

Money That Cannot be Taken from You (“Garnished”) to pay off a Debt

Introduction

The law protects certain types of income and property from garnishment by creditors. They cannot take these funds from you to pay off a debt, even one a court says you owe. These funds are “**exempt.**”

There are a few exceptions to these exemptions for child support, federal student loans, and some other debts to the federal government.

What income is exempt?

❖ These are general exemptions. Every case is different. See a lawyer for advice about your situation.

These types of income or money cannot be taken from you to pay off a debt:

- Social Security disability and retirement benefits (unless you owe child support, federal student loans, or a federal tax debt)
 - SSI benefits
 - TANF benefits (state welfare)
 - ABD benefits (state disability)
 - Unemployment Compensation (unless you owe child support)
 - VA (Veteran’s Administration) benefits (with some exceptions for money you owe the government or for support)
 - Federal student loans
 - Child support you receive
 - Most pensions
 - Money in your bank account:
 - \$2,500 is exempt if your only judgment is for private student loan debt
 - \$2,000 is exempt if the judgment you are being garnished for is consumer debt
 - \$500 in your bank account is exempt for all other debts (and \$1,000 additional cash, for a total exemption of up to \$1500)
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- ❖ Most garnishments will be for judgments for **consumer debt**. **Consumer debts** include debts from credit cards, doctor bills, hospital bills, utility bills, phone bills, personal loans from a bank or credit union, debts owed to a landlord or former landlord, or any other debt for personal, family, or household purposes.
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❖ **DO NOT PUT ANY MONEY OTHER THAN SOCIAL SECURITY OR VA BENEFITS IN A BANK ACCOUNT if you can help it.**

Even though some or all of the money in your account may be exempt from garnishment, the bank may freeze your account anyway. This can cause bounced checks, overdraft fees, and other bank charges. You must file an exemption claim form to get the exempt money returned to your account. Read [How to Claim Personal Property Exemptions](#). Your money may not be available to you for weeks. You will not be able to pay your rent and other bills during this time.

Most pensions are exempt from garnishment even after you receive them. But some are not. **Do not have pension checks direct deposited into a bank account, if possible.** See if the pension fund can mail checks directly to your home.

IF A CREDITOR TRIES TO TAKE MONEY FROM YOUR BANK ACCOUNT, CALL CLEAR AT 1-888-201-1014 FOR HELP. Also, read [How to Claim Personal Property Exemptions](#), available at WashingtonLawHelp.org

How much of my wages are exempt?

The amount of wages protected from garnishment depends on what the debt or judgment was for.

CONSUMER JUDGMENTS:

If you earn less than these amounts, none of your wages can be garnished:

- \$420.00 weekly (35x the state minimum hourly wage)
- \$840.00 every 2 weeks
- \$910.00 twice a month
- \$1,820.00 monthly
- Even if you earn more than these amounts, you may still keep the **greater** of 35x the state minimum hourly wage or 80% of your **net pay**.

Example: You earn \$600 per week after taxes. This is more than \$420 (35x the state minimum hourly wage).

You multiply your take-home pay by 80%. $\$600 \times .80 = \480 .

The law allows you to keep \$420. A creditor can take \$60 of that check.

PRIVATE STUDENT LOAN JUDGMENTS:

If you earn less than these amounts, none of your wages can be garnished:

- \$800.00 weekly (50x the highest minimum hourly wage in the State)
- \$1,600.00 every 2 weeks
- \$1,733.33 twice a month
- \$3,466.67 monthly
- Even if you earn more than these amounts, you may still keep the

greater of 50x the highest minimum hourly wage in the State or 85% of your net pay.

OTHER JUDGMENTS:

If you earn less than these amounts, none of your wages can be garnished.

- \$253.75 weekly
- \$507.50 every 2 weeks
- \$549.80 twice a month
- \$1,099.58 monthly
- Even if you earn more than these amounts, you may still keep the greater of 35x the federal minimum wage or 75% of your net pay.

CHILD SUPPORT:

- 50% of your net pay is protected from garnishment

❖ **Net pay** is your earnings after subtracting mandatory deductions. **Mandatory deductions** include Social Security, Medicare, and federal income taxes.

Should I get my paycheck by direct deposit?

If possible, no. Wages are exempt from garnishment at the time your employer pays you. If you cash your check and put the money in a bank account, or if your employer pays you by direct deposit, a creditor may claim that the funds are no longer exempt as wages.

❖ Never give creditors permission to withdraw money from your bank account.

Should I keep my money in an account at a bank I owe money to?

No. Your deposit bank can take money from your bank account to pay what you owe them.

Examples: Do not have a bank account at a bank where you have one of the bank's credit cards, or where you owe on a loan.

My creditor has sued me over a debt I owe. What should I do?

Talk with a lawyer right away.

❖ Do not ignore court papers!

Even if your income and assets are exempt from garnishment, you should still fill out a Declaration Regarding Income and Assets Exempt from Garnishment form to file with the court. It will show that the creditor cannot take your income and assets. Use [When Should I File a Declaration of Exempt Income and Assets](#).

I received an order to attend Supplemental Proceedings. What should I do?

You **MUST** comply with the order. Read [Supplemental Proceedings](#).

What if I need legal help?

- Apply online with [CLEAR*Online](https://www.clearonline.org)
- nwjustice.org/get-legal-help
or
- Call CLEAR at 1-888-201-1014

CLEAR is Washington’s toll-free, centralized intake, advice and referral service for people with low-income seeking free legal assistance with civil legal problems.

- **Outside King County:** Call 1-888-201-1014 weekdays, 9:15 a.m. - 12:15 p.m.
- **King County:** Call 211 for info and referral to an appropriate legal services provider, weekdays 8:00 am – 6:00 pm. You may also call (206) 461-3200, or toll-free 1-877-211-WASH (9274). You can also get info on King County legal service providers at www.resourcehouse.com/win211/.

- **Persons 60 and Over:** Seniors age 60 or over may call CLEAR*Sr at 1-888-387-7111, regardless of income. Assets limits may apply. Seniors in King County may call 2-1-1.

Deaf, hard of hearing or speech impaired callers can call CLEAR or 211 using the relay service of your choice.

CLEAR and 211 will conference in free interpreters when needed.

Free legal education publications, videos, and self-help packets covering many legal issues are available at WashingtonLawHelp.org.

This publication provides general information concerning your rights and responsibilities. It is not intended as a substitute for specific legal advice.

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