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U.S. DEPARTMENT OF LABOR
WAGE AND HOUR AND PUBLIC CONTRACTS DIVISIONS
WORKPLACE STANDARDS ADMINISTRATION
WASHINGTON, D.C. 20210

OCT 15 1970

CCPA

This is in reference to your letter of July 28, 1970, concerning the status of a "lump-sum" alimony payment under the provisions of section 303(b)(1) of Title III of the Consumer Credit Protection Act. We have not heretofore issued any rules or opinions on whether a lump-sum alimony payment is paid "for support of any person" within the meaning of section 303(b)(1) of Title III. You state that the law in Missouri treats "lump-sum" alimony payments as compensation to the divorced wife for surrendering her marital right to support from her ex-husband rather than for future support. You conclude from this that it can be argued that "lump-sum" alimony is not paid "for the support of any person" within section 303(b)(1) and is restricted by section 303(a) of the same Act.

The fundamental purpose of Title III and, in particular, section 303(a) is to provide some protection to the debtor whose personal earnings are garnished. However, section 303(b)(1) recognizes a co-existing need to protect dependents of the debtor who rely on an order for support over and above the protections afforded the debtor in section 303(a). Thus, when family support comes into conflict with debtor protection in Title III, family support is legislatively favored.

The problem you have presented is not one of fitting State law into a Federal statute but rather of construing the language of the Federal law itself. It is a well established rule of statutory construction that laws, particularly those that treat the same or overlapping subject, are to be construed so that their policies are harmonious. Such a harmonious construction should exist between Title III and the Federal Bankruptcy Act. Both stem from the same constitutional authority, and both concern debtor-creditor relationships. A claim for alimony due to a divorced wife is not a debt within the meaning of the Bankruptcy Act and it is not released by the bankrupt's discharge. Cf. Audabon v. Shufeldt, 181 U. S. 575 (1901); Yetmore v. Markas, 196 U. S. 68 (1904). "Lump sum" alimony receives the same treatment as installment payments and periodic "support" payments under Bankruptcy Act. See: Egbers v. Egbers, 98 Wash. 531, 167 P. 173 (1917). The provision in the Bankruptcy Act not to release from discharge and the exception to section 303(a) of the Consumer Credit Protection Act as set out in section 303(b)(1) are comparable in that the purpose of both is to



favor family maintenance over protection of the debtor. Thus, in order to give a harmonious construction to the Bankruptcy Act and the Consumer Credit Protection Act, "lump sum" alimony is to be treated as "for the support of any person" within the meaning of section 303(b)(1) of Title III.

Sincerely,

ROBERT D. MORAN

Robert D. Moran
Administrator