

U.S. DEPARTMENT OF LABOR  
EMPLOYMENT STANDARDS ADMINISTRATION  
WASHINGTON, D.C. 20210



MAR 15 1974

This is in reply to your letter of July 13, 1973, concerning the application of Title III of the Consumer Credit Protection Act to Federal employees.

For over 125 years the courts have held that the earnings of Federal employees are generally not subject to garnishment while those earnings are in the hands of the Federal government. This rule originated in the case of Buchanan v. Alexander, 4 How. 20 (1846) in which the Supreme Court's decision was derived from the principle that the United States cannot be sued without its consent. The court held that funds in the hands of disbursing officers are funds of the United States and not subject to garnishment or attachment without statutory authority.

After the earnings have been paid to a Federal employee and they are a part of his effects, they may be levied upon in satisfaction of a judgment. Once the earnings of a Federal employee have been relinquished by the disbursing officer and deposited in the employee's bank account, they may be subjected to garnishment. As you indicate, this Department has taken the position that earnings in a bank account retain their status as earnings subject to the restrictions on garnishment provided in Title III so long as they are capable of identification as such. We are enclosing copies of two opinion letters (WH-146 and WH-171) which will be of interest to you.

Sincerely,

Signed

Warren D. Landis  
Acting Administrator  
Wage and Hour Division

Enclosures