

Electronic Wage Levy

MSATA 2019
Wisconsin Department of Revenue
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Electronic Wage Levy | Overview

The electronic wage project is a way for states to partner with employers (ER) and payroll service providers (PSP) to:

- ✓ Initiate wage orders or updates to original wage orders
- ✓ Respond to wage orders

Method: XML files schema, sFTP portal



Electronic Wage Levy | History

- Project started in 2014 – a solution for both Wage Levy and Bank Levy were in scope
- Meetings with all stakeholders to determine best solution: FTA E-Standards, PSPs, Banks, States
- Draft schema developed
- Project stalled – focus on fraud initiatives
- Project restarted in 2017 – reduced scope to Wage Levy only
- Schema reviewed and improved
- Wisconsin and ADP partnership

Electronic Wage Levy



Project Goals:

- ✓ Reduce paper output and postage costs
- ✓ Improve work flow

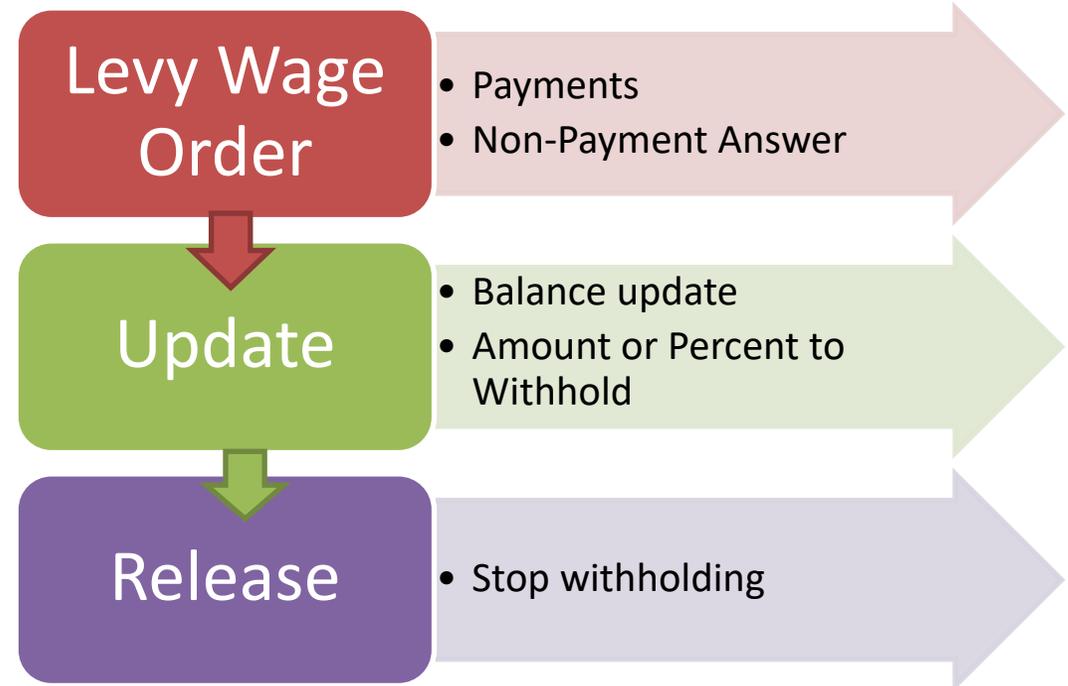
Electronic Wage Levy | Process Flow

File Types	Originator	Description
Levy Wage Order File	State	New orders, updates to orders, and releases
Receipt File	PSP	Acknowledges file was received and processed. Contains error notification
Response File	PSP	Answer to Levy Wage Order – withholding, not employed, never employed, on temporary leave/layoff
Receipt File	State	Acknowledges file was received and processed. Contains error notification

