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 (ITFM 4035.40)

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 will conduct non-hardship hearings for a fee, and hardship hearings free of charge

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 non-hardship 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


(rev. October 12, 2016)