



## Garnishment Formula for Wage Levy

Federal Consumer Credit Protection Act, Title III (15 USC Sections 1671-1677), and Montana Statute (MCA 25-13-614) provides exemptions from garnishment.

### Definitions:

- A. "Earnings": Compensation for personal services, whether called wages, salary, commissions, or bonuses, and payments to pension or retirement program.
- B. "Disposable Income": Earnings remaining after (tax) deductions required by law (Federal and State taxes, FICA, etc.)
- C. "Garnishment": Any legal or equitable procedure by which the earnings of an individual are required to be withheld for payment of a debt.

### Computation of Garnishment Amount

The maximum amount to be garnished is the **LESSER** of:

- a. 25% of disposable income for each pay period, **OR**
- b. The amount of disposable earnings for that pay period which exceeds 30 times the federal minimum hourly wage (currently \$6.55 per hour). 29 USC Sec. 206(a)(1).

1. \_\_\_\_\_ Enter total earnings
  - (-) \_\_\_\_\_ Deduct federal withholding
  - (-) \_\_\_\_\_ Deduct state withholding
  - (-) \_\_\_\_\_ Deduct FICA
2. (=) \_\_\_\_\_ Disposable earnings
3. \_\_\_\_\_ Enter 25% (0.25) of line 2
  - (-) \_\_\_\_\_ Existing levies (include child support and IRS levies)
4. \_\_\_\_\_ 25% of disposable earnings less any existing levies
5. \_\_\_\_\_ Disposable earnings from line 2
6. (-) \_\_\_\_\_ Deduct exempt earnings (please use drop down option)
  - Use: (\$0.00 if no wages)
  - (\$196.50 if paid weekly)
  - (\$393.00 if paid bi-weekly)
  - (\$425.75 if paid semi-monthly)
  - (\$851.50 if paid monthly)
  - (\$2,555.50 if paid quarterly)
7. \_\_\_\_\_

**Please remit to the Department of Revenue whichever is LESS—line 4 or line 7 for each pay period.** If either line 4 or line 7 are zero or less, no funds should be taken. Please print and return this form with a note of explanation.

Please print a copy for your records and include a copy of the completed form with your remittance.

Name: \_\_\_\_\_

ID#: \_\_\_\_\_