

AMERICAN PAYROLL ASSOCIATION

December 15, 2021

The Honorable Miguel Cardona
Secretary of Education
U.S. Department of Education
400 Maryland Avenue, SW
Washington, DC 20202

The Honorable Cindy Marten
Deputy Secretary
U.S. Department of Education

Mr. Richard Cordray
Federal Student Aid
U.S. Department of Education

Dear Secretary Cardona, Deputy Secretary Marten, and Mr. Cordray:

The American Payroll Association (APA) brings to your attention concerns regarding the management of involuntary student loan payments currently suspended until January 31, 2022. APA continues to support the temporary loan period because of the COVID-19 hardship; however, we are concerned about the administration of these loans when the hardship period ends, specifically related to orders for employers/payors to withhold from employees' wages.

The APA's concerns center around the following specific items related to the end of the suspension period:

The creation of a grace period for restarting the student loan set up. The APA respectfully request a more flexible grace-period to allow employers to receive and process orders. Typically, employers that receive these student loan orders must process and withhold on the first pay period after the order is issued. However, many employers will be receiving thousands of these new orders at one time and many of these must be manually processed into the employer's payroll system. While the mail volume will increase significantly due to the student loan orders resuming, many employers still have their employees working remotely because of COVID-19 concerns. This increased volume at one time, along with limited in-office personnel could create challenges in meeting the first pay period timeframe for set-up.

New Orders Needed. Following the end of the forbearance period, employers will require a new order if the student loan garnishment is to resume. The new order, like previous orders, must include the employee's identity, amount due at the time issued, the percentage to withhold, and where to remit payments. If the debt is still owed, the employer/payor must receive official documentation, based on federal laws, identifying the current amount owed and when to begin withholding from the employee's disposable earnings.

Payment location. The payment address must be clearly communicated on all new orders. Employers were previously notified that the current payment address was closed by the Department of Education. Employers will need to know whether the current payment address will be reopened, or a different address will be used for payments.

The APA would be pleased to discuss the re-issuance of payment orders or any communication to employers with you and your staff. You can reach us through Corrinne Flores at corrinne.flores@adp.com or 909-971-5858 and Alice Jacobsohn, Esq., at ajacobsohn@americanpayroll.org or 202-669-4001. Thank you for your attention to this matter.

Sincerely,



Corrinne Flores
Chair, Garnishments Subcommittee



Alice P. Jacobsohn, Esq.
Director, Government Relations

About the American Payroll Association

APA is a nonprofit association representing more than 20,000 payroll professionals throughout the United States. Some APA members work for payroll service providers who in turn process the payrolls for another 1.5 million employers, representing an aggregate total of one-third of the private-sector workforce.

APA's primary mission is to educate its members and the payroll industry regarding best practices associated with paying America's workers while complying with applicable federal, state, and local laws. In addition, the APA's Government Relations Task Force works with the legislative and executive branches of government to find ways to help employers satisfy their legal obligations, while minimizing the administrative burden on government, employers, and individual workers.