9.2 Assigning Garnishments to Employees

Purpose: Use this document as a reference for how to assign garnishments to employees in ctcLink.
Audience: Payroll Administrators.

⚠ You must have at least one of these local college managed security roles:

- ZC Payroll Data Maintenance
- ZZ Payroll Data Maintenance
- ZZ Payroll Processing
- ZZ SS Payroll

   If you need assistance with the above security roles, please contact your local college supervisor or IT Admin to request role access.

This reference guide walks you through all the steps needed to assign garnishments to employees. It also demonstrates how to add the garnishment to the general deductions in the employee payroll record to ensure the newly assigned garnishment is calculated for payroll.

⚠ **NOTE**: *If a vendor needs to be set up in Accounts Payable, please contact your college Accounts Payable Department.*

Assign Garnishments to Employees

Navigation: NavBar > Navigator > Payroll for North America > Employee Pay Data USA > Deductions > Create Garnishments

1. The **Create Garnishments** search page displays.
2. Enter the Empl ID in the **Empl ID** field.
3. Select the **Search** button.

4. The Garnishment Spec Data page displays.
5. Complete each **Garnishment Spec Data** page based on the specific garnishment type you need to set up.
6. See details for each data page below.

Garnishment Spec Data 1 Tab

> ❗ **Important**: Update the status throughout the life of the garnishment as it changes. Only records with a status of **Received** or **Approved** are processed and prorated.

Garnishment ID

1. Define only one garnishment specification for each garnishment order received for an employee. Each garnishment specification must have a unique garnishment ID. This number will reflect the sequential order in which this particular garnishment was received for the individual. (Ex: assign Garnishment ID 001 for the 1st garnishment for an employee, assign 002 for the 2nd garnishment for that same employee, etc)
2. **Important**: Never reuse the same garnishment ID for an employee. The system calculates garnishment balances across CY (calendar year) balance years for a combination of employee ID and garnishment ID.

Garnishment Status

3. Update the Status field throughout the life of the garnishment. This is important because it affects the payroll processing of the garnishment deduction.
    - **IMPORTANT:** For employees in a Federal Work Study job type, who receive a Federal garnishment such as Federal Student Loan or Federal Tax Levy, select the **Status** of "Suspend".

4. If **Garnishment Request Received** or **Garnishment Request Approve** are selected, the system will process the garnishment when the Payroll Calculation process (PSPPYRUN) is run.
5. If **Garnishment Deduct Complete**, **Garnishment Deduct Suspended**, **Garnishment Request Canceled**, **Garnishment Request Rejected**, or **Garnishment Request Released** is selected, the system ignores the garnishment during the Payroll Calculation process.
6. **Garnishment Deduct Complete** is selected when the garnishment is paid in full. The system automatically selects this status during pay confirmation processing when the garnishment reaches its limit or stop date.
7. **Note**: If the **Pay Unconfirm** process is run after confirming payroll in which the system sets the garnishment status to **Garnishment Deduct Completed**, the unconfirm does not reset the garnishment status. *Remember to reset the status when unconfirming the payroll.*
8. **Garnishment Request Rejected** is selected if the institution cannot comply with the garnishment or levy. For example, the employee has been terminated and there are no wages to garnish, the garnishment can be rejected.
9. Select **Garnishment Request Released** if the garnishment order is released by the issuing agency, such as the IRS.
10. Select **Garnishment Request Terminated** if the garnishment order is terminated by the using agency, such as the California Franchise Tax Board.

Received On

11. Enter the date and time the writ of garnishment or tax levy is received.
    - Hours will always be <u>12</u> and Minutes will always be <u>00</u>.

Garnishment Type

12. Select the type of garnishment or levy:
    - **Writ of Garnishment** Typical garnishment type for failure to pay.
    - **Tax Levy** Failure to pay taxes.
    - **Chapter 13 Bankruptcy** Bankruptcy.
    - **Wage Assignment** Similar to a writ, signifying a failure to pay.
    - **Social Security (AWG)** Social Security Administrative Wage Assignments.
    - **Child Support**, **Spousal Support** and **Dependent Support** Typically ordered by a family court. If selected, also select the appropriate value in the **Garnishment Support Type** field.
    - **Student Loan Repayment** Used for delinquent student loans.

