

Example 2- Two Order/Notices To Withhold Income For Child Support (IWO)

In this example, the employee/obligor is to pay child support under two cases. The employer has received two IWO's which state the obligations for both current and past-due support as indicated in the following table.

	IWO #1	IWO # 2			
\$	225.00	150.00	per	month	current support
\$	100.00	75.00	per	month	past-due support - arrears 12 weeks or greater?
\$			per		current medical support
\$			per		past-due medical support
\$			per		spousal support
\$			per		other (specify)

The employee/obligor is paid monthly. The amount the employer must withhold for child support is determined as follows:

A. Employee/obligor's gross pay per pay period: Less: 1. Federal taxes (including social security and medicare) 2. State taxes 3. Retirement contributions 4. Disability contributions	\$ <u>1,050.00</u> (-) \$ <u> .</u> (-) \$ <u> .</u> (-) \$ <u> .</u> (-) \$ <u> .</u>
B. Total to deduct from gross pay: Add (A1) through (A4) (15% of gross pay for this example)	\$ <u>157.50</u>
C. Disposable earnings (Subtract the above total (B) from gross pay (A).)	\$ <u>892.50</u>
D. Federal consumer credit protection limit - (See Remittance Information on Order/Notice To Withhold Income For Child Support) (If no % is stated on the IWO, use 50%. If there is more than one IWO for the employee, use the highest percentage marked on any of them.) The most that can legally be withheld: Multiply (C) times (D)	<u>55%</u> \$ <u>490.87</u>
E. Total Support Obligation per pay period: (See Order Information on Order/Notice To Withhold Income For Child Support) <ul style="list-style-type: none"> ▶ Current Child Support (\$225.00 + \$150.00) ▶ Past-Due Child Support (\$100.00 + \$ 75.00) ▶ Medical Child Support ▶ Spousal Support ▶ Other Support 	<u>(+) \$375.00</u> <u>(+) \$175.00</u> <u>(+) \$.</u> <u>(+) \$.</u> <u>(+) \$.</u>
F. Total Child Support Obligation per pay period Sum of all Support in (E) above	\$ <u>550.00</u>
G. Cost recovery fee (optional) If the employer elects to charge this fee, each past due amount in I. below will be reduced by \$2.50. The total of the child support obligation and the cost recovery fee cannot exceed the federal consumer credit protection limit in D. above.	(+) \$ <u>5.00</u>

H. Amount to withhold: Lesser of D. or F		\$ 490.87
I. Allocation of amount withheld for support between IWO's*	Current	Past-Due
IWO # 1	\$225.00	\$57.93
IWO # 2	\$150.00	\$57.93

* Current child support has priority over past due so the current child support amounts were paid from the total on H. and the balance of H. was divided equally between the past due balances for each case.