



Roland W. Burris

Comptroller
State of Illinois

August 10, 1981

201 State House
Springfield, Illinois 62706
217/782-6000

PAYROLL BULLETIN
(3-81)

TO: All State Agencies, Departments, Boards, Commissions
and Universities

SUBJECT: New Garnishment Procedures

Effective October 1, 1981 all State agencies will be required to prepare vouchers (form C-13) for payment of monies withheld from employees' salaries due to a garnishment being in effect. This will include vouchers for payment to creditors and for refunds to the employee. The blank forms are available from Administrative Services.

I. PAYMENTS TO CREDITORS

Exhibit I shows a properly completed voucher. The following areas of the voucher will always contain the same information as shown in this exhibit.

1. Name and location of agency (Comptroller's Office)
2. Block 1--Seller's certification
3. Block 2--Vendor number
4. Block 6--Appropriation account code number
5. Block 18--Expenditure object
6. Block 22--Obligation number

The following areas of the voucher must also be completed as follows:

1. Block 3--Vendor or payee
This area will contain the names and address where the check will be sent. The first line of the address is always the plaintiff's name, unless the court directs otherwise, second line must then say c/o plaintiff's attorney (stating his name), and the third and fourth lines are the attorney's address.

2. Block 10--Description
This area must contain as a minimum
 - A. The plaintiff, defendant, circuit court county and case number in the format shown in the exhibit.
 - B. Reason for payment, such as release (satisfaction) of judgment or deduction order.
 - C. Statutory fee. \$8.00 or 2%, whichever is greater, is to be taken from payments to creditors only.
3. Block 14--Amount
This area will contain (1) the amount which was ordered to be vouchered and (2) as a separate item the statutory fee of \$8.00 or 2%, whichever is greater.
4. Block 17--Total amount
This area will contain the amount which was ordered to be vouchered, less the statutory fee.
5. Block 19--Expenditure amount
This area will contain the same amount as that in block 17.

II. REFUNDS TO EMPLOYEE

Exhibit II shows a properly completed voucher for a refund. The following areas of the voucher will always contain the same information as shown in this exhibit.

1. Name and location of agency
2. Block 1--Seller's certification
3. Block 2--Vendor number
4. Block 6--Appropriation account code number
5. Block 18--Expenditure object
6. Block 22--Obligation number

The following areas of the voucher must also be completed as follows:

1. Block 3--Vendor or payee
This area will contain the name and address of the person entitled to the refund.
2. Block 10--Description
This area must contain as a minimum
 - A. The plaintiff, defendant, circuit court county, and case number in the format shown in the exhibit. If a bankruptcy, include bankruptcy case number.

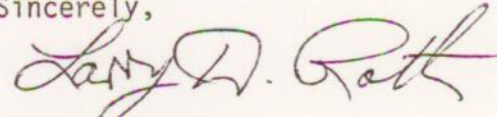
- B. Reason for payment, such as stipulation to dismiss, turnover order or agency overdeduction notice.
3. Block 14--Amount
This area will contain the amount of the refund.
 4. Block 17--Total amount
This area will contain the same amount as that in block 14.
 5. Block 19--Expenditure amount
This area will contain the same amount as shown in block 17.

Block 26 of the voucher for payments to creditors and refunds may be used by the agencies to make any notations they wish pertaining to the voucher. The person preparing the voucher must sign and date their signature in the line provided for "Receiving Officer".

When submitting the prepared vouchers to the Office of the Comptroller, submit copies one through six intact with carbon paper. Keep copy seven for your records. We will return copy six to you after we have processed the voucher. The prepared vouchers must have attached to them copies of all the documents that, in the past, would have been attached to your letter of direction, plus the wage deduction summons and affidavit. Except for refunds due to overdeduction, the agency letter of direction may be discontinued. You will still be required to submit copies of the wage deduction summons and affidavit within five days of the service date as you have in the past. Send all vouchers and attachments to the Office of the Comptroller, Garnishment Unit, 325 West Adams Street, Springfield, Illinois 62706.

