SUBSTITUTE HOUSE BILL 1687

State of Washington 55th Legislature 1997 Regular Session

By House Committee on Law & Justice (originally sponsored by Representatives Sheahan, Delvin, Sheldon, McMorris, L. Thomas, Mielke, Grant, Morris, Benson, D. Schmidt, Alexander, D. Sommers, Johnson, Thompson, Talcott and Boldt)

Read first time 03/05/97.

AN ACT Relating to wage garnishment; amending RCW 6.27.100, 6.27.110, 6.27.190, 6.27.200, 6.27.350, 6.27.360, 26.18.100, 26.18.110, 26.23.060, 26.23.090, 26.23.035, 74.20A.080, 74.20A.100, and 74.20A.240; adding new sections to chapter 6.27 RCW; and creating new sections.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 <u>NEW SECTION.</u> Sec. 1. The legislature recognizes that the employer has no responsibility in the situation leading to wage garnishment of 8 9 the employee and that the employer is in fact helping the state and 10 other businesses when the wages of employees are garnished. It is not the intent of the legislature to interfere in the employer/employee 11 12 relationship. The legislature also recognizes that wage garnishment 13 orders create an administrative burden for employers and that the state should do everything in its power to reduce or offset this burden. 14

15 Sec. 2. RCW 6.27.100 and 1988 c 231 s 25 are each amended to read 16 as follows:

17 The writ shall be substantially in the following form: PROVIDED, 18 That if the writ is issued under a court order or judgment for child

support, the following statement shall appear conspicuously in the 1 2 caption: "This garnishment is based on a judgment or court order for child support": AND PROVIDED FURTHER, That if the garnishment is for 3 a continuing lien, the form shall be modified as provided in RCW 4 6.27.340: AND PROVIDED FURTHER, That if the writ is not directed to an 5 employer for the purpose of garnishing a defendant's earnings, the 6 paragraph relating to the earnings exemption may be omitted: 7 8 "IN THE SUPERIOR COURT 9 OF THE STATE OF WASHINGTON IN AND FOR THE COUNTY OF 10 11 12 Plaintiff, No. 13 vs. 14 WRIT OF 15 Defendant GARNISHMENT 17 18 Garnishee ((Defendant)) 19 THE STATE OF WASHINGTON TO: 20 Garnishee 21 ((Defendant)) 22 AND TO: 23 Defendant 24 The above-named plaintiff has applied for a writ of garnishment 25 against you, claiming that the above-named defendant is indebted to plaintiff and that the amount to be held to satisfy that indebtedness 26 27 is \$, consisting of: \$ 28 Balance on Judgment or Amount of Claim 29 Interest under Judgment from to . . . \$ Taxable Costs and Attorneys' Fees 30 \$ 31 Estimated Garnishment Costs: 32 Filing Fee \$ Service and Affidavit Fees 33 \$ Postage and Costs of Certified Mail 34 \$ 35 ((Answer Fee or Fees \$ • • • •)) 36 Garnishment Attorney Fee \$

1 YOU MAY DEDUCT A PROCESSING FEE FROM THE REMAINDER OF THE 2 EMPLOYEE'S EARNINGS AFTER WITHHOLDING UNDER THE GARNISHMENT ORDER. THE 3 PROCESSING FEE MAY NOT EXCEED TWENTY DOLLARS FOR THE FIRST DISBURSEMENT 4 MADE. IF THIS IS A WRIT FOR A CONTINUING LIEN ON EARNINGS, YOU MAY 5 DEDUCT A PROCESSING FEE OF TWENTY DOLLARS AT THE TIME YOU REMIT THE 6 FIRST DISBURSEMENT AND TEN DOLLARS AT THE TIME YOU SUBMIT THE SECOND 7 ANSWER.

YOU ARE HEREBY COMMANDED, unless otherwise directed by the court or 8 by this writ, not to pay any debt, whether earnings subject to this 9 garnishment or any other debt, owed to the defendant at the time this 10 writ was served and not to deliver, sell, or transfer, or recognize any 11 12 sale or transfer of, any personal property or effects of the defendant in your possession or control at the time when this writ was served. 13 Any such payment, delivery, sale, or transfer is void to the extent 14 necessary to satisfy the plaintiff's claim and costs for this writ with 15 16 interest.

YOU ARE FURTHER COMMANDED to answer this writ by filling in the attached form according to the instructions in this writ and in the answer forms and, within twenty days after the service of the writ upon you, to mail or deliver the original of such answer to the court, one copy to the plaintiff or the plaintiff's attorney, and one copy to the defendant, in the envelopes provided.

If, at the time this writ was served, you owed the defendant any 23 earnings (that is, wages, salary, commission, bonus, or other 24 25 compensation for personal services or any periodic payments pursuant to a pension or retirement program), the defendant is entitled to receive 26 27 amounts that are exempt from garnishment under federal and state law. You must pay the exempt amounts to the defendant on the day you would 28 29 customarily pay the compensation or other periodic payment. As more 30 fully explained in the answer, the basic exempt amount is the greater of seventy-five percent of disposable earnings or a minimum amount 31 32 determined by reference to the employee's pay period, to be calculated as provided in the answer. However, if this writ carries a statement 33 in the heading that "This garnishment is based on a judgment or court 34 35 order for child support," the basic exempt amount is forty percent of 36 disposable earnings.

If you owe the defendant a debt payable in money in excess of the amount set forth in the first paragraph of this writ, hold only the

amount set forth in the first paragraph and <u>any processing fee if one</u>
 <u>is charged and</u> release all additional funds or property to defendant.

3 YOUR FAILURE TO ANSWER THIS WRIT AS COMMANDED WILL RESULT IN A 4 JUDGMENT BEING ENTERED AGAINST YOU FOR THE FULL AMOUNT OF THE 5 PLAINTIFF'S CLAIM AGAINST THE DEFENDANT WITH ACCRUING INTERESTS AND 6 COSTS WHETHER OR NOT YOU OWE ANYTHING TO THE DEFENDANT.