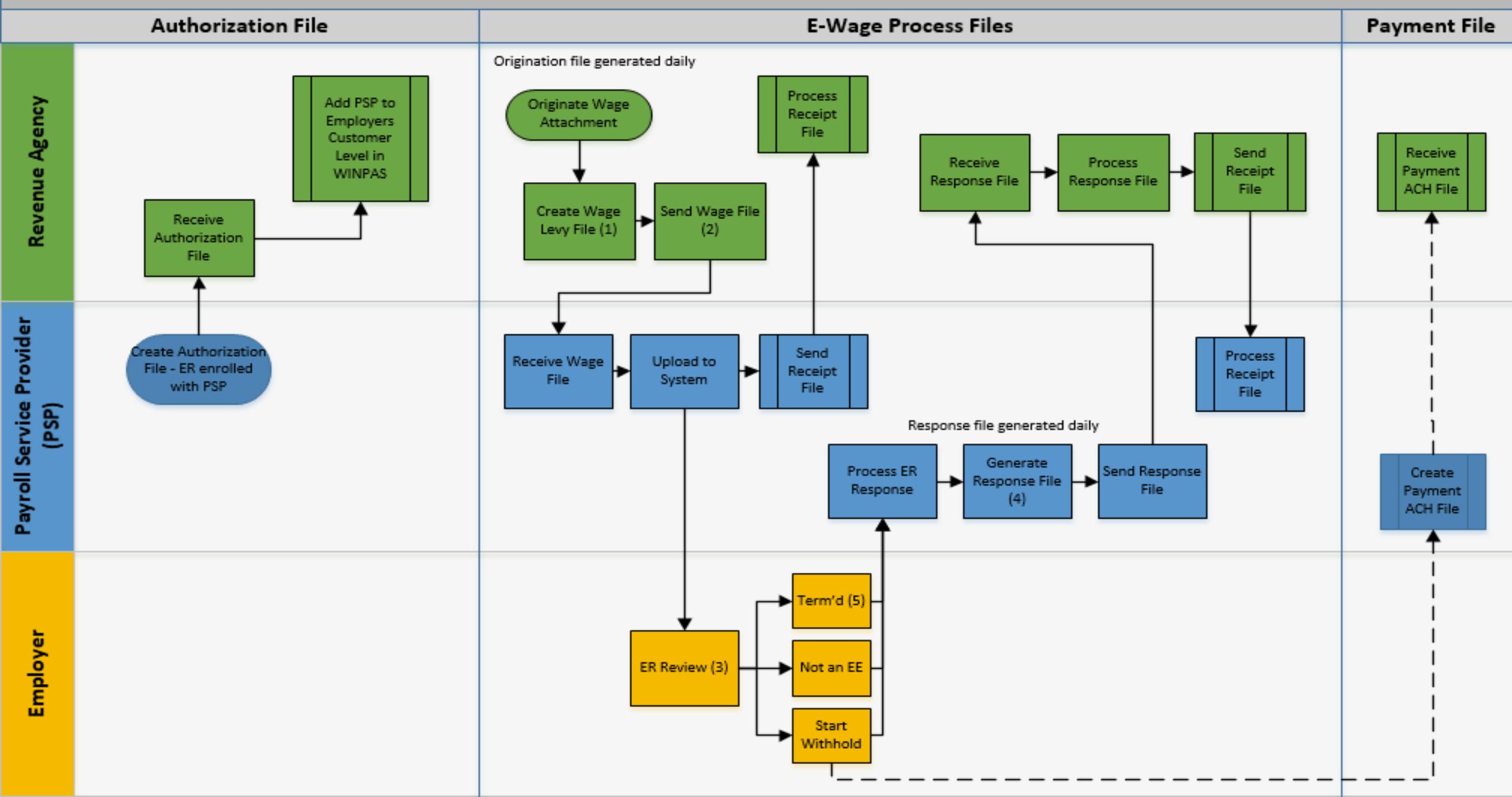
Electronic Wage Levy | Process Flow

Levy Wage Order File starts a cycle for collection of an employee (EE) debt. States may change the information on a specific levy at any time in the cycle. Change reasons include:

