

INVOLUNTARY DEDUCTIONS

Involuntary deductions are those which neither the employer nor the employee has control. The employer is required by law to deduct a certain amount of the employee's pay and send (remit) it to a person or government agency to satisfy the employee's debt.

See table below:

	When will the first deduction occur	Figuring the amount to be deducted	When will the deduction stop
Voluntary Federal Tax Levy Payroll Deduction Agreement	As indicated on Form 2159	Deduct amount employee agreed on with the IRS from each paycheck	When the amount owed as shown on Form 2159 is paid in full Employer will contact the IRS for a final balance
Federal Tax Levy (Internal Revenue Service)	First available paycheck after service of order	All amounts paid to an employee are subject to levy unless specifically exempted by the IRS Code or regulations. Determined after Form 668-W part 4 is completed and returned to employer	According to Form 668-W, the employer may not stop withholding until Form 668-D releasing the employee's wages from levy is received, unless paid in full by date stated on form
State of MI Tax Levy	First available paycheck after service of order	Determined by employee's net pay less the allowed exemption amount	Withhold until the employer is notified and/or debt is satisfied
State of MI Student Loan	First available paycheck after service of order	25% of the employee's Disposable Earnings*	Withhold until the employer is notified
Dependent Support	First available paycheck after service of order	Court approved amount cannot exceed CCPA** limits and can include arrearages	Withhold until the employer is notified
Writ of Garnishment	First full pay period after service of order	25% of the employee's Disposable Earnings*	Withhold until debt is satisfied and / or released by creditor

Bankruptcy	First available paycheck after service of order	Court-approved plan requiring a certain amount of the employee's wages to be paid to the trustee to satisfy the employee's creditors.	Withhold until the employer is notified by the bankruptcy court of the trustee to do otherwise
Federal Student Loan	First available paycheck after 30 days notice	15% of the employee's Disposable Earnings*	Withhold until the employer is notified

***Disposable Earnings:**

Disposable earnings are determined by subtracting all deductions required by law from an employee's gross earnings (wages, sick pay, vacation pay, etc). Deductions required by law include withholding for federal, state, or local income tax, social security or Medicare tax. Voluntary deductions, such as health and life insurance premiums, union dues, and retirement plan contributions are not subtracted from earnings to calculate disposable earnings.

**** CCPA:**

Consumer Credit Protection Act