

INSTRUCTION SLIDE: REMOVE BEFORE PRESENTING

This deck tells a story that ties back to our XXX Confidence over Uncertainty EO – you chose best how to align to the uncertainty of "strained resources, technology and compliance risk" based on your audience.

Each slide now has **talking points in the speaker notes** of key items to focus on during your conversation.

The **hot opening's theme** is of untangling the pressure of managing garnishments (strained resources); relieving the pressure for internal company associates but also those that are garnished (using technology with a human touch); and simplifying a burdensome process that has no strategic reward (compliance risk).

Problem - impact to buyer (slides 4-6, 10)

Added **trends** to reinforce your point of view and make the case in relation to the uncertainty (slides 8-9).

Current/Future State

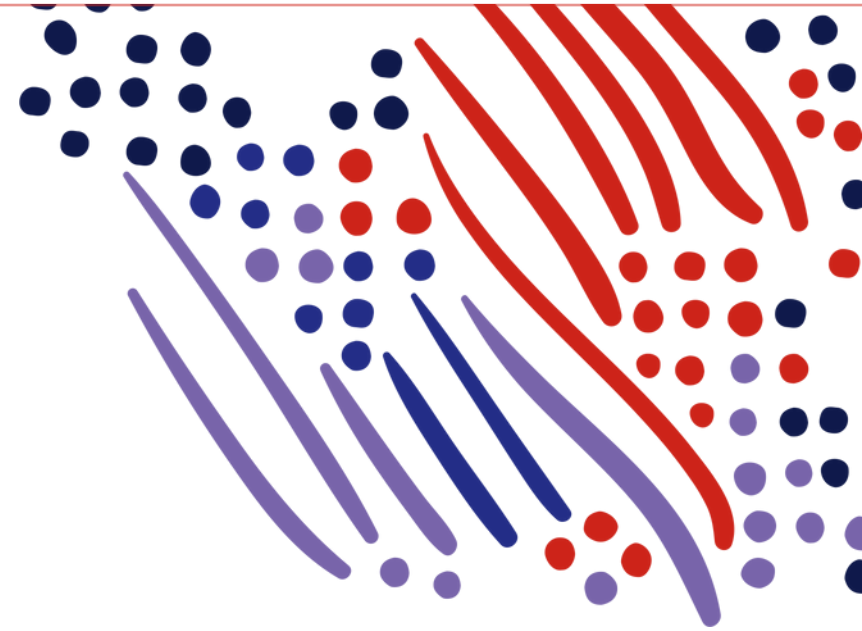
Power Positions that tie back to our EO with Reliable expertise (slides 17-22), innovation & connectivity (slides 14-16) and the depth and breadth of solution (slides 23-24).

Recap /Next Steps

Added an **Appendix** with shareable resources and supplemental information.

Untangling the three P's of wage garnishments

Pressure, people and process



How does XXX manage wage garnishments?

- 1 We help alleviate the **pressure** of wage garnishments
- 2 We support the **people** impacted by wage garnishments
- 3 We simplify the **process** of wage garnishments



Wage garnishments impact your organization



5.2% or 913K

of all employees (**17.5M+**)
in our study have
a wage garnishment



1 in 19

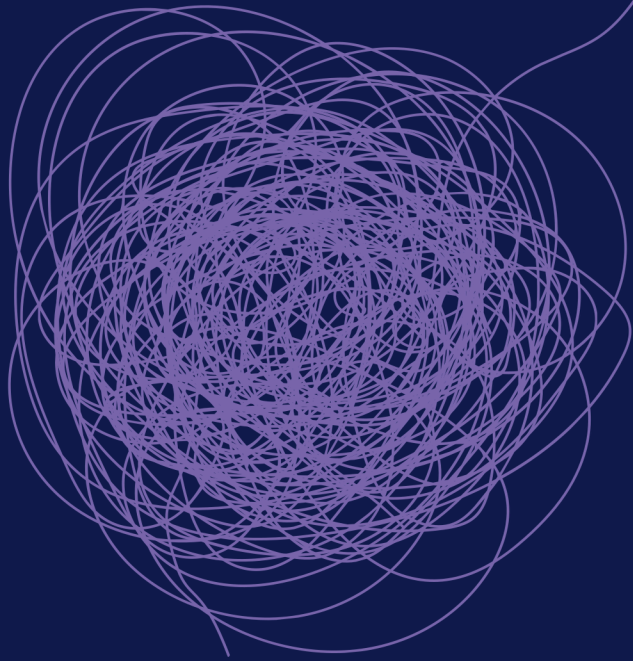
workers are carrying a wage
garnishment even after
Student Loan put on hold
compared to 2016



