

**Supporting Statement For
OMB Clearance**

Income Withholding for Support (IWO)
**(Formerly: Order to Withhold Income for Child Support and Notice of an Order to
Withhold Income for Child Support)**

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SUPPORTING STATEMENT:

PART A – JUSTIFICATION

Part A of the Supporting Statement for this information collection, the “Income Withholding for Support,” addresses the 18 points outlined in Part A of 5 CFR 1320.

A. JUSTIFICATION

1. Circumstances Necessitating Data Collection

P. L. 104-193, The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 amended 42 U.S.C. 652 to require the promulgation of standardized income withholding forms to be used by States in interstate cases and 42 U.S.C. 666 to require State Child Support Enforcement (CSE) programs to enact the Uniform Interstate Family Support Act (UIFSA) into State law by January 1, 1998. To ensure standardization among the States, section 311(b) of UIFSA requires the States to use standard interstate forms, as mandated by Federal law. 45 CFR 303.7(b) (3) requires States to use the standard Federal forms in interstate cases.

The “Income Withholding for Support” is an enforcement tool that State and local CSE agencies, courts/tribunals, attorneys, private collection agencies, and individuals (custodial parents) use to collect child support obligations directly from an obligor’s wages through his/her employer. By using these standardized forms, direct income withholding orders are processed and executed in a more timely and efficient manner. The current Order to Withhold Income for Child Support and Notice of an Order to Withhold Income for Child Support is due to expire May 31, 2007. The Order to Withhold Income for Child Support and Notice of an Order to Withhold Income for Child Support has been modified to make the form easier to use, comprehend, and implement. The title has been simplified and the revised form is now called “Income Withholding for Support.”

States are required to generate the “Income Withholding for Support” automatically from their state-wide child support systems. Changes made to the standard form will in turn require programming changes to be made to each State’s system. It is recognized that these systems are complex in nature and as such, programming changes often require several months to fully implement. In addition, related changes will need to be made in the record layouts for the electronic income withholding (e-IWO) process. To ensure that States have enough time to adequately make the required changes, the Federal Office of Child Support Enforcement sets January 1, 2008 as the final deadline for States to implement the revised form.

2. How, By Whom, and For What Purpose Information Is to be Used

P. L. 104-193, PRWORA of 1996 amended 42 U.S.C. 666 to require State CSE programs to enact the UIFSA into State law by January 1, 1998. To ensure standardization among the States, section 311(b) of UIFSA requires the States to use standard interstate forms, as mandated by Federal law. 45 CFR 303.7(b) (3) requires States to use the standard Federal income withholding form for direct withholding on intra- and interstate cases.

State and local CSE agencies, courts/tribunals, attorneys, private collection agencies, and individuals submit the completed “Income Withholding for Support” to clarify the

amount, frequency, and duration of withholding for the obligor's employer to remit to the proper payee.

3. Utilization of Information Technology

45 CFR 307.10(b) (15) (vi) required State CSE programs to automate case processing for interstate cases. The Federal Office of Child Support Enforcement (OCSE) requires State CSE automated systems to be able to automatically generate and download CSE data to the standardized income withholding form. The tribunal/CSE agency will transfer the information from the child support order to their State system. The completed "Income Withholding for Support" is generated from the system and then mailed to the employer.

This form is hardcopy but is available in an electronic version in each State's automated child support system, as well as available for downloading from the OCSE website. The form is used universally by States, tribes, and private entities so the form needs to be available in an electronic and hardcopy version to serve all the populations.

OCSE, in partnership with States, public- and private-sector employers, payroll processors, and other payroll-related organizations, formed an e-IWO Workgroup in August 2004 to develop an electronic version of the Federal, standardized paper form currently titled, "Order/Notice to Withhold Income for Child Support." This allows States to transmit income withholding orders electronically and employers to notify States electronically regarding the status of e-IWOs.

The current record layouts for the e-IWO process reflect the current standardized "Order/Notice to Withhold Income for Child Support." The record layouts will be revised following completion of the "Income Withholding for Support."

4. Efforts to Avoid Duplication

There are no other Federal requirements for collecting this information. When the tribunal or CSE agency establishes the child support order and the case meets the criteria for direct withholding, the "Income Withholding for Support" is generated. Collection of the child support obligation will continue to be enforced until a termination "Income Withholding for Support" is sent to the employer. Because no two cases involve identical information (i.e., names, case identification, the noncustodial parent's Social Security numbers (SSN), employment information, child support order dates/amounts, etc.), duplication will not occur.

5. Efforts to Minimize Impact on Small Entities

A hardcopy of the "Income Withholding for Support" is sent to small businesses. These forms provide the pertinent information needed to remit child support payments in addition to reducing processing time for small businesses.

The modified “Income Withholding for Support” is less of a burden because information has been arranged in a more efficient way, making it easier to read and comprehend.

