

The attached instructions are for employers who have employees that are subject to wage garnishment in connection with the Federal Student Loan Program.

THE STUDENT LOAN PROGRAM

PROGRAM OVERVIEW

The Federal Family Education Loan Program, formerly called the Guaranteed Student Loan Program, was created by the Higher Education Act of 1965 in an effort to provide incentives for the use of private capital to fund low-interest, long-term loans for postsecondary education. Students go to private lenders for an education loan, and the lender's risk is nearly eliminated by a guarantee from the federal government. Guarantors such as **UNITED STUDENT AID FUNDS®** handle the administration of the loan program at the state level on behalf of the federal government. Guarantor administrative responsibilities include the loan guarantee, claim payment, compliance with student loan regulations, and collection of defaulted loans. When a student fails to repay the loan and enters default (becomes 270 days past due), the holder of the loan(s) files a claim with **UNITED STUDENT AID FUNDS®** to cover the amount. **UNITED STUDENT AID FUNDS®** examines the claim to ensure that it was properly serviced by the lender, and pays the lender. Once a claim is paid, **UNITED STUDENT AID FUNDS®** files for reinsurance on the loan(s) with the U.S. Department of Education. At the same time, **UNITED STUDENT AID FUNDS®** begins collection efforts by contracting with various collection contractors. These contractors use various tools, including phone calls, letters, and withholding federal (and in some cases, state) tax refunds and other benefit payments from defaulted borrowers.

DEFAULT RATES

Most students repay their debts. Approximately 15 percent of borrowers in this program fail to repay their loans. Many of these borrowers are employed and able to make payments.

DEFAULT PREVENTION and COLLECTION

The FFELP offers a variety of incentives and penalties designed to prevent student loan defaults. As a result, guarantors have substantially increased default prevention efforts. In addition, Congress has passed a law that will help **UNITED STUDENT AID FUNDS®** and the Education Department collect on these defaulted loans through the administrative withholding of a defaulted borrower's wages.

LEGISLATIVE AUTHORITY

Public Law 102-164; 20 U.S.C. §1095(a) et seq. allows **UNITED STUDENT AID FUNDS®** to administratively garnish up to 15 percent of the debtor's disposable pay until the defaulted loan has been paid in full. This law supersedes any state's laws governing wage garnishment.

UNITED STUDENT AID FUNDS® believes wage withholding will encourage many defaulted borrowers to repay their loans. In those cases where borrowers continue to refuse to honor their obligations, wage withholding becomes an effective debt-collection tool.

COLLECTION AUTHORITY

The Education Department permits a guarantor to contract with a collection contractor to perform, on the guarantor's behalf, many of the activities needed for the agency to collect by AWG under the federal regulations governing AWG (34 CFR 682.410(b)(9)). Such administrative activities include the identification of suitable candidates for wage garnishment if done in accordance with specific standards adopted by the guarantor; obtaining employment information on these individuals for the exclusive purpose of garnishment; sending candidates selected for garnishment a notice prescribed by the guarantor to explain the garnishment action the guarantor proposes to take, the debtor's right to object to the proposed action, and an opportunity to negotiate an alternate repayment arrangement; responding to inquiries from notified candidates regarding requests for documents pertaining to the debt, for a hearing, or for repayment arrangements and negotiating such arrangements; and receiving garnishment payments from a debtor's employer.

BASIC STEPS to FOLLOW THE WAGE WITHHOLDING PROCESS

PROCEDURE

1. Read the Order of Withholding from Earnings. It contains the instructions on how to withhold and pay the required amounts.
2. Calculate and deduct the amount to be withheld from the debtor's pay for the first pay period that occurs after the employer receives the withholding order.
3. Send the amount deducted to **EOS CCA** according to the instructions.
4. Repeat steps 2 and 3 each payday

EMPLOYER NOTIFICATION

EOS CCA will send the employer an Order of Withholding from Earnings form which provides the debtor's name, address, and Social Security number as well as instructions for withholding. An additional copy of the Order is provided for you to give to the debtor. A sample form is provided as **Attachment A**.

