



# PAYROLL CURRENTLY

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## **APA Testifies on Kansas Garnishment Bill**

“I appreciate the opportunity to be here today to support Senate Bill 234,” Debbie Lindenmuth, CPP, told the Kansas Senate Judiciary Committee on January 26. “After many hours of working in partnership with Kansas attorneys, the American Payroll Association would like to recommend the following changes to state law, which will streamline the garnishment process for everyone involved and also reduce the amount of money debtors will pay to settle their debts.”

Lindenmuth is garnishment supervisor for Tyson Foods and also chairs the APA’s Government Affairs Task Force, Subcommittee on Child Support and Garnishment. Tyson Foods has 4,900 employees in Kansas and a total of 110,000 across the country.

SB 234 addresses three issues of interest to payroll professionals: timely remittances, overwithholding, and administrative burden. Currently, employers withhold money from debtor-employees’ paychecks and remit the funds once a month to the creditor. Under SB 234, employers would remit the earnings withheld each payday. This would serve three purposes: to reduce the recordkeeping burden on employers; to reduce the amount of interest that accumulates on the unpaid balance, thus benefiting the employee; and creditors and attorneys would receive their money faster.

Currently, overwithholding – that is, withholding more than the amount actually owed – is common because garnishees are not aware of the actual amount owed and are required to continue to withhold until the order is released. “Overwithholding causes an unnecessary stress on employees,” Lindenmuth said, “which can affect their productivity and cause problems for their employers.”

SB 234 calls for the creditor to inform the garnishee of the unsatisfied balance of the judgment at the time the order is issued. Lindenmuth explained to the committee that employers have mechanisms by which they can track the balance owed and so will know that the debt is expected to be paid in full in a certain pay period. If the employer has not received a timely release, it may choose to either contact the creditor or court itself or notify the employee to do so.

Finally, garnishees are currently required to submit an answer to the creditor each month detailing computation of the nonexempt portion of the judgment debtor’s wages for the pay period or periods covered. Lindenmuth said that this places an unnecessary paperwork burden on employers and creditors’ attorneys. SB 234 would eliminate the need for garnishees to send regular notices to the creditor once it acknowledges receipt of the order. Since the attorneys will only receive one answer per writ, this will eliminate many hours of costly post-garnishment work.

The bill was passed by the Senate and is expected to be discussed in the House this spring.