Overall, the language and format of the form have been edited, modified, and made easier to read and comprehend. The three-page form provides a detailed legal description of the established order, support amounts, and remittance information an employer needs to withhold payments from an obligor who owes child support. One of the new fields on the form is for the attachment of lump sum payments by employers. This addition allows the issuing entity to instruct the employer with respect to the attachment and remittance of lump sum payments. Fields for child’s name and date of birth have been moved to the front of the form, allowing the employer community to easily identify the employee/obligor and to avoid duplicate orders. Other changes that have enhanced the form include: a simplified title, clear identification of who issued the form, and modifications to allow the employer to easily report employee terminations. These changes will require less time for employers to complete the document.

The improvements to the “Income Withholding for Support” will be incorporated into the revised record layouts for the e-IWO process.

6. Consequences if Data Collection Is Not Conducted

This standardized form is mandated by PRWORA of 1996. When this form is not used, or is used less frequently than required, the CSE programs will be seriously impaired in meeting its mission of ensuring that the children of America receive the support to which they are entitled.

The e-IWO process is not mandated; however, as successfully piloted, States increased child support collections because States received child support payments faster than under the paper process. Additionally, both States and employers realized a reduction in administrative expenditures. These benefits will be lost if the e-IWO process is eliminated.

7. Special Circumstances

There are no special circumstances associated with collecting this information.

8. Publication of Notice

A notice was published in the Federal Register on February 13, 2007 in FR Volume 72, Number 29, page 6735-6736, which allowed for a 60-day comment period for the public to submit in writing any comments about this information collection.

We received comments from 16 States, 2 tribal nations, and the National Business Center. As a result of the review, minor edits were made to the proposed form.

Listed below are the most frequently voiced comments and recommendations regarding the “Income Withholding for Support” form, as well as the modifications that respond to the comments:

- Lump sum. A One-Time Order/Notice – Lump Sum Payment checkbox has been added to allow for the issuer of the IWO to indicate a lump sum should be attached to satisfy an arrearage. In addition, a line has been added to allow the issuer to indicate the amount of the lump sum and to indicate that this is a one-time only lump sum payment request. This addition of the lump sum to the IWO brought 19 comments and requests for clarification or revision.
 - o Fields 1b and 14, which pertain to the attachment of lump sum payments, have been edited for clarity and the corresponding instructions have provided more details for the issuing entity.
- Format. Overall, the language and format of the form have been modified and generally been made easier to read and comprehend. Some fields have been moved to make the form more user-friendly. Comments received regarding the format of the form included a need for a larger font size, insufficient field lengths for data input, bolding of specific important fields, as well as insufficient space for the date stamp.
 - o Overall, the document was reformatted to be a consistent size 10 font, specific fields have been bolded for emphasis, and all field lengths are now consistent with OCSE’s Federal Case Registry data standards for field length.

The revisions to the instructions clarify how to complete the form and what documentation is required when submitting the form for collection. Throughout the form and instructions, modifications are made to include tribal CSE requirements.

9. Provision of Payment or Gift to Respondents

No payments or gifts will be made.

10. Assurances of Confidentiality

No assurance of confidentiality in the revision of these forms was provided to any respondent; however, the information contained within the standard interstate forms is subject to the Federal confidentiality requirements described at 45 CFR 303.21.

The e-IWO record layouts are subject to the same Federal confidential requirements.

11. Questions of a Sensitive Nature

The SSN for the noncustodial parent is listed on the “Income Withholding for Support” form, but is not requested from or provided by the person to whom it belongs. The person completing the form (State agency, court, attorney, etc.) completes the SSN field if the SSN is known to them. The SSN is an important identifier for ensuring that the employer withholds child support payments from the correct noncustodial parent (employee).

As required on the standard form, the e-IWO record layout contains the SSN for the noncustodial parent.

12. Estimates of Respondents’ Hour Burden and Costs

Over the years, the enforcement caseload has increased, especially those cases that are enforced using direct income withholding. Income withholding is an effective enforcement remedy for CSE agencies and the courts. As of FY 2006, about 70% of the total child support collections are due to income withholding. The following table illustrates the increase in cases with IWOs (responses per respondent) and the reduction of time it takes to generate IWOs and notices of orders (Average Burden Hours Per Response).

Annual Burden Estimates

Instrument	Number of Respondents	Number of Responses per Respondent	Average Burden Hours Per Response	Total Burden Hours
“Income Withholding for Support” (IWO)	58	206,897*	.0017**	20,400***
ELECTRONIC “Income Withholding for Support”	20	60,000*	.0008**	960***
IWO - Submitted Manually	1800	1321	.084	199,735

The 45 CFR 307.10(b) (15) (vi) required State CSE programs to automate case

processing for interstate cases. OCSE requires State CSE automated systems to be able to automatically generate and download CSE data to the standardized income withholding form. The tribunal/CSE agencies transfer the information from the child support order to their State system. The completed Order or Notice of an Order is generated from the system and then mailed to the employer.