- ✓ Update balance
- ✓ Change withholding amount or percentage
- ✓ Release wage order



E-Wage Flow Chart



Electronic Wage Levy | Process Flow

Response file is independent of the Levy Wage Order file. PSP will send a response depending on the payroll cycle. Example:

Employee	Origination Date	Response Date
Adam	3/1/2019	3/8/2019
Alex	3/2/2019	3/8/2019
Betty	3/1/2019	3/15/2019
Bob	3/7/2019	3/15/2019
Carol	3/1/2019	3/31/2019
Carl	3/20/2019	3/31/2019

Electronic Wage Levy



Construction and conversion

Electronic Wage Levy | Construction

Step 1: Establish connections



Wisconsin will use an employer tax account profile to identify the Employer/PSP relationship.

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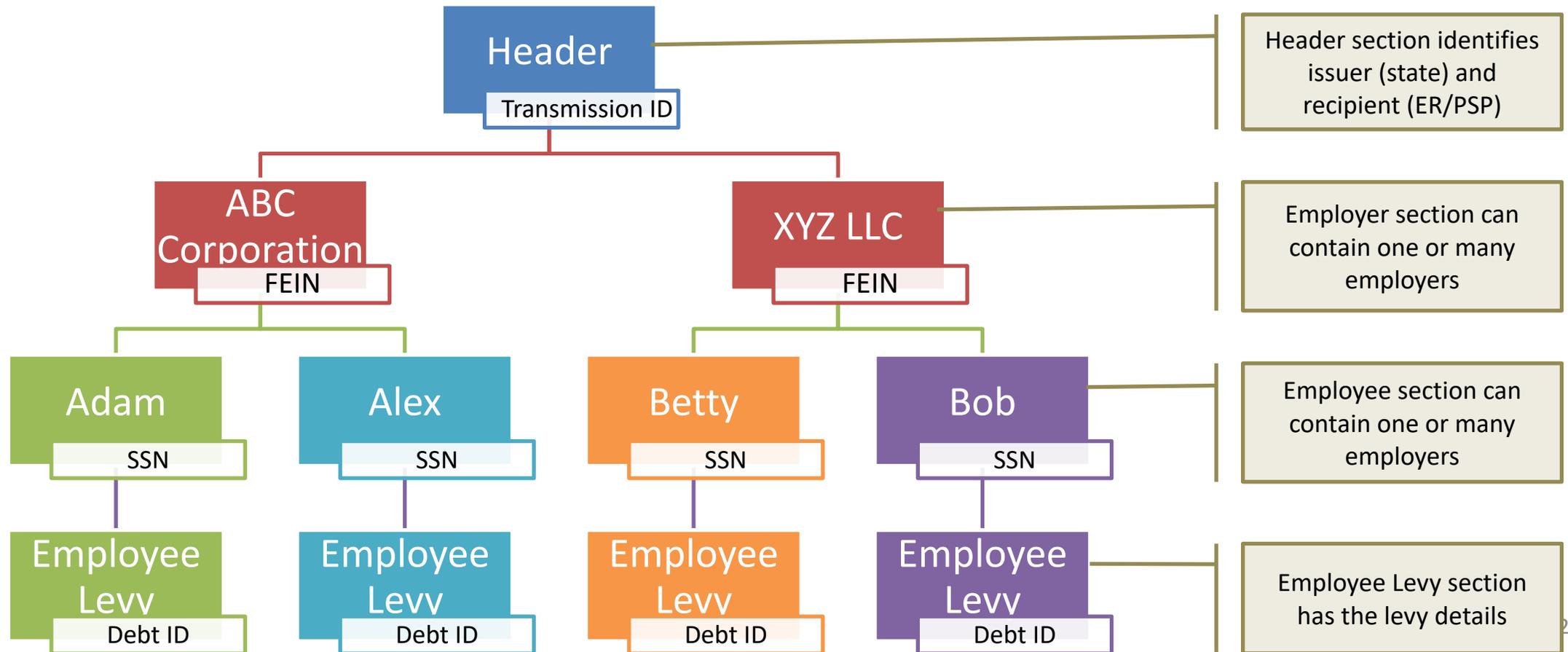
Step 2: Develop schema requirements

<https://www.statemef.com/>

- Under What's New
- Levy v1.0 (10/02/2018) (For Review and Approval)

Note: Schema requirements were reviewed and approved at the May e-Standards meeting.

