

FILED FEB 25 1971

*televised & circ. 2/25, Pass 3/26*

SENATE FILE 280

By RILEY  
(Pelton)

Passed Senate, Date 5-10-71 Passed House, Date 5-24-71

Vote: Ayes 42 Nays 2 Vote: Ayes 79 Nays 1

Approved June 4, 1971

*Passed Senate as amended by House*

*5-26-71  
ayes 41 nays 2*

# A BILL FOR

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An Act relating to garnishment of wages, liability for costs,  
and discharge of employees.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Chapter six hundred forty-two (642), Code 1971,  
2 is amended by adding the following new section:

3 "1. The disposable earnings of an individual shall be  
4 exempt from garnishment:

5 a. To the extent provided by federal law.

6 b. To the extent disposable earnings exceed two hundred  
7 fifty dollars per calendar year.

8 2. No employer shall:

9 a. Withhold from the earnings of an individual an amount  
10 greater than that provided by law.

11 b. Dispose of garnished wages in any manner other than  
12 ordered by a court of law.

13 c. Discharge an individual by reason of his earnings having  
14 been subject to garnishment for indebtedness.

15 d. Be held liable for an amount not earned at the time of  
16 the service of notice of garnishment or for the costs of a  
17 garnishment action.

18 3. For the purpose of this section:

19 a. The term "earnings" means compensation paid or payable  
20 for personal services, whether denominated as wages, salary,  
21 commission, bonus, or otherwise, and includes periodic payments  
22 pursuant to a pension or retirement program.

23 b. The term "disposable earnings" means that part of the  
24 earnings of any individual remaining after the deduction from  
25 those earnings of any amounts required by law to be withheld."

26 Sec. 2. Section six hundred twenty-seven point ten (627.10),  
27 Code 1971, is repealed.

28 EXPLANATION

29 This bill provides that wages can be garnished only to the  
30 extent allowed by federal law not to exceed \$250 per year, and  
31 that no greater amount can be withheld. It also provides that an  
32 employer cannot be held liable for costs or for amounts not  
33 owing at the time of service of notice and that employers may  
34 not discharge employees for garnishment. Iowa's present law  
35 has been superseded by a recent federal statute.

1 Amend Senate File 280 as follows:  
2 1. Page 2, by striking line 5, and inserting the following:  
3 a. To the extent provided by the federal Consumer  
4 Credit Protection Act, Title III. The term "Consumer  
5 Credit Protection Act" means the Act of congress  
6 approved May 29, 1968, 82 stat. 163, officially  
7 cited as the "Consumer Credit Protection Act,"  
8 Title III.  
9 2. Page 2, by striking lines 13 and 14, and inserting the  
10 following:  
11 c. Discharge any individual by reason of the fact that  
12 his earnings have been subjected to garnishment for  
13 any one indebtedness.  
14 3. Page 2, line 15, by inserting after the word "earned" the  
15 words "and due".

Filed *w. D. 5/10*  
March 30, 1971

By RILEY

1 Amend Senate File 280 as follows:  
2 1. Page 2, by striking lines 3 through 7 and inserting the  
3 following:  
4 "1. The disposable earnings of an individual shall be exempt  
5 from garnishment to the extent provided by the federal Consumer  
6 Credit Protection Act, Title III. The term "Consumer Protection  
7 Act" means the Act of Congress approved May 29, 1968, 82 Stat.  
8 163, officially cited as the "Consumer Credit Protection Act,  
9 Title III." The maximum amount of an employee's earnings which  
10 may be garnished during any one calendar year is \$250.00 for  
11 each \$5,000.00 of such employee's earnings, except as provided  
12 in section 627.12 of the Code."  
13 2. Page 2, by striking lines 13 and 14, and inserting the  
14 following:  
15 "c. Discharge any individual by reason of the fact that his  
16 earnings have been subjected to garnishment for any one indebted-  
17 ness."

Filed - *Div 1 adopted, 2 lost 5/10* By RILEY  
May 7, 1971

HOUSE AMENDMENT TO SENATE FILE 280

- 1 Amend Senate File 280 as amended and passed by the
- 2 Senate, page 2, by striking from lines 11 and 12 the
- 3 words "five thousand (5,000) dollars of such employee's
- 4 earnings" and inserting in lieu thereof the words
- 5 "judgment creditor".

Received from the House  
May 25, 1971

*Senate concurred 5/26*

- 1 Amend S.F. 280, page 2, by striking from lines 11
- 2 and 12 the words "five thousand (5,000) dollars of
- 3 such employee's earnings" and inserting in lieu
- 4 thereof the words "judgment creditor".

Offered from the floor  
and Adopted  
May 24, 1971

By PELTON of Clinton  
District 74