9 [Seal]

10													
11	Attorney for	Clerk of											
12	Plaintiff (or	Superior											
13	Plaintiff,	Court											
14	if no attorney)												
15													
16	Address	Ву											
17													
18		Address"											

19 <u>NEW SECTION.</u> Sec. 3. The garnishee may deduct a processing fee 20 from the remainder of the obligor's earnings after withholding the 21 required amount under the garnishment order. The processing fee may 22 not exceed twenty dollars for the first disbursement. If the 23 garnishment is a continuing lien on earnings, the garnishee may deduct 24 a processing fee of twenty dollars for the first disbursement and ten 25 dollars at the time the garnishee submits the second answer.

26 **Sec. 4.** RCW 6.27.110 and 1988 c 231 s 26 are each amended to read 27 as follows:

(1) Service of the writ of garnishment on the garnishee is invalid unless the writ is served together with: (a) Four answer forms as prescribed in RCW 6.27.190; (b) three stamped envelopes addressed respectively to the clerk of the court issuing the writ, the attorney for the plaintiff (or to the plaintiff if the plaintiff has no attorney), and the defendant((; and (c) cash or a check made payable to the garnishee in the amount of ten dollars)).

(2) Except as provided in RCW 6.27.080 for service on a bank, 1 savings and loan association, or credit union, the writ of garnishment 2 3 shall be mailed to the garnishee by certified mail, return receipt 4 requested, addressed in the same manner as a summons in a civil action, 5 and will be binding upon the garnishee on the day set forth on the return receipt. In the alternative, the writ shall be served by the 6 7 sheriff of the county in which the garnishee lives or has its place of 8 business or by any person qualified to serve process in the same manner 9 as a summons in a civil action is served.

10 (3) If a writ of garnishment is served by a sheriff, the sheriff shall file with the clerk of the court that issued the writ a signed 11 return showing the time, place, and manner of service and that the writ 12 13 was accompanied by answer forms, addressed envelopes, and ((cash or a check as required by this section, and)) noting thereon fees for making 14 15 the service. If service is made by any person other than a sheriff, such person shall file an affidavit including the same information and 16 17 showing qualifications to make such service. If a writ of garnishment is served by mail, the person making the mailing shall file an 18 19 affidavit showing the time, place, and manner of mailing and that the 20 writ was accompanied by answer forms((-)) and addressed envelopes, ((and cash or a check as required by this section)) and shall attach 21 22 the return receipt to the affidavit.

23 **Sec. 5.** RCW 6.27.190 and 1988 c 231 s 30 are each amended to read 24 as follows:

25 The answer of the garnishee shall be signed by the garnishee or attorney or if the garnishee is a corporation, by an officer, attorney 26 or duly authorized agent of the garnishee, under penalty of perjury, 27 and the original delivered, either personally or by mail, to the clerk 28 29 of the court that issued the writ, one copy to the plaintiff or the plaintiff's attorney, and one copy to the defendant. The answer shall 30 be made on a form substantially as appears in this section, served on 31 the garnishee with the writ, with minimum exemption amounts for the 32 33 different pay periods filled in by the plaintiff before service of the 34 answer forms: PROVIDED, That, if the garnishment is for a continuing lien, the answer forms shall be as prescribed in RCW 6.27.340 and 35 36 6.27.350: AND PROVIDED FURTHER, That if the writ is not directed to an 37 employer for the purpose of garnishing the defendant's wages, 38 paragraphs relating to the earnings exemptions may be omitted.

1	IN THE SUPERIOR COURT							
2	OF THE STATE OF WASHINGTON IN AND FOR							
3	THE COUNTY OF							
4	NO							
5	Plaintiff							
6	vs. ANSWER							
8	TO WRIT OF							
10	Defendant							
	GARNISHMENT							
11	• • • • • • • • • • • • • • • • • • • •							
13	Garnishee Defendant							
14	At the time of service of the writ of garnishment on the garnishee							
15	there was due and owing from the garnishee to the above-named defendant							
16	\$ (On the reverse side of this answer form, or on an							
17	attached page, give an explanation of the dollar amount stated, or give							
18	reasons why there is uncertainty about your answer.)							
19	If the above amount or any part of it is for personal earnings							
20	(that is, compensation payable for personal services, whether called							
21	wages, salary, commission, bonus, or otherwise, and including periodic							
22	payments pursuant to a pension or retirement program): Garnishee has							
23	deducted from this amount $\$$ which is the exemption to which							
24	the defendant is entitled, leaving $\$$							
25	under the writ. The exempt amount is calculated as follows:							
26	Total compensation due defendant \$							
27	LESS deductions for social security and							
28	withholding taxes and any other							
29	deduction required by law (list							
30	separately and identify) \$							
31	Disposable earnings \$							
32	If the title of this writ indicates that this is a garnishment							
33	under a child support judgment, enter forty percent of disposable							
34	earnings: \$ This amount is exempt and must be paid to the							

36 you may charge.

35

37 If this is not a garnishment for child support, enter seventy-five percent of disposable earnings: \$ From the listing in 38 the following paragraph, choose the amount for the relevant pay period 39 and enter that amount: \$ (If amounts for more than one 40

defendant at the regular pay time after deducting any processing fee

pay period are due, multiply the preceding amount by the number of pay periods and/or fraction of pay period for which amounts are due and enter that amount: \$) The greater of the amounts entered in this paragraph is the exempt amount and must be paid to the defendant at the regular pay time <u>after deducting any processing fee</u> you may charge.

7 Minimum exempt amounts for different pay periods: Weekly 8 \$; Biweekly \$; Semimonthly \$; 9 Monthly \$

List all of the personal property or effects of defendant in the garnishee's possession or control when the writ was served. (Use the reverse side of this answer form or attach a schedule if necessary.) An attorney may answer for the garnishee.

Under penalty of perjury, I affirm that I have examined this answer, including accompanying schedules, and to the best of my knowledge and belief it is true, correct, and complete.

17			
18	Signature	of	Date
19 20	Garnishee	Defendant	
21			
22	Signature	of person	Connection with
23 24	answering	for	garnishee
25	garnishee		

 27
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .
 .

