

BELOW ARE INSTRUCTIONS ON HOW TO PROCEED WITH A DELAWARE DIVISION OF REVENUE COURT-ORDERED WAGE GARNISHMENT.

- If the individual is employed by your company, please return one copy of the garnishment signed by the paymaster to the Division of Revenue. You may fax that signed document to Garnishment Services at 302-661-7268 or mail to: PO Box 8717, Wilmington, DE 19899-8717. The second copy is for your files, and the third copy should be distributed to your employee.
- If the individual is employed by your company and you fail to withhold and forward the garnished wages to the Division of Revenue, it will result in the filing of a lawsuit in the Superior Court against your company for an amount equal to the funds that should have been withheld from your employee's wages. The Division of Revenue will then proceed to collect the designated sum from your company.
- When the individual is no longer employed, please contact us via writing advising date of separation along with any other pertinent information. This letter can also be faxed to us @ 302-661-7268 Attention: Garnishment Services.
- Should the individual be employed but have an existing garnishment, we have included a set of guidelines to assist you in calculating the amount to be withheld.
- In the event that the enclosed guidelines do not offer the answer to your questions, further assistance is available by calling 302-577-8208 and requesting Garnishment Services.



***ATTENTION: PLEASE READ BEFORE
CONTACTING THE DIVISION OF REVENUE***

**THE FOLLOWING INFORMATION MUST APPEAR
ON ALL CHECKS OR INVOICES WHEN YOU
SUBMIT PAYMENTS TO THE DELAWARE
DIVISION OF REVENUE FOR THE ENCLOSED
GARNISHMENT:**

NAME OF EMPLOYEE / TAXPAYER

**SOCIAL SECURITY/ FEDERAL IDENTIFICATION
NUMBER**

**THE TAX PERIOD , TAX TYPE AND CASE NUMBER
(LOCATED AT THE TOP RIGHT SIDE OF THE
COVER LETTER)**

**THE TERM T/W TO INDICATE THAT THE CHECK
IS A PAYMENT ON A WAGE/BANK GARNISHMENT
THE ABOVE STEPS WILL INSURE THAT
PAYMENTS ARE CREDITED TO THE PROPER
ACCOUNT.**

THANK YOU

THE FOLLOWING GUIDELINES WILL ASSIST YOU IN COMPLYING WITH THE LAWS GOVERNING GARNISHMENT OF WAGES AND/OR BANK ATTACHMENTS AS THEY APPLY TO THE STATE OF DELAWARE WAGE/BANK ATTACHMENTS FOR DELINQUENT TAXES.

Wages are defined to include salaries, commissions and every other form of remuneration paid by an employer to an employee.

“Allowable deductions” are these items which may be deducted from gross income to determine disposable income and required by law to be withheld. These mandatory withholdings are limited to federal, state, local taxes and F.I.C.A.

An employee has no exemption under federal or state law from a state tax garnishment.

There may be withholding for more than 1 lien at the same time.

Court ordered child support under Delaware law takes precedence over a previously served state tax garnishment. Priority is determined on a “first to serve” basis in situations involving State and Federal Tax Garnishments and creditor Garnishments.

Under federal law the amount subject to court ordered support is limited to fifty (50%) of disposable earnings, if the employee supports a spouse or dependent and sixty (60%) if the employee is not supporting a spouse or dependent. (15 USC § 1673 (B)). Putting these rules together one sees that a state tax garnishment should not cause a court ordered support garnishment to exceed the appropriate percentage of disposable earnings (50% or 60%). If the support garnishment is prior to or is subsequent to the state tax garnishment, the employer must notify Division of Revenue of the existence of the court ordered support garnishment and make partial payments up to the limited allowed.

In situations where a state tax garnishment is served subsequent to a creditor garnishment, the Division of Revenue must be notified of the existence of the creditor garnishment. The Division of Revenue will then notify the employer as to the amount that must be withheld in addition to the creditor garnishment.

Partial payments are permitted only as described in the preceding information.

All garnishments do not have equal priority:

An employee wage assignment does not have priority over the state garnishment even when the wage assignment was first in time.

State tax garnishments have priority over an employer’s claim of offset to the employee’s wages.

When there is a Child Support or Federal garnishment, the following calculation needs to be

made to determine the amount subject to garnishment for Delaware taxes:

- A.** Determine the disposable earnings by deducting federal taxes, state taxes, F.I.C.A., Medicare and city taxes from the employee's gross earnings. This will give you the employee's net income. This amount will be multiplied by 50% to equal disposable earnings.

Gross earnings - federal taxes
- State taxes
- F.I.C.A
- Medicare
- City taxes (where applicable)

Equals net earnings X 50% = disposable earnings

- B.** Fifty percent (50%) of the net earnings equal disposable earnings. Subtract the amount of child support and/or Federal tax garnishments from the disposable earnings.
- C.** Disposable earnings times twenty-five (25%) percent.
- D.** The amount to be attached for the tax liability is either B or C, whichever is less.

EXAMPLES OF A, B, C ABOVE:

36.0 hours x \$5.00 an hour = \$180.00 per week
\$180.00 week x 52 weeks = \$9,360.00 per year
\$9,360.00 year ÷ 24 pays = \$390.00 gross per pay

A. \$390.00 Gross
- 24.18 FICA
- 5.66 Medicare
- 42.30 Federal
- 13.08 State
- 4.87 City

\$299.91 = Net pay x 50% = \$149.96 Disposable earnings
-75.00 Child support
-18.00 IRS

\$56.96

- C.** \$149.96 Disposable earnings x 25% = \$37.49

In this case the amount of C is the lesser amount so it becomes the amount of your withholding for this garnishment at \$37.49