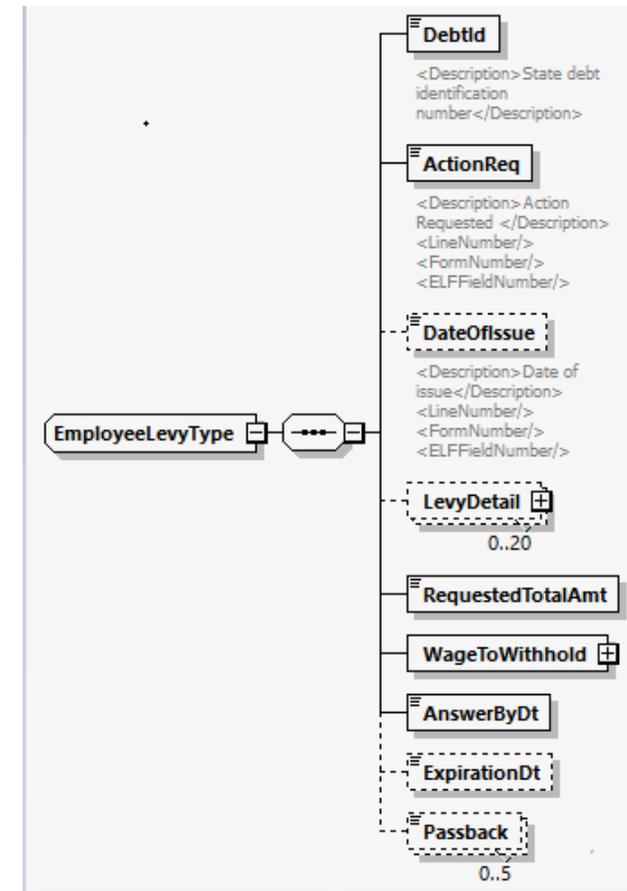
Electronic Wage Levy | Construction



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Levy Detail Fields

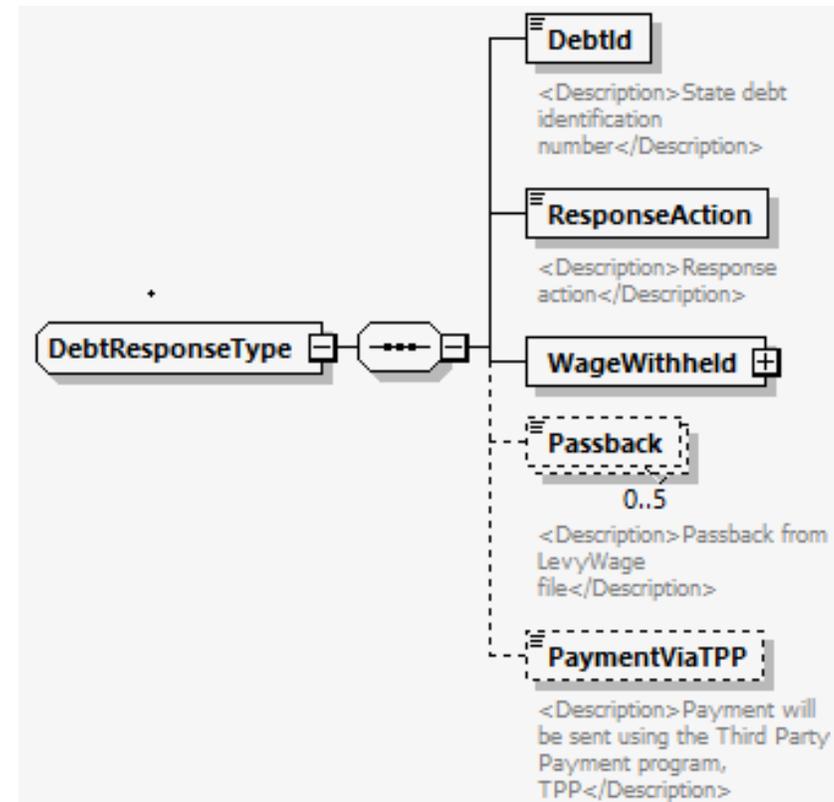
- **Debt ID** – Unique identifier for this levy
- **Action Requested** – Original, Amended, Satisfy, Release, Expunge
- **Date of Issue** – The date the order starts
- **Levy Detail** – Optional field to provide specific details about the debts being levied
- **Requested Total Amount** – total balance owed on this levy
- **Wage to Withhold** – can be set amount or percentage
 - Levy Amount
 - Levy Percent
- **Answer By Date** - due date of first payment or non-payment answer
- **Expiration Date** - optional



