



# 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.	_____	<b>Enter total earnings</b>	<b>Clear Form</b>
	(-) _____	<b>Deduct federal withholding</b>	
	(-) _____	<b>Deduct state withholding</b>	
	(-) _____	<b>Deduct tips (if included in total earnings)</b>	
	(-) _____	<b>Deduct FICA</b>	
	(-) _____	<b>Deduct Medicare</b>	
2.	(=) _____	Disposable income	
3.	_____	Enter 25% (0.25) of line 2	
4.	(-) _____	<b>Deduct any child support, student loan garnishments and IRS levies</b>	
5.	_____	Line 3 minus line 4	
6.	_____	Disposable income (from line 2)	
7.	(-) _____	<b>Deduct amount from drop down option based on pay schedule</b>	
		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.	_____	<b>AMOUNT TO BE GARNISHED</b> - 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.	_____	<b>Enter total amount due from Notice of Levy</b>	
11.	(-) _____	<b>Deduct any previously received garnishment amount</b>	
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 \$29.00 processing fee to the subtotal amount due	
15.	_____	<b>Total amount due next payroll</b>	

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](mailto:response@equityprocess.com)

Please retain a copy of this form for your records.

Employee Name: \_\_\_\_\_

Employer: \_\_\_\_\_

Consumer #: \_\_\_\_\_

Payroll Date: \_\_\_\_\_