15%

of those with a
garnishment have
more than one type
against 12% in 2016

Common wage garnishments that create knots



Wage garnishment types



Bankruptcy

Chapter 7/13



Voluntary wage assignments

Employer's choice
to honor



Creditor garnishments

Most complex



Medical support orders

Requires child(ren)'s health
insurance enrollment



Child support

Varying state laws



Tax levy

Federal, state
or local



Student loans

Department of Education
or loan guarantee agencies

The administration of wage garnishments is a tangled mess



Legislators

- Regulate wage garnishment processes
- Determine employer mandates

The court

- Issues withholding orders for:
 - Child support
 - Bankruptcy
 - Consumer debt
 - Other obligations
- Requires employer compliance

Agencies*

- Issue withholding orders for:
 - Child support
 - Tax levies
 - Student loans
- Ensure withheld wages reach the intended parties
- Help employers stay in compliance

Employers

- Respond to withholding orders
- Notify employees of wages to be withheld
- Withhold and remit money from employee paychecks
- Answer inquiries from employees, agencies and payees
- Respond to additional notices and requests
- Monitor legislative and agency changes
- Comply with all federal and state regulations

Employees

- Have their wages withheld
- Fulfill their financial obligations

*Agencies include government agencies, collection firms, attorneys, bankruptcy trustees and others.

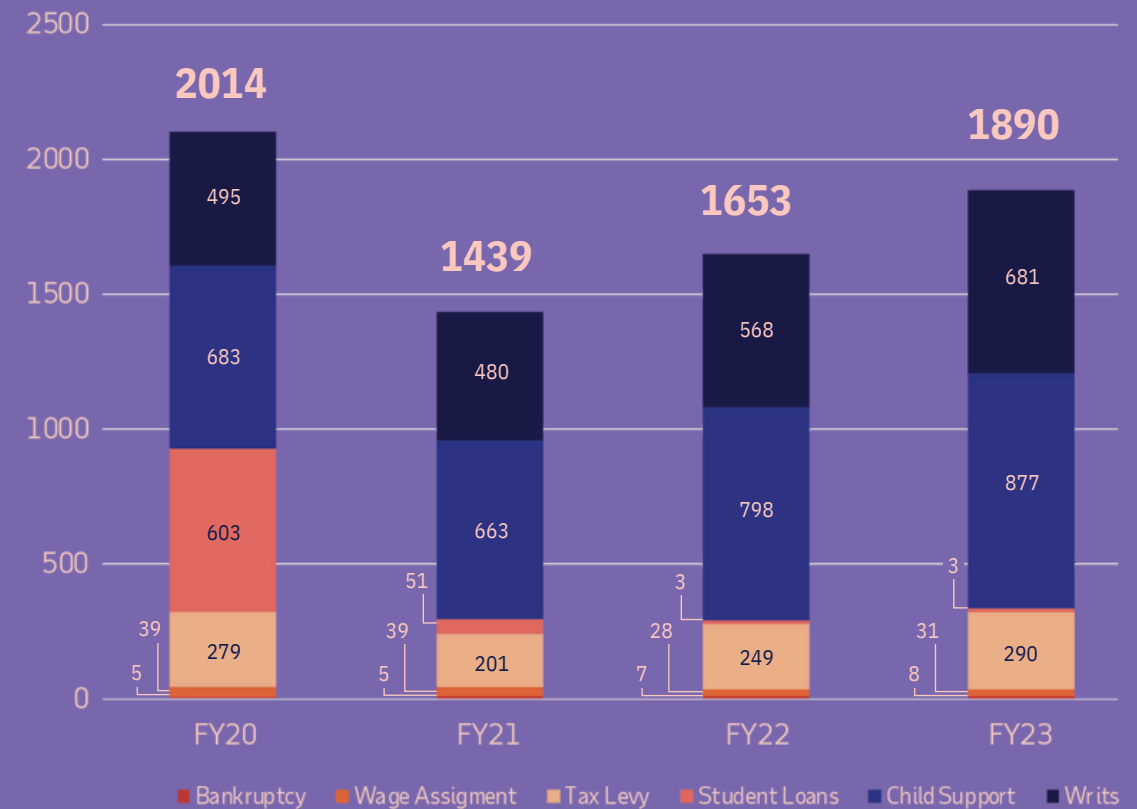
Trends that increase pressure on wage garnishments



- Wage growth is not keeping up with inflation
- Financial pressure is bearing down on households
- Reliance on consumer credit products are increasing
- Steady increase in interest rates
- Student loans are back in repayment status

As the economy slows down, there is a **higher likelihood of lien volume continuing to rise**, presenting increased pressure on companies to manage them.

