

GARNISHMENT AND SALARY LIENS

Any University employee is legally subject to having wages and/or other amounts due from the University seized by a court order of garnishment or by a governmental lien. The University is required to comply with an order of garnishment only where it is issued after a legal judgment has been entered against the employee-debtor. Governmental liens such as those arising from claims for unpaid taxes and from bankruptcy claims must also be honored.

When the University receives such court order or lien, it must pay over the appropriate amount to the clerk of the court or to the governmental agency. Your defenses should be made to them.

For garnishments against compensation due an employee, federal law restricts the amount which may be seized for any one work week to 25% of disposable earnings or the amount by which disposable earnings exceed thirty times the federal minimum hourly wage, whichever is less. (Computation for a month is based upon 4-1/3 work weeks.) Disposable earnings are earnings remaining after deductions required by law to be withheld. These restrictions do not apply where the seizure is one of the following types: (a) court order for support of a person; (b) court order of bankruptcy under Chapter XIII of the Bankruptcy Act; (c) debt due for State or Federal taxes; or (d) amount due employees by University is other than compensation for personal services.

The University has a concern when an employee has a garnishment or salary lien issued against him and served upon the University. A substantial amount of administrative time and expense is involved for the University in processing such court orders and liens.

Upon receipt of two orders of garnishment, two salary liens, or a combination of one of each type of seizure against the salary of a University employee during any period of twelve months, dating from the receipt of the first such order, grounds shall be deemed to exist for termination of such employee according to regular University procedures. For this purpose, multiple garnishment orders arising from the same debt or same judgment shall be treated as a single garnishment, and multiple assertions of salary liens arising out of the same bankruptcy order or same debt for taxes due the same governmental unit shall be treated as a single salary lien.

The University official responsible for responding to judgments of garnishment and liens shall notify the chief administrative officer on his campus when two orders are received against an employee within a twelve-month period.

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