



## Employer Lump Sum Reporting

Reporting lump sum payments helps reduce past-due child support, benefiting paying parents and their families. In FY 2023, past-due child support totaled over \$115 billion.

### Employer Lump Sum Payments

A *Lump Sum Payment* is a one-time payment to an employee. Some examples:

- Bonus
- Cash service award
- Commission
- Retroactive pay increase
- Sign-on bonus
- Severance pay
- Vacation pay

### CCPA Lump Sum Withholding Limits

Most lump sum payments qualify as earnings. The Department of Labor's [Opinion Letter CCPA2018-1NA](#) clarifies which ones are subject to withholding limits for child support under Title III of the Consumer Credit Protection Act (CCPA).

The CCPA limits the percentage that can be withheld from the lump sum for child support based on the paying parent's family situation and payment history. For more information, see [DOL's Fact Sheet #30](#).

### Reporting Timeframes

Report early! Notify the child support agency 30-45 days prior to issuing the lump sum payment.

### Ways to Report Lump Sum Payments

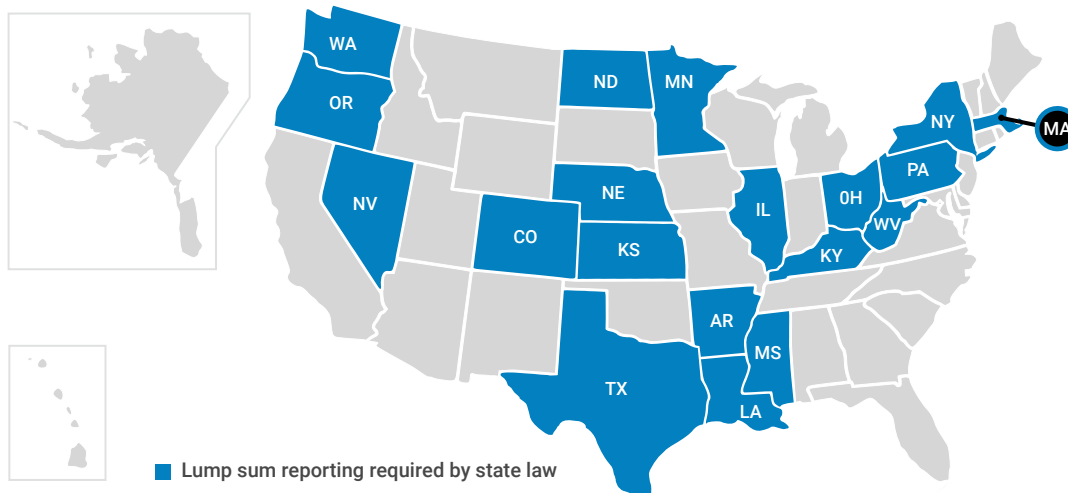
- [OCSS Child Support Portal](#) (notifies all states).
- [Electronic Income Withholding Order \(e-IWO\)](#) for participating employers.
- Directly to the child support agency that issued the IWO.

### Notice to Withhold from Lump Sum Payments

Not all child support agencies issue an IWO to withhold from a lump sum payment. Employers may receive other documents including:

- State specific form
- Lien or levy
- Order to withhold

Child support agencies may send the lump sum withholding document via mail, fax, secure email, or Communication Center on the Child Support Portal.



### Questions?

Email [EmployerServices@acf.hhs.gov](mailto:EmployerServices@acf.hhs.gov) or visit [acf.hhs.gov/css/employers](https://www.acf.hhs.gov/css/employers) for more information.