

## CCPA-29

September 24, 1970

This is in further reply to your letter of July 13, 1970, concerning the restriction on discharge from employment provisions of Title III of the Consumer Credit Protection Act.

You ask whether an employer may suspend an employee who has only one garnishment pending but who may have had a past history of garnishments. You state that the general procedure in your industry has been to send a warning letter giving the employee anywhere from five to ten days to pay the judgment or to make arrangements with the creditor so that the garnishment order can be released. If at the end of the warning period there was no payment or release, the employee would be suspended until he satisfied the debt or for a period of one week and then given an additional period of five to ten days to clear it up. If, after a series of warning letters or suspensions, it was not cleared up, the suspension remained indefinitely.

Section 304(a) of Title III provides that no employer may discharge any employee by reason of the fact that his earnings have been subjected to garnishment for any one indebtedness. We consider the weeks "one indebtedness" as meaning a single debt, regardless of the number of levies made or the number of proceedings brought for its collection. Thus, we recognize the distinction between a single debt and the garnishment proceedings brought to collect it. After a garnishment proceeding has been made effective as to one debt, the Law does not prohibit discharge when another garnishment proceeding is made effective pursuant to a second debt.

Whether the limitation on discharge provision would apply to a particular suspension action would depend upon a careful examination of all the facts in the particular case. The legislative history of section 304 indicates that it was put into the law as a protection against "firing". If a suspension is for an indefinite period or of such length or made upon such conditions that the employee's return to duty is unlikely, it may well be considered tantamount to "firing" and, thus, within the term "discharge" under section 304.

Even where the period of suspension is of five or ten days duration, it is possible that the circumstances may indicate that a "discharge" within the meaning of section 304 would exist. For this reason, we have not taken any categorical position concerning suspensions even of short duration on their face.

Sincerely,

Robert D. Moran  
Administrator