EMPLOYER ACTION

Employers should respond by completing and returning the Employer Acknowledgment of Wage Withholding form (**Attachment B1**) within 10 business days. If the debtor no longer is employed by your organization when you receive the Order, simply indicate this fact on the form and return the form to the indicated mailing address.

EMPLOYEE NOTIFICATION

The debtor already will have been given notice that withholding will occur. Before you receive an order, the debtor has received:

- Numerous notices of delinquency and a Notice Prior to Wage Withholding.
- An opportunity to contest the withholding and information about his or her rights and responsibilities in the process.
- An opportunity to avoid wage withholding by entering into a voluntary repayment agreement with **UNITED STUDENT AID FUNDS®**.

You have received the Order of Withholding from Earnings because the debtor:

- Did not request such a hearing within the time required under the law; or
- The hearing was held and the hearing officer determined the debtor did not have sufficient grounds to avoid garnishment

AMOUNT of WITHHOLDING

The instructions below explain how to calculate the amount of earnings to be withheld.

1. Read the Order of Withholding from Earnings form.
2. Identify the debtor named in the Order.
3. Identify the debtor's gross earnings for the pay period. *Earnings* of the debtor represent the compensation paid or payable for personal services, whether denominated as wages, salary, commission, and bonus or otherwise.
4. Identify amounts that can be excluded from withholding. These are limited to amounts required by law to be held, such as state (if applicable) and federal income tax, federal FICA or OASI tax (Social Security). The employer should not include deductions for savings bonds, employee contributions to retirement plans or health insurance, for example.
5. Calculate disposable earnings by subtracting excluded amounts (step 4) from the debtor's gross earnings (step 3).
6. Calculate the required withholding by multiplying the debtor's disposable earnings (step 5) by 0.15. The result is the amount to withhold from the debtor's wages each payday. The employer may round off the figure to a flat dollar amount, as long as the resulting figure does not exceed 15 percent of the debtor's disposable pay.

HOW to REMIT the EARNINGS WITHHELD

1. Process a check for the required withholding amount calculated according to the instructions above. Make checks payable to **EOS CCA**.
2. Be sure each check includes the information below.
 - Debtor Name
 - Debtor Social Security Number
 - Employer Name
 - Notification Indicating This Is A Wage Withholding Payment or Payments
 - Employer's Federal Employer Identification Number

FREQUENCY of PAYMENT

Although deductions should be made at each pay period, whether weekly, bi-weekly, semi-monthly, or other frequency, remittance to **EOS CCA** need not be made more than once each month. The employer is not required to change its normal pay and disbursement cycles to comply with the Withholding Order.

TWO or MORE DEBTORS

If the employer is making payments to **EOS CCA** for two or more debtors, the employer may combine payments, as long as the check stub or transmittal sheet details the employee name, Social Security number, and amount remitted for each debtor.

LIMITS REQUIRED BY LAW

The Consumer Credit Protection Act (15 USCA Section 1671 et seq.) provides for a 25 percent limit to the total amount of wages which can be withheld from an individual. If the debtor in question is subject to multiple garnishments, this limit may affect the amount which may be withheld for student loan debts. As a general rule, if the debtor already has 25 percent or more of his or her wages withheld at the time you receive the Order, you may not withhold additional amounts for student loan debts. If the amount being withheld is less than 25 percent, you should still withhold up to that limit, but contact **EOS CCA** to advise of the reduced withholding percentage.

PRIORITIES

Generally, garnishments must be satisfied in the order in which they are issued to the employer, up to the maximum amount subject to that kind of garnishment order.