29 Address of Garnishee

30 **Sec. 6.** RCW 6.27.200 and 1988 c 231 s 31 are each amended to read 31 as follows:

If the garnishee fails to answer the writ within the time prescribed in the writ, after the time to answer the writ has expired and after required returns or affidavits have been filed, showing service on the garnishee and service on or mailing to the defendant, it shall be lawful for the court to render judgment by default against such garnishee, ((in accordance with rules relating to entry of default <u>judgments</u>)) after providing a notice to the garnishee by personal

service or first class mail deposited in the mail at least ten calendar 1 days prior to entry of the judgment, for the full amount claimed by the 2 plaintiff against the defendant, or in case the plaintiff has a 3 4 judgment against the defendant, for the full amount of the plaintiff's 5 unpaid judgment against the defendant with all accruing interest and costs as prescribed in RCW 6.27.090: PROVIDED, That upon motion by the 6 7 garnishee at any time within seven days following service on, or 8 mailing to, the garnishee ((defendant)) of a copy of a writ of 9 execution or a writ of garnishment under such judgment, the judgment 10 against the garnishee shall be reduced to the amount of any nonexempt funds or property which was actually in the possession of the garnishee 11 at the time the writ was served, plus the cumulative amount of the 12 13 nonexempt earnings subject to the lien provided for in RCW 6.27.350, or the sum of one hundred dollars, whichever is more, but in no event to 14 15 exceed the full amount claimed by the plaintiff or the amount of the 16 unpaid judgment against the principal defendant plus all accruing 17 interest and costs and attorney's fees as prescribed in RCW 6.27.090, and in addition the plaintiff shall be entitled to a reasonable 18 19 attorney's fee for the plaintiff's response to the garnishee's motion 20 to reduce said judgment against the garnishee under this proviso and the court may allow additional attorney's fees for other actions taken 21 22 because of the garnishee's failure to answer.

23 **Sec. 7.** RCW 6.27.350 and 1988 c 231 s 35 are each amended to read 24 as follows:

25 (1) Where the garnishee's answer to a garnishment for a continuing lien reflects that the defendant is employed by the garnishee, the 26 27 judgment or balance due thereon as reflected on the writ of garnishment shall become a lien on earnings due at the time of the effective date 28 29 of the writ, as defined in this subsection, to the extent that they are not exempt from garnishment, and such lien shall continue as to 30 subsequent nonexempt earnings until the total subject to the lien 31 equals the amount stated on the writ of garnishment or until the 32 33 expiration of the employer's payroll period ending on or before sixty 34 days after the effective date of the writ, whichever occurs first, except that such lien on subsequent earnings shall terminate sooner if 35 36 the employment relationship is terminated or if the underlying judgment 37 is vacated, modified, or satisfied in full or if the writ is dismissed. The "effective date" of a writ is the date of service of the writ if 38

1 there is no previously served writ; otherwise, it is the date of 2 termination of a previously served writ or writs.

3 (2) At the time of the expected termination of the lien, the 4 plaintiff shall mail to the garnishee ((cash or a check made payable to 5 the garnishee in the amount of ten dollars,)) three additional stamped envelopes addressed as provided in RCW 6.27.110, and four additional 6 7 copies of the answer form prescribed in RCW 6.27.190, (a) with a 8 statement in substantially the following form added as the first 9 paragraph: "ANSWER THE SECOND PART OF THIS FORM WITH RESPECT TO THE 10 TOTAL AMOUNT OF EARNINGS WITHHELD UNDER THIS GARNISHMENT, INCLUDING THE AMOUNT, IF ANY, STATED IN YOUR FIRST ANSWER, AND WITHIN TWENTY DAYS 11 AFTER YOU RECEIVE THESE FORMS, MAIL OR DELIVER THEM AS DIRECTED IN THE 12 WRIT" and (b) with the following lines substituted for the first 13 14 sentence of the form prescribed in RCW 6.27.190:

15Amount due and owing stated in first answer\$....16Amount accrued since first answer\$....

(3) Within twenty days of receipt of the second answer form the garnishee shall file a second answer, in the form as provided in subsection (2) of this section, stating the total amount held subject to the garnishment.

21 **Sec. 8.** RCW 6.27.360 and 1989 c 360 s 20 are each amended to read 22 as follows:

(1) Except as provided in subsection (2) of this section, a lien obtained under RCW 6.27.350 shall have priority over any subsequent garnishment lien or wage assignment except that service of a writ shall not be effective to create a continuing lien with such priority if a writ in the same case is pending at the time of the service of the new writ.

(2) A lien obtained under RCW 6.27.350 shall not have priority over a notice of payroll deduction issued under RCW 26.23.060 or a wage assignment or other garnishment for child support issued under chapters 26.18 and 74.20A RCW. <u>Should nonexempt wages remain after deduction of</u> all amounts owing under a notice of payroll deduction, wage assignment, or garnishment for child support, the garnishee shall withhold the remaining nonexempt wages under the lien obtained under RCW 6.27.350.

36 <u>NEW SECTION.</u> **Sec. 9.** (1) Whenever the federal government is named 37 as a garnishee defendant, the clerk of the court shall, upon submitting

SHB 1687

1 a notice in the appropriate form by the plaintiff, issue a notice which 2 directs the garnishee defendant to disburse any nonexempt earnings to 3 the court in accordance with the garnishee defendant's normal pay and 4 disbursement cycle.

(2) Funds received by the clerk from a garnishee defendant may be 5 deposited into the registry of the court or, in the case of negotiable б 7 instruments, may be retained in the court file. Upon presentation of an order directing the clerk to disburse the funds received, the clerk 8 9 shall pay or endorse the funds over to the party entitled to receive 10 the funds. Except for good cause shown, the funds shall not be paid or endorsed to the plaintiff prior to the expiration of any minimum 11 statutory period allowed to the defendant for filing an exemption 12 13 claim.