Support Type

13. Applies for child support, dependent support and spousal support garnishment types. Select either **Current** or **Arrears** to indicate the state of the garnishment.

Court Name

14. Enter the name of the court, authorized agency, or government agency that has legal jurisdiction over the garnishment.

Court Document ID 1 and Court Document ID 2

15. Enter any codes which identify the garnishment documents from the court or reports that are sent back to the court or government agency. For example, garnishment documents may carry a file or a case number, but a tax levy usually uses a date and the employee's social security number.

16. Select the Garnishment Spec Data 2 tab.

Garnishment Spec Data 2

1. Use the Garnishment Spec Data 2 page to enter garnishment payee and address information. To process payments through AP, enter the appropriate Set ID, Vendor ID, Vendor Location and address. The vendor information should be maintained through the AP database.

Set ID

2. Always use the Set ID of **WACTC**.

Vendor ID

3. Leave this field **blank** if processing the garnishment as an EFT payment. Otherwise, select the vendor ID of the garnishment payee. **ctcLink is not using the EFT payment option in the garnishment module, do not leave this field blank.**

Location

4. If a Vendor ID is selected, select the specific location for this garnishment from among the locations set up for the payee.

Remit Address

5. If a location is selected, select the address sequence number that represents the garnishment remittance address.
6. **Note**: When the Set ID, Vendor ID, Location and Remit Address are entered, the page will display the complete address in the Contact section.

Edit Address

7. If using the EFT process, enter the country in the **Country** field and select the **Edit Address** button to enter address data for information purposes only. If using AP, make all address updates in the Vendor table.
8. **CTC Link is not using the EFT process within the garnishment module, do not select this option.**

9. Select the Garnishment Spec Data 3 tab.

Garnishment Spec Data 3

1. Use the Garnishment Spec Data 3 page to select a deduction schedule and enter limit information.

Schedule

2. Select the appropriate option to indicate how to deduct garnishments:
   - **Deduct on All Payrolls** If this value is selected, enter the information on the page to complete the deduction information. (The Schedule field will default to this option, change if necessary).
   - **Deduct by Schedule** If this value is selected use the **Garnishment Spec Data 5 page** to create the deduction schedule and complete the deduction information.

Priority

3. Priority needs to be selected from the list below; do not leave blank. Select the processing priority of the garnishment in relation to other garnishments for the employee. This is not the same as the deduction priority in the General Deduction table. The system uses this value to process garnishments to which proration rules do not apply. If this field has the same priority number assigned to more than one garnishment specification, the system

determines the processing priority by Garnishment ID. The lower the number the higher the priority. For example, 100 is a higher priority than 200.
- **Deduction Priorities are as follows:**
    - **1 = Child Support or Fed Tax Levy (whichever is received first)**
    - **2 = US Department of Education (Federal Student Loans)**
    - **3 = State Tax Levy**
    - **4 = Local Tax Levy**
    - **5 = Creditor Garnishment (includes non-federal student loans)**

4. **Note:** Payroll for North America provides a garnishment proration option for states that permit proration of garnishments when an employee has more than one of the same type. If this option is used, the system uses the value in the Priority field only for garnishment to which proration does not apply.

Include Company Fee Within DE and Include Payee Fee Within DE Checkboxes

5. Select the checkboxes to deduct fees from the employee's disposable earnings before taking garnishment deductions.

Limitations Section

6. The fields in this group imposes time and amount restrictions on the garnishment deduction. This is useful when handling multiple garnishment orders from states where regulations prohibit the collection of more than one garnishment order at a time, or where they impose time limits on the collection of a garnishment.
- **Start Date** - To start garnishments immediately, leave this field blank.
- **Stop Date** - Leave this field blank if the garnishment should continue until satisfied. Otherwise, enter the date the deduction should stop. This date must be greater than the check date for the pay period to withhold the garnishment for that pay period. For example, if the pay period has an end date of March 10, 2015 and a check date of March 12, 2015, then the garnishment stop date must be greater than March 12, 2015 to withhold the garnishment in the March 10, 2015 pay period.