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Levy Wage Response

- **Debt ID** – Passed back from Wage Levy Order file
- **Response Action** – Withholding, No Longer Employed, Never Employed, Temporary Leave, Insufficient Funds
- **Wage Withheld** – Acknowledges states order
 - Levy Amount
 - Levy Percent
- **Payment via TPP** – method of payment (yes/no)

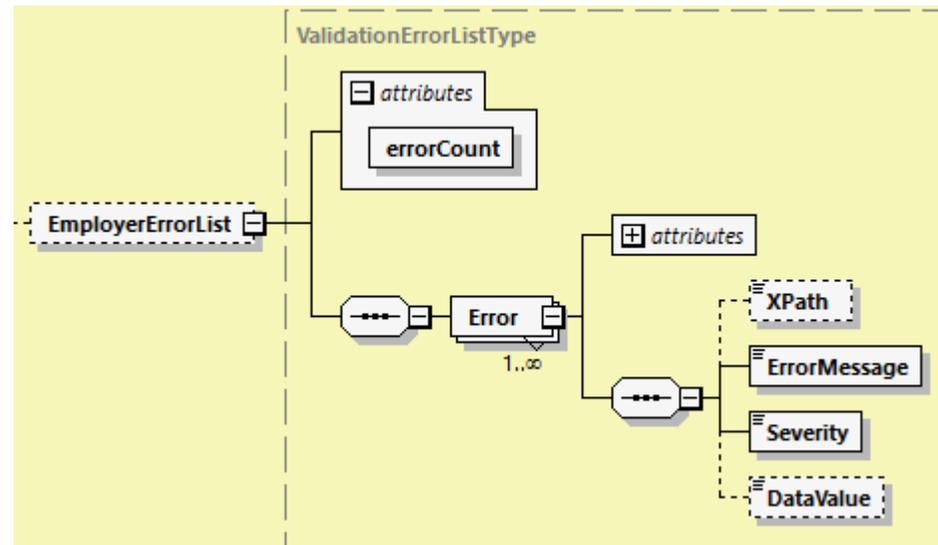


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Receipt Files

Both the Wage Levy Order and the Response file will have receipt control files.

- Match to Transmission ID
- Acknowledge record counts
- Validation checks
- Error messaging



Electronic Wage Levy | Construction

Step 3: Develop system requirements

Wisconsin approach:

- Create a garnishment (no change)
- Establish employer relationship (no change)
 - Change nightly job to either create letters to mail or create the Levy Wage Order file based on employer profile information.
- Develop non-payment answer processing

Electronic Wage Levy | Conversion

Step 4: Develop conversion process

PSP sends Authorization File

- Agreement file contains a list of employers contracted with PSP, including agreement start date and agreement end date.
- Agreement type - Levy

State

- Upload file, set Employer profile information on wage account



Electronic Wage Levy | Questions