- Federal student loan garnishments (such as the Order) do not have duration limitations; they do not end until:
 - The debt is paid in full (NOTE: The total amount the debtor owes is more than the amount indicated on the Order under Total Amount Currently Due, because, among other factors, interest continues to accrue).
 - The employer's obligation to pay the debtor otherwise has ended.
 - A bankruptcy stay suspends the garnishment.
 - The debt is discharged or otherwise resolved.
- Garnishments for child support or IRS tax levy take precedence over withholding for student loan debts, regardless of when they begin. If you receive a garnishment order for child support or IRS tax levy after you have received our AWG Order, contact **EOS CCA** that issued the AWG Order.

WHEN TO STOP WITHHOLDING

RELEASE OF ORDER

To inform an employer to stop withholding, **EOS CCA** will send a Release from the Order of Withholding from Earnings form to the employer. A sample release form is included as **Attachment C**. The employer should continue to withhold earnings from the debtor's paycheck until notified by such a release that the employer is no longer responsible for withholding the earnings of the debtor. The employer should then complete and return the Acknowledgment of Release of Withholding form (**Attachment D**) which will be provided with the Release.

WHEN THE DEBTOR ENDS EMPLOYMENT

When a debtor from whom the employer has been withholding earnings terminates employment, the employer must notify **EOS CCA** in writing within 10 business days. In addition, the employer also must supply the debtor's last known address and the name and address of the debtor's new employer, if known. This requirement will help so that the debtor can be located and that the new employer will be notified promptly of the withholding requirement. Income earned through the termination date, and other compensation, such as severance pay is subject to withholding. Forms for this purpose (**Attachment E**) are provided in this handbook for your convenience. Please make copies as needed.

EMPLOYER COMPLIANCE

Employers can help keep reduce taxpayers' costs for the student loan program by complying with these wage withholding procedures. There are penalties for non-compliance with the order and for retaliation against employees.

NONCOMPLIANCE

If the employer fails to withhold wages following the receipt of the order, **UNITED STUDENT AID FUNDS®** may sue the employer to recover any amount that such employer fails to withhold from wages due an employee, plus attorney fees, costs and punitive damages, at the court's discretion.

RETALIATION

Under federal law, an employer may not discharge from employment, refuse to employ, or take disciplinary action against an individual simply because that individual is subject to wage withholding. The affected employee may sue an employer who takes such action, and should the employee prevail, the court must award attorney fees, may order reinstatement of the individual, award punitive damages and back pay to the employee, or order such other remedy as may be reasonable and necessary.

INQUIRIES

CORRESPONDENCE ADDRESS

If the employer has any questions about wage withholding for defaulted student loans, please contact **EOS CCA**.

PUBLIC LAW 102-164; 20 U.S.C. 1095a et seq.

Wage Garnishment requirement

(a) Garnishment requirements

Notwithstanding any provisions of State law, a guaranty agency, or the Secretary in the case of loans made, insured or guaranteed under this subchapter that are held by the Secretary, may garnish the disposable pay of an individual to collect the amount owed by the individual if he or she is not currently making required repayment under a repayment agreement with the Secretary, or, in the case of a loan guaranteed under part B of this subchapter on which the guaranty agency received reimbursement from the Secretary under section 1078(c) of this title, with the guaranty agency holding the loan, as appropriate, provided that -

