

SB 519 A STAFF MEASURE SUMMARY

House Committee On Business and Labor

Prepared By: Jan Nordlund, LPRO Analyst

Meeting Dates: 4/24

WHAT THE MEASURE DOES:

Increases the minimum amount guaranteed an employee whose earnings are garnished.

Fiscal statement issued.

Minimal revenue impact.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Courts impose financial obligations through judgments. "Debtors" are those required to pay money, and "creditors" are those granted a money award. Creditors can enforce judgments using a procedure called garnishment. Garnishment requires a debtor's employer to withhold the employee's earnings in order to pay the creditor. The employer apportions earnings between the employee and the creditor using a statutory formula. The formula guarantees a minimum amount per paycheck to the debtor employee, while the creditor is entitled to a percentage of the employee's earnings until the debt is paid. The maximum amount of wages subject to garnishment is generally 25 percent of the employee's post-tax earnings so long as the employee is left with a minimum amount of \$218 per week after the garnishment. Senate Bill 519-A increases the minimum amount guaranteed an employee whose earnings are garnished.

<u>Current</u>	<u>SB 519-A</u>	<u>Pay period</u>
\$218	\$254	one week
\$435	\$509	two-week
\$468	\$545	half-month
\$936	\$1,090	one-month

Senate vote: 30-0

Senate Workforce Committee: 5-0