

AMERICAN PAYROLL ASSOCIATION

February 12, 2020

Cheryl M. Stanton, Esq.
Administrator
Wage and Hour Division
U.S. Department of Labor
Francis Perkins Building
200 Constitution Avenue, NW
Washington, D.C. 20210

Re: Fact Sheet #30, *The Federal Wage Garnishment Law, Consumer Credit Protection Act's Title III (CCPA)*, (Revised October 2019), and Non-Tax Debts Guidance

Dear Administrator Stanton:

The American Payroll Association (APA) commends the Wage and Hour Division (WHD) for making significant improvements to the guidance on garnishment limits published in Fact Sheet #30. There is, however, one area of confusion regarding Example 5 for non-tax debts in which APA requests a modification.

In the paragraph, "Non-Tax Debts Owed to Federal Agencies," on page 3, the WHD correctly distinguishes between the Higher Education Act (HEA) and Title III of the CCPA. In Example 5 on page 4, the WHD offers garnishment orders for a child support and student loan entirely focused on the CCPA. The example refers to the CCPA limits for child support between 50% and 60% of disposable earnings as the priority, which would leave no additional earnings available for the student loan because of the CCPA limit of 25%. The example does not refer to the HEA aggregate withholding limit of up to 15%. In other words, if the child support in this example amounted to 20% of disposable earnings, 5% would be available for the student loan. If the child support amounted to 5% of disposable earnings, the student loan amount could not exceed 15% because of the HEA, even though the CCPA limit would allow 20%. Thus, the example in Fact Sheet #30 is unclear for payroll professionals that process child support and student loan garnishments. Because Fact Sheet #30 is focused on the CCPA, APA recommends that the WHD change the secondary garnishment in the example to a creditor garnishment instead of a student loan garnishment.

About APA

Established in 1982, APA is a nonprofit association serving the interests of more than 20,000 payroll professionals nationwide. APA's primary mission is to educate its members and the payroll community about the best practices associated with paying America's workers while complying with applicable federal, state, and local laws and regulations. APA members are directly responsible for processing employee garnishment orders for their employers.

To discuss non-tax debt guidance further, please contact Alice Jacobsohn at 202-248-3901 or ajacobsohn@americanpayroll.org. Thank you.

Sincerely,



Corrinne Flores
Chair, Child Support and Other Garnishments Subcommittee



Alice P. Jacobsohn, Esq.
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Cc: Keith Sonderling, Esq., Deputy Administrator; Mary Ziegler, Esq., Associate Administrator for Policy