- (1) the amount deducted for any pay period may not exceed 15 percent of disposable pay, except that a greater percentage may be deducted with the written consent of the individual involved;
- (2) the individual shall be provided written notice, sent by mail to the individual's last known address, a minimum of 30 days prior to the initiation of proceedings, from the guaranty agency or the Secretary, as appropriate, informing such individual of the nature and amount of the loan obligation to be collected, the intention of the guaranty agency or the Secretary, as appropriate, to initiate proceedings to collect the debt through deductions from pay, and an explanation of the rights of the individual under this section;
- (3) The individual shall be provided an opportunity to inspect and copy records relating to the debt;
- (4) the individual shall be provided an opportunity to enter into a written agreement with the guaranty agency or the Secretary, under terms agreeable to the Secretary, or the head of the guaranty agency or his designee, as appropriate, to establish a schedule for the repayment of the debt;
- (5) the individual shall be provided an opportunity for a hearing in accordance with subsection (b) of this section on the determination of the Secretary or the guaranty agency, as appropriate, concerning the existence or the amount of the debt, and, in the case of an individual whose repayment schedule is established other than by a written agreement pursuant to paragraph (4), concerning the terms of the repayment schedule;
- (6) the employer shall pay to the Secretary or the guaranty agency as directed in the withholding order issued in this action, and shall be liable for, and the Secretary or the guaranty agency, as appropriate, may sue the employer in the State or federal court of competent jurisdiction to recover, any amount that such

employer fails to withhold from wages due an employee following receipt of such employer of notice of the withholding order, plus attorney's fees, costs, and, in the court's discretion, punitive damages, but such employer shall not be required to vary the normal pay and disbursement cycles in order to comply with this paragraph;

(7) if an individual has been reemployed within 12 months after having been involuntarily separated from employment, no amount may be deducted from the disposable pay of such individual until such individual has been reemployed continuously for at least 12 months; and

(8) an employer may not discharge from employment, refuse to employ, or take disciplinary action against an individual subject to wage withholding in accordance with this section by reason of the fact that the individual's wages have been subject to garnishment under this section, and such individual may sue in a State or federal court of competent jurisdiction any employer who takes such action. The court shall award attorney fees to a prevailing employee, or order such other remedy as may be reasonably necessary.

(b) Hearing Requirements

A hearing described in subsection (a) (5) shall be provided prior to issuance of a garnishment order if the individual, on or before the 15th day following the mailing of the notice described in subsection (a) (2), and in accordance with such procedures as the Secretary or the head of the guaranty agency, as appropriate, may prescribe, files a petition requesting such a hearing. If the individual does not file a petition requesting a hearing prior to such date, the Secretary or the guaranty agency, as appropriate, shall provide the individual a hearing under subsection (a)(5) upon request, but such hearing need not be provided prior to issuance of a garnishment order. A hearing under subsection (a) (5) may not be conducted by an individual under the supervision or control of the head of the guaranty agency, except that nothing in this sentence shall be construed to prohibit the appointment of an administrative law judge. The hearing official shall issue a final decision at the earliest possible date, but not later than 60 days after the filing of the petition requesting the hearing.

(c) Notice requirements

The notice to the employer of the withholding order shall contain only such information as may be necessary for the employer to comply with the withholding order.

(d) Disposable pay defined

For the purpose of this section, the term disposable pay means that part of the compensation of any individual from an employer remaining after the deduction of any amounts required by law to be withheld.

(Pub.L. 89-329, title IV, § 488A, as added Pub.L. 102-164, Title VI, § 605(a), Nov. 15, 1991, 105 Stat. 1066.)

PRIVACY ACT NOTICE

The Privacy Act of 1974 (5 U.S.C. 552a) requires that an agency provide the following notice to each individual it asks to supply information:

1. The authority for collecting the requested information is 4 C.F.R. Section 101.
2. The principal purpose and routine use of the information is to evaluate your ability to pay the government's claim.
3. Disclosure of the information is voluntary; failure to disclose will result in demand for payment in full.
4. Section 7(a)(2) provides that an agency may continue to require disclosure of an individual's Social Security number as a condition for the granting of a right, benefit, or privilege provided by law where the agency required this disclosure under statute or regulation prior to January 1, 1975, in order to verify the identity of an individual.

EMPLOYER INSTRUCTIONS for COMPLYING WITH THE ORDER of WITHHOLDING

The first copy of the order is for the employer's file. The second copy is to be given to the debtor by the employer.

