

## CCPA-71

August 10, 1978

This is in reply to your letter of June 30, 1978 concerning the meaning of the term "disposable earnings" as used in Title III of the Consumer Credit Protection Act (the Federal Wage Garnishment Law).

The term "disposable earnings" means that part of the earnings of any individual remaining after deductions of any amounts required by law to be withheld. Sums withheld from an employee's pay for the use of a residence and utilities are not sums required by law to be withheld. Therefore, such deductions may not be excluded in determining an employee's disposable earnings. Thus, in the example you give, the amount of the employee's disposable earnings would be \$469.75. This matter is discussed on page 2 of the enclosed copy of WH Publication 1324.

If you have any further questions, you may wish to contact our Wage and Hour Area Office at Room 617, Federal Building, 117 West Huron Street, Buffalo, New York 14202 (telephone: (716) 846-4891). The people in that office will be pleased to assist you in any way possible.

We are returning the stamped, self-addressed envelope which you enclosed with your letter.

Sincerely,

William G. Blackburn, Chief  
Branch of Wage and Hour Standards