



CCPA-34

October 13, 1970

This is in reply to your letter of July 20, 1970, concerning Title III, Restriction on Garnishment, of the Consumer Credit Protection Act.

You ask whether, when there is a garnishment on a two week hold back of wages the garnishment affects the hold-back period or only the check due to be paid in the week the garnishment is served.

Your question involves the interpretation and application of Wisconsin law as to whether a garnishment under the State law may reach the earnings of the hold-back period or only the check due to be paid in the week the garnishment is served.

The aspect of the question you present which comes within the provisions of Title III of the Consumer Credit Protection Act would be with respect to the restriction on the amount of the employee's disposable earnings which may be subjected to garnishment if, under the State law, a garnishment reaches wages which are held back for two weeks.

Section 303 of the Consumer Credit Protection Act applies a formula to garnishment restrictions which is applicable to the pay period covered by the current pay check may not be lumped together for the purpose of applying the section 303(a) restrictions where this would be prejudicial to the wage earner. The formula must be applied to the earnings for each pay period. For example, if a wage earner's biweekly earnings for the first half of a month are \$100, the amount which would be garnishable under section 303(a)(2) would be \$4.00; and if the same wage earner earned \$400 for the biweekly period comprising the second part of the month, \$100 of the \$400 would be garnishable. Thus, a total of \$104 would be garnishable applying the section 303(a) formula to the separate pay periods. If, however, the total earnings for the month were lumped together, 25% of the total earnings of \$500 would be garnishable, i.e., \$125. Thus, in this example, the wage earner would be prejudiced by the fusion of the pay periods.

Sincerely,

Robert D. Moran
Administrator