
DCSE Policy & Procedure Unit
Policy Update
PPU: 11-03-003
Date: March 23,2011
SUBJECT: Withholding Limitations

Please contact the Policy Unit if you have any questions regarding these or any other changes at <http://dcsevf04/DCSE/PolicyQuestions> or (602) 771-8127.

The IV-D PARTNERS should send POLICY inquiries directly to DCSE-POLICYQUESTIONS@azdes.gov

Limited Income Withholding Orders (LIWO) issued for lump sum payments that are based on the obligor's earnings are subject to the state's withholding limitations. Arizona's withholding limitation is 50% of the obligor's disposable income. These lump sum payments include:

- Severance Pay
- Sick Pay
- Vacation Pay
- Bonuses
- Commissions
- Retroactive Disability Proceeds

Lump sum payments that are generally not subject to withholding limitations include:

- Inheritances
- Trust or Annuity Distributions
- Life Insurance Proceeds
- Insurance Settlements (except as they may represent lost earnings)

Staff are urged to view this information directly on OPPM and not create a separate personal file. Enter <http://dcsepc> in your browser to view this Policy Update in Policy Updates 2011