14 (3) The plaintiff shall, in the same manner permitted for service 15 of the writ of garnishment, provide to the garnishee defendant a copy 16 of the notice issued by the clerk and an envelope addressed to the 17 court, and shall supply to the garnished party a copy of the notice.

18 (4) Any answer or processing fees charged by the garnishee 19 defendant to the plaintiff under federal law shall be a recoverable 20 cost under RCW 6.27.090.

(5) The notice to the federal government garnishee shall be insubstantially the following form:

23	IN THE COURT OF THE	STATE OF WASHINGTON
24	IN AND FOR	. COUNTY
25	,	NO
26	Plaintiff,	NOTICE TO FEDERAL
27	vs.	GOVERNMENT GARNISHEE DEFENDANT
28	,	
29	Defendant,	
30	,	
31	Garnishee Defendant.	
32	TO: THE GOVERNMENT OF THE UNITED STATES A	AND ANY DEPARTMENT, AGENCY, OR

33 DIVISION THEREOF

34 You have been named as the garnishee defendant in the above-entitled 35 cause. A Writ of Garnishment accompanies this Notice. The Writ of

Garnishment directs you to hold the nonexempt earnings of the named 1 2 defendant, but does not instruct you to disburse the funds you hold. 3 BY THIS NOTICE THE COURT DIRECTS YOU TO WITHHOLD ALL NONEXEMPT EARNINGS 4 AND DISBURSE THEM IN ACCORDANCE WITH YOUR NORMAL PAY AND DISBURSEMENT 5 CYCLE, TO THE FOLLOWING: б County Court Clerk 7 Cause No. 8 9 (Address) 10 PLEASE REFERENCE THE DEFENDANT EMPLOYEE'S NAME AND THE ABOVE CAUSE 11 NUMBER ON ALL DISBURSEMENTS. 12 The enclosed Writ also directs you to respond to the Writ within twenty 13 (20) days, but you are allowed thirty (30) days to respond under federal law. 14 15 DATED this . . . day of , 19. . . 16 17 Clerk of the Court 18 Sec. 10. RCW 26.18.100 and 1994 c 230 s 4 are each amended to read 19 as follows: 20 The wage assignment order shall be substantially in the following form: 21 22 IN THE SUPERIOR COURT OF THE 23 STATE OF WASHINGTON IN AND FOR THE 24 COUNTY OF 25 , 26 Obligee No. vs. 27 28 , WAGE ASSIGNMENT 29 Obligor ORDER , 30 31 Employer 32 33 Employer

The above-named obligee claims that the above-named obligor is 3 subject to a support order requiring immediate income withholding or is 4 more than fifteen days past due in either child support or spousal 5 maintenance payments, or both, in an amount equal to or greater than 6 7 the child support or spousal maintenance payable for one month. The 8 amount of the accrued child support or spousal maintenance debt as of 9 this date is dollars, the amount of arrearage payments specified in the support or spousal maintenance order (if applicable) 10 11 is dollars per , and the amount of the current 12 and continuing support or spousal maintenance obligation under the order is dollars per 13

You are hereby commanded to answer this order by filling in the attached form according to the instructions, and you must mail or deliver the original of the answer to the court, one copy to the Washington state support registry, one copy to the obligee or obligee's attorney, and one copy to the obligor within twenty days after service of this wage assignment order upon you.

If you possess any earnings or other remuneration for employment due and owing to the obligor, then you shall do as follows:

(1) Withhold from the obligor's earnings or remuneration eachmonth, or from each regular earnings disbursement, the lesser of:

(a) The sum of the accrued support or spousal maintenance debt andthe current support or spousal maintenance obligation;

(b) The sum of the specified arrearage payment amount and thecurrent support or spousal maintenance obligation; or

(c) Fifty percent of the disposable earnings or remuneration of theobligor.

30 (2) The total amount withheld above is subject to the wage 31 assignment order, and all other sums may be disbursed to the obligor. 32 (3) Upon receipt of this wage assignment order you shall make 33 immediate deductions from the obligor's earnings or remuneration and 34 remit to the Washington state support registry or other address 35 specified below the proper amounts at each regular pay interval.

You shall continue to withhold the ordered amounts from nonexempt arrings or remuneration of the obligor until notified by:

38 (a) The court that the wage assignment has been modified or39 terminated; or

(b) The addressee specified in the wage assignment order under this
 section that the accrued child support or spousal maintenance debt has
 been paid.

4 You shall promptly notify the court and the addressee specified in the wage assignment order under this section if and when the employee 5 is no longer employed by you, or if the obligor no longer receives 6 7 earnings or remuneration from you. If you no longer employ the 8 employee, the wage assignment order shall remain in effect ((for one 9 year after the employee has left your employment or)) until you are no 10 longer in possession of any earnings or remuneration owed to the employee((, whichever is later. You shall continue to hold the wage 11 assignment order during that period. If the employee returns to your 12 13 employment during the one-year period you shall immediately begin to 14 withhold the employee's earnings according to the terms of the wage 15 assignment order. If the employee has not returned to your employment within one year, the wage assignment will cease to have effect at the 16 17 expiration of the one-year period, unless you still owe the employee earnings or other remuneration)). 18

You shall deliver the withheld earnings or remuneration to the Washington state support registry or other address stated below at each regular pay interval.

You shall deliver a copy of this order to the obligor as soon as is reasonably possible. This wage assignment order has priority over any other wage assignment or garnishment, except for another wage assignment or garnishment for child support or spousal maintenance, or order to withhold or deliver under chapter 74.20A RCW.

WHETHER OR NOT YOU OWE ANYTHING TO THE OBLIGOR, YOUR FAILURE TO
 ANSWER AS REQUIRED MAY MAKE YOU LIABLE FOR ((OBLIGOR'S CLAIMED
 SUPPORT OR SPOUSAL MAINTENANCE DEBT TO THE OBLIGEE)) THE AMOUNT
 OF SUPPORT MONEYS THAT SHOULD HAVE BEEN WITHHELD FROM THE
 OBLIGOR'S EARNINGS OR SUBJECT TO CONTEMPT OF COURT.

