

SB 519 A STAFF MEASURE SUMMARY

Carrier: Sen. Johnson

Senate Committee On Workforce**Action Date:** 03/07/19**Action:** Do pass with amendments. (Printed A-Eng.)**Vote:** 5-0-0-0**Yeas:** 5 - Golden, Hansell, Knopp, Monnes Anderson, Taylor**Fiscal:** Fiscal impact issued**Revenue:** Has minimal revenue impact**Prepared By:** Ellen Osoinach, LPRO Analyst**Meeting Dates:** 2/28, 3/7**WHAT THE MEASURE DOES:**

Increases the minimum amount guaranteed an employee whose earnings are garnished. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Federal minimum wage increases as trigger for increasing garnishment minimums in Oregon
- Types of debt collected through garnishment

EFFECT OF AMENDMENT:

Decreases amount of guaranteed minimums contained in bill as introduced.

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.

Current SB 519-A Pay period

\$218	\$254	one week
\$435	\$509	two-week
\$468	\$545	half-month
\$936	\$1,090	one-month