AUTHORITY of WAGE WITHHOLDING

UNITED STUDENT AID FUNDS® has been directed by federal law (P.L. 102-164; 20 U.S.C. § 1095(a) et seq), to order employers of debtors with defaulted student loans to withhold 15 percent of the disposable wages of those debtors for payment of their student loans. This federal law expressly overrides any state law to the contrary.

CALCULATING DISPOSABLE PAY

First, determine the gross earnings of the debtor, which means compensation paid or payable for personal services, whether denominated as wages, salary, commission, bonus, or otherwise.

Then, subtract any amounts required by law to be withheld, for example, state (if applicable) and federal income tax, and federal FICA or OASI tax (Social Security). You should not include deductions for savings bonds, employee contribution to retirement plans, or health insurance, for example.

AMOUNT of DEDUCTION

The order references 15 percent of disposable pay. As long as the resulting figure does not exceed 15 percent of the debtor's disposable pay, the figure may be rounded off to a flat dollar amount, particularly if payrolls are computerized, and the system cannot accommodate percentages.

WHEN to BEGIN DEDUCTIONS and PAYMENTS

Deductions from the debtor's pay and subsequent remittance to **EOS CCA** should begin with the first pay period that occurs after the issuance date set forth in the Withholding Order.

FREQUENCY of REMITTANCE

Although deductions must be made at each pay period, whether weekly, bi-weekly, semi-monthly, or other frequencies, remittance to **EOS CCA** need not be made more than once each month. The employer is not required to change its normal pay and disbursement cycles to comply with the Withholding Order.

TERMS of the WITHHOLDING ORDER

The employer is required to withhold the appropriate amount from the debtor's wages for each pay period from the issuance date of the Withholding Order until the employer receives a Release of the Order form or other notification from **UNITED STUDENT AID FUNDS®** to discontinue wage withholding for a particular debtor.

WHEN the TOTAL AMOUNT of the ORDER HAS BEEN PAID

UNITED STUDENT AID FUNDS® will notify the employer of the final withholding payment for a particular debtor, and once a debtor's loan(s) is paid in full, the Order of Withholding will be released.

EMPLOYER ACKNOWLEDGMENT of WAGE WITHHOLDING OBLIGATION

This Acknowledgment has been delivered to the employer along with the Withholding Order. The employer must complete the Acknowledgment and return it to **EOS CCA** within 10 business days.

IF DEBTOR NO LONGER IS EMPLOYED by the EMPLOYER WHEN the ORDER IS ISSUED

Return the Order and the completed Acknowledgment of Wage Withholding form to **EOS CCA** within 10 business days of this receipt to preclude any liability for failure to comply with the Order. The employer should include the debtor's last known address and, if known, the name and address of the debtor's new employer.

NOTICE of CHANGE of EMPLOYMENT

Also enclosed with the Withholding Order is a Notice of Change in Employment form, which the employer should retain in its records. If a debtor subject to wage withholding terminates employment with the employer, the employer must fill out this form and, within 10 business days of the termination date, return it to **EOS CCA**. Such notice will stop any further liability for deductions and payments and will provide grounds for the Release of the Withholding Order. The employer must provide the debtor's last known address and the name and address of the debtor's new employer, if known.

TWO OR MORE DEBTORS SUBJECT to WAGE WITHHOLDING

Separate checks may be sent for each debtor's payment, or payments for two or more debtors may be placed in a single check, so long as the individual names, the Social Security numbers, and payment amounts are shown on the check or stub or other accompanying form.

LIABILITY of EMPLOYERS WHO FAIL to COMPLY WITH WITHHOLDING ORDER

Under Federal Law, if the employer fails to withhold wages following receipt of the Withholding Order, **UNITED STUDENT AID FUNDS®** may sue the employer in a state or federal court to recover any amount that the employer fails to withhold, plus attorney fees, court costs, and per the court's discretion, punitive damages.