Over the past few years as caseloads have increased, States have looked at ways of increasing automation in their State child support systems. Automating the IWO is one area in which States have been very successful. Their systems can now generate these forms with virtually no manual intervention, and as a result, the amount of time required to produce each document has decreased significantly.

Estimated Total Annual Burden Hours: 221,095

The annual hour burden for the “Income Withholding for Support” has been calculated to be 221,095 hours. In the prior submission, the annual hour burden was 980,230 hours. The reduction in burden hours was achieved through States’ increased ability to automatically generate and download child support data to the standardized form and print the completed form. We estimate that it takes a State 6 seconds to generate the form with increased use of automation. For the prior submission, manual intervention in generating the form was common and it was estimated that it took 5 minutes and 4 seconds to generate each form.

*FY 2005 caseload was 12 million with orders. To calculate the number of ‘Responses per Respondent’ 12 million was divided by 58 respondents, which equals 206,897.

*FY 2005 caseload was 12 million with orders. To calculate the number of ELECTRONIC ‘Responses per Respondent’ 12 million was divided by 20 respondents, which equals 600,000. Because only 10% of the IWOs will be done via the e-IWO process 10% of 600,000 is 60,000 responses per respondent.

*FY 2005 caseload for non-IV-D cases entered at the courts was determined to be 2,377,000. To get the manual responses per respondent 2,377,000 was divided by 1800 respondents to get 1321.

**To calculate the ‘Average Burden Hours Per Response’ 6 seconds was divided into 3600 seconds (number of seconds in an hour) to get .0017 (or .17% of 60 minutes).

**To calculate the ‘Average Burden Hours Per Response’ for the e-IWO process, 3 seconds were divided into 3600 seconds (number of seconds in an hour) to get .0008 (or .08% of 60 minutes.)

**The average burden hours for manual entry of the IWO is determined to be 5 minutes and 8 seconds, or .084.

***The 'Total Burden Hours' was calculated by multiplying 58 by 206,897 by .0017 to get 20,400.

***The e-IWO 'Total Burden Hours' was calculated by multiplying 20 by 60,000 by .0008 to get 960.

***The manual total burden hours was determined by multiplying 1800 by 1321 by .084 to get 199,735.

Through the e-IWO process, we estimate that for the 20 States participating, it will take 3 seconds to complete and transmit the e-IWO record layouts. We estimate that only 10 percent of income withholdings will be taken through the e-IWO process as we do not expect small or medium-sized employers will opt to participate.

13. Estimate of Annual Cost Burden to Respondents

This "Income Withholding for Support" process is not a new information collection; therefore, there are no start-up costs. There are no incremental costs incurred as a result of this information collection.

However, the process to generate the form via the e-IWO process is a new process and will incur start-up costs. These costs are estimated to be \$658,500. This number was calculated by determining the average number of hours it will take to program the e-IWO process and the average hourly cost per State. Five States, that include small, medium, and large States, were used to make the determination. The average number of hours was determined to be 439, which was multiplied by an average of \$75 per hour to get \$32,925 per State. It is estimated that 20 States will participate in the e-IWO process; therefore, \$32,925 was multiplied by 20 States, to get \$658,500.

14. Estimate of Annualized Cost to the Federal Government

There are no significant costs to the Federal government associated with these forms. The forms themselves required only minor revision and the forms are not used to report any information to the Federal government.

15. Change in Burden

We estimate that it will take 6 seconds to generate the form with the increased use of automation. For the prior submission, the form was manually generated and it was estimated that it took 5 minutes and 4 seconds to generate each form; therefore, the hour burden was reduced from 980,230 to 221,095. The responses have been calculated based on a FY 2005 caseload of 12 million with orders.

16. Plans for Analysis and Publication

This information will not be published for statistical use. The forms associated with this information collection are not used for purposes relating to data collection by the Federal government.

17. Display of Expiration Date

OCSE is seeking approval to not display the expiration date for OMB approval of the information collection. Federal regulations require the States to provide CSE services, and the forms associated with this information collection drive this process. These forms are expected to be in use for many years and OCSE is concerned that should the forms be required to display an expiration date, some States may fail to use these forms after that date.

Employers and family court representatives are requesting not to display the OMB expiration date on the revised forms. Many employers misinterpret the OMB expiration date as the withholding termination date.

18. Exception to the “Certification for Paperwork Reduction Act Submissions”

There are no exceptions to the certification statement.

PART B – COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

The information collection requirements outlined in this report do not employ the use of statistical methods.

APPENDIX A: “Income Withholding for Support”

APPENDIX B: e-IWO Record Layouts