The supplement to this payroll bulletin is a revised wage deduction summons procedure. Please read it carefully. If you have any questions please call (217)782-1981.

Sincerely,



Larry D. Roth
Director - State Accounting

INVOICE-VOUCHER

The preparation instructions for vendors are on the back of the last copy.

STATE OF ILLINOIS

Office of the Comptroller
201 Capitol Building
Springfield, Illinois 62706

EXHIBIT I

Name and Location of Agency or Institution

1. SELLER'S CERTIFICATION I hereby certify that the goods, merchandise, wares or services listed below have met all the required standards set forth in the purchasing contract and are proper charges against the State of Illinois and that payment has not been received. Prepared in By: <u>Agency Office</u>	2. VENDOR NUMBER-FEIN/SSN 9999999999	ZIP CODE 99999	TYPE CODE 41	4. Voucher No. _____ 5. Voucher Date _____ 6. Appropriation Account Code Number 659-36001-1998-00-99
	3. VENDOR OR PAYEE ABC Finance Corporation c/o John D. Adams 123 West Main Street Chicago, Illinois 60601			7. Invoice Number _____ 8. Invoice Date _____
DISPOSITION OF COPIES 1-Comptroller 2-Dept. of Administrative Services 3-Agency 4-Remittance Copy 5-Agency 6-Agency 7-Retained by Vendor				

10. Give Complete Description of Articles or Services Rendered	11. Quantity	12. Units	13. Unit Price	14. Amount
RE: ABC Finance Corporation vs. George Doe Circuit Court, Cook County 79-M1-121829 Payment pursuant to Release (Satisfaction) of Judgment and attorney's transmittal letter ordering the sum of \$388.00 to be paid over to the judgment creditor.				\$ 388.00
Less: Statutory Fee: \$8.00 or 2%				8.00

18. EXP. OBJ	19. EXP. AMOUNT	TERMS:	15. SUBTOTAL			
1998	380.00					
		22. OBLIGATION NO.	23 F/P	24. PAYMENT AMOUNT	16. DISCOUNT/ DEDUCTION	
		00				
20. TOTAL EXP		25. TOTAL PAYMENT AMOUNT			17. TOTAL AMOUNT	\$ 380.00

26. FOR AGENCY USE ONLY

The merchandise or service billed above has been received and complies with our specification or request.

John Brown 9/16/81
 RECEIVING OFFICER DATE

CLERK

CERTIFICATION OF RECEIVING AGENCY

It is hereby certified that the services or material represented in this voucher were received or authorized, that the amount is correct and hereby approved for payment. If applicable, the reporting requirements of Section 5.1 of "An Act to create the Bureau of the Budget" have been met.

HEAD OF UNIT OR AUTHORIZED AGENT DATE

APPROVED-AGENCY HEAD DATE

APPROVED-DIRECTOR OF ADMINISTRATIVE SERVICES DATE

INVOICE - VOUCHER

The preparation instructions for vendors are on the back of the last copy.

EXHIBIT II

STATE OF ILLINOIS

Office of the Comptroller
 201 Capitol Building
 Springfield, Illinois 62706
 Name and Location of Agency or Institution

1. SELLER'S CERTIFICATION I hereby certify that the goods, merchandise, wares or services listed below have met all the required standards set forth in the purchasing contract and are proper charges against the State of Illinois and that payment has not been received. Prepared in Agency Office By: _____	2. VENDOR NUMBER-FEIN/SSN 9999999999	ZIP CODE 99999	TYPE CODE 41	4. Voucher No. _____ 5. Voucher Date _____ 6. Appropriation Account Code Number 659-36001-1998-00-99 7. Invoice Number _____ 8. Invoice Date _____
	3. VENDOR OR PAYEE John Doe 304 West Main Street Springfield, Illinois 62706			
DISPOSITION OF COPIES 1.-Comptroller 2.-Dept. of Administrative Services 3.-Agency 4.-Remittance Copy 5.-Agency 6.-Agency 7.-Retained by Vendor				

