



Policy and Procedure # 760

Wage Garnishment and Deductions

Approval: _____ Effective Date: 5/10/24

POLICY: EFI accepts and processes legal garnishments, wage assignments, court orders which specify withholding of all or part of an employee's wages to satisfy debts. EFI is not in the business of loaning funds but there may be circumstances when it becomes necessary. If a loan is made to an employee during an on-going employment relationship, EFI may deduct wages when the employee expressly authorizes the deduction in writing and in advance for a lawful purpose for the benefit of the employee.

PROCEDURE:

1. By law, EFI may deduct from the employee's paycheck a processing fee based on the current prevailing law for each garnishment.
2. The amount of money withheld is based on employee's wage exemptions and "Disposable Earnings" (*Disposable Earnings is what is left when federal and state income taxes, FICA taxes, and other necessary deductions have been made*).
3. Documents pertaining to garnishments, liens, and wage assignments will be treated with confidentiality. The following list includes, but may not be limited to, the type of orders that will be accepted and processed:
 - A. Child Support Garnishments
 - B. Creditor Garnishments
 - C. Government Liens
4. Wage Assignments
EFI honors garnishment orders for child support in compliance with federal and state law.
 - A. Service on EFI of a child support withholding order takes legal precedence over other garnishments which are currently pending against the same employee.
 - B. If employees do not have enough disposable earnings to cover both orders, the creditor garnishment order will be temporarily suspended.
5. Three or more garnishments involving separate debts within 12 consecutive months may be grounds for corrective action up to and including termination.
6. At the discretion of the Executive Director, a loan may be approved with the following conditions:
 - A. The employee must sign a written agreement with the terms of repaying the loan at a specified dollar amount of no less than \$25.00 per pay period through wage deduction.
 - B. Should the employee leave EFI's employment for any reason, any balance due on the loan will be withheld from the employee's final paycheck.