

Regular Session, 2013

HOUSE BILL NO. 581

BY REPRESENTATIVE CONNICK

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

SEIZURES/SALES: Provides relative to exemptions from seizure

1 AN ACT

2 To amend and reenact R.S. 13:3881(A)(1)(a) and to enact R.S. 13:3851.2, relative to  
3 exemptions from seizure; to authorize application of the federal poverty guidelines  
4 by an employer; to provide a privilege in favor of the employer; to provide  
5 procedures for application; to provide for definitions; to provide for a limitation of  
6 actions; to provide for an increase in exempt disposable earnings; and to provide for  
7 related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 13:3881(A)(1)(a) is hereby amended and reenacted and R.S.  
10 13:3851.2 is hereby enacted to read as follows:

11 §3851.2. Employer option to apply federal poverty guidelines for low-income  
12 employees; exemption from seizure; limitation of actions

13 A. Notwithstanding any exemption from seizure to which an employee may  
14 be entitled pursuant to R.S. 13:3881, no employer shall be required to deduct or  
15 remit to a seizing creditor any amount from the wages of any employee whose gross  
16 income, when prorated for the pay period in question, is less than one hundred  
17 twenty-five percent of the annual amounts set forth pursuant to the United States  
18 federal poverty guidelines as published annually in the Federal Register by the  
19 United States Department of Health and Human Services.

1 B.(1) The authority to apply the provisions of this Section shall be deemed  
 2 a privilege in favor of the employer, and the application of the privilege is solely  
 3 within the discretion of the employer based on the determination by the employer of  
 4 the gross income of the employee and the household size of the employee as applied  
 5 to the most currently published United States federal poverty guidelines.

6 (2) For purposes of this Section, "household size" shall mean and be  
 7 determined by the number of payroll exemptions and deductions declared by the  
 8 employee on the federal W-2 form signed by the employee and provided to the  
 9 employer.

10 C. No employer shall be subject to any civil action or other penalty by an  
 11 employee or creditor for applying or failing to apply the provisions of this Section.

12 \* \* \*

13 §3881. General exemptions from seizure

14 A. The following income or property of a debtor is exempt from seizure  
 15 under any writ, mandate, or process whatsoever, except as otherwise herein  
 16 provided:

17 (1)(a) Seventy-five percent of his disposable earnings for any week, but in  
 18 no case shall this exemption be less than an amount in disposable earnings which is  
 19 equal to ~~thirty~~ fifty times the federal minimum hourly wage in effect at the time the  
 20 earnings are payable or a multiple or fraction thereof, according to whether the  
 21 employee's pay period is greater or less than one week. However, the exemption  
 22 from disposable earnings for the payment of a current or past due support obligation,  
 23 or both, for a child or children is fifty percent of disposable earnings, and the  
 24 exemption from seizure of the disposable earnings for the payment of a current or  
 25 past due support obligation, or both, for a spouse or former spouse is sixty percent  
 26 of the disposable earnings. For purposes of this Subsection, if the Department of  
 27 Children and Family Services is providing support enforcement services to the  
 28 spouse and a judgment or order for support includes an obligation for both a child  
 29 or children and a spouse or former spouse, or in any case wherein the judgment or

1 order does not clearly indicate which amount is attributable to support of the child  
2 or children and which amount is attributable to support of the spouse or former  
3 spouse, the support obligation shall be treated as if it is exclusively for the support  
4 of a child or children.

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DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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Connick

HB No. 581

**Abstract:** Increases from 30 to 50 the multiple of federal minimum hourly wages that are exempt from seizure, and authorizes an employer to not remit to a seizing creditor an employee's wages if the wages are less than 125% of the federal poverty guidelines.

Proposed law provides that an employer shall not be required to deduct or remit to a seizing creditor any amount from the wages of any employee whose gross income is less than 125% of the annual amounts set forth pursuant to the United States federal poverty guidelines as published annually in the Federal Register by the U.S. Dept. of Health and Human Services.

Provides that the authority to apply the provisions of proposed law shall be deemed a privilege in favor of the employer, and the application of the privilege is solely within the discretion of the employer based on the determination by the employer of the gross income of the employee and the household size of the employee.

Proposed law defines "household size" as the number of payroll exemptions and deductions declared by the employee on the federal W-2 form signed by the employee and provided to the employer.

Proposed law exempts an employer from any civil action or other penalty based on the decision of the employer to apply or not apply the provisions of proposed law.

Present law exempts, in part, 25% of the income of a debtor from seizure under any writ, mandate, or process whatsoever, but also provides that in no case shall this exemption be less than an amount in disposable earnings which is equal to 30 times the federal minimum hourly wage in effect at the time the earnings are payable.

Proposed law increases from 30 to 50 the multiple of federal minimum hourly wages that are exempt from seizure.

(Amends R.S. 13:3881(A)(1)(a); Adds R.S. 13:3851.2)