32 NOTICE TO OBLIGOR: YOU HAVE A RIGHT TO REQUEST A HEARING IN THE 33 SUPERIOR COURT THAT ISSUED THIS WAGE ASSIGNMENT ORDER, TO REQUEST THAT 34 THE COURT QUASH, MODIFY, OR TERMINATE THE WAGE ASSIGNMENT ORDER.

35 DATED THIS . . . day of . . . , 19. . .

T		•	•	•	•	•	• •	•	•	•	•	•	•	•	•	•
2	Obligee,	z, Judge/Court Commissioner														
3	or obligee's attorney															
4	Send withheld payments to:		•	•	•	•		•	•	•	•	•	•	•	•	•
5			•	•	•	•		•	•	•	•	•	•	•	•	•
6			•	•	•	•		•	•	•	•	•	•	•	•	•
7			•	•	•	•		•	•	•	•	•	•	•	•	•

8 Sec. 11. RCW 26.18.110 and 1994 c 230 s 5 are each amended to read 9 as follows:

10 (1) An employer upon whom service of a wage assignment order has 11 been made shall answer the order by sworn affidavit within twenty days 12 after the date of service. The answer shall state whether the obligor 13 is employed by or receives earnings or other remuneration from the 14 employer, whether the employer will honor the wage assignment order, 15 and whether there are either multiple child support or spousal 16 maintenance attachments, or both, against the obligor.

(2) If the employer possesses any earnings or remuneration due and owing to the obligor, the earnings subject to the wage assignment order shall be withheld immediately upon receipt of the wage assignment order. The withheld earnings shall be delivered to the Washington state support registry or, if the wage assignment order is to satisfy a duty of spousal maintenance, to the addressee specified in the assignment at each regular pay interval.

(3) The employer shall continue to withhold the ordered amounts
 from nonexempt earnings or remuneration of the obligor until notified
 by:

(a) The court that the wage assignment has been modified orterminated; or

29 (b) The Washington state support registry or obligee that the accrued child support or spousal maintenance debt has been paid, 30 provided the wage assignment order contains the language set forth 31 32 under RCW 26.18.100(3)(b). The employer shall promptly notify the addressee specified in the assignment when the employee is no longer 33 34 employed. If the employer no longer employs the employee, the wage assignment order shall remain in effect ((for one year after the 35 36 employee has left the employment or)) until the employer ((has been in possession of)) no longer possesses any earnings or remuneration owed 37 to the employee((, whichever is later. The employer shall continue to 38

hold the wage assignment order during that period. If the employee 1 2 returns to the employer's employment during the one-year period the 3 employer shall immediately begin to withhold the employee's earnings or 4 remuneration according to the terms of the wage assignment order. If 5 the employee has not returned within one year, the wage assignment shall cease to have effect at the expiration of the one-year period, 6 7 unless the employer continues to owe remuneration for employment to the 8 obligor)).

9 (4) The employer may deduct a processing fee from the remainder of 10 the employee's earnings after withholding under the wage assignment order, even if the remainder is exempt under RCW 26.18.090. 11 The processing fee may not exceed (a) ((ten)) thirty dollars for the first 12 13 disbursement made by the employer to the Washington state support registry; and (b) ((one)) five dollars for each subsequent disbursement 14 15 to the clerk. If the wage assignment order is pursuant to RCW 16 26.23.045, the employer may deduct a processing fee from the amount required to be withheld, before remitting the amount to the Washington 17 state support registry. The office of support enforcement shall 18 19 contribute the amount of the processing fee that was deducted from the 20 withholding amount.

(5) An order for wage assignment for support for a dependent child 21 entered under this chapter shall have priority over any other wage 22 23 assignment or garnishment, except for another wage assignment or 24 garnishment for child support, or order to withhold and deliver under 25 chapter 74.20A RCW. An order for wage assignment for spousal 26 maintenance entered under this chapter shall have priority over any other wage assignment or garnishment, except for a wage assignment, 27 garnishment, or order to withhold and deliver under chapter 74.20A RCW 28 29 for support of a dependent child, and except for another wage 30 assignment or garnishment for spousal maintenance.

(6) An employer who fails to withhold earnings as required by a wage assignment issued under this chapter may be held liable to the obligee for ((one hundred percent of the support or spousal maintenance debt, or)) the amount of support or spousal maintenance moneys that should have been withheld from the employee's earnings ((whichever is the lesser amount)), if the employer:

(a) Fails or refuses, after being served with a wage assignment
 order, to deduct and promptly remit from the unpaid earnings the
 amounts of money required in the order;

(b) Fails or refuses to submit an answer to the notice of wage
 assignment after being served; or

3 (c) Is unwilling to comply with the other requirements of this4 section.

Liability may be established in superior court. Awards in superior
court shall include costs, interest under RCW 19.52.020 and 4.56.110,
and reasonable attorneys' fees.

8 (7) No employer who complies with a wage assignment issued under 9 this chapter may be liable to the employee for wrongful withholding.

10 (8) No employer may discharge, discipline, or refuse to hire an employee because of the entry or service of a wage assignment issued 11 12 and executed under this chapter. If an employer discharges, 13 disciplines, or refuses to hire an employee in violation of this section, the employee or person shall have a cause of action against 14 15 the employer. The employer shall be liable for double the amount of damages suffered as a result of the violation and for costs and 16 17 reasonable attorneys' fees, and shall be subject to a civil penalty of not more than two thousand five hundred dollars for each violation. 18 19 The employer may also be ordered to hire, rehire, or reinstate the 20 aggrieved individual.

(9) For wage assignments payable to the Washington state support registry, an employer may combine amounts withheld from various employees into a single payment to the Washington state support registry, if the payment includes a listing of the amounts attributable to each employee and other information as required by the registry.

(10) An employer shall deliver a copy of the wage assignment orderto the obligor as soon as is reasonably possible.

28 **Sec. 12.** RCW 26.23.060 and 1994 c 230 s 10 are each amended to 29 read as follows:

30 (1) The office of support enforcement may issue a notice of payroll31 deduction:

(a) As authorized by a support order that contains the income
 withholding notice provisions in RCW 26.23.050 or a substantially
 similar notice; or

35 (b) After service of a notice containing an income withholding36 provision under this chapter or chapter 74.20A RCW.

