

# Wage Garnishment Policy



## 1. PURPOSE

To ensure that ABC Company (“ABC”) responds to orders garnishing the wages of its employees in a manner that is orderly, efficient and compliant as well as fair to employees whose wages are garnished.

## 1. DEFINITIONS

For purposes of this Policy:

**“Garnishment”** means an order from a court, tribunal or other government body submitted to ABC naming ABC as garnishee that directs ABC to withhold wages from an ABC employee and remit the moneys to satisfy an unpaid debt to a garnishor;

**“Garnishee”** means the employer required by the garnishment order to withhold wages from an employee to pay an uncollected debt—towit, ABC Company;

**“Garnishor”** means a creditor that obtains a judgment against an employee for an uncollected debt and obtains a garnishment order to enforce the judgment and make the employee pay;

**“Debtor”** means the individual named in the garnishment order as owing the debt to the garnishor—the ABC Company employee.

## 1. POLICY

As part of its general commitment to comply with all laws, ABC’s policy is to ensure that the company and all personnel respect and obey all garnishment and other court orders affecting ABC employees as well as garnishment, debt collection and other payment laws used to enforce those court orders. At the same time, ABC recognizes that garnishment is a part of commerce and law enforcement that in no way represents a stigma to employees whose wages are garnished.

## 1. PROCEDURE

1. **Receipt of Garnishments:** Any ABC Company employee or official who receives a garnishment order naming an ABC employee as debtor will immediately, i.e., by the end of the business day on which the order is received, forward the order to the ABC Company HR Director [*or other company official*] for processing.
2. **Processing of Garnishments:** The ABC Company HR Director [*or other company official*] will process the garnishment order within five business days or by the time employee's next paycheck must be processed, whichever is sooner, by:
  3. Verifying that the garnishment order is valid; and
  4. Having verified that the garnishment order is valid, calculating how much of the employee's wages to withhold to satisfy the order; and
    - Remitting the garnished portion of wages to the garnishor in accordance with the instructions in the garnishment order.

## 1. NO REPRISALS

Employees will not be terminated, demoted, transferred or reassigned, have their pay or benefits cut, or suffer any other adverse consequences because their wages have been garnished.

However, ABC Company may advise employees who have received 2 or more garnishments in the previous 18 months to seek credit counseling via the ABC Employee Assistance Program or an outside counsellor. Such referral will be made not to punish but to help the employee.