

U.S. DEPARTMENT OF LABOR  
 EMPLOYMENT STANDARDS ADMINISTRATION  
 WASHINGTON, D.C. 20110



OCT 30 1972

CCFA

This is in response to your letter of August 30, 1972, with which you enclosed a copy of proposed legislation which you are preparing in order to apply for an exemption from the provisions of section 303(a) of Title III of the Consumer Credit Protection Act for garnishments issued under the laws of [REDACTED].

It would appear from the translation of the proposed law which you submitted that there are three sections which are not substantially similar to the restrictions provided by section 303(a) of Title III. First, the definition of the term "earnings" should be expanded to include compensation both "paid or payable" as defined in the Federal statute. This includes payments pursuant to pension or other retirement programs. Payable earnings as we interpret Title III refers to compensation that has been earned but not paid. We do not consider it as referring to future earnings as you suggest in your memorandum.

Secondly, your definition of "garnishment of wages" differs substantially from section 302(c) of the Act. The term "garnishment of wages" is narrower than garnishment of earnings. Also, this term requires a court order which section 302(c) does not, and equitable procedures are not included as one of the means of garnishment in the proposed legislation.

Finally, Article 2(a)(2) of the proposed bill should be further clarified by referring specifically to the minimum wage prescribed by section 5(a)(1) of the Fair Labor Standards Act.

In addition, there is no indication that the Secretary [REDACTED] will prescribe the same multiples of the Federal minimum wage rate as in section 870.10 of Part 870 for use in case of pay periods other than one week. Two certified copies of the regulations issued by the Secretary and of any other pertinent material should accompany any application you submit for exemption.

We hope this analysis provides the information you seek. If we can be of further assistance to you in this matter, please let us know.

Sincerely,

Horace E. Menasco

Horace E. Menasco  
Deputy Assistant Secretary

Enclosure