Calculate Stop Date or Stop Date Days

7. Select this check box to have the system calculate a stop date if the exact stop date is unknown. For example, Washington currently has a rule for garnishments of the Writ type, specifying a term of 60 days. In other words, money can only be garnished for 60 days. The 60-day term does not begin until money is actually taken from the employee (that is, until the employee has money available to garnish). For example, a garnishment order is received on September 1. If the employee has another garnishment of a higher priority, there might be no money available to garnish until November. In this situation, a stop date cannot be entered because the start date is not known. Instead select the **Calculate Stop Date**

checkbox and enter the length of the garnishment term (60 for Washington) in the **Stop Date Days** field. As soon as the system can take money for the garnishment it:

- Calculates the stop date by adding 60 days to the processing date of the current pay period.
- Enters the date in the **Stop Date** field.
- Deselects the **Calculate Stop Date** checkbox.

8. From this point, the system takes the garnishment until the end of the term, or until other limits are satisfied.

Limit Amount

9. Enter a limit amount to establish a maximum total amount for the garnishment deduction. Each time the Pay Confirmation (PSPCNFRM) process is run the system updates the limit balance, displaying how much of the garnishment has been paid to date. When the limit balance equals the limit amount, the system automatically stops taking the deduction. To not set a limit, leave the limit amount blank.

Limit Balance

10. This field does not automatically reflect adjustments that are made to the garnishment balances. If an online balance adjustment is made to the garnishment, make the same update in this field. Calculations for limit processing use the value displayed in the YTD Garnishment Balance field on the Garnishment Balance page. Update the Limit Balance field with that value after making any adjustments to garnishment balances.

11. Select the Garnishment Spec Data 4 tab.

Garnishment Spec Data 4

1. Use the Garnishment Spec Data 4 page when deducting from all payrolls, to define deduction defaults and processing fee defaults.

Deduction Calculation Routine

2. Select the appropriate option to indicate how to deduct garnishments:
    - **Maximum Allowed** Select to calculate: Deductions= disposable earning exemptions. The system takes all it can get. Use for garnishment such as tax levy and bankruptcy, wage assignments/writs..
    - **% DE + Amount (percent of disposable earnings plus amount)** Select to calculate: Deduction = percentage of disposable earnings + flat amount. Use for garnishments such as child support.
    - **% Gross + Amount (percent of gross + amount)** Select to calculate: Deduction = percent of earning subject to garnishment + flat amount.
    - **Greater of % DE or Amount (greater of percent of disposable earning or amount)** Select to calculate: Deduction = greater of a percent of disposable earnings OR the flat amount.
    - **Greater of % Grs or Amount (greater percent of gross or amount)** Select to calculate: Deduction = greater of a percent of gross subject to garnishment OR amount.

Frequency

3. If a flat amount is specified, enter a deduction frequency. The system uses this frequency to adjust the flat amount to the employee's pay frequency to calculate the deduction amount per pay period.

Processing Fee Section

4. Based on the details of the court order, enter processing fees consisting of a percentage of the deduction of a flat amount to be paid to the company or the payee. On the **Garnishment Spec Data 2** page, it was indicated whether to include the company and payee fees in the employee's disposable earnings. Some garnishment orders may require a comparison of a flat amount with a percentage of the deduction and take the greater of the two. In that case, enter both, and the system automatically takes the greater amount.
5. **Note**: If there are company fees, be sure that a General Ledger account for the fees has been established.

6. Select the Garnishment Spec Data 5 tab.

Garnishment Spec Data 5

1. Use the Garnishment Spec Data 5 page to define the payment schedule for the garnishment and define deduction defaults and processing defaults.
2. **Note**: Before using this page, select **Deduct by Schedule** in the **Deduction Schedule** field on the **Garnishment Spec Data 3** page.

Pay Frequency

3. Select the appropriate pay frequency.

Pay Period

4. Select the appropriate pay period.

Deduction Calculation Routine

5. Select the appropriate option to indicate how to deduct for the garnishment.
   • **Maximum Allowed** Select to calculate: Deductions= disposable earning exemptions. The system takes all it can get. Use for garnishment such as tax levy and bankruptcy.