LIABILITY of EMPLOYERS WHO RETALIATE AGAINST EMPLOYEES

Also under the federal law, an employer may not discharge from employment, refuse to employ, or take disciplinary action against an individual subject to wage withholding for defaulted student loans. The affected employee may sue an employer who takes such action in a state or federal court of competent jurisdiction. If the employee prevails in such a suit, the court must award attorney fees and, in its discretion, may order reinstatement of the individual, punitive damages and back pay, or other remedies as may be reasonable and necessary.

PRIOR NOTICE to DEBTOR

UNITED STUDENT AID FUNDS® previously has notified the debtor that his or her wages are subject to wage withholding, and the debtor has been provided an opportunity to voluntarily enter into a repayment agreement or to obtain a hearing concerning the existence or amount of this debt prior to the issuance of the Withholding Order.

IF THE EMPLOYER HAS QUESTIONS REGARDING THE WITHHOLDING PROCESS

Contact: **EOS CCA**

INSTRUCTIONS FOR EMPLOYERS

PAYMENT PROCESSING

All payments received from employers will be applied to the debtor's account effective the date of receipt.

HEARING PROCEDURES

Hearings will be scheduled and conducted by **EOS CCA** on behalf of **UNITED STUDENT AID FUNDS®**. **UNITED STUDENT AID FUNDS®** will be represented at the hearing by a designated official of **EOS CCA**. Individuals who are not under the supervision or control of the grantor will serve as Administrative Hearing Judges at our hearings. The following provides a basic description of the hearing process.

PROCEDURES

STEP ACTION

1. The debtor will receive a Request for Hearing form along with the Notice Prior to Wage Withholding form. The debtor will be required to complete the form and return it to **EOS CCA**.
2. **EOS CCA** will review the request and schedule a time and date for the hearing to take place.
3. The debtor is notified of the time and date of the hearing.
4. The hearing is held at the agreed time, either in person, by telephone, or in writing.

IF...

the debtor requested a telephone hearing and is not available at the agreed time for his/her telephone hearing...

the hearing is held as scheduled

THEN...

the telephone hearing will automatically be changed to a written review, and a decision will be rendered based on the information provided on/with the "Request for Hearing" form and the information made available.

the debtor will be informed of the hearing officer's decision within 60 days of the date the hearing was requested.

COLLECTION PROCEDURES



1. Account is referred for Administrative Wage Garnishment proceedings.
2. Check account against criteria.
 - * Correct current address.
 - * Employment verified, including salary and address of payroll department.
3. Send Notice Prior to Wage Withholding form to debtor. This notice will include deadlines within which the debtor must respond in order to avoid withholding.
4. Review the account in the 15-day deadline stated in the debtor's Notice. The debtor's response will determine the next action. The debtor can respond by contacting the guarantor for repayment arrangements, a request for a hearing, or may make no response.

IF...

THEN...

The debtor contacts the guarantor to enter repayment

establish voluntary repayment agreement.

The debtor fails to make a scheduled payment within a ten (10) day grace period, or provide a credible reason for the above

perform steps 1-3. The debtor will not be given the opportunity to enter into a voluntary repayment agreement a second time.

The debtor's request for a hearing is received between the 15-30 day deadline

document the account, suspend the activity, and coordinate the hearing date.

The debtor makes no response, or responds after the 30th day

proceed to Step 5

5. Review the account on the 30-day deadline stated in the Notice. If there has been no response, send the ***Order of Withholding from Earnings*** form along with the Employer's Handbook via certified mail to the employer. The employer will have ten (10) business days to complete and return the Acknowledgment of Wage Withholding.
6. Payment should commence within 30-45 days.

PUBLIC LAW 102-164; 20 U.S.C. §1095(a) et seq.

