



Garnishment Formula for Wage Levy

Federal Consumer Credit Protection Act, Title III (15 USC Sec. 1671-1677) and Montana Statute 25-13-614, MCA, provide exemptions from garnishment.

Definitions:

- **Earnings:** Compensation for personal services, whether called wages, salary, commissions, or bonuses, and payments to pension or retirement program.
- **Disposable Income:** Earnings remaining after (tax) deductions required by law (Federal and state taxes, FICA, etc.)
- **Garnishment:** Any legal or equitable procedure by which the earnings of an individual are required to be withheld for payment of a debt.

Computation of Garnishment Amount

Fill in the RED areas only – the form automatically calculates the rest!

1.	_____	Enter total earnings	Clear Form
	(-) _____	Deduct federal withholding	
	(-) _____	Deduct state withholding	
	(-) _____	Deduct Tips (if included in total earnings)	
	(-) _____	Deduct FICA	
	(-) _____	Deduct Medicare	
2.	(=) _____	Disposable income	
3.	_____	Enter 25% (0.25) of line 2	
4.	(-) _____	Deduct any child support, student loan garnishments and IRS levies.	
5.	_____	Line 3 minus line 4	
6.	_____	Disposable income (from line 2)	
7.	(-) _____	Deduct amount from drop down option based on pay schedule	
		Use: (\$0.00 if no wages)	
		(\$217.50 if paid weekly)	
		(\$435.00 if paid bi-weekly)	
		(\$471.25 if paid semi-monthly)	
		(\$942.50 if paid monthly)	
8.	_____	Line 6 minus line 7	
9.	_____	AMOUNT TO BE GARNISHED - The amount to be garnished is the <u>lesser</u> of line 5 or line 8 for each pay period. If either line 5 or line 8 is zero or less, send no money, and return the notice of levy to Equity Management with a note of explanation.	
10.	_____	Enter total amount due from Notice of Levy.	
11.	(-) _____	Deduct any previously received garnishment amount.	
12.	(=) _____	Line 10 minus line 11.	
13.	_____	Line 12 minus line 9 - subtotal of amount due next paycheck	
14.	(+) _____	For each payroll check sent, you must add a \$27.50 processing fee to the subtotal amount due.	
15.	_____	Total amount due next payroll.	

The maximum amount to be garnished is the lesser of:

- 25% of disposable income for each pay period, or
- The amount of disposable earnings for that pay period which exceed 30 times the federal minimum hourly wage (currently \$7.25 per hour). 29 USC Sec. 206(a)(1).

Mail a copy of the completed form with your remittance, if applicable, or any other necessary information to:

Equity Management, Inc., P.O. Box 4906, Missoula, MT 59806

Email: response@equityprocess.com

Please retain a copy of this form for your records.

Employee Name: _____

Consumer #: _____