

CCPA-40

November 16, 1970

This is in reply to your letter of November 9, 1970, concerning the restriction on discharge employment provisions of Title III of the Consumer Credit Protection Act.

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 words "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. There may be several garnishment orders resulting from one indebtedness.

In answer to your second and third questions, an employee's earnings are subjected to garnishment when the employer is legally bound to made deductions from those earnings. If the first garnishment is taking the maximum amount of the employee's earnings permitted by the law, a garnishment for the second indebtedness would not be legally binding on the employer until the first indebtedness has been fully satisfied. Once the employer is legally obligated to withhold wages pursuant to the second indebtedness, the discharge would be permitted.

Sincerely,

Joseph P. McAuliffe
Director, Division of Minimum
Wage and Hour Standards