



Roland W. Burris

Comptroller
State of Illinois

September 15, 1987

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

PAYROLL BULLETIN
(5-87)

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

SUBJECT: Garnishment Calculation and Overtime and Accumulated
Compensation

GARNISHMENT CALCULATION

House Bill 121 (Public Act 85-187) has changed the method by which State agencies must calculate garnishment deductions. You must now use one of the two following ways to determine the amount which is exempt from wage garnishment. Use the method that leaves the employee with the most money.

1. 85% of gross wages
2. 40 times the Federal minimum hourly wage
 $40 \times 3.35 = \$134.00 =$ disposable income exempt per week
 $40 \times 3.35 \times 2.1667 \text{ weeks} = \$290.34 =$ disposable income exempt
semi-monthly
 $40 \times 3.35 \times 4.3333 \text{ weeks} = \$580.66 =$ disposable income exempt
monthly
 $40 \times 3.35 \times 2 \text{ weeks} = \$268.00 =$ disposable income exempt bi-weekly

No garnishment deduction may be taken if the employee's disposable wages do not exceed the Federal minimum wage during a pay period. Disposable earnings are gross wages minus deductions required by law. In most cases these will include Federal and state income taxes, FICA/Medicare, retirement, Section 10.05, levies, child support, etc.

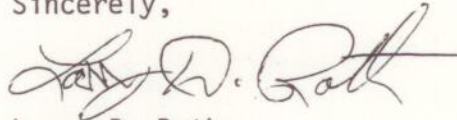
Agencies which calculate garnishment deductions programmatically should make the necessary systems changes as soon as possible.

OVERTIME AND ACCUMULATED COMPENSATION

Recent U.S. Supreme Court action has extended the coverage of the Federal Fair Labor Standards Act to State employees. Agencies have been previously advised by the Department of Central Management Services of the implications of this court action regarding the payment for overtime and the accrual of compensatory time in lieu of overtime. The U.S. Department of Labor has recently contacted the Comptroller's Office concerning another aspect of the Federal Fair Labor Standards Act. Agencies are reminded that as a general rule, overtime compensation and payment in lieu of compensatory time must be paid on the regular payday for the period during which such payment becomes due. For example, where Departmental rule or policy requires that accrued compensatory time be liquidated prior to July 1, this payment should be made at the same time that wages for the June 16 through 30 pay period are paid.

Questions concerning the Federal Fair Labor Standards Act provisions and enforcement may be directed to Mr. Fred Wrightam of the U.S. Department of Labor at (217) 492-4921. Questions concerning any other aspects of this bulletin may be referred to Dan Steven or Nancy Smith at (217) 782-4758.

Sincerely,



Larry D. Roth
Director of State Accounting