



American Payroll Association

Government Relations • Washington, DC

November 8, 2017

The Honorable Stephen Nass
Chair, Committee on Labor and Regulatory Reform
Wisconsin State Senate
Room 10 South, State Capitol
P.O. Box 7882
Madison, WI 53707-7882

Re: Support for Senate Bill 397/Assembly Bill 476, *An act relating to eliminating the 13-week limit on garnishment of earnings of certain debtors*

Dear Senator Nass:

The American Payroll Association (APA) appreciates the opportunity to comment on Senate Bill 397/Assembly Bill 476, as amended, now before the Senate Committee on Labor and Regulatory Reform and Assembly Committee on Financial Institutions. APA supports these bills because they provide a framework that is fairer for creditors as well as debtors and their employers that are responsible for the administrative task of garnishing wages. The proposed changes also are consistent with the Uniform Wage Garnishment Act (UWGA) drafted and approved by the National Conference of Commissioners on Uniform State Laws (ULC).

Support for S.B. 397/A.B. 476

Payroll professionals responsible for fulfilling the role of garnishee on behalf of their employers will appreciate the change in law extending the duration of a garnishment until it is paid in full or released by the creditor. The provision will reduce the administrative burden associated with terminating a wage garnishment and then reestablishing withholding for the same debt.

Similarly, allowing withholding for multiple creditor garnishments at the same time eliminates any question over the priority of any particular order in relation to another order.

An article posted by WKOW 27 on September 27, 2017 (updated October 12, 2017) states that some consumer groups are concerned about the ability of debtors to claim exemptions from wage garnishments if these bills are passed. At APA, we understand this concern. However, these proposed bills do not change the initial court proceedings or the ability of a debtor to later challenge an order. In our experience as payroll professionals, multiple orders for the same debt

owed are more confusing for employees than a one-order process that will allow them to pay off their debt.

Uniform Wage Garnishment Act

APA would like to bring your attention to the UWGA drafted and approved by the ULC this past July. The UWGA creates a standardized and fair process for creditor wage garnishments, including how garnishments are served, effective starting and ending dates, when and to whom payments are remitted, penalties for noncompliance, and more. Notably, the UWGA contains provisions consistent with the changes proposed in S.B. 397/A.B. 476. APA believes the very nature of the uniform act will make vast improvements in garnishment processing for businesses, especially those that operate in more than one state. More information can be found on the ULC website at [www.uniformlaws.org/Act.aspx?title=Wage Garnishment Act](http://www.uniformlaws.org/Act.aspx?title=Wage%20Garnishment%20Act).

About APA

Established in 1982, APA is a nonprofit professional association serving the interests of more than 20,000 payroll professionals in the United States. APA has more than 500 members in Wisconsin, processing payroll for both private and public sector employees. In addition, many members located outside of Wisconsin process payroll for employees who work in the state.

APA's Government Relations Task Force (GRTF) works with legislative and executive branches at the federal and state levels to help employers understand their legal obligations with significant emphasis on minimizing the administrative burden on government, employers, and individual workers. The GRTF Subcommittee on Child Support and Other Garnishments seeks legislative and regulatory solutions to improve garnishment processes and procedures and create standardization among states. In turn, these improvements increase compliance levels for the benefit of all stakeholders.

APA urges you to vote in favor of S.B. 397/A.B. 476 to move forward with better management of wage garnishments in Wisconsin. We would be pleased to discuss the role of payroll professionals with you further.

Sincerely,



Corrinne Flores
Chair, GRTF Child Support and Other Garnishments Subcommittee
American Payroll Association



William Dunn, CPP
Director, Government Relations
American Payroll Association