

A.3 Answer and notice

1. **Illinois:** file the sworn answer with its computation by the return date; mail a copy to the employee [7]. ✓
2. **Florida:** serve the sworn answer within 20 days; do not mail the exemption form — the plaintiff does [11]. ✓
3. Log every deadline: return date, 20-day answer, six-month dissolution.

A.4 Each pay period

1. Withhold and show it on the paystub.
2. Remit: child support is automatic on [redacted] creditor and tax levy money must be sent by hand [13]. ✓
3. Retain the computation, the withholding record, and the remittance record.

A.5 Stopping

1. Stop on satisfaction, a release, termination, a granted exemption, or automatic dissolution.

2. On termination, notify the issuing agency [21].
3. File the release or termination record and the date withholding stopped.

Glossary

Every highlighted term in the briefing, alphabetized. Definitions repeat those given at first use.

Arrears — Past-due support that has accumulated, as opposed to the current ongoing obligation.

AWG — Administrative Wage Garnishment. A federal agency's power to order withholding without suing first; applies to defaulted federal student loans.

Cap — The maximum that may be withheld in a pay period.

CCPA, Title III — Consumer Credit Protection Act. The federal wage garnishment law, setting the national caps, the protected floor, and the ban on firing over a single garnishment.

Claim of exemption — The sworn form an employee files to assert an exemption. In Florida it must be filed within 20 days of receiving notice.

Conditional judgment — A judgment entered against the *employer* for the balance of the employee's debt, final unless the employer shows cause.

Continuing writ — A single writ reaching each future paycheck as it becomes due, rather than requiring a fresh order each pay period.

Creditor — Anyone owed money by the employee; typically a private business rather than a government agency.

Creditor judgment — A court ruling that the employee owes a private creditor. "Judgment" alone means this ruling.

Disposable earnings — Gross pay minus only legally required deductions — income tax, Social Security, Medicare.

Dissolution — Cancellation of the writ. Once dissolved, authority to withhold ends immediately.

Floor — The protected minimum the employee keeps regardless of what the cap would allow.

Form 668-D — The IRS release. Until it arrives, a federal tax levy keeps running.

Form 668-W — The IRS notice that starts a federal tax levy, served on the employer.

Garnishee — The party holding the money — the *employer*, not the employee. Florida's statute calls the employer's filing a "garnishee answer"; this briefing calls it a sworn answer throughout.

Head-of-family exemption — Florida's protection for an employee providing more than half the support of a dependent. Not automatic; it must be claimed.

Interrogatories — Written questions from the court the employer must answer under oath, confirming employment and earnings.

IWO — Income Withholding Order. The mandatory federal form used for all child support garnishments nationwide.

Lien — A legal claim against money or property. Serving a garnishment writ creates one over wages as they become due.

Lump sum — A one-time payment such as a bonus, commission, severance, or vacation payout.

Managed remittance — A [redacted] setting where [redacted] itself sends withheld child support to the agency.

Managed service — A paid layer of human operations — staff who chase agencies, cut checks, and track deadlines — wrapped around software.

max_percent — The [redacted] field capping a garnishment at a share of disposable earnings.

Notice to Defendant — The Florida form telling an employee their wages have been garnished and how to claim an exemption.

Post-tax deduction — [redacted] data object for anything withheld after tax, including all garnishment types.

Proration — Splitting a limited pot proportionally among orders in the same priority tier, rather than across tiers.

Publication 1494 — The IRS table giving how much take-home pay is exempt from a tax levy.

Remittance — Actually sending withheld money to the payee — separate from withholding, and the step most often missed.

Return date — The court-set deadline by which the employer's answer must be filed.

SDU — State Disbursement Unit. The state clearinghouse receiving child support payments and forwarding them to the parent.

SMB — Small and medium-sized business; also the lighter payroll tools built for that segment.

Summons — The court document notifying the employer it is part of the garnishment case. Plural: summonses.

Sworn answer — A written response signed under penalty of perjury; the employer's answer to interrogatories.

Tax levy — A government seizure of wages for unpaid taxes, issued without a court order. Federal levies come from the IRS; some states have their own, and Florida does not.

Tip credit — The portion of a tipped employee's wage an employer may satisfy with tips rather than cash wages.

Wage garnishment — A legal order requiring an employer to withhold part of an employee's pay and send it to someone the employee owes.

Writ — The court document commanding the employer to withhold.

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