

statutory percentage specified within the order (a maximum of 25%) and is to be calculated at each pay period.

The percentage remains the same regardless of whether the employee is paid weekly, bi-weekly or monthly. This is different from the law prior to H.B. 294. Garnishment orders issued under the old provisions are legally binding and still in effect.

The employer is not required to file an *Interim Report and Answer of the Garnishee* for any pay period in which no amount was withheld for that order. If the employer files this form with the court, then one completed and signed copy shall be kept for the employer's records and another copy shall be delivered to the employee. If permitted by the court, the employer may file the interim report and/or transfer the amount withheld by electronic means.

The employer shall file the *Final Report and Answer of Garnishee* with the court when the garnishment ceases to remain in effect. Two completed and signed copies of the *Final Report and Answer of Garnishee* shall be made. One shall be for the employer's records and another shall be delivered to the employee.

Step 3. How long must I withhold?

Part A. Single Garnishment Orders:

If an *Order and Notice of Garnishment and Answer of Employer* has been served upon an employer, then it must be processed continuously until paid in full or until the court issues an order that changes or ends the garnishment. The employer must withhold funds until one of the following events occurs, ending the garnishment:

- 1) The total amount due is paid in full.
- 2) The creditor files a written notice of termination with the court.
- 3) The court appoints a trustee and halts the order of garnishment.
- 4) A bankruptcy court issues an order of stay to the employer.
- 5) Another creditor obtains a garnishment order, which has a higher priority (e.g. child support order or an IRS lien) and the maximum amount is already being withheld pursuant to the higher priority order. However, if a high priority order does not take the maximum amount that can be withheld per each pay period, then the remainder can be used to satisfy other existing and subsequent orders.
- 6) Another creditor obtains a garnishment order, and 182 days have passed since the employer began withholding funds pursuant to the first garnishment order.

Part B. Multiple Garnishment Orders:

Employers receiving more than one garnishment order on an employee are required to stack the garnishments in the sequence in which they are received. If an employer is currently garnishing wages of an employee and receives a garnishment order from a different creditor, the employer is required to place the new garnishment in its proper order of the stack. One of four things will occur:

- 1) If the first garnishment is paid in full before 182 days expire, the employer should begin processing the next garnishment from the stack.
- 2) If the first garnishment is not paid in full and 182 days have passed since the employer began withholding funds pursuant to the first garnishment order, the garnishment ceases to be in effect and the employer is required to take the next garnishment from the stack.
- 3) If no additional garnishments have been filed, the employer will continue withholding on the second garnishment as in Part 1.
- 4) If one or more other garnishment orders have been received on the employee, and if the second garnishment is not paid in full and 182 days have passed since the employer began withholding funds pursuant to the second garnishment order, the garnishment ceases to be in effect and the employer is required to take the next garnishment from the stack. This