- **% DE + Amount (percent of disposable earnings plus amount)** Select to calculate: Deduction = percentage of disposable earnings + flat amount. Use for garnishments such as child support.
- **% Gross + Amount (percent of gross + amount)** Select to calculate: Deduction = percent of earning subject to garnishment + flat amount.
- **Greater of % DE or Amount (greater of percent of disposable earning or amount)** Select to calculate: Deduction = greater of a percent of disposable earnings OR the flat amount.
- **Greater of % Grs or Amount (greater percent of gross or amount)** Select to calculate: Deduction = greater of a percent of gross subject to garnishment OR amount.

Disposable Earning Percent and Flat Amount

6. Enter the appropriate values based on the options selected in the **Deduction Calculation Routine** section.

Specifying Different Garnishment Amounts in Different Pay Periods

7. If a garnishment order is received for an employee who is paid weekly and the order specifies that 150.00 is garnished in the first pay period of the month, 200.00 in the second, 250.00 in the third, 200.00 in the fourth, and nothing in the fifth, use the following information to set up this scenario.
   - Select the **Weekly** option from the **Pay Frequency** lookup icon.
   - Select **First** from the **Pay Period** drop-down menu to define what to deduct in the first weekly pay period.
   - Select the **% DE + Amount** option from the **Deduction Calculation Routine** drop-down menu and enter 150.00 in the **Flat Amount** field. Leave the **Disposable Earning Percent** field blank.
   - Click the **Add a Row (+)** button for the second pay period.
   - Select the **Second** option from the **Pay Period** drop-down menu.
   - Enter 200.00 in the **Flat Amount** field.
   - Repeat these steps for the remaining pay periods.

8. Select the Garnishment Spec Data 6 tab.

Garnishment Spec Data 6

1. Use the Garnishment Spec Data 6 page to specify the garnishment rule and enter employee-level exemption and deduction overrides.

> ⊗ **ctcLink is not using the EFT setup within the Garnishment module. Do not make selections based on the EFT setup. Vendors are already set up for EFT transactions in the A/P module.**

Law Source

2. Select the jurisdiction entity (garnish law source).

Rule ID

3. Select the unique rule ID for the garnishment rule being applied.
4. **Note**: When an employee has more than one garnishment in a single state, the system determines proration rules based on the garnish law source. If multiple garnishments of the

same type are received from different states enter the state where the employee works for all of the garnishments.

5. For proration rules CRTORD and CRTDET, the courts supply amounts or percents for prorating garnishments. For multiple garnishments with either of these proration rules, enter the court-ordered proration amount or percent on the Garnishment Spec Data 7 page.

Exemption Parameters Section

6. To override the values for the exemption percent, amount, hours, or minimum and maximum that are already established in the calculation formula for the garnishment rule, enter the override values in the section for the corresponding variables.
7. If an exemption override is entered, the value in the **Amount Frequency** field may also have to change. The system uses this amount frequency to calculate the disposable earnings. The default is **Monthly**.
8. **Note**: To ensure values are entered into the correct fields, it is recommended that the rules are viewed for the calculation formula. The system ignores values that are entered here for exemption variables that are not already included in the garnishments rule's calculation formula.

Dependent/Exemption Count

9. Enter the number of dependents or exemptions claimed by the employee.

Allowance Count

10. Enter the number of allowances claimed by the employee.

Amount Frequency

11. If the court determines an exemption amount frequency (daily, weekly, or monthly) that differs from the frequency defined for the calculation rule, select the override frequency here.

Form 668-W Effective Year

12. This field appears on the page when the garnishment is a U.S. tax levy or Arizona tax levy. For these tax levies, the exemption amount is calculated using the year in which the levy was received unless the employee files a new Form 668-W with the employer. If the employee files a new Form 668-W, enter the year of the new Form 668-W here. The system calculates the exemption amount using the exemption values for the specified year.

Deduction Allowed in DE Calculation Section

13. For U.S. tax levies, the system populates this group box when the first payroll is run that includes the tax levy deduction. This identifies the deductions that were in place before the tax levy was received and that are included in the calculation of the disposable earnings for the levy. Deductions established for the employee after the levy was received are not included in the disposable earnings calculation and are deducted from the net pay remaining after the deduction of the tax levy.
14. For other garnishments, enter additional deductions for this garnishment to modify the disposable earnings definition used by the calculation rule.

