

PAYTECH



ADP Garnishment Services Offers Compliance, Convenience

BY CLINT HALE

There has been a larger volume of creditor garnishments, student loans, and bankruptcy filings than ever before.

The economy, while improving, is still unsteady. The unemployment rate remains high, and because of this, people are falling behind on credit card payments, student loans, and child support payments. Employers are thus seeing an increase in these wage withholdings.

In this economic environment, many employers have more to do with fewer available resources. When companies try to manage garnishment processing on their own, they are likely to make errors. As a consequence, agencies and attorneys may seek to hold employers liable and obtain judgments to collect the entire garnishment order from the employer rather than collect small amounts directly from employees over time.

With garnishments increasing, and with employers trying to “do more with less,” the risk of noncompliance in the processing and paying of garnishments also increases.

Fortunately, ADP Garnishment Services helps payroll departments and their respective organizations turn “the cost of doing business” into a competitive advantage. ADP Garnishment Services streamlines garnishment administration and processing, allowing an organization

and its employees to focus on core business objectives. The services does this by assuming the complex, time-consuming tasks of garnishments that are often the responsibility of an organization’s payroll department.

“In today’s environment, regardless of the size of your organization, there is a rise in Garnishment Orders and with the significant potential liabilities involved, it can certainly be a risky burden for any organization to process,” said Tony Rojo, ADP’s Global Product Director for Garnishment Services. “With every customer, we pay close attention to detail as we set up the required interfaces and extract the relevant information to ensure a smooth implementation and a successful program.”

With millions of Americans drowning in debt, more creditors, including the IRS, are garnishing wages. These orders can come in the form of spousal or child support or other types of outstanding debts. In an effort to collect on these garnishment orders, some agencies have mandated that employers withhold private and mandatory support payments. In these jurisdictions, not only do the agencies require compliance, employers also can be held liable for noncompliance.

These regulations have resulted in a substantial increase in the frequency and types of wage garnishment orders employers receive—and therefore must interpret, apply, track pay, and respond to. This has increased employers’ risk for noncompliance, and as such, increased the risk of fines and penalties for not properly filling

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garnishment orders. As a result, outsourcing wage garnishment processing—via a service such as ADP Garnishment Services—is a convenient, prudent option for employers to pursue.

According to ADP research, ADP Garnishment Services eliminates as much as 95% of employer garnishment responsibilities, including lien management and disbursement, thereby freeing up employees to focus on core business objectives. This service, with nearly a decade of proven results, includes technology implementation and call center support services. Already in use by more than 60,000 clients across the globe, ADP partnered with more than 100,000 agencies, courts, and payees on the federal, state, and local levels on behalf of their clients. In addition, whenever possible, ADP leverages electronic transfers of data and funds to improve and expedite information exchanges.

“There is no value-add for an employer to process garnishments internally; there’s nothing but risk,” Rojo said. “It’s a cost-neutral solution, so why do it? If you can

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reduce expenses while freeing up employees to focus on core competencies, why not do so?"

BENEFITS

ADP Garnishment Services has become an industry leader by implementing Electronic Income Withholding Orders (e-IWO) and Flash Signatures. Thanks to a partnership with the federal Office of Child Support Enforcement (OCSE), ADP is now able to manage e-IWO processing on behalf of its clients. Through this process, states are able to send income withholding orders electronically to employers and service providers like ADP. This allows the ability to exchange information with OCSE in a timely, efficient manner, thereby decreasing the risk of noncompliance and any penalties, fines, and other liabilities such non-compliance could entail.

Additional benefits of using ADP Garnishment Services include:

Compliance. ADP Garnishment Services offers access to ADP's expertise and

numerous agency relationships, while also helping ensure SOX and SAS70 compliance and reporting, which helps organizations avoid noncompliance and costly default judgments. ADP employs more than 350 professionals who are focused exclusively on ADP's compliance solution. This includes associates who follow and track detailed, ever-changing regulations and laws at the local, state and federal level.

Savings. ADP Garnishment Services saves companies money in a number of ways, from bank-related fees to mailing costs to the administrative impact on payroll, accounts payable, legal, human resources, and information technology. In addition, since garnishment processing is an ADP core competency, clients benefit from higher quality and increased efficiency due to economies of scale. Meanwhile, outsourcing costs are lower than the cost of maintaining the service in-house.

Lessened risk of liability. ADP assumes responsibility for lien

interpretation, notification and payment requirements, which protects its clients against unwarranted, costly penalties and lawsuits.

Company control. ADP Garnishment Services ensures organizational control via online reporting and payment tracking. Clients continue to use their internal systems while outsourcing tedious, complex, and time-consuming garnishment tasks.

