



PAYROLL BULLETIN

To: All State Agencies, Boards, Commissions and Universities
From: Steven L. Valasek, Director of State Accounting
Date: October 11, 1996
Subject: Change In Garnishment Calculation Due To Change In
Minimum Wage Law
Number: 1-96

Beginning October 1, 1996, the federal minimum wage increased from \$4.25 per hour to \$4.75 per hour. This changes the calculations for garnishments for any pay period beginning after September 30, 1996. Calculations for the purpose of determining the amount which is exempt from wage garnishment are shown below. The calculation that leaves the employee with the most money, must be utilized.

1. 85% of gross wages; or
2. 45 times the federal minimum hourly wage:

45 X \$4.75 X 1 week	= \$213.75 = disposable income exempt weekly
45 X \$4.75 X 2 weeks	= \$427.50 = disposable income exempt bi-weekly
45 X \$4.75 X 2.1667 weeks	= \$463.13 = disposable income exempt semi-monthly
45 X \$4.75 X 4.3333 weeks	= \$936.24 = disposable income exempt monthly

No garnishment deduction may be taken if the employee's disposable wages do not exceed 45 times the minimum hourly wage for the applicable pay period. There has been no change in the method of determining non-exempt wages for garnishment purposes.

Questions regarding this bulletin should be referred to Nancy Smith at (217) 782-4758 or Leslie McCarthy at (217) 785-1231.