

# New jersey garnishment exemptions and non- exemptions

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The paper " New Jersey Garnishment Exemptions and Non-Exemptions" is an excellent example of a business essay.

Garnishment is a means of collecting debts when a debtor fails to pay it voluntarily. As a result, it is observed to be the last feasible option in debt collection. Garnishment is a court order requiring the employer to hold back part of the employees' wages in payment of a defaulted debt. Therefore, a creditor cannot garnish the debtor's property without having the legal document. On the other hand, an employee's property can be used to pay back his debt. Some of the main reasons for wage garnishment include alimony, child support, defaulted student loans, bad debts, bankruptcy, and tax levies. In the case of wage garnishment, the debtor, creditor, and garnishee are involved in the entire process (Gilbertson & Lehman, 2011). In expressing his interest in the garnishment of an employee earning, the creditors submit a letter to the employer, the wage garnishment order, wage garnishment worksheet, and employer certification form. The employer then informs the employees about the garnishment. Upon receiving the documents, the employer is supposed to fill the employer certification form, failure to which he is charged in the court. This is then followed by the enforcement of the garnishment of the employee's income.

#### New Jersey Garnishment Exemptions and Non-Exemptions

Income from federal government created organizations such as social security benefits are not usually garnished but are garnished in case of child support, alimony, federal taxes, and government debts. In New Jersey, public pensions are protected from garnishment. As a result, only workers from the private sector can have their pension garnished. In addition, public benefits

such as workers compensation, unemployment insurance, and financial aid to the aged and disabled are protected from garnishment.

#### New Jersey Maximum Threshold

The federal government sets guidelines on the amount of income to be garnished to 25% of the disposable income or amount by which a debtor's income exceeds 30 times the minimum wage whichever is less. This is aimed at ensuring that the debtor has sufficient income left to cater for his daily needs. In New Jersey, the law on 25% of disposable income does not hold in case of tax obligations and child support where 50% to 60% of the debtor's income could be garnished.

In case the debtor fails to pay the debt after judgment has been passed, the creditor applies for the enforcement of the judgment. This is conducted through writ. Since the legal framework is necessary for garnishment to be enforced, the creditor cannot demand garnishment of another debt on the virtue that he already holds a garnishment order on another debt.

After the debt has been cleared, the creditor notifies the employer through a notice of termination of wage garnishment order. After receiving the document, the employer should terminate conducting the deductions.