Trend in Lien Volume



How do these trends impact employers?



Employers can be held liable for up to the full amount of the employee's judgment debt, plus attorney's fees and costs for:



Missed
payments



Improper
calculations



Errors in processing or
delays in responding to a
wage garnishment order



The tangled wage garnishment administration process

Up to 37 tasks ...

| Receipt | Order analysis | Notification | Calculation | Disbursement | Phone call handling |
|---|--|--|---|--|---|
| <p>Receive, open and sort garnishment orders</p> <p>Retain withholding orders for record retention</p> <p>Retrieve orders from OCSS electronically via e-IWO</p> | <p>Review withholding orders and identify the following:</p> <ul style="list-style-type: none"> Lien type If order is new, modified, or released If employee is active or inactive within the payroll platform <p>Identify and research federal and state regulations</p> <p>Potential Legal department interaction pertaining to withholding order instructions and applicable rules</p> <p>Contact agencies or courts when orders are vague, illegible or missing data</p> <p>Lump sum processing:</p> <ul style="list-style-type: none"> Upfront reporting to the OCSS Processing of lump sum orders <p>Medical support orders</p> <p>Data entry to pay systems</p> | <p>Notify employees that a withholding order has been received</p> <p>Produce required acknowledgements and Responses to agencies, attorneys, and courts for various lien types *Note: send to all required addresses that apply</p> <p>Utilize appropriate state and lien specific forms</p> <p>Remit based on statutes and response time requirements</p> <p>Sign and notarize responses according to applicable requirements</p> <p>Complete, print, and submit required acknowledgements and responses</p> | <p>Prioritize lien start date and withholding when there are multiple liens by state/federal rules</p> <p>Calculate disposable income by state/federal rules</p> <p>Apply appropriate state/federal rules if not enough earnings</p> <p>Make appropriate deductions</p> | <p>Coordinate payment with Accounts Payable department</p> <p>Attach required “Answer” forms with payments for states that require it</p> <p>Process, print, stamp, and mail check payments</p> <p>Make payments via EFT as required by state</p> <p>Maintain list of payee destinations and historical payment data</p> <p>Handle stop payments and check reissues</p> <p>Reconcile GL account and bank statement</p> <p>Offer direct deposit capabilities for private child support orders</p> <p>Send reminders for un-cashed checks</p> <p>Process returned checks from agencies</p> | <p>Respond to inquiries from:</p> <ul style="list-style-type: none"> Employees Custodial parents Agencies Collection Firms Attorneys <p>Assist with:</p> <ul style="list-style-type: none"> Payment information Lien modifications, releases and refunds Payee change of address requests Misplaced check issues Deduction calculations Notifications <p>Research, respond to and manage compliance issues including hearing and default judgment notices</p> |

Wage garnishments impact your people



Your HR/payroll team spends time researching legislative changes by state to keep you compliant.



Employees are emotionally and financially impacted by processing wage garnishments for their colleagues.



Your HR/payroll team is privy to sensitive data about their peers. We have the uncomfortable conversations, so you don't have to.



Untangle your wage garnishments administrative process with XXX's end-to-end solution

We help you **untangle wage garnishments** with:

- ✓ Ease
- ✓ Compliance
- ✓ Compassion



XXX's wage garnishments process

End-to-end order processing and disbursement



✓ Reduce your administrative burden with a start-to-finish process



Receive garnishment orders

- Electronic Income Withhold Orders (e-IWO) from agencies
- Orders from registered agents through APIs
- Document upload by clients (bulk upload available)
- Document upload by employees



Run pre-qualification process

- Initiate employment validation with client
- Obtain employee's status, email addresses, annual earnings, etc.
- If employee is not or no longer employed, send for letter generation
- If employee is active, send for order processing



