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 (ITF 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