37 (2) The office of support enforcement shall serve a notice of38 payroll deduction upon a responsible parent's employer or upon the

employment security department for the state in possession of or owing any benefits from the unemployment compensation fund to the responsible parent pursuant to Title 50 RCW by personal service or by any form of mail requiring a return receipt.

(3) Service of a notice of payroll deduction upon an employer or 5 employment security department requires the employer or employment 6 7 security department to immediately make a mandatory payroll deduction 8 from the responsible parent's unpaid disposable earnings or 9 unemployment compensation benefits. The employer or employment 10 security department shall thereafter deduct each pay period the amount stated in the notice divided by the number of pay periods per month. 11 12 The payroll deduction each pay period shall not exceed fifty percent of 13 the responsible parent's disposable earnings.

(4) A notice of payroll deduction for support shall have priority
over any wage assignment, garnishment, attachment, or other legal
process.

17 (5) The notice of payroll deduction shall be in writing and 18 include:

(a) The name and social security number of the responsible parent;
(b) The amount to be deducted from the responsible parent's
disposable earnings each month, or alternate amounts and frequencies as
may be necessary to facilitate processing of the payroll deduction;

(c) A statement that the total amount withheld shall not exceed fifty percent of the responsible parent's disposable earnings; and (d) The address to which the payments are to be mailed or delivered.

(6) An informational copy of the notice of payroll deduction shall
 be mailed to the last known address of the responsible parent by
 regular mail.

30 (7) An employer or employment security department that receives a 31 notice of payroll deduction shall make immediate deductions from the 32 responsible parent's unpaid disposable earnings and remit proper 33 amounts to the Washington state support registry on each date the 34 responsible parent is due to be paid.

(8) An employer, or the employment security department, upon whom a notice of payroll deduction is served, shall make an answer to the office of support enforcement within twenty days after the date of service. The answer shall confirm compliance and institution of the payroll deduction or explain the circumstances if no payroll deduction

is in effect. The answer shall also state whether the responsible 1 parent is employed by or receives earnings from the employer or 2 receives unemployment compensation benefits from the employment 3 4 security department, whether the employer or employment security department anticipates paying earnings or unemployment compensation 5 benefits and the amount of earnings. If the responsible parent is no 6 7 longer employed, or receiving earnings from the employer, the answer 8 shall state the present employer's name and address, if known. If the 9 responsible parent is no longer receiving unemployment compensation 10 benefits from the employment security department, the answer shall state the present employer's name and address, if known. 11

(9) <u>Before remitting the amount to the Washington state support</u> 12 13 registry, the employer or employment security department may deduct a processing fee from the ((remainder of the responsible parent's 14 15 earnings after withholding under the notice of payroll deduction, even if the remainder is exempt under RCW 26.18.090)) amount required to be 16 withheld. The employer or employment security department will remit 17 the amount required to be withheld less the processing fee. 18 The 19 processing fee may not exceed: (a) ((Ten)) Thirty dollars for the 20 first disbursement made to the Washington state support registry; and (b) ((one)) five dollars for each subsequent disbursement to the 21 22 registry. The office of support enforcement shall contribute the 23 amount of the processing fee that was deducted from the withholding 24 amount.

25 (10) The notice of payroll deduction shall remain in effect until 26 released by the office of support enforcement, the court enters an 27 order terminating the notice and approving an alternate arrangement 28 under RCW 26.23.050(2), or ((one year has expired since the employer 29 has employed the responsible parent or has been in possession of or 30 owing any earnings to the responsible parent)) the employer is no 31 longer in possession of or owing any earnings to the responsible parent or the employment security department ((has been)) is no longer in 32 33 possession of or owing any unemployment compensation benefits to the 34 responsible parent.

35 **Sec. 13.** RCW 26.23.090 and 1990 c 165 s 2 are each amended to read 36 as follows:

37 (1) The employer shall be liable to the Washington state support
 38 registry for ((one hundred percent of the amount of the support debt,

1 or)) the amount of support moneys which should have been withheld from
2 the employee's earnings, ((whichever is the lesser amount,)) if the
3 employer:

4 (a) Fails or refuses, after being served with a notice of payroll
5 deduction, to deduct and promptly remit from unpaid earnings the
6 amounts of money required in the notice;

7 (b) Fails or refuses to submit an answer to the notice of payroll8 deduction after being served; or

9 (c) Is unwilling to comply with the other requirements of RCW 10 26.23.060.

(2) Liability may be established in superior court or may be established pursuant to RCW 74.20A.270. Awards in superior court and in actions pursuant to RCW 74.20A.270 shall include costs, interest under RCW 19.52.020 and 4.56.110, and reasonable attorney fees and staff costs as a part of the award. Debts established pursuant to this section may be collected pursuant to chapter 74.20A RCW utilizing any of the remedies contained in that chapter.

18 **Sec. 14.** RCW 26.23.035 and 1991 c 367 s 38 are each amended to 19 read as follows:

(1) The department of social and health services shall adopt rules
for the distribution of support money collected by the office of
support enforcement. These rules shall:

23 (a) Comply with 42 U.S.C. Sec. 657;

(b) Direct the office of support enforcement to distribute support
money within eight days of receipt, unless one of the following
circumstances, or similar circumstances specified in the rules,
prevents prompt distribution:

28 (i) The location of the custodial parent is unknown;

29 (ii) The support debt is in litigation;

30 (iii) The office of support enforcement cannot identify the 31 responsible parent or the custodian;

32 (c) Provide for proportionate distribution of support payments if 33 the responsible parent owes a support obligation or a support debt for 34 two or more Title IV-D cases; ((and))

(d) Authorize the distribution of support money, except money collected under 42 U.S.C. Sec. 664, to satisfy a support debt owed to the IV-D custodian before the debt owed to the state when the custodian stops receiving a public assistance grant; and (e) Direct the office of support enforcement to contribute, within
 the required time, the amount of any processing fee deducted from the
 amount withheld when a processing fee has actually been deducted by the
 employer or employment security department.