Process orders and liens

- Use OCR technology for physical orders (over 1,200 templates in place)
- Indexing and Rules engine technology automatically verify and/or update data elements as required by state, lien type, or pay-system
- Analyze unclear orders
- Research factual circumstances of judgments/defaults
- Transmit data for input into client's payroll system to calculate and prioritize the deduction



Notify employees

- Notify employees about new liens, any changes to existing liens or new medical support orders received via electronic or physical communication (employee's choice)
- Provide call center, self-service, help center services



Disburse

- Disburse remittance payments/child support to beneficiaries/custodial parents via EFT, direct deposit or check in a timely manner based on requirements
- Handle stop payments, reissues, returned checks/payments
- Generate aged check notifications
- Perform payment/check reconciliation



Notify agencies

- Send required notifications to agencies, courts, judgment creditors and attorneys
- Send electronic acknowledgements via e-IWO/physical mail where necessary
- Agency portal for agency self-service access
- Systemic match-up of payments and letters where required

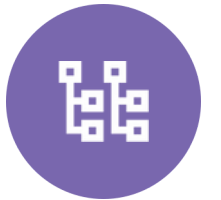
Untangling wage garnishments administration **with XXX**

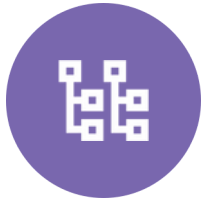


| Reduced to potentially only 8 tasks ... | | | | | |
|--|--|--------------|---|--|---------------------|
| Receipt | Order analysis | Notification | Calculation | Disbursement | Phone call handling |
| <div>Receive, open and sort garnishment orders (if not electronically received by XXX)</div> <div>Retain withholding orders for record retention</div> | <div>Lump sum processing:<ul style="list-style-type: none">Process lump sum orders with the help of XXX's lump sum report that can readily be loaded to the OCSS's website</div> <div>Medical Support Orders<ul style="list-style-type: none">Client to review data extracted to determine employee eligibilityUpdate required fields</div> | | <div>Prioritize lien start date and withholding when there are multiple liens by state/federal rules</div> <div>Calculate disposable income by state/federal rules</div> <div>Apply appropriate state/federal rules if not enough earnings</div> <div>Make appropriate deductions</div> | <div>Reconcile GL account and bank statement</div> | |
| Client Responsibility | | | | | |
| ERP Responsibility | | | | | |



