

PART 2063 - EMPLOYEE RELATIONS AND SERVICES

SUBPART A - Garnishment of Wages

§ 2063.1 Purpose.

The purpose of this regulation is to describe Rural Development's procedures for compliance with legal requirements to withhold salary for court-ordered child support, alimony, and commercial garnishments.

§ 2063.2 Legal authorities.

- (a) Title 5, U.S.C. 5520(A), Garnishment of Pay.
- (b) 5 CFR Part 581, Processing Garnishment Orders for Child Support and/or Alimony.
- (c) 5 CFR Part 582, Commercial Garnishment of Federal Employees' Pay.

§ 2063.3 Definitions.

Alimony. Payments from employee wages to provide support and maintenance of spouse or former spouse.

Arrears. Unpaid and overdue debt of an unfulfilled obligation.

Child support. Payments from employee wages to provide support and maintenance of a child or children for health care, clothing or other specific needs of such children.

Disposable income. The part of the employee's earnings that remains after deductions that are required by law.

Interrogatory. A document from a court, child-support agency, attorney, or other entity, requesting information about an employee for garnishment.

Legal process. Any writ, order, summons or other similar process about a garnishment, which may include an attachment, writ of execution, or court-ordered wage assignment.

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Human Resources  
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§ 2063.4 Responsibilities.

(a) Human Resources Programs Branch. The Human Resources Programs Branch will:

- (1) review court orders for legal sufficiency;
- (2) record the date and time of acceptance of a garnishment Order;
- (3) review payroll records and employment history of potential garnishee before responding to the court or other authorized agent; and
- (4) serve as liaison with the Office of the General Counsel, the National Finance Center (NFC) and appropriate courts.

(b) Servicing Human Resources Office. The Servicing Human Resources Office, including State Offices, excluding the National Operating Office, will:

- (1) notify the court, child support, agency attorney or other entity of the appropriate action and effective date of the withholding;
- (2) respond to interrogatories properly issued and served;
- (3) notify the employee via certified mail, with return receipt required, of the garnishment action, amount to be withheld, and the effective date;
- (4) advise the employee to provide own defense against the legal process, if necessary, because the Federal Government does not represent the employee's interest in the legal process; and
- (5) process child support, alimony, and commercial garnishment withholdings through the NFC.

§ 2063.5 Policy.

(a) Overview. Rural Development is legally obligated to accept garnishment or attachment of wages from child support, alimony, and commercial debts.

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(b) Maximum garnishment limitations. The Consumer Credit Protection Act established maximum garnishment limitations for child support, alimony, and commercial debt. The limitations are as follows:

(1) Child support or alimony. Disposable earnings of an employee for a workweek are subject to:

(i) 50 percent withholding when the employee is supporting a spouse or dependent child not covered by the legal process.

(ii) 50 percent withholding when the employee is 12 weeks or more in arrears.

(iii) 60 percent withholding when an employee is not supporting another family.

(iv) 65 percent when the employee is not supporting another family and is 12 week or more in arrears.

(2) Commercial debts.

(i) The garnishment order is not honored when the weekly disposable income of an employee is equal to or less than 30 times the hourly minimum wage under the Fair Labor Standards Act. (EXAMPLE: The current minimum wage is \$5.15 per hour. The garnishment order is not honored if the weekly disposable pay is less than \$154.50 which is 30 times \$5.15).

(ii) The garnishment order is honored when the weekly disposable income of an employee:

(A) exceeds 30 times but is less than 40 times the hourly minimum wage. The garnishment may not exceed the amount by which the employee's aggregate disposable income exceeds 30 times the hourly minimum rate.

(EXAMPLE: The correct minimum wage is \$5.15 per hour. The amount of aggregate disposable earning which may not be garnished is \$154.50 which is 30 times \$5.15). Only the amount above \$154.50 is garnishable.

(B) is equivalent to or greater than 40 times the hourly minimum wage. The deduction is up to the maximum allowable amount of 25 percent of the employee's disposable income.

(3) Multiple garnishments.

(i) If a commercial garnishment order is received and an employee has child support or alimony garnishment in effect which:

(A) exceeds 25 percent of the disposable earnings; the agency does not further garnish wages to satisfy the order. The Servicing Human Resources Office will return the court order to the person seeking the garnishment with a written explanation.

(B) does not exceed 25 percent of the disposable income, the Agency will honor the commercial order for an amount up to but not exceeding 25 percent of the disposable income. (EXAMPLE: the child support or alimony garnishment in effect equals 12 percent of the disposable income. The commercial debt withholding will be 13 percent of the disposable income).

(ii) Commercial garnishments are honored in chronological order of receipt. If the garnishment has an expiration date, it is returned to the person requesting service with a written explanation. If the order does not have an expiration date, the servicing human resources office holds the order until garnishment can be honored.

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