5 (2) The office of support enforcement may distribute support 6 payments to the payee under the support order or to another person who 7 has lawful physical custody of the child or custody with the payee's 8 consent. The payee may file an application for an adjudicative 9 proceeding to challenge distribution to such other person. Prior to 10 distributing support payments to any person other than the payee, the 11 registry shall:

(a) Obtain a written statement from the child's physical custodian,
under penalty of perjury, that the custodian has lawful custody of the
child or custody with the payee's consent;

(b) Mail to the responsible parent and to the payee at the payee's last known address a copy of the physical custodian's statement and a notice which states that support payments will be sent to the physical custodian; and

(c) File a copy of the notice with the clerk of the court thatentered the original support order.

(3) If the Washington state support registry distributes a support payment to a person in error, the registry may obtain restitution by means of a set-off against future payments received on behalf of the person receiving the erroneous payment, or may act according to RCW 74.20A.270 as deemed appropriate. Any set-off against future support payments shall be limited to amounts collected on the support debt and ten percent of amounts collected as current support.

28 (4) When an employer or the employment security department deducts 29 the authorized processing fee from the amount required to be withheld 30 in wage withholding orders or notice of payroll deductions, the office 31 of support enforcement shall contribute the amount deducted from the 32 withholding amount.

33 **Sec. 15.** RCW 74.20A.080 and 1994 c 230 s 20 are each amended to 34 read as follows:

(1) The secretary may issue to any person, firm, corporation,
association, political subdivision, department of the state, or agency,
subdivision, or instrumentality of the United States, an order to
withhold and deliver property of any kind, including but not restricted

to earnings which are or might become due, owing, or belonging to the debtor, when the secretary has reason to believe that there is in the possession of such person, firm, corporation, association, political subdivision, department of the state, or agency, subdivision, or instrumentality of the United States property which is or might become due, owing, or belonging to said debtor. Such order to withhold and deliver may be issued:

8 (a) When a support payment is past due, if a responsible parent's9 support order:

(i) Contains language directing the parent to make support paymentsto the Washington state support registry; and

(ii) Includes a statement that other income-withholding action under this chapter may be taken without further notice to the responsible parent, as provided for in RCW 26.23.050(1);

(b) Twenty-one days after service of a notice of support debt underRCW 74.20A.040;

17 (c) Twenty-one days after service of a notice and finding of18 parental responsibility under RCW 74.20A.056;

(d) Twenty-one days after service of a notice of support owed underRCW 26.23.110;

(e) Twenty-one days after service of a notice and finding of
 financial responsibility under RCW 74.20A.055; or

23 (f) When appropriate under RCW 74.20A.270.

24

25 (a) State the amount of the support debt accrued;

(2) The order to withhold and deliver shall:

26

(b) State in summary the terms of RCW 74.20A.090 and 74.20A.100;

(c) Be served in the manner prescribed for the service of a summonsin a civil action or by certified mail, return receipt requested.

(3) Any person, firm, corporation, association, political subdivision, department of the state, or agency, subdivision, or instrumentality of the United States upon whom service has been made is hereby required to:

(a) Answer said order to withhold and deliver within twenty days,
 exclusive of the day of service, under oath and in writing, and shall
 make true answers to the matters inquired of therein; and

36 (b) Provide further and additional answers when requested by the 37 secretary.

38 (4) Any such person, firm, corporation, association, political39 subdivision, department of the state, or agency, subdivision, or

SHB 1687

1 instrumentality of the United States in possession of any property 2 which may be subject to the claim of the department of social and 3 health services shall:

4 (a)(i) Immediately withhold such property upon receipt of the order5 to withhold and deliver; and

6 (ii) Deliver the property to the secretary as soon as the twenty-7 day answer period expires;

8 (iii) Continue to withhold earnings payable to the debtor at each 9 succeeding disbursement interval as provided for in RCW 74.20A.090, and 10 deliver amounts withheld from earnings to the secretary on the date 11 earnings are payable to the debtor;

(iv) Inform the secretary of the date the amounts were withheld asrequested under this section; or

(b) Furnish to the secretary a good and sufficient bond,
satisfactory to the secretary, conditioned upon final determination of
liability.

17 (5) An order to withhold and deliver served under this section18 shall not expire until:

19

(a) Released in writing by the office of support enforcement;

20 (b) Terminated by court order; or

(c) The person or entity receiving the order to withhold and deliver does not possess property of or owe money to the debtor ((for any period of twelve consecutive months following the date of service of the order to withhold and deliver)).

(6) Where money is due and owing under any contract of employment, express or implied, or is held by any person, firm, corporation, or association, political subdivision, or department of the state, or agency, subdivision, or instrumentality of the United States subject to withdrawal by the debtor, such money shall be delivered by remittance payable to the order of the secretary.

(7) Delivery to the secretary of the money or other property held
or claimed shall satisfy the requirement and serve as full acquittance
of the order to withhold and deliver.

(8) A person, firm, corporation, or association, political subdivision, department of the state, or agency, subdivision, or instrumentality of the United States that complies with the order to withhold and deliver under this chapter is not civilly liable to the debtor for complying with the order to withhold and deliver under this chapter. 1 (9) The secretary may hold the money or property delivered under 2 this section in trust for application on the indebtedness involved or 3 for return, without interest, in accordance with final determination of 4 liability or nonliability.

5 (10) Exemptions contained in RCW 74.20A.090 apply to orders to 6 withhold and deliver issued under this section.