XXX untangles the wage garnishments
process with proprietary technology





XXX's wage garnishments process is driven by technology

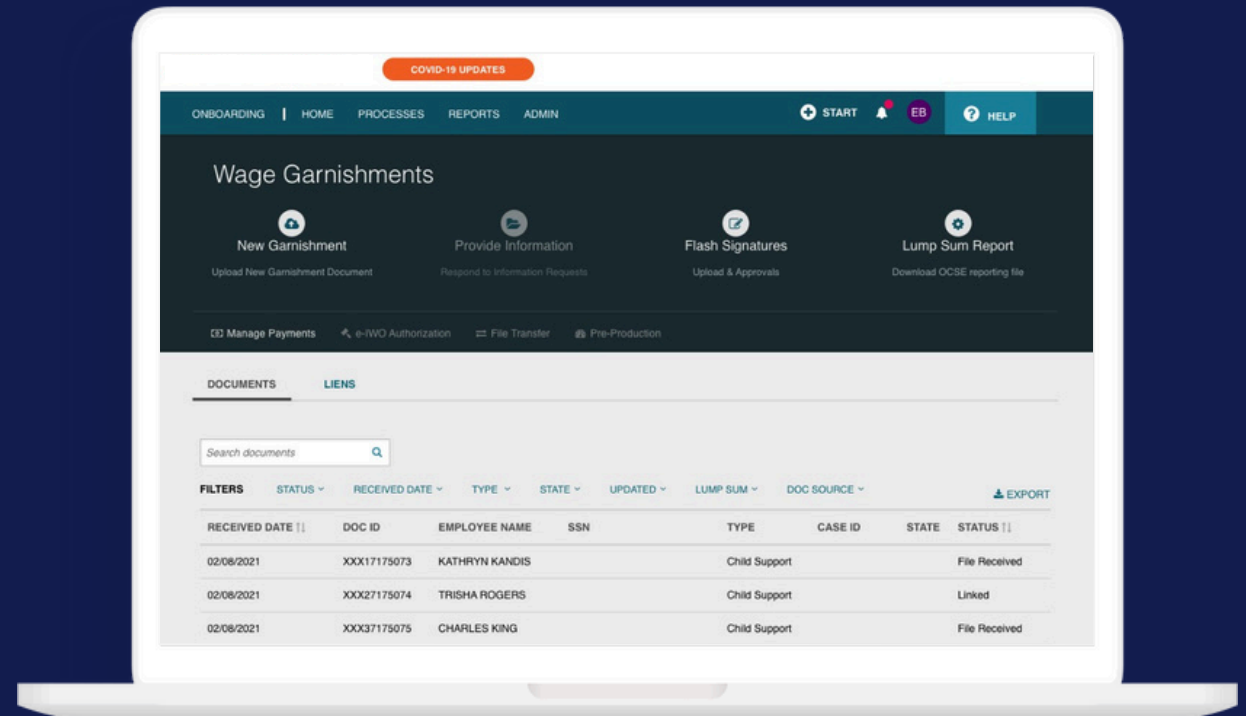
✓ Machine learning

- Drives better accuracy, accountability and transparency through our end-to-end process
- Rules driven

✓ We use experienced professionals to manage the lien process

✓ Bi-directional ERP

- Smart compliance dashboard gives visibility at every step of the process





XXX untangles your people





XXX notifies employees

- ✓ Employees receive an **Employee Notification Letter (ENL)**
- ✓ Copies of the order **received are kept on file**
- ✓ The employee will receive one ENL via mail or e-mail and a second copy will be available in their **self-service portal** (MyXXX.com)

Wage Garnishment Help Center: XXX.COM



Date: 08/19/2023

Notice of Wage Garnishment

****Important - Please retain for future reference****

Dear CASSANDRA GARCIA,

We process wage garnishment orders on behalf of your employer, **YOUR COMPANY NAME**


We received a CHILD SUPPORT order on 08/19/2023 which requires your employer to deduct wages from your pay. These deductions may begin within the next one to two pay periods.

Please review the information below including tips to assist you.

| Type of Garnishment Order | Issuing Agency/Creditor Name | Case ID | Judgment Amount | Withholding Amount* or Percentage ¹ |
|---------------------------|------------------------------|------------|-----------------|--|
| CHILD SUPPORT | DDD | 0101010101 | 1,000.00 | \$60.00 MONTHLY |

*Divide dollar amounts by your pay frequency.

Want to see a copy of this order ?



Scan the QR code using your mobile device or enter the below url address in your browser.

QR code / above url will expire on .

Need to manage your Wage Garnishments?

Visit garnishments.adp.com to access your wage garnishment information and activity for this order.

We understand wage garnishment can be confusing. Our resources can help you understand the process. If you have additional questions, you can call us at (866) 324-5101. ADP Wage Garnishments representatives are available, Monday - Friday, 5:00 AM to 5:00 PM PST, except federal holidays. Our Interactive Voice Response system (IVR) provides self-service options for order and payment information, and is available 24 hours a day, 7 days a week.



XXX notifies agencies

- ✓ Send **required notifications** to agencies, courts, judgment creditors and attorneys
- ✓ Agency portal for agency **self-service access**
- ✓ **Systemic match-up** of payments and letters where required

Wage Garnishments Processing

BUTLER & ASSOCIATES, P.A.
Attorney

Search

Search for garnishments processed by ADP for your agency.

Social Security Number: 8668 AND Case ID: 2016cr000694FE [SEARCH] [CLEAR]

ADP Full Service Garnishment

| EMPLOYEE | EMPLOYER | PAYEE | LIEN STATUS |
|--|--|---|-------------|
| NORWOOD, KUBBRISHA Terminated on 04/18/2020 | RESCARE 9901 Linn Station Road Louisville KY 40223 | TODD B. BUTLER 5835 SW 29TH ST TOPEKA KS 66614-5501 | Completed |

