State of Alabama Unified Judicial System Form C-24A/C Rev. 7/2019	**GARNISHMENT PROVISIONS FOR CONSUMER DEBTS** **GARNISHMENT PROVISIONS FOR NON-CONSUMER DEBTS**	**Case Number**

Garnishment Provisions of the Alabama Consumer Credit Act
(Section 5-19-15, *Code of Alabama 1975)*

TO BE USED FOR GARNISHMENTS INVOLVING DEBTS ARISING FROM CONSUMER LOANS, CONSUMER CREDIT SALES AND CONSUMER LEASES

A person who has "disposable earnings" of less than a certain amount per week cannot be garnished in any amount for debts arising from consumer loans, consumer credit sales, and consumer leases. For debts or demands created BEFORE April 12, 1988, the amount is $362.50. For debts or demands created ON OR AFTER April 12, 1988, this amount is $217.50. This is due to the federal minimum wage increase to $7.25 per hour for most workers, and the resulting increase in the amount of wages, salary, or other compensation exempt from garnishment under the Alabama Consumer Credit Act.

DISPOSABLE EARNING DEFINED: An employee's "disposable earnings" means that part of earnings of an individual remaining after deduction of amounts required by law to be withheld such as federal income tax, federal social security tax and state and local taxes.

For debts or demands created BEFORE April 12,1988, the Alabama Consumer Credit Act limits wages, salary or other compensation subject to garnishment to the LESSER of:

(a) 20% of a person's disposable earnings for the week;
OR
(b) Disposable earnings for the week less $362.50 (50 times the minimum wage - $7.25 per hour)

Example 1: If an employee's gross earnings in a particular week are $500, and after deductions made as outlined above, the disposable earnings are $450, apply the test as follows:

(a) 20% times $450 = $90 **OR** (b) $450 less $362.50 = $87.50

In this example, only $87.50 may be garnished for the week, since $87.50 is less than $90.00, and $362.50 would be paid to the employee ($450 disposable earnings less the garnished $87.50)

For debts or demands created ON OR AFTER April 12, 1988, the Alabama Consumer Credit Act limits wages, salary or other compensation subject to garnishment to the LESSER of:

(a) 20% of a person's disposable earnings for the week;
OR
(b) Disposable earnings for the week less $217.50 (30 times the minimum wage - $7.25)

Example 2: If an employee's gross earnings in a particular week are $280, and after deductions made as outlined above, the disposable earnings are $240, apply the test as follows: 7.25 x 30 =$217.50)

(a) 20% times $240 = $60 **OR** (b) $240 less $217.50 = $22.50

In this example, only $22.50 may be garnished for the week, since $22.50 is less than $60.00, and $217.50 would be paid to the employee ($240 disposable earnings less the garnished $22.50).

NOTE: When the federal minimum wage increases, then the above tests and examples would use the current minimum wage instead of $7.25.

PROTECTION AGAINST DISCHARGE FROM EMPLOYMENT: Title 15, §1674 of the United States Code, prohibits an employer from discharging any employee because earnings have been subject to garnishment for any one indebtedness.

……IMPORTANT……

IF THE GARNISHEE FAILS TO FILE A SWORN ANSWER WITHIN 30 DAYS FROM THE DATE THE WRIT IS RECEIVED, THE PLAINTIFF (PERSON ASSERTING CLAIM) MAY PROCEED FOR JUDGMENT AGAINST THE GARNISHEE FOR THE AMOUNT OF THE PLAINTIFF'S CLAIM PLUS COURT COSTS. THE ANSWER MAY BE MAILED TO THE COURT CLERK PROMPTLY AFTER BEING SERVED BY THE SHERIFF. CONTACT AN ATTORNEY IF YOU NEED FURTHER ASSISTANCE. THE COURT CLERK AND OTHER COURT PERSONNEL CANNOT GIVE YOU LEGAL ADVICE.

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Garnishment Provisions of 15 U.S.C. § 1673 and §6-10-7, *Code of Alabama 1975*

TO BE USED FOR GARNISHMENTS INVOLVING DEBTS NOT ARISING FROM CONSUMER LOANS, CONSUMER CREDIT SALES AND CONSUMER LEASES

A person who has "disposable earnings" of less than a certain amount per week cannot be garnished in any amount for debts arising from consumer loans, consumer credit sales, and consumer leases. For debts or demands created BEFORE April 12, 1988, the amount is $362.50. For debts or demands created ON OR AFTER April 12, 1988, this amount is $217.50. This is due to the federal minimum wage increase to $7.25 per hour for most workers, and the resulting increase in the amount of wages, salary, or other compensation exempt from garnishment under the Alabama Consumer Credit Act.

DISPOSABLE EARNING DEFINED: An employee's "disposable earnings" means that part of earnings of an individual remaining after deduction of amounts required by law to be withheld such as federal income tax, federal social security tax and state and local taxes.

Alabama and federal law limit wages, salary or other compensation subject to garnishment to the LESSER of:

(a) 25% of a person's disposable earnings for the week;

OR

(b) Disposable earnings for the week less $217.50 (30 times the minimum wage - $7.25 per hour)

The following examples illustrate how to determine how much of an employee's wages, salary or other compensation can be garnished:

Example 1: If an employee's gross earnings in a particular week are $270, and after deductions made as outlined above, the disposable earnings are $230, apply the test as follows:

(a) 20% times $230 = $46 **OR** (b) $230 less $217.50 = $12.50

In this example, only $12.50 may be garnished for the week, since $12.50 is less than $46, and $217.50 would be paid to the employee ($230 disposable earnings less the garnished $12.50)

Example 2: If an employee's gross earnings in a particular week are $350, and after deductions made as outlined above, the disposable earnings are $300, apply the test as follows: ($7.25 x 30 =$217.50)

(a) 25% times $300 = $75 **OR** (b) $300 less $217.50 = $82.50

In this example, only $75 may be garnished for the week, since $75 is less than $82.50, and $225 would be paid to the employee ($300 disposable earnings less the garnished $75).

NOTE: When the federal minimum wage increases, then the above tests and examples would use the current minimum wage instead of $7.25.

PROTECTION AGAINST DISCHARGE FROM EMPLOYMENT: Title 15, §1674 of the United States Code, prohibits an employer from discharging any employee because earnings have been subject to garnishment for any one indebtedness.

……IMPORTANT……

IF THE GARNISHEE FAILS TO FILE A SWORN ANSWER WITHIN 30 DAYS FROM THE DATE THE WRIT IS RECEIVED, THE PLAINTIFF (PERSON ASSERTING CLAIM) MAY PROCEED FOR JUDGMENT AGAINST THE GARNISHEE FOR THE AMOUNT OF THE PLAINTIFF'S CLAIM PLUS COURT COSTS. THE ANSWER MAY BE MAILED TO THE COURT CLERK PROMPTLY AFTER BEING SERVED BY THE SHERIFF. CONTACT AN ATTORNEY IF YOU NEED FURTHER ASSISTANCE. THE COURT CLERK AND OTHER COURT PERSONNEL CANNOT GIVE YOU LEGAL ADVICE.

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