
IMPORTANT FACTS ABOUT WAGE GARNISHMENT

What is a wage garnishment?

A wage garnishment is a legal process that allows a person or a business that has obtained a money judgment against you to take money that belongs to you but is being held by a “third party” to pay the money judgment. In the case of a wage garnishment, the “third party” is your employer. Your employer can be required to pay a portion of your wages to the court (currently 25%) in order to satisfy a money judgment. This money is taken from your paycheck BEFORE you get it.

Why are my wages being garnished?

Your wages are being garnished because a person or a business obtained a money judgment against you. Once a court has decided that you owe the money, the person or business you owe can ask the judge to take that money from your paycheck.

How does a court decide to garnish my wages?

Before a wage garnishment can be filed, the person or business who has obtained the money judgment against you must send you a document called “NOTICE OF COURT PROCEEDING TO COLLECT DEBT.” The Notice must give you options to avoid a wage garnishment. The options may include:

- » Pay the debt in full;
- » Join a court trustee program;
- » Work with a debt counseling service to negotiate a debt payment schedule; or
- » Pay the creditor an amount equal to what would be garnished.

If you do not respond to make arrangements to pay the judgment within 15 days after mailing the Notice to you, the person or business with the money judgment can file a wage garnishment.

How much can be taken from my paycheck?

You must be earning a certain amount before any wages can be garnished. If you are making this threshold amount, up to 25% of your “disposable earnings” can be taken to pay the judgment. The “disposable earnings” amount is the amount you earn in one pay period after taxes and mandatory deductions such as child support have been taken out.

What if I disagree with the amount that is being garnished?

Before a wage garnishment can start, your employer must send you a document called “Notice of Garnishment”. If you disagree with the amount being garnished, you must ask the court to hold a hearing. You must do this within (5) business days of receiving the employer’s Notice of Garnishment. This is not a new trial. You will not be able to object to the judgment at the hearing. The hearing will be limited to the amount of your earnings that can be used to satisfy the money judgment you owe.

Can I be fired for having a wage garnishment?

You cannot be fired if you only have one wage garnishment in a 12 month period. You may be fired if you have more than one wage garnishment in a 12 month period.

Is there any household income that cannot be garnished?

Yes. The following cash payments cannot be garnished—they are “exempt” from garnishment:

- » Worker’s compensation payments
- » Unemployment compensation benefits
- » Ohio Works First cash assistance payments
- » Disability assistance payments
- » Spousal support and child support payments
- » Social Security and Supplemental Security Income (SSI) payments
- » Pensions up to a certain amount
- » Veterans’ benefits
- » Insurance proceeds or interest in an insurance policy, including:
 - » group insurance
 - » life/endowment insurance and annuities

How can I avoid a wage garnishment in the future?

Before you find yourself in a situation where you have one or more money judgments against you, there are steps you can take. You may want to consider contacting a reputable consumer credit counseling service. You can find a reputable consumer credit counseling agency by contacting the United States Department of Justice, U.S Trustee program at 202-514-2000, or visiting their website at: http://www.justice.gov/ust/eo/bapcpa/ccde/cc_approved.htm

A reputable consumer credit counseling agency will help you enter into an agreement to pay your debts. This is called an “agreement for debt scheduling.” Under such an agreement, you will have to regularly pay a portion of your income to the consumer credit counseling agency. The agency will send some of this money to each of the people or businesses you owe money to until all of the debts subject to the agreement are paid off. If you have such an agreement and make regular payments to the consumer credit counseling agency, the people or businesses getting payments under the agreement cannot garnish your wages.