

**WISCONSIN DEPARTMENT OF REVENUE
DIVISION OF INCOME, SALES, AND EXCISE TAX**

NOTICE OF PROPOSED GUIDANCE DOCUMENTS

Pursuant to sec. 227.112, Wis. Stats., the Wisconsin Department of Revenue, Division of Income, Sales, and Excise Taxes hereby seeks comment on the proposed guidance document listed in the table below.

SUBMITTING PUBLIC COMMENTS

Public comments on proposed or adopted guidance documents may be submitted online at: <https://www.revenue.wi.gov/Pages/contactUs/proposed-Guidance.aspx>.

DEADLINE FOR SUBMISSION

The period for public comment for proposed guidance documents ends 21 days after publication in the Administrative Register, unless the Governor approves a shorter commenting period.

Document Number	Document Title
100045	Wage Attachments - Common Questions

State of Wisconsin
Department of Revenue

Wage Attachments

This is a proposed guidance document. The document has been submitted to the Legislative Reference Bureau for publication in the Administrative Register for public comment as provided by sec. 227.112(1), Wis. Stats.

See our [My Tax Account Wage Attachment Resources](#) page to help you manage your wage attachment accounts online and make payments electronically.

Understanding Your Wage Attachment

1. [I received a Notice of Employee Wage Attachment. Why did I get this notice?](#)
2. [As the employer, what do I need to do?](#)
3. [How should I make these payments?](#)
4. [What if paying electronically causes a hardship?](#)
5. [What do I do if my employee is on layoff, quits or is terminated?](#)
6. [What happens if I don't withhold?](#)

Calculating Payments

1. [How do I calculate the amount that should be withheld?](#)
2. [What if the employee doesn't have enough take home pay to satisfy the wage attachment order?](#)
3. [Why does the amount in My Tax Account or on the Balance Update Letter differ from what our records show to be the outstanding balance?](#)
4. [What if the employee already has one or more garnishments in place?](#)
5. [What if the employee has a wage attachment in place, and another agency issues a garnishment?](#)
6. [Our records show we withheld the amount due from the original Notice of Wage Attachment. Should I stop withholding?](#)

7. My employee said they contacted the department and made other payment arrangements. Should I stop withholding?
 8. Can we charge the employee to process the wage attachment payment?
 9. If I charge a processing fee, do I deduct the fee from the amount I withhold for the department?
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Understanding Your Wage Attachment

1. **I received a Notice of Employee Wage Attachment. Why did I get this notice?**

Our records show that one of your employees owes a delinquent amount to the Department of Revenue (DOR). State law requires you to withhold money from your employee's wages and send the payment to us.

2. **As the employer, what do I need to do?**

Withhold the amount from the employee's wages until we notify you to stop or the balance showing in My Tax Account is at \$0. Your first payment is due by the last day of the month following the month you received this letter. Subsequent payments are due at least once a month, but you may send payments more frequently. We will notify you when the balance is paid in full. Do NOT report wage attachment withholding on your Withholding Tax Deposit Report (Form WT-6).

Note: Do NOT report wage attachment withholding on your Withholding Tax Deposit (Form WT-6).

3. **How should I make these payments?**

State law requires you to make payments electronically. You can do this by using [My Tax Account](#) or by [ACH credit](#) through your financial institution. Learn more about the benefits and features on our [My Tax Account Wage Attachment Resources](#) page. You can also refer to the [My Tax Account Wage Attachment User Guide for Employers](#) to register for My Tax Account, set up account access, and make wage attachment payments.


4. **What if paying electronically causes a hardship?**

You may request a waiver if making electronic payments creates undue hardship for your business. You can request a waiver using [Form W-700](#) available on our website.

- o **Fax to:**(608) 261-8978
- o **Email to:** ccerts@wisconsin.gov
- o **Mail to:** Wisconsin Department of Revenue
PO Box 8960
Madison, WI 53708-8960

After you request a waiver, begin sending your payments by check immediately. Make your check payable to the Wisconsin Department of Revenue. Include the employee's full name and the payment key from the Notice of Employee Wage Attachment. Mail your check to:

Wisconsin Department of Revenue
PO Box 8960
Madison, WI 53708-8960

If withholding wages for multiple employees, complete  [Form W-118A](#) and mail it with your check.

5. **What do I do if my employee is on layoff, quits or is terminated?**

If your employee is on layoff, the easiest way to update their status is by using My Tax Account. Otherwise, complete the employee status section from your notice and either:

- Fax to: 608-261-5166, or
- Mail to: Wisconsin Department of Revenue PO Box 8960 Madison, WI 53708-8960

If your employee quits or is terminated, withhold their entire last paycheck and any other compensation due to the employee (e.g. vacation payout) up to the balance owed. You may check the balance using My Tax Account.

