

#39.30

3/1/72

Memorandum 72-15

Subject: Study 39.30 - Attachment, Garnishment, Execution (Employees' Earnings Protection Law)

We have scheduled Senate Bill No. 88 (the bill introduced to effectuate the Commission's recommended Employees' Earnings Protection Law) for hearing on March 14. We will be able to submit additional amendments at the hearing to reflect any amendments the Commission adopts at the March 9-11 meeting. However, we would like to avoid making amendments unless they are really necessary.

Attached is a copy of Senate Bill No. 88 as amended. The attached bill reflects the amendments set out in the Minutes of the February 1972 meeting, the substance of which was approved at the February meeting. The changes from the bill as introduced are shown in strikeout and italics in the attached reprinted bill. Please examine the amended bill so you can suggest any amendments you believe are needed at the March meeting.

Attached is a Withholding Comparison Table that shows the difference in withholding under the bill as introduced and the bill as amended.

The Minutes of the February meeting (pages 21-43) contain the report prepared for the Senate Committee on Judiciary, revising the official Comments to Senate Bill No. 88. Please examine the revised Comments set out in the Minutes so you can suggest any further revisions you believe are needed at the March meeting.

The only change in the Comment to Labor Code Section 300 (wage assignments) is to delete the references to the Government Code. At the last meeting, this deletion was suggested on the ground that Section 300 may not apply to

public entities. An examination of the Labor Code indicates that the section that exempts public entities from various provisions dealing with payment of wages does not exempt them from Section 300. Also, there is an Attorney General's opinion and several cases that assume that Section 300 applies to public entities. There is no direct holding. Nevertheless, we have deleted the references to the Government Code because the State Controller's office advises us that they do not like wage assignments and resist them and that the area is a "cloudy" one.

If any additional developments with respect to Senate Bill No. 88 occur prior to the March meeting, we will report them at the meeting.

Respectfully submitted,

John H. DeMouilly
Executive Secretary

Withholding Comparison Table

Deductions have been made for federal withholding, social security, state disability insurance, and state income tax. The state income tax deduction is based on withholding tables for 1972. The federal social security tax rate is 5.2% on the first \$9,000 of annual gross earnings. The state disability insurance rate is 1% on the first \$7,400 of annual gross earnings. The amounts shown as disposable earnings in this table are based on a full deduction for social security and disability insurance respectively even though, under present law, in the higher earnings brackets this amount would not be deducted during the entire year. The one-dollar service charge, which an employer would be entitled to make for each payment under the Commission's proposed legislation, is in addition to the amount listed in the table.

GROSS EARNINGS (weekly/annual)	SINGLE PERSON (claiming 0 exemptions)		MARRIED + 2 CHILDREN (claiming 4 exemptions)		PROPOSED STATUTE AS INTRO- DUCED	PROPOSED STATUTE AS AMENDED
	Disposable earnings	Amount withheld (CCPA)	Disposable earnings	Amount withheld (CCPA)	Amount withheld	Amount withheld
\$60/3,120	\$47.68	-0-	\$56.28	\$8.28	-0-	-0-
70/3,640	55.06	\$7.06	65.26	16.32	-0-	-0-
80/4,160	62.14	14.14	73.24	18.31	-0-	-0-
90/4,680	69.22	17.31	81.22	20.31	\$6.00	-0-
98/5,096	74.92	18.73	87.62	21.91	8.00	\$10.00
100/5,200	75.90	18.98	88.90	22.23	8.00	10.00
110/5,720	82.88	20.72	96.68	24.17	10.00	12.00
120/6,240	89.76	22.44	104.46	26.12	11.00	14.00
135/7,020	100.13	25.03	116.13	29.03	14.00	16.00
150/7,800	109.80	27.45	127.20	31.80	16.00	19.00
170/8,840	123.36	30.84	142.36	35.59	20.00	22.00
200/10,400	143.10	35.78	164.70	41.18	25.00	27.00
250/13,000	173.90	43.48	200.60	50.15	33.00	35.00
300/15,600	201.70	50.43	233.80	58.45	40.00	42.00
400/20,800	251.70	62.93	296.60	74.15	52.00	55.00
600/31,200	351.00	87.75	404.50	101.13	77.00	80.00