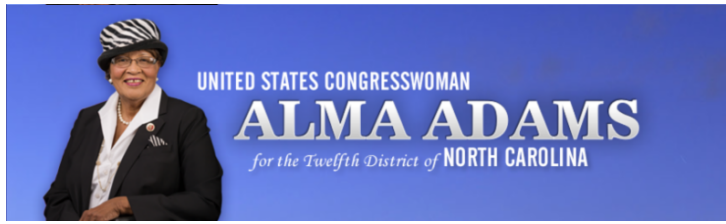


Adams Introduces Bill to Protect Essential Workers from Wage Garnishment



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Date 2022-12-05 16:45



Hello Sarah,

Adams Introduces Bill to Protect Essential Workers from Wage Garnishment

WASHINGTON (December 5, 2022) – **Congresswoman Alma Adams (NC-12)** has introduced the *Protecting Wages of Essential Workers Act of 2022*. The *Protecting Wages Act* will protect \$1,000 or 75 percent, whichever is greater, of take-home earnings per week from seizure and index that net amount annually based on inflation.

[Text of the bill is available here.](#)

“Wage garnishment can push a family into poverty when they’re struggling to make ends meet,” **said Adams**. “The *Protecting Wages Act* will give families more time to pay their debts, while helping small businesses. An essential worker shouldn’t have to go hungry or even be fired because their wages are being garnished, and a small business owner shouldn’t have to act as both employer and debt collector. The *Protecting Wages Act* takes a big step forward by addressing wage garnishment’s most predatory effects.”

Adams serves as chair of the House Education & Labor Committee’s Subcommittee on Workforce Protection.

The legislation is endorsed by both the [Center for Responsible Lending](#) and the [National Consumer Law Center \(on behalf of its low-income clients\)](#).

“Systematic racism continues to play a role in perpetuating cycles of poverty in communities of color,” **said Lucia Mattox, director of western states outreach and senior policy associate at the Center for Responsible Lending (CRL)**. “People of color are more likely to be contacted by debt collectors and to be impacted by lawsuits resulting in wage garnishment. Until we modernize federal law to improve protections for consumers, the racial wealth gap will continue to deepen, and Americans will continue struggling to pay for necessities like food, rent and childcare.”

“Debt collectors should not be allowed to push working people into poverty or grab the funds people need for necessities to support their families,” **said Michael Best, staff attorney at NCLC**. “Debt collectors also can’t be allowed to take us back to the days of debtors’ prisons.”

Background

For decades, federal law has protected a base amount from wage garnishment so that families are not reduced to poverty. But these protections are tied to a minimum wage that does not reflect a living wage and has not kept up with inflation. As a result, only \$217.50/week of net wages are completely protected from garnishment. For the [63% of Americans living paycheck to paycheck](#), a wage seizure is a catastrophe that will force people to choose between medicine and food, rent and/or a car payment.

The *Protecting Wages Act* will protect \$1,000 or 75 percent, whichever is greater, of take-home earnings per week from seizure and index that net amount annually based on inflation. It raises the federal floor of protections, leaving states free to protect even more of their citizens’ wages or prohibit wage seizure for consumer debts entirely. The \$1,000 amount to be protected is based on an [analysis by the Center for Responsible Lending](#) determining what is closest to a living wage for a family of two across disparate states, though it may still be inadequate to protect a living wage in high-cost states like New York.

In addition to protecting families that are trying to care for their children, the *Protecting Wages Act* will also help business owners who must deal with the administrative hassles of wage garnishment and are having difficulty filling jobs. As the [ADP Research Institute](#) noted:

“Even as employees are confronted by the stress of having their wages garnished, their employers are saddled with the compliance burden and stress of managing those wage garnishments. Employers that fail to comply with garnishment orders can face costly penalties. In some jurisdictions, the employer can even be held liable for the full amount of an employee’s judgment.”

With more wages protected, employers will have fewer garnishment orders to administer, and more of the wages they pay will reach the frontline workers they are trying to retain. Small business owners shouldn't be forced to act as debt collectors for major corporations.

The bill will also prevent people from being fired for having multiple wage seizures and prohibit debt collectors from threatening people in debt with jail time if they don't pay.

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