Order Details

Deductions & Disbursements

Garnishments Documents

Garnishments Letters

| DATE GENERATED | TYPE | METHOD | MAIL TO |
|----------------|-----------------|-----------|--------------------------|
| 05/18/2020 | Response Answer | Hard Copy | TODD B. BUTLER |
| 04/28/2020 | Response Answer | Hard Copy | BUTLER AND ASSOCIATES PA |
| 04/21/2020 | Response Answer | Image | TODD B. BUTLER |
| 04/21/2020 | Balance Inquiry | Hard Copy | TODD B. BUTLER |
| 04/21/2020 | Response Answer | Image | KUBBRISHA NORWOOD |
| 04/03/2020 | Response Answer | Image | TODD B. BUTLER |
| 04/03/2020 | Response Answer | Image | KUBBRISHA NORWOOD |
| 03/20/2020 | Response Answer | Image | KUBBRISHA NORWOOD |
| 03/20/2020 | Response Answer | Image | TODD B. BUTLER |
| 03/17/2020 | Response Answer | Hard Copy | KUBBRISHA NORWOOD |
| 03/17/2020 | Response Answer | Hard Copy | TODD B. BUTLER |



XXX's agency relations



1

Compliance

- Ongoing monitoring of changes related to garnishee processing, answers and other required notifications
- Garnishment systems designed to help ensure compliance with statutory and regulatory requirements
- Automated processes to help ensure required wage garnishment acknowledgments and responses are prepared timely and accurately
- Monitors for new/changes to electronic mandates

2

Relationship management

- Proactively reaches out to garnishing agencies such as state child support and taxation agencies, Department of Education
- In-person meetings and collaborations with state agencies
- Industry association relationships

3

Expertise

- XXX has several former government officials on staff
- Former IRS Attorney for the Office of Chief Counsel
- Former USDOL Unemployment Insurance Tax Chief
- Former State Revenue Director

4

Industry initiative leadership

- Conference representation/presentations (voice of XXX and employers)
- Legislative advocacy e.g., Uniform Wage Garnishment Act proposal
- XXX chairs several APA Government Relations Task Force committees

We offer multiple self-service options for employees



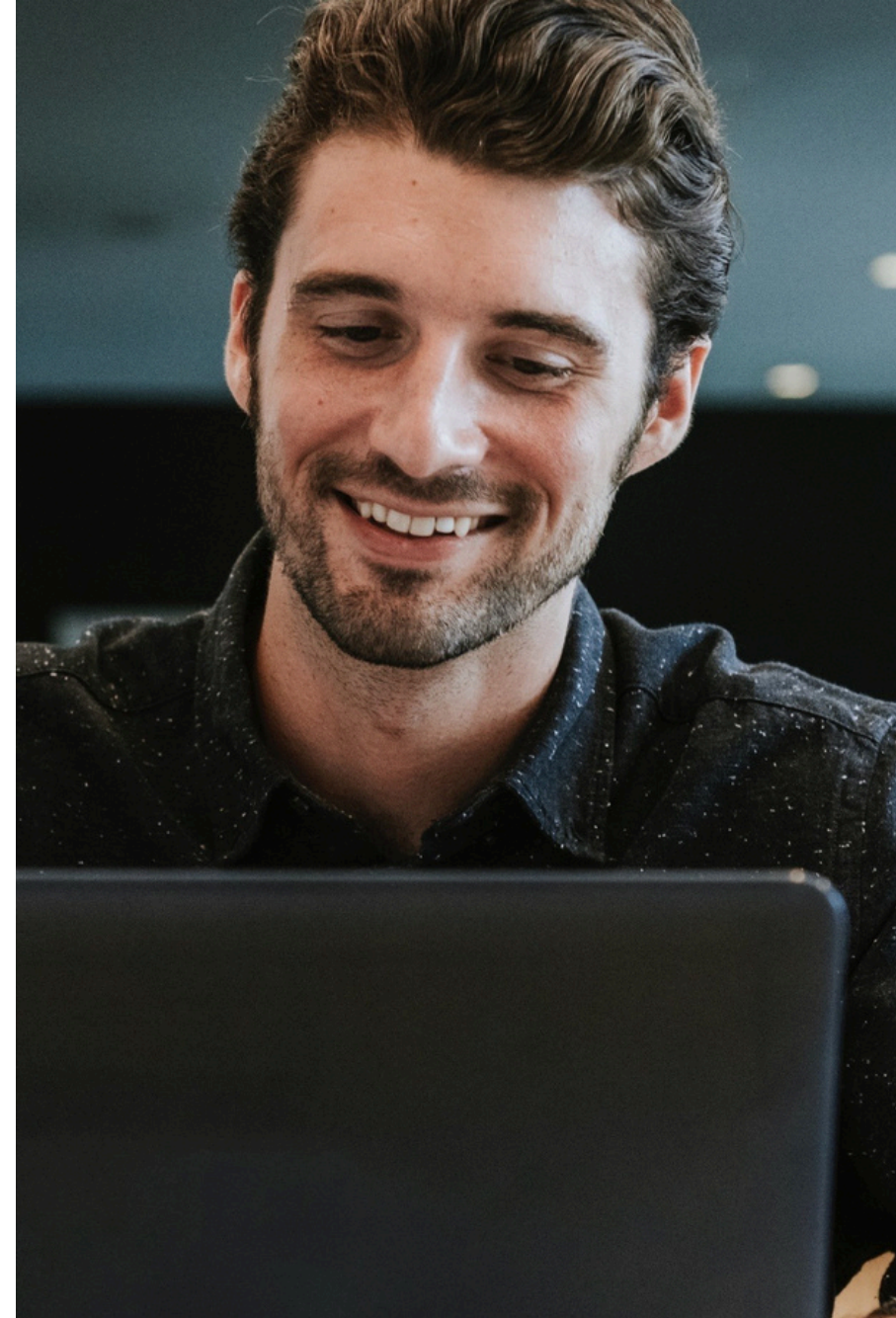
Employees can **call in and speak with a live associate** who knows the ins and outs of wage garnishments