6. **What happens if I don't withhold?**

According to state law, you may be held responsible for the total amount owed by your employee if you don't withhold or if you don't send the amounts withheld.

Calculating Payments

1. **How do I calculate the amount that should be withheld and paid to the department?**

- Calculate your employee's gross pay. Gross pay includes wages, commissions, bonuses, advances, draws, and other compensation for services. Gross pay is earnings before any deductions. Deductions include state and federal withholding, social security, health benefits and direct deposits.
- If this is your employee's only garnishment multiply the percent listed on the wage attachment by the gross pay. This gives you the amount to withhold. If your employee has existing garnishments, subtract the amount of those garnishments from the gross pay to calculate the new gross pay. Then multiply the percent listed on your notice by the new gross pay to calculate the amount to withhold.

Example: The employee has monthly gross pay of \$1,000. We issue a wage attachment for 25% of gross earnings per pay period. The employee has an existing wage garnishment of \$250. The amount to be paid to DOR is \$187.50.

Gross pay	\$1,000
Subtract existing garnishment	<u>- \$250</u>
Equals new gross pay	\$750
Multiply by withholding amount	<u>x 25%</u>
Equals payment to DOR	\$187.50

2. **What if the employee doesn't have enough take home pay to satisfy the wage attachment order?**

The employee's gross pay, no matter the amount, is subject to wage attachment. The department is exempt from minimum take home pay requirement. You only are allowed to withhold the percentage or dollar amount monthly that we indicate in a wage attachment order and what is shown in My Tax Account.

If you are using a third party payroll processor, they may need to remove blockers that prevent withholding below a minimum requirement.

If your employee has any concerns on the amount of wages being withheld, they should contact us directly at 608-266-7879 or DORCompliance@wisconsin.gov to make payment arrangements.

3. **Why does the amount in My Tax Account or on the Balance Update Letter differ from what our records show to be the outstanding balance?**

The department adds interest to the outstanding balance on the first of each month. Also, the employee may incur additional debt. The department may add these amounts to the wage attachment. Finally, other types of employee payments can change the outstanding balance due. The balance shown in My Tax Account is the most up-to-date information available.

4. **What if the employee already has one or more garnishments in place?**

The department can issue an attachment order to withhold wages in addition to other garnishments being made, including other state agencies. You must process the department's wage attachment even if your employee is subject to another garnishment. The department's wage attachment would be calculated on the gross pay remaining after honoring previous garnishments.

5. **What if the employee has a wage attachment in place, and another agency issues a garnishment?**

The DOR wage attachment has priority over any subsequent garnishments, except for past due child support. You must continue withholding wages for the wage attachment. Contact the other agency for their guidelines when there is an existing wage attachment.

6. **Our records show we withheld the amount due from the original Notice of Wage Attachment. Should I stop withholding?**

No. You must continue to withhold until you receive a release letter from the department or until the balance showing in My Tax Account is at \$0. That's one of the advantages of managing the wage attachments in My Tax Account. The balance can change from the total amount due stated on the original wage attachment notice. When the balance due falls below \$300 the department sends you a Wage Attachment Update notice.

7. **My employee said they contacted the department and made other payment arrangements. Should I stop withholding?**

No. You must continue to withhold until you receive a release letter from the department. Until that time, the wage attachment remains in effect. My Tax Account also automatically makes these changes in their account for you to see.

8. **Can we charge the employee to process the wage attachment payment?**

Most employers do not charge their employees to process a wage attachment order. However, nothing prevents you from charging your employee a reasonable processing fee.

9. **If I charge a processing fee, do I deduct the fee from the amount I withhold for the department?**

No. Any fees charged to the employee are an extra deduction. You must submit the entire withholding amount to the department.

Applicable Laws and Rules

This document provides statements or interpretations of the following laws and regulations in effect as of October 14, 2019: Section 71.91, Wis. Stats., and sec. Tax 1.12, Wis. Adm. Code.

Laws enacted and in effect after October 14, 2019, new administrative rules, and court decisions may change the interpretations in this document. Guidance issued prior to October 14, 2019, that is contrary to the information in this document is superseded by this document, pursuant to sec. 73.16(2)(a), Wis. Stats.

FOR QUESTIONS OR COMMENTS CONTACT:

WISCONSIN DEPARTMENT OF REVENUE

Compliance Bureau

PO Box 8960

Madison, WI 53708-8960

Phone: (608) 264-9956

Fax: (608) 261-8978

Email additional questions to ccerts@wisconsin.gov

Guidance Document Certification: <https://www.revenue.wi.gov/Pages/Certification-Statement.aspx>

Guidance Document Number: 100045

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