10. Give Complete Description of Articles or Services Rendered	11. Quantity	12. Units	13. Unit Price	14. Amount
RE: ABC Finance Corporation vs. John Doe Circuit Court, Sangamon County 81 SC 1234 Payment pursuant to a turnover order				26.15

18. EXP. OBJ 9939	19. EXP. AMOUNT 26.15	TERMS:		15. SUBTOTAL
		22. OBLIGATION NO. 00	23 F/P	24. PAYMENT AMOUNT
				16. DISCOUNT/ DEDUCTION
20. TOTAL EXP	25. TOTAL PAYMENT AMOUNT			17. TOTAL AMOUNT 26.15

26. FOR AGENCY USE ONLY

CERTIFICATION OF RECEIVING AGENCY
 It is hereby certified that the services or material represented in this voucher were received or authorized, that the amount is correct and hereby approved for payment. If applicable, the reporting requirements of Section 5.1 of "An Act to create the Bureau of the Budget" have been met.

The merchandise or service billed above has been received and complies with our specification or request.

HEAD OF UNIT OR AUTHORIZED AGENT _____ DATE _____

APPROVED-AGENCY HEAD _____ DATE _____

John Brown 9/16/81
 RECEIVING OFFICER _____ DATE _____

CLERK _____

APPROVED-DIRECTOR OF ADMINISTRATIVE SERVICES _____ DATE _____



Roland W. Burris

Comptroller
State of Illinois

August 10, 1981

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Springfield, Illinois 62706
217/782-6000

Supplemental to

PAYROLL BULLETIN

(3-81)

TO: All State Agencies, Departments, Boards, Commissions
and Universities

SUBJECT: Garnishment Procedures

INTRODUCTION

Employees of the State of Illinois have been subject to wage garnishment since the Illinois Supreme Court upheld a lower court decision in November of 1975. The Supreme Court held in this decision that State employees would no longer be exempt from wage garnishment actions. Pursuant to that decision on December 2, 1975, Comptroller's Payroll Bulletin 15-75 was distributed to establish procedures for the State garnishment system. Since that time some of the procedures governing garnishments have been changed, or additional requirements have been added to the original procedures.

It is the purpose of this bulletin to advise you of these changes and additions. This bulletin supersedes Payroll Bulletin 15-75 (wage deduction summons procedures) dated December 2, 1975, and Payroll Bulletin 5-76 (wage deduction entries on the payroll voucher) dated June 4, 1976.

If you have any questions concerning garnishment procedures please call (217) 782-1981.

SUMMARY SECTION

- Section I. Agencies' responsibilities upon receipt of a wage deduction summons.
- Section II. Proper distribution of summons copies.
- Section III. Methods of calculating the time period for which a summons is active.

- Section IV. Agencies' responsibility for answering wage deduction summonses.
- Section V. Methods of calculating the amount of money which should be withheld from an employee's wages.
- Section VI. Requirement for making payments from the garnishment fund for: payments to creditors, refunds to employees, over-deductions, and salary refunds.
- Section VII. Effects of Section 10.05 withholdings on garnishments.
- Section VIII. Effects of bankruptcies on garnishments.
- Section IX. Instructions for entering the garnishment amount on the payroll voucher.
- Section X. Instructions for entering the trailer records on the payroll voucher.
- Section XI. Instructions for special processing of payroll vouchers for employees not garnished on the regular payroll.
- Section XII. Instructions for entering multiple summonses on the voucher and the trailer page.

I. RECEIPT OF SUMMONS

- A. The employing agency receiving the wage deduction summons from the Sheriff's Deputy should note on the summons the date and time of service, if this was not done by the Deputy.
- B. The agency's payroll unit or personnel unit (depending upon internal procedures) must be notified by telephone immediately.
- C. The agency should determine if the person named in the summons is an employee of the agency.
- D. The agency should determine if there are any payrolls in process for the employee named in the summons. See Sections XI. A. & C.
- E. The agency must immediately call the Comptroller's garnishments section (217) 782-1981 and provide the following information:
 - 1. Employee name
 - 2. Employee Social Security Number
 - 3. Payroll code on which the employee appears
 - 4. Agency organization code from payroll on which the employee appears (the second group of numbers--5 digits--of the appropriation account code)
 - 5. Total amount of judgment
 - 6. Case number of judgment
 - 7. Judgment creditor's name (plaintiff)
 - 8. Date and time of receipt of the summons

