

SB 519 A STAFF MEASURE SUMMARY
House Committee On Business and Labor

Carrier: Rep. Bynum

Action Date: 05/08/19
Action: Do Pass the A-Eng bill.
Vote: 9-0-2-0
Yeas: 9 - Barker, Barreto, Boles, Bonham, Boshart Davis, Bynum, Doherty, Evans, Fahey
Exc: 2 - Clem, Holvey
Fiscal: Fiscal impact issued
Revenue: Has minimal revenue impact
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Meeting Dates: 4/24, 5/8

WHAT THE MEASURE DOES:

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

ISSUES DISCUSSED:

- Practice of tying minimum earnings guaranteed to federal minimum wage, which was last increased in 2009
- Practice of some states to establish minimum earnings guaranteed through formula written in statute

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. This minimum was set in 2011 (House Bill 2682).

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