15. Select the Garnishment Spec Data 7 tab.

Garnishment Spec Data 7

1. Use the Garnishment Spec Data 7 page to enter proration overrides if the proration rule is either CRTORD or CRTDET, and to specify the pay mode for integration with AP. See Garnishment Spec Data 6.
2. **NOTE:** The Pay Mode and AP Payment Date Type fields will auto-populate from the information entered in the Garnishment Spec Data 2 tab.

Proration Rule State

3. Enter the appropriate state code.

Proration Rule ID

4. Select the appropriate proration rule ID.

Proration Rule Override Section

5. If the proration rule of the garnish law state is either CRTORD or CRTDET and the court specifies a proration of proration amount or percent;
   • Enter the appropriate percentage in the **Court Override Percent** field.
   • Enter the appropriate amount in the **Court Ordered Amount** field.

Pay Mode

6. This section interacts with Accounts Payable.
   a. **Pay Mode** - Specify how AP makes the garnishment payment.
      • **Pay as Deducted** - Select to pay the vendor each time Payroll calculates this deduction.
      • **Pay at a Specified Date** - Select to pay the vendor on a specified date. Enter this date in the AP Payment Date Type field. Most commonly used for Writs of Garnishment.

> ⚠ **Important**: To request payment for a garnishment that has been setup with the "Pay at Specified Date", you must submit a manual voucher request to your local Accounts Payable for the amount withheld for the garnishment.
>
> Please consult with your local AP department to obtain the manual request document.
>
> The garnishment deduction details can be identified by going to the "Review Garnishments" page - Navigation: NavBar > Navigator > Payroll for North America > Review Garnishments.

7. **Pay when Bond Price met** Does not apply to garnishment processing.
8. **Pay when Collection is completed** Select to pay the vendor only when the goal amount of the deduction is reached or it is the deduction end date.

AP Payment Date Type

9. Specify the types of dates to use when creating the accounts payable voucher. This field becomes available when **Pay at Specified Date** is selected in the **Pay Mode** field.

Separate AP Payment

10. The systems automatically selects the box for Separate AP Payment. *If left as checked, the system will issue separate checks for the same employee to the same vendor.*
11. If it is a writ of garnishment, **check** the box for Separate AP Payment.
12. If it is a wage assignment, tax levy, child support or bankruptcy **un-check** the box for Separate AP Payment.
13. The **Pay Mode** and **AP Payment Date Type** fields will auto populate from the information entered in the Garnishment Spec Data 2 tab.
14. Select the **Save** button when information has been entered through all applicable tabs.

15. The review of all Garnishment Spec tabs is now complete.

Create General Deductions

⚠ **IMPORTANT:** In order for the garnishment to calculate for an employee, you must add the global garnishment code GARNSH to the employee payroll record.

Navigation: NavBar >Navigator > Payroll for North America > Employee Pay Data USA > Deductions > Create General Deductions

1. The **Create General Deductions** search page displays.
2. Enter the **Empl ID** used in previous sections.
3. Select the **Search** button.

4. Select the **View All** button to review all current deductions assigned to the employee to make sure the GARNSH deduction code isn't already assigned.
5. Select the **Add a Row (+)** button to add the GARNSH deduction code.

6. Select the **Garnish** deduction code from the drop-down menu.

7. **NOTE:** The general deduction code **GARNSH** only needs to be added to the employee payroll record once. If the employee receives a second garnishment to be added to the garnishment module, you do not need to add the **GARNSH** general deduction code again.
8. Enter the **Effective Date**.
9. Select the **Save** button.
10. The process to add the garnishment to the employee payroll record is now complete.

ADDITIONAL INFORMATION

1. This final section reiterates a few important tasks to be mindful of.

Garnishment Spec Data 1 page:

2. For employees in a Federal Work Study job type, who receive a Federal garnishment such as Federal Student Loan or Federal Tax Levy, select the Status of "**Suspend**".

Garnishment Spec Data 7 page:

3. The systems automatically selects the box for Separate AP Payment. *If left as checked, the system will issue separate checks for the same employee to the same vendor.*
    If it is a writ of garnishment, **check** the box for Separate AP Payment.
    If it is a wage assignment, tax levy, child support or bankruptcy **un-check** the box for Separate AP Payment.
4. End of procedure.