II. DISTRIBUTION

- A. The agency must provide the Comptroller's Office with a copy of the summons affidavit within five days of service date.
 - 1. Summons information listed in Section I. E. of this bulletin must be placed on the summons copy sent to the Comptroller.
 - 2. Summons should be sent to: Office of the Comptroller, 325 West Adams, Springfield, Illinois 62706, Attn: Garnishment Section.
- B. The employee being garnished should be given a copy of the summons and notified that deductions will be beginning.

III. WITHHOLDING

- A. The Wage Deduction Act provides that monies subject to deduction calculations are:
 - 1. Any money paid to the employee after the service of the summons.
 - 2. Any money earned by the employee until the end of the pay period immediately prior to 56 days from the service date of the summons. (Start counting with the day after the summons is served).

EXAMPLE: The agency is served a summons on November 3, 1980, and the summons is active for 56 days. Therefore, the summons will expire on December 29, 1980. The agency must use the last day of the prior complete pay period as the end date. So, the agency is required to withhold monies from any earnings paid after November 3, 1980, even if the money was earned before November 3rd, and to withhold any money earned for the December 1-15 pay period even if the money is paid after December 15.

- B. If a second summons is received on an employee before the first summons has expired, the second summons must still be given a full 56-day withholding period. However, where a second summons is received, the first day of the second 56-day period begins on the first day after the end of the pay period in which the first summons ends. All subsequent summonses are to be applied similarly in the order in which they are served.

EXAMPLE: As in the case of III A a summons is served on November 3, 1980, and will expire on December 15, 1980. If two additional summonses are received for the same employee at 10:00, November 6, 1980, and at 12:00, November 6, 1980, then the dates used for the summons received at 10:00 will be December 16, 1980, through January 31, 1981, and the dates used for the summons received at 12:00 will be February 1, 1981, through March 15, 1981.

If the total amount of the summons is withheld before the end of the withholding period and non-exempt wages (see Section V. A.) are left over, the remaining non-exempt wages can be applied to the next summons to be honored. Also the withholding period will need to be recalculated using the last day of the split payroll period as the first day of the withholding period of the next summons to be honored.

IV. ANSWERING SUMMONSES

- A. The short answer form attached to Payroll Bulletin 15-75 should be completed and sent to the appropriate court, and a copy should be sent to the attorney for the plaintiff so that it is received by the court and the attorney on the indicated summons return date.
- B. If the defendant named in the summons is not an employee, the summons should be held until the return date and then answered using the appropriate part of the answer form.
- C. If the summons has not been honored because of previous summonses on the employee, the summons must still be answered on the original return date. A second answer should be forwarded after the withholding period has been completed.
- D. In accepting these short answers the courts and the attorneys have reserved the right to request that the original interrogatories supplied with the summons be used instead of the short answer.

V. CALCULATION OF WITHHOLDING

- A. There are three ways to calculate the amount exempt from wage garnishment. Use the method which leaves the employees the most money.
 1. 85% of gross wages
 2. 75% of "disposable earnings" (which are the gross minus deductions required by law; in most cases this will include Federal tax, State tax, FICA, retirement, Sec. 10.05, levies, etc.)
 3. 30 times the Federal minimum hourly wage per week:
 $30 \times 3.35 = \$100.50$ disposable income exempt per week
 $30 \times 3.35 \times 2.17 \text{ weeks} = \218.09 exempt semi/monthly
 $30 \times 3.35 \times 4.33 = \435.17 exempt per month
 $30 \times 3.35 \times 2 \text{ weeks} = \201.00 exempt per 2 weeks

NOTE: As the Federal minimum wage is raised, the agency will have to recalculate these figures.

