CCPA-8

May 25, 1970

In your question regarding the restrictions on garnishment in Title III of the Consumer Credit Protection Act, you ask about an employee whose workweek runs form Sunday through Saturday and whose payday is the following Thursday. A garnishment order is received on Wednesday at which time he has accrued three day 5 wages for the current week. In your particular example the employee has $75 of disposable earnings for the prior week payable on Thursday and accrued disposable earnings for the prior week payable on Thursday and accrued disposable earnings from Monday through Wednesday of the current week of $45.

Under section 303(a) of Title III, the workweek is the basis unit for determining the amount of disposable earnings which may be subjected to garnishment. An employee's workweek is a fixed and regularly recurring period of 168 hours- seven consecutive 24 hour periods. The workweek for purposes of applying section 303(a) is the employee's regular established workweek, and will be the same as used for purposes of the Fair Labor Standards Act.

Section 303(a) also provides for a multiple of the Federal minimum hourly wage equivalent in effect to that prescribed in subsection 303(a)(2) in the case of earnings for any pay period other than a week. We consider such a multiple as applicable in the case of monthly or semi-monthly pay periods, but not to partial week's earnings or pay periods of less than a week.

In the workweek in which the employee had disposable earnings of $75, the maximum amount which could be garnished would be computed under the two-part formula in section 303(a) as follows:

$75 - $48 = $27.00
$75 x 25% = $18.75

Since $18.75 (25% of disposable earnings) is less than disposable earnings minus 30 times the statutory minimum wage of $1.60 per hour ($48), not more than $18.75 may be garnished in that workweek. In the current workweek, where the employee has accrued earnings of $45 for a partial week, no garnishment may be made.

Sincerely,

Robert D. Moran
Administrator