



FACT SHEET

Administrative Wage Garnishment (AWG)

What is AWG?

Administrative Wage Garnishment (AWG) is a delinquent debt collection process that allows a federal agency to order an employer to withhold up to 15 percent of an employee's disposable pay. The Cross-Servicing program conducts AWG on behalf of participating agencies.

Why AWG?

- An employed debtor refuses to pay or otherwise resolve a delinquent debt
- AWG can be started without a court order
- Effective collection tool
- Treasury rules require agency compliance (I TFM 4035.30)

How does AWG work?

- Once an agency authorizes AWG, all consumer and commercial debts with individual liability are eligible
- Each program profile must be updated
- For agencies in the Cross-Servicing program, Debt Management Services (DMS) mails an AWG Notice Letter to the debtor if the debtor's employer and social security number are identified
- DMS uses the National Directory of New Hires (NDNH) database to obtain accurate employment information
- For agencies in the Cross-Servicing program, DMS issues an AWG Order 30 days after the Notice Letter unless a timely hearing is filed OR a Payment Agreement established

Can a debtor request an AWG hearing?

- A debtor may request a hearing for various reasons (existence of debt, amount of debt, hardship)
- Hearings can be conducted internally within the agency
- A hearing official does not need to be an administrative law judge
- DMS will provide all the necessary information to assist with hearing procedures
- DMS offers hearing services for a fee

How can agencies implement AWG?

- Publish AWG regulations or publish that the agency is adopting Treasury's AWG regulations
- Sign a Memorandum of Understanding and Interagency Agreement if DMS will be conducting hearings
- Establish hearing procedures and appoint a hearing official (if conducting hearings internally)
- Identify all programs to participate in AWG
- Request that DMS update the Agency Profile/Program to "YES" for AWG

<https://www.fiscal.treasury.gov/cross-servicing/awg/awg-background.html>

ABOUT FISCAL SERVICE AND DEBT MANAGEMENT SERVICES

The U.S. Department of the Treasury's Bureau of the Fiscal Service assists federal agencies with the prevention, collection and resolution of debts owed to government agencies. Additionally, we provide debt collection services to the states. Debt Management Services (DMS) is the business area responsible for administering programs and services related to improper payments, receivables management and delinquent debt collection.