Continuity. Disaster recovery support is available through ADP Garnishment Services, as are daily data and system backups and routine, comprehensive testing.

Quality Assurance. Client feedback is constantly taken into account when looking to make improvements to ADP's back-end processing systems. These upgrades and improvements allow clients access to ADP's garnishment processing capabilities without the investment necessary to keep ever-changing technology up-to-date. Meanwhile, ADP bears the burden for the design, enhancement, and maintenance of back-end systems that support garnishments in

accordance with agency and court requirements, thereby freeing up employees to focus on core business objectives.

"We are pioneers of the industry, and we are technology leaders. We have invested over \$10 million in IT investment in the last two years," said Maurice Burrell, ADP's Director Product Marketing. "A number of organizations offer a full-service garnishments service, but there are a lot of loopholes and 'gotchas' out there, and as an employer, you really don't want to take the risk of noncompliance and the penalties that come with it. The ability to keep our clients in compliance and offer them a convenient solution is what sets us apart."

ADDED BENEFITS

In addition to the core benefits of ADP Garnishment Services, most notably ensuring the timeliness and compliance of employer garnishment payments, there are numerous other benefits and services associated with the implementation of the garnishments service.

"We are very proud of our Garnishment Services offering and the value it provides to our clients," said Gary Lott, Divisional Vice President/General Manager, AVS-Compliance and Payment Solutions. "Our clients tell us that managing the ever-changing compliance landscape and assuring timely processing and remittance of garnishment orders is something they value greatly."

Client Training. ADP Garnishment Services comes standard with training courses and materials for clients interested in learning more about ADP's service. ADP's training program is designed to quickly bring an organization's payroll team in line with the solution's full breadth and scope. Every training curriculum is tailored to the client and includes the implementation of functional applications of the system. As is the case with quality assurance, client feedback is taken into account when

making enhancements and modifications to the training portion of the solution.

Implementation. ADP doesn't simply enter the implementation process with the notion that all clients are the same. Rather, ADP takes into account each client's specific needs and works with them to share the responsibility of the implementation process. Functional and technical experts work with clients to ensure a sound implementation that yields a profitable, long-lasting business partnership.

ADP's implementation specialists also assist clients through the first entire processing, thus ensuring that clients are apprised and up-to-speed with the entire processing flow. These specialists are available to all clients from 30-45 days through transition.

Security. All ADP client data is confidential, and risk assessments are conducted to continually evaluate and modify ADP security procedures. ADP also houses an enterprise-wide information security program that assists its business units with developing policies and practices to help provide legal and audit support to those business units.

Support Team. Each ADP Garnishment Services client is assigned an account manager, whose role is to work directly with that client and its employees. Direct-dial telephone numbers, voicemail, fax, and email capabilities are all supported forms of communication. In addition, roughly half of ADP associates are fluent in more than one language.

Call Center. ADP Garnishment Services also provides call center support to answer questions from custodial parents, employees, and other payees, such as courts, agencies, and attorneys. The solution center keeps a record of every call ever received and made, as well as who the caller was, their purpose, and the final resolution.

"We offer more than just a call cen-

ter—our specialists manage our client relationships and only take garnishments-related calls," Rojo said. "For an employer that manages this processing internally, you gain nothing from taking these calls, and sometimes these calls can get quite emotional. After all, when things are going well, people rarely call to tell you how happy they are with their garnishment processing."

ABOUT ADP

ADP, with nearly \$9 billion in revenues and about 550,000 clients, is one of the world's largest providers of business outsourcing solutions. Leveraging more than 60 years of experience, ADP offers a wide range of HR, payroll, tax, and benefits administration solutions from a single source. ADP's easy-to-use solutions for employers provide superior value to companies of all types and sizes. ADP is also a leading provider of integrated computing solutions to auto, truck, motorcycle, marine, and recreational vehicle dealers throughout the world. For more information about ADP or to contact a local ADP sales office, call 800-225-5237 or visit the company's website at www.adp.com/mypaytech2. ■

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APA's sister organization, the American Accounts Payable Association (AAPA), is the authority for the latest news and trends in the accounts payable field. AAPA offers training, publications, and many more membership benefits, all designed to help accounting and finance professionals get the most out of their careers. Get more information at www.americanap.org.



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Want to turn the cost of processing garnishment claims into a competitive advantage?

ADP Garnishment Services helps employers turn the cost of doing business into a competitive advantage by offloading the complex, time-consuming and costly task of garnishment processing. Tightly integrated with leading payroll systems, ADP Garnishment Services helps free up valuable resources to focus on what matters – core business objectives.



To learn more about ADP Garnishment Services, call 800-Call-ADP and mention Paytech Garnishments or go to www.adp.com/mypaytech2.

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