VI. PAYMENT FROM THE GARNISHMENT FUND

A. Payment to Creditors

After withholding is completed and the order expires or is satisfied and the agency has answered the summons, the attorney for the creditor will forward to the agency either a copy of a court order for payment or a "release satisfaction of judgment".

1. Court order (all counties except Cook, Lake, Will, McHenry, DuPage, Peoria and Rock Island).
 - a. The court order or "deduction order" must have the signature of the judge entering the order, or the order must be stamped as "filed" with the clerk of the court or must be accompanied by a signed letter from the creditor's attorney, saying that the order was entered by the court.
 - b. The amount of money ordered to be paid to the creditor must agree with the amount of money the agency has shown to be withheld.
 - c. The agency must transmit a copy of the order and a letter of direction to the Comptroller. The letter of direction must contain the following elements:
 1. Amount to be paid
 2. Name and address of person to whom payment should be made
 3. Authorization for Comptroller to make payment
 4. Case name and number
 5. Authorized signature
2. Release (satisfaction) of judgment (Cook, Lake, Will, McHenry, DuPage, Peoria, Rock Island and Kane counties only)
 - a. The release (satisfaction) of judgment must be signed by the attorney for the plaintiff.
 - b. The amount stated on the release (satisfaction) of judgment must agree with the amount actually withheld.
 - c. The attorney for the plaintiff must include a letter of direction to the agency stating that payment should be made to the creditor.

B. PAYMENT TO EMPLOYEE BECAUSE OF CREDITOR DISMISSAL

The "stipulation to dismiss" can be used to return money withheld to the employee if the following conditions are met.

1. The stipulation to dismiss must be signed by the attorney for the creditor.

2. The stipulation to dismiss must be stamped as "filed" with the clerk of the court. If the stipulation to dismiss is not filed, the agency may send two copies of the stipulation to dismiss to the appropriate court along with a self-addressed envelope and a letter asking that the stipulation to dismiss be filed and one copy be returned to the agency. A copy of this letter to the court and an unfiled stipulation to dismiss will be acceptable to the Comptroller's Office.
3. The agency must also address a letter to the Comptroller giving the following information:
 - a. Amount to be paid
 - b. Case name and number
 - c. Authorization for Comptroller to make payment
 - d. Most current home address of employee to be paid
 - e. Authorized agency signature

C. PAYMENT TO EMPLOYEE FOR OVERDEDUCTION

If an agency wishes to return money withheld from an employee because a deduction was made in error, the agency must submit a letter providing the following information:

1. Type of overdeduction (i.e. bankruptcy, expiration, etc.)
2. Amount of overdeduction
3. Other data or documents needed to explain the overdeduction
4. Address of employee to whom money will be returned
5. Case name and number
6. Authorized agency signature

D. PAYMENT TO AGENCY APPROPRIATION

When an agency makes a salary payment with a deduction for the garnishment fund and the salary warrant is to be cancelled and redeposited to the agency's appropriation, the garnishment deduction can be recovered from the garnishment fund by writing a letter to the Comptroller's Office giving the following information:

1. The account to which the refund should be made payable
2. The address to which the refund should be sent
3. The amount of the refund
4. The original voucher number of the deduction
5. The pay period of the deduction

6. Authorized agency signature

VII. SECTION 10.05 WITHHOLDINGS

Section 10.05 of the State Comptroller Act provides that the Comptroller's Office can offset any money paid by a State agency to collect money owed to the State by the payee. Section 10.05 deductions take precedence over garnishment deductions. In the event the Comptroller's Office should need to use the garnishment deduction to satisfy the 10.05 claim, the agency vouchering the money will be notified so that their records of deductions can be corrected. Problems of this type will be handled on a case by case basis between the Comptroller's Office and the agency involved.

