

Electronic Wage Payments

an electronic solution for paying wage
attachments

Wisconsin Department of Revenue

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Wage Attachment Payments

- Employers have three ways to pay
 - Check
 - My Tax Account – manual entry
 - ACH Credit – file transfer

Wage Attachment Payments

- Checks – require manual processing to create a payment voucher.
- WI DOR creates @ 80,000 manual vouchers annually.
- Represents 44% of payments received

Wage Attachment Payments

- My Tax Account – an electronic solution for smaller employers
 - Displays all active wage attachments by employee.
 - Displays the current balance due.
 - Employer can enter payments for one or multiple employees.
 - Employer can send non-payment answer: No longer employed, on leave/layoff

Wage Attachment Payments

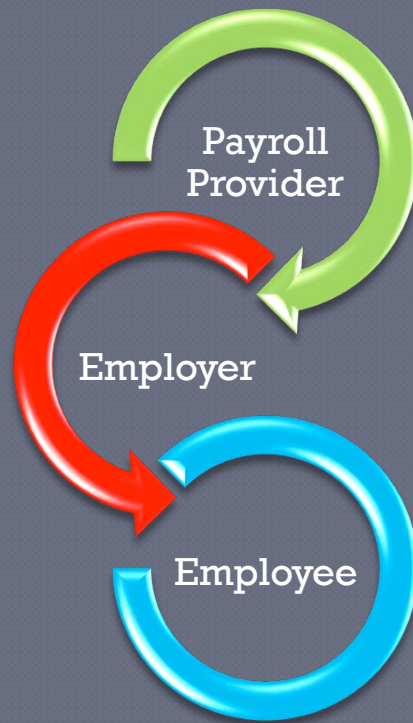
- My Tax Account – uses ACH Debit transactions.
- DOR receives @ 50,000 payments annually through My Tax Account
- Represents 29% of payments received

Wage Attachment Payments

- ACH Credit transaction with TPP addenda
-Standard schema
 - Great for larger employers or third party payroll agents
 - Send payments for multiple employees in one ACH file
 - Paychex and ADP are participating
- Represents 27% of payments received.

TPP file addenda

- What makes the TPP addenda different?
 - TPP works best for 3rd party relationships.



TPP file addenda

○ Addenda file elements

1 File Header Record

5 Company/Batch Header Record

6/7 Entry Detail Record
Addenda Record

6/7 Entry Detail Record ...
Addenda Record ...

8 Company/Batch Control Record

9 File Control Record

TPP file addenda

- Addenda Record identifies employer and employee.

Field	Description
TPP01	Wage attachment tax type code
TPP02	Third party (employer FEIN)
TPP03	Date (payroll date)
TPP04	Amount
TPP05	Taxpayer ID (truncated or full SSN)
TPP06	Taxpayer Name
TPP07	Reference ID (letter ID, or payment key)

Wage Attachment Payments

- If we go back to FY2011 to compare:

Fiscal Year	Checks	ACH Credit	My Tax Account
2011	51%	20%	29%
2014	44%	27%	29%

Wage Attachment Payments

○ Outreach

- Large employers and third party payroll companies like TPP.
- Wisconsin has worked with Paychex, ADP, Target Corporation, and Roundy's.
- ACH credit files are easily integrated into existing payroll systems.

Wage Attachment Payments

○ Lessons learned

- States use the TPP07 field differently, not all companies are prepared for that.
- Clean-up may be necessary on employer end.
- We found that some payroll companies are not distinguishing Tax from Child Support.
- Payroll companies can be flexible on tax type code. FTA recommends '209', but Wisconsin uses '15030'.

Questions?

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