Employee self-service experiences and **communication options through our mobile app** (X.com)



All parties have **transparency** into where things stand



XXX leads on compassion and privacy through our call center



XXX answers an annual average of

350K+ calls

from employees, beneficiaries, custodial parents, attorneys and agencies.*

- ✓ **450 wage garnishments specialists** with an average tenure of eight years in our bilingual call center are specifically trained to de-escalate situations and to be empathetic in their dealings with those involved in the garnishment process
- ✓ **Confidentiality** is a priority **Advanced call**
- ✓ **monitoring** and tracking system for proper documentation of calls
- ✓ **Live chat** during business hours **24/7 voice**
- ✓ **recognition** IVR for automated response

XXX wage garnishments highlights



2.6 million

Documents processed,
1.4 million of which are
processed by the
system (**STP**)

700,000

Employees we are
assisting employers in
processing their
garnishments

4.1 billion

Dollars moved to various
agencies, courts, custodial
parents, creditors and other
garnishors through
21.9 million disbursements

6.8 million

Notifications generated
(electronic + hardcopy)
to employees, agencies,
courts, attorneys
systemically

212,000

Calls and contacts from
employees addressed
with an average caller
satisfaction score
of 4.8/5

165,000

Contacts from employers
resolved with an average
transactional net
promoter score of 80

150,000

Queries from
agencies resolved

194

Agencies we
proactively outreach and
built strong partnerships

159

State and governmental
agencies enrolled on “Agency
Portal”; **1500+ third-party**
profiles set up for court
officers and garnishors

677

Garnishment legislative
and agency changes
reviewed in FY22



XXX helps you be ready for the next anything



Our proven technology
increases accountability and
transparency, while reducing
your administrative burden

We help mitigate your
compliance risk by
untangling your:

Pressure
Processes
People



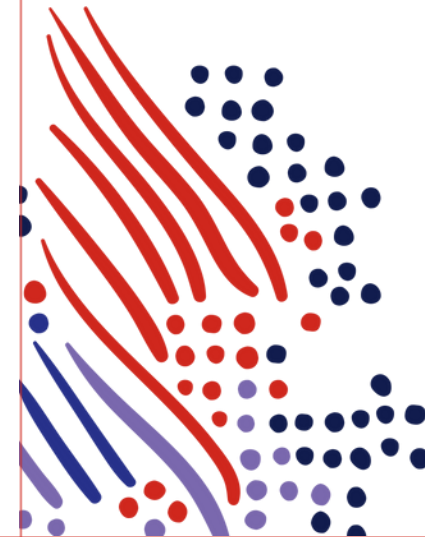
We're a resource for you
and your employees



Confidentiality
is a priority

Don't take our word for it ... hear from a happy client

“I'm extremely confident that the garnishments are being processed properly with XXX. Previously my team was handling them, and they were never properly trained before I took over in how to interpret and process garnishments.” Christine Clark, Scientific Games Corporation



Let's get started!



Next steps:

- 1 Discovery call
- 2 Executive feedback and financial review
- 3 Demonstration of recommended solution



Appendix