VIII. BANKRUPTCIES

1. The agency should notify the Comptroller's Office and forward all bankruptcy documents.
2. In the event of a bankruptcy or a Chapter 13 proceeding, wage deductions for garnishments should cease as of the date the case is filed in bankruptcy court. No further garnishment wage deductions should be made until authorized by the Chapter 13 trustee.
3. When an agency receives notice of a bankruptcy or Chapter 13 proceeding, they should check their files to make certain that no payments to creditors are in process.
4. If payments are in process, the agency should contact the Comptroller's Office and attempt to stop the payment.
5. If any money is held in the garnishment fund for the bankrupt employee, the agency should contact the employee and inform him that his attorney must obtain from the Federal bankruptcy court a turnover order for the monies held before the date of filing.
6. Any money held after the date of filing should be treated as an overdeduction and must be returned to the employee.
7. Any turnover order or overdeduction notice should be sent to the Office of the Comptroller with written instructions for payment.
8. The agency should get from the employee a list of discharged creditors.

IX. PAYROLL APPLICATION

- A. All payroll vouchers submitted to the Comptroller's Office during the time a wage deduction summons is active must have the garnishment deduction entered on the payroll voucher. If circumstances prevent the application of the deduction on the voucher, then special processing will be required to pay the employee involved. (See section XI--Special Processing)

- B. The amount of money to be deducted for the garnishment should be calculated using the methods given in Section V. A. of these procedures.
- C. The amount to be deducted for the garnishment is to be entered in field #52 of the payroll voucher. This will increase the amount of total deduction (field #67) and decrease the amount of warrant (field #68). Each entry on the voucher is to have a unique code in field #51. The code is to be three digits in length and is to indicate the sequence of the wage deduction entry on the voucher. The first entry on the voucher is to be coded 001, the second 002, and so on.

X. TRAILER RECORD ENTRIES

- A. The following trailer record coding structure has been established for wage deductions, tax levies, and bankruptcies. This coding structure must be used.

	<u>Comptroller's Code</u>	<u>Actual Code</u>
Wage Deduction (Garnishments)	97	001 through 099
Tax Levy	98	001 through 099
Bankruptcy--Ch. 13	99	001 through 099

- B. The trailer code entry for a wage deduction (garnishment) is to be entered as follows:

The first wage deduction (garnishment) is to be entered as Comptroller's code 97 and actual code 001, the second wage deduction (garnishment) entry would be 97-002, the third, 97-003, etc... The trailer record entry for a wage deduction (garnishment) is to be entered on the voucher as follows:

Line 1: Garnishment 659
 Line 2: Judgment auditor's name (plaintiff)
 Line 3: Social Security number and last name of employee.

- C. The amount of the wage deduction (garnishment) is to be entered in the "amount of warrant" field #68 on line 1 of the trailer record entry.

XI. SPECIAL PROCESSING

- A. All payrolls in process or warrants not yet paid to the employee at the time a wage deduction summons is served are legally subject to wage deductions. Note: Willful failure to withhold is subject to court action.
- B. If a payroll in process cannot be adjusted, the Comptroller's Office will process the payroll and cancel those warrants which should have deductions taken. These cancelled warrants will be returned to the agency with the regular payroll warrants.

- C. If the payroll is processed and the warrants are written before the Comptroller's Office is notified of the wage deduction summons, the agency will be responsible for cancelling those warrants which need to have deductions applied. (See note in Section XI. A.)
- D. The agency should prepare a supplemental payroll for those employees whose warrants are cancelled. This supplemental payroll must contain all salary reversal data required. Supplemental payrolls not containing the salary reversal data will be returned to the agency.

XII. MULTIPLE SUMMONS ENTRY

In the event an agency is served with multiple wage deduction summonses for the same employee, entries should be made in the following manner:

- A. Wage deductions are to be honored on a priority (first come, first served) basis. The first summons received will be honored until either it expires or is satisfied.
- B. If a summons is satisfied before it expires, any salary still subject to deduction must be applied to the next wage deduction summons waiting to be honored.
- C. The entry on the voucher in field #52 is a single entry of the sum of the amounts of the two trailer records for that employee. The actual code in field #51 will be the same for both deductions. The trailer entry for the deduction for the first creditor should be entered in the normal manner, entering only the amount needed to satisfy the first summons in field #68. The second trailer entry should reference the information from the second summons and should list in field #68 the amount to be withheld for the second summons. The Comptroller's code and the actual code will be the same for both trailer entries.