
Garnishment

Garnishment is a court order requiring an employer to deduct monies from a person's paycheck, or, which deducts monies from a financial institution account for a specific purpose.

A creditor with a court judgment against you has the right to "garnish" or take money belonging to you or owed to you by a third party. In most cases, this means the creditor can take money from your bank account or from your wages.

After obtaining a judgment, the creditor files a request for garnishment with the circuit court. A notice is then issued to the "garnishee" (the employer, bank or third party holding your property) directing them to turn over the property to the creditor to satisfy or partially satisfy the judgment against you.

Earnings Garnishment

When you receive notice of the garnishment, you are allowed to file an "Earnings Garnishment Debtor's Answer" to indicate that your earnings are exempt from garnishment or any other defense that you may have.

Your earnings are completely exempt from garnishment:

- If your household is below the federal poverty level or if this garnishment would cause that to happen.
- If you receive medical assistance, supplemental security income, food stamps, veteran's benefits based on need or other forms of public assistance, or have received these benefits within the past 6 months, or if you are eligible for these benefits but have you yet received them.
- At least 25% of your disposable earnings are assigned by court order for support.

There are no exemptions for debt that arises from a bankruptcy under chapter 11, support for another person, or unpaid taxes.

No more than 20% of your earnings may be garnished—80% of your disposable earnings (after deducting form Social Security, state and federal income taxes) are exempt. Court-ordered support payments, take priority over the earnings garnishment. If less than 25% of your earnings are assigned for support, the amount paid to the creditor is reduced so that the total earnings assigned and garnished do not exceed 25% of your disposable earnings.

Earnings garnishments last for 13 weeks, unless you are a public employee (employed by the state of Wisconsin and its political subdivisions), in which case the garnishment remains in effect until the judgment is satisfied. The garnishment can be extended for additional 13-week periods, unless there is a different garnishment against your earnings that is served before the extension is filed.

If you have earnings exempt from garnishment or if you have another defense to the garnishment, you need to promptly complete the Debtor's Answer. The sooner you file your answer or seek relief from the court, the sooner such relief can be provided.

Garnishment of Accounts

By law, the first \$1,000 of deposit in any one or more accounts is exempt from garnishment. Also, any money in an account that is derived from government benefits such as social security, supplemental security income (SSI), veteran's benefits, unemployment compensation or relief funded under public assistance is also exempt from garnishment.

The garnishment of an account attaches only the money on deposit at the time the garnishee receives the garnishment papers. Any money the debtor deposits later will not be attached. Therefore, garnishment will not result in any payments to the creditor unless the papers are served on the financial institution at a time when the debtor has more than \$1,000 in non-exempt funds on deposit.

If you wrongly claim an exemption or defense in bad faith, or if the creditor wrongly objects to your claim in bad faith, the court may order the person who acted in bad faith to pay court costs, actual damages and reasonable attorney fees.