§ 1095a. Wage Garnishment requirement

(a) Garnishment requirements

Notwithstanding any provisions of State law, a guaranty agency, or the Secretary in the case of loans made, insured are guaranteed under this subchapter that are held by the Secretary, may garnish the disposable pay of an individual to collect the amount owed by the individual if he or she is not currently making required repayment under a repayment agreement with the Secretary, or, in the case of a loan guaranteed under part B of this subchapter on which the guaranty agency received reimbursement from the Secretary under section 1078(c) of this title, with the guaranty agency holding the loan, as appropriate, provided that -

- (1) the amount deducted for any pay period may not exceed 15 percent of disposable pay, except that a greater percentage may be deducted with the written consent of the individual involved;
- (2) the individual shall be provided written notice, sent by mail to the individual's last known address, a minimum of 30 days prior to the initiation of proceedings, from the guaranty agency or the Secretary, as appropriate, informing such individual of the nature and amount of the loan obligation to be collected, the intention of the guaranty agency or the Secretary, as appropriate, to initiate proceedings to collect the debt through deductions from pay, and an explanation of the rights of the individual under this section;
- (3) The individual shall be provided an opportunity to inspect and copy records relating to the debt;
- (4) the individual shall be provided an opportunity to enter into a written agreement with the guaranty agency or the Secretary, under terms agreeable to the Secretary, or the head of the guaranty agency or his designee, as appropriate, to establish a schedule for the repayment of the debt;
- (5) the individual shall be provided an opportunity for a hearing in accordance with subsection (b) of this section on the determination of the Secretary or the guaranty agency, as appropriate, concerning the existence or the amount of the debt, and, in the case of an individual whose repayment schedule is established other than by a written agreement pursuant to paragraph (4), concerning the terms of the repayment schedule;
- (6) the employer shall pay to the Secretary or the guaranty agency as directed in the withholding order issued in this action, and shall be liable for, and the Secretary or the guaranty agency, as appropriate, may sue the employer in the State or federal court of competent jurisdiction to recover, any amount that such employer fails to withhold from wages due an employee following receipt of such employer of notice of the withholding order, plus attorney fees, costs, and, in the court's discretion, punitive damages, but such employer shall not be required to vary the normal pay and disbursement cycles in order to comply with this paragraph;

(7) if an individual has been reemployed within 12 months after having been involuntarily separated from employment, no amount may be deducted from the disposable pay of such individual until such individual has been reemployed continuously for at least 12 months; and

(8) an employer may not discharge from employment, refuse to employ, or take disciplinary action against an individual subject to wage withholding in accordance with this section by reason of the fact that the individual's wages have been subject to garnishment under this section, and such individual may sue in a State or federal court of competent jurisdiction any employer who takes such action. The court shall award attorney fees to a prevailing employee, or order such other remedy as may be reasonably necessary.

(b) Hearing Requirements

A hearing described in subsection (a)(5) shall be provided prior to issuance of a garnishment order if the individual, on or before the 15th day following the mailing of the notice described in subsection (a)(2), and in accordance with such procedures as the Secretary or the head of the guaranty agency, as appropriate, may prescribe, files a petition requesting such a hearing. If the individual does not file a petition requesting a hearing prior to such date, the Secretary or the guaranty agency, as appropriate, shall provide the individual a hearing under subsection (a)(5) upon request, but such hearing need not be provided prior to issuance of a garnishment order. A hearing under subsection (a)(5) may not be conducted by an individual under the supervision or control of the head of the guaranty agency, except that nothing in this sentence shall be construed to prohibit the appointment of an administrative law judge. The hearing official shall issue a final decision at the earliest possible date, but not later than 60 days after the filing of the petition requesting the hearing.

(c) Notice requirements

The notice to the employer of the withholding order shall contain only such information as may be necessary for the employer to comply with the withholding order.

(d) Disposable pay defined

For the purpose of this section, the term disposable pay means that part of the compensation of any individual from an employer remaining after the deduction of any amounts required by law to be withheld.

(Pub.L. 89-329, title IV, § 488A, as added Pub.L. 102-164, Title VI, § 605(a), Nov. 15, 1991, 105 Stat. 1066.)