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DEC 23 1970

CCPA

This is in response to your letter of November 20, 1970, concerning the Federal Wage Garnishment Law (Title III of the Consumer Credit Protection Act).

You refer to the exemptions listed under section 303(b) of the Act and ask if tax liens for State or Federal taxes are considered garnishments for purposes of the discharge provision under section 304.

Section 303(b) provides exemptions only from the restriction on garnishment amounts provided by section 303(a) and not from the restriction on discharge under section 304. Section 304 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.

An attachment of wages for State or Federal taxes is considered a garnishment for purposes of the discharge provision. However, "one indebtedness" is considered to mean a single debt, regardless of the number of levies made or the number of proceedings brought for its collection. Thus, an employee whose wages are attached four times during a twelve month period for a tax delinquency that represents a single debt or for tax delinquencies that are combined into a single indebtedness, would still be within the protection of section 304.

You also wish to know if wage assignments are considered the same as garnishments for purposes of the discharge provision. The restriction on discharge does not apply to wage assignments effected prior to legal proceedings. If garnishment action is taken to enforce a wage assignment, the discharge restriction would apply, as provided in section 304, to the garnishment.

Sincerely,

Robert D. Moran
Administrator

2 Enclosures

WH-107

(1)