



# NO FRESH START 2020

## WILL STATES LET DEBT COLLECTORS PUSH FAMILIES INTO POVERTY IN THE WAKE OF A PANDEMIC?

### APPENDIX A STATE PROTECTION OF WAGES

**NCLC’s *Model Family Financial Protection Act Recommendation*:**

**\$1,000 of disposable income (to be adjusted for inflation); if debtor earns more than this amount, 10% of excess (15% if weekly disposable income exceeds \$1,200)**

STATE	AMOUNT PROTECTED
<b>“A” States Ban Wage Garnishment for Most Debts</b>	
North Carolina	All wages exempt if supporting a family
Pennsylvania	All wages exempt for most debts
South Carolina	All wages exempt
Texas	All wages exempt
<b>“B” States Protect Enough Wages So That Paycheck Does Not Drop Below the Poverty Level (\$503.85 per week for family of four)</b>	
Alaska	\$743 per week if debtor is sole support of debtor’s household
California	75% of wages or 40 times state minimum wage (\$13/hour for large employers, less for others) or local minimum wage; more if debtor proves that higher amount is needed. Garnishment is limited to 50% of amount in excess of 40 times state or local minimum wage.
District of Columbia	40 times D.C. minimum wage (\$15/hour); garnishment limited to 25% of amount in excess of this amount; amount protected can be increased if undue hardship is shown
Florida	\$750 if wage earner is head of family
Massachusetts	85% of gross wages or 50 times the greater of the federal or state (\$12.75/hour) minimum wage
Wisconsin	Federal poverty amount, based on family size, is exempt; also allows hardship exemption
<b>“C” States Protect at Least \$350 per Week</b>	
Colorado	80% of disposable income or 40 times state minimum wage (\$12/hour); also allows hardship exemption
Connecticut	75% of wages or 40 times federal or state (\$12/hour) minimum wage
Illinois	Garnishment is limited to 15% of gross wages or the amount in excess of 45 times federal or state (\$10/hour) minimum wage
Maine	75% of wages or 40 times federal or state (\$12/hour) minimum wage
Minnesota	75% of wages or 40 times federal or state (\$10/hour) minimum wage. Also exempts wages of anyone who is, or was within the last 6 months, eligible for public assistance
Nevada	82% of wages or 50 times federal minimum wage

STATE	AMOUNT PROTECTED
<b>“C” States Protect at Least \$350 per Week</b> <i>(continued)</i>	
New Hampshire	50 times federal minimum wage
New York	Garnishment is limited to 10% of gross wages, or amount in excess of 30 times federal or state minimum wage. State minimum wage varies from \$11.80 to \$15/hour. Also prohibits garnishment if debtor receives public assistance or would be qualified to receive it if wages were reduced by the garnishment
South Dakota	80% of wages or 40 times federal or state (\$9.30/hour) minimum wage, plus \$25 per dependent
Washington	For consumer debt, 80% of disposable earnings or 35 times state minimum wage (\$13.50/hour)
West Virginia	80% of wages or 50 times federal minimum wage
<b>“D” States Preserve More of a Worker’s Wages Than the Minimum Required by Federal Law</b>	
Alabama	By statute, protects only the federal minimum, 75% of wages or 30 times federal minimum wage. However, the state constitution provides a \$1,000 wildcard for personal property, and an intermediate state appellate court decision holds that this can be applied to exempt up to \$1,000 in wages in the hands of the debtor’s employer. While the state supreme court has not yet spoken, the existence of this decision justifies raising the state’s rating to a D.
Arizona	Only protects the federal minimum, 75% of wages or 30 times federal minimum wage, but allows reduction in case of hardship
Delaware	85% of wages
Hawaii	Protects all but 5% of the first \$100 in wages, all but 10% of next \$100, and all but 20% of remainder
Indiana	Only protects the federal minimum, 75% of wages or 30 times federal minimum wage, but allows reduction in case of hardship
Iowa	For debts arising from consumer contract, protects 75% of wages or 40 times minimum wage; also places dollar cap on amount that can be garnished in a year
Maryland	75% of wages or 30 times state minimum wage (\$11/hour)
Missouri	90% of wages for head of family
Nebraska	85% of wages for head of household
New Jersey	90% of wages if under 250% of poverty
New Mexico	75% of wages or 40 times federal minimum wage
North Dakota	75% of wages or 40 times federal minimum wage, plus \$20 per dependent
Oklahoma	Only protects the federal minimum, 75% of wages or 30 times federal minimum wage, but allows hardship exemption.
Oregon	Protects the greater of 75% of wages or \$254/week
Rhode Island	Only protects the federal minimum, 75% of wages or 30 times federal minimum wage, but also prohibits garnishment for one year after receipt of public assistance
Tennessee	Federal minimum (75% of wages or 30 times federal minimum wage), plus \$2.50 per week for each dependent child under age 16
Vermont	For debt arising from consumer credit transaction, 85% of wages or 40 times federal minimum wage; more if debtor shows need
Virgin Islands	90% of wages
Virginia	75% of wages or 40 times federal minimum wage. If household income does not exceed \$1,750/month, additional exemptions of \$34/week for one child, \$52/week for two, and \$66/week for three or more

STATE	AMOUNT PROTECTED
<b>“F” States Protect Only the Federal Minimum</b>	
<b>Arkansas</b>	Only protects the federal minimum, 75% of wages or 30 times federal minimum wage
<b>Georgia</b>	Only protects the federal minimum, 75% of wages or 30 times federal minimum wage
<b>Idaho</b>	Only protects the federal minimum, 75% of wages or 30 times federal minimum wage
<b>Kansas</b>	Only protects the federal minimum, 75% of wages or 30 times federal minimum wage
<b>Kentucky</b>	Only protects the federal minimum, 75% of wages or 30 times federal minimum wage
<b>Louisiana</b>	Only protects the federal minimum, 75% of wages or 30 times federal minimum wage
<b>Michigan</b>	Only protects the federal minimum, 75% of wages or 30 times federal minimum wage
<b>Mississippi</b>	Only protects the federal minimum, 75% of wages or 30 times federal minimum wage
<b>Montana</b>	Only protects the federal minimum, 75% of wages or 30 times federal minimum wage
<b>Ohio</b>	Only protects the federal minimum, 75% of wages or 30 times federal minimum wage
<b>Puerto Rico</b>	Only protects the federal minimum, 75% of wages or 30 times federal minimum wage
<b>Utah</b>	Only protects the federal minimum, 75% of wages or 30 times federal minimum wage
<b>Wyoming</b>	Only protects the federal minimum, 75% of wages or 30 times federal minimum wage