7 (11) The secretary shall also, on or before the date of service of 8 the order to withhold and deliver, mail or cause to be mailed a copy of 9 the order to withhold and deliver to the debtor at the debtor's last 10 known post office address, or, in the alternative, a copy of the order to withhold and deliver shall be served on the debtor in the same 11 manner as a summons in a civil action on or before the date of service 12 of the order or within two days thereafter. The copy of the order 13 shall be mailed or served together with a concise explanation of the 14 15 right to petition for judicial review. This requirement is not 16 jurisdictional, but, if the copy is not mailed or served as in this 17 section provided, or if any irregularity appears with respect to the mailing or service, the superior court, in its discretion on motion of 18 19 the debtor promptly made and supported by affidavit showing that the 20 debtor has suffered substantial injury due to the failure to mail the copy, may set aside the order to withhold and deliver and award to the 21 debtor an amount equal to the damages resulting from the secretary's 22 23 failure to serve on or mail to the debtor the copy.

(12) An order to withhold and deliver issued in accordance with
this section has priority over any other wage assignment, garnishment,
attachment, or other legal process, except for another wage assignment,
garnishment, attachment, or other legal process for child support.

(13) The office of support enforcement shall notify any person, 28 firm, corporation, association, or political subdivision, department of 29 30 the state, or agency, subdivision, or instrumentality of the United 31 States required to withhold and deliver the earnings of a debtor under this action that they may deduct a processing fee from the ((remainder 32 of the debtor's earnings, even if the remainder would otherwise be 33 34 exempt under RCW 74.20A.090)) amount required to be withheld, before 35 remitting the amount to the Washington state support registry, and the office of support enforcement shall contribute the amount of the 36 processing fee deducted. The processing fee shall not exceed ((ten)) 37 38 thirty dollars for the first disbursement to the department and ((one))

1 <u>five</u> dollar<u>s</u> for each subsequent disbursement under the order to
2 withhold and deliver.

3 Sec. 16. RCW 74.20A.100 and 1989 c 360 s 5 are each amended to 4 read as follows:

5 (1) Any person, firm, corporation, association, political 6 subdivision, or department of the state shall be liable to the 7 department in ((an amount equal to one hundred percent of the value of 8 the debt which is the basis of the lien, order to withhold and deliver, 9 distraint, or assignment of earnings, or)) the amount that should have 10 been withheld((, whichever amount is less)), together with costs, 11 interest, and reasonable attorney fees if that person or entity:

12 (a) Fails to answer an order to withhold and deliver within the13 time prescribed herein;

14 (b) Fails or refuses to deliver property pursuant to said order;

(c) After actual notice of filing of a support lien, pays over, releases, sells, transfers, or conveys real or personal property subject to a support lien to or for the benefit of the debtor or any other person;

(d) Fails or refuses to surrender property distrained under RCW74.20A.130 upon demand; or

(e) Fails or refuses to honor an assignment of earnings presentedby the secretary.

(2) The secretary is authorized to issue a notice of debt pursuant
 to RCW 74.20A.040 and to take appropriate action to collect the debt
 under this chapter if:

(a) A judgment has been entered as the result of an action in
superior court against a person, firm, corporation, association,
political subdivision, or department of the state based on a violation
of this section; or

30 (b) Liability has been established under RCW 74.20A.270.

31 Sec. 17. RCW 74.20A.240 and 1994 c 230 s 21 are each amended to 32 read as follows:

Any person, firm, corporation, association, political subdivision, department of the state, or agency, subdivision, or instrumentality of the United States employing a person owing a support debt or obligation, shall honor, according to its terms, a duly executed assignment of earnings presented by the secretary as a plan to satisfy

or retire a support debt or obligation. This requirement to honor the 1 assignment of earnings and the assignment of earnings itself shall be 2 applicable whether said earnings are to be paid presently or in the 3 4 future and shall continue in force and effect until released in writing 5 by the secretary. Payment of moneys pursuant to an assignment of earnings presented by the secretary shall serve as full acquittance 6 7 under any contract of employment. A person, firm, corporation, 8 association, political subdivision, department of the state, or agency, 9 subdivision, or instrumentality of the United States that complies with 10 the assignment of earnings under this chapter is not civilly liable to the debtor for complying with the assignment of earnings under this 11 12 chapter. The secretary shall be released from liability for improper 13 receipt of moneys under an assignment of earnings upon return of any moneys so received. 14

An assignment of earnings presented by the secretary in accordance with this section has priority over any other wage assignment, garnishment, attachment, or other legal process except for another wage assignment, garnishment, attachment, or other legal process for support moneys.

20 The employer may deduct a processing fee from the ((remainder of the debtor's earnings, even if the remainder would be exempt under RCW 21 74.20A.090)) amount required to be withheld, before remitting the 22 amount to the Washington state support registry. The processing fee 23 24 shall not exceed ((ten)) thirty dollars from the first disbursement to 25 the department and ((one)) five dollars for each subsequent 26 disbursement under the assignment of earnings. The office of support 27 enforcement shall contribute the amount of the processing fee that was deducted from the withholding amount. 28

29 <u>NEW SECTION.</u> Sec. 18. The attorney general's office shall work 30 with an association representing collection agencies state-wide and 31 representatives from state-wide organizations of businesses with an 32 average employee size of less than ten to establish a standard form and 33 procedures to be used for wage garnishment orders to reduce paperwork 34 and confusion for small businesses. The group shall report to relevant 35 committees of the legislature by February 1, 1998.

36 <u>NEW SECTION.</u> Sec. 19. (1) A joint task force is created to study 37 the reorganization of employment reporting requirements so that the

office of support enforcement receives employment information from 1 state agencies such as the employment security department rather than 2 3 from employers, who have already filed the information with state 4 agencies. The task force shall develop a form for employers that collects all information required by the state for all employee 5 reporting. The task force will develop procedures and recommendations б 7 for reducing paperwork in the enforcement of child support orders using 8 wage withholding.

9 (2) The task force shall consist of the following members: One enforcement; 10 representative from the office of support one employment 11 representative from the security department; one representative from the department of labor and industries; one 12 representative from the department of revenue; and three members 13 14 appointed by business organizations representing a variety of 15 industries state-wide.

(3) The task force shall report to the relevant committees of thelegislature by February 1, 1998.

18 <u>NEW SECTION.</u> **sec. 20.** Sections 1, 3, 9, and 19 of this act are 19 each added to chapter 6.27 RCW.

--- END ---