

New Garnishment Procedures

A new State of Ohio garnishment law became effective on March 30, 1999. This new law will increase the employers' administrative responsibilities because, except for the reasons indicated below, you will be required to make periodic wage garnishment payments to this court until the judgment rendered against your employee is paid in full. You will receive a \$10.00 check as your fee for fulfilling this obligation and will no longer receive a monthly notice of garnishment.

The new law, which is referred to as the "Continuous Order of Garnishment", replaces the current "once every 30 days" garnishment system with a garnishment order which continues on automatic pilot until the judgment is satisfied. This continuous order of garnishment requires periodic wage payments be made into the court [6 ¼% a week, 12 ½% bi-weekly or semi-monthly or 25% per month] per pay cycle unless either or both of the following occur:

1. You receive another notice of garnishment order(s) from one or more additional creditors.
2. You receive notice of a higher priority garnishment order.

1. Garnishment Orders From More Than One Creditor

When you receive notice of garnishment order(s) from two or more creditors for the same employee (debtor), each order is limited to a "182-day" order instead of an "until satisfied" order. Each garnishment order is acted upon in 182 day increments and continues on automatic pilot for 182 days for each successive creditor. There is no limit to the number of creditors that can be stacked in this manner and, because a creditor may not renew an order until after the one in effect has run its full 182-day course, an orderly progression of creditors becomes apparent.

2. Higher Priority Garnishment Order

Garnishments from higher jurisdictional courts, child support orders, and tax levies are examples of higher priority garnishments. These take precedence over other garnishments, and when received, are to be acted upon immediately, terminating further action on the garnishment in progress at the time of its receipt. One of the few exceptions to this portion of the law would be if the amount of the higher priority garnishment were less the total amount allowable by law to be deducted from an employee's (debtors) wages. If that situation should occur the difference is to be remitted into court for the eligible creditor during the 182-day period or until satisfied.

Changes in Reporting Requirements

The new law brings with it changes in your paperwork and reporting requirements. The "Interim Report and Answer of Garnishee" and the "Final Report and Answer of Garnishee" are new forms you must complete and submit to the court. The *Interim Report* is filed with **EACH** payment you make, including a signed copy for your employee (debtor). The *Final Report* is executed and submitted to the court if the garnishment is paid in full, a creditor's 182-day collecting period expires, a higher priority garnishment order is received, a trustee is appointed or a bankruptcy is filed.