

ASSEMBLY BILL

No. 1562

**Introduced by Committee on Labor and Employment (Monning
(Chair), Eng, Furutani, Ma, and Portantino)**

March 11, 2009

An act to amend Section 2929 of the Labor Code, relating to employment.

LEGISLATIVE COUNSEL'S DIGEST

AB 1562, as introduced, Committee on Labor and Employment.
Employment: garnishment of wages.

Under existing law, an employer may not terminate an employee because garnishment of an employee's wages has been threatened or an employee's wages have been subjected to garnishment for the payment of one judgment.

This bill would prohibit an employer from terminating an employee because garnishment of the employee's wages has been threatened or the employee's wages have been subjected to garnishment for the payment of 5 or fewer judgments at any one time.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 2929 of the Labor Code is amended to
2 read:
3 2929. (a) As used in this section:

1 (1) “Garnishment” means ~~any~~ a judicial procedure through
2 which the wages of an employee are required to be withheld for
3 the payment of ~~any~~ a debt.

4 (2) “Wages” has the same meaning as that term has under
5 Section 200.

6 (b) ~~No~~ An employer ~~may~~ shall not discharge ~~any~~ an employee
7 by reason of the fact that the garnishment of ~~his~~ the employee’s
8 wages has been threatened. ~~No~~ An employer ~~may~~ shall not
9 discharge ~~any~~ an employee by reason of the fact that ~~his~~ the
10 employee’s wages have been subjected to garnishment for the
11 payment of ~~one judgment~~ five or fewer judgments at any one time.
12 A provision of a contract of employment that provides an employee
13 with less protection than is provided by this subdivision is against
14 public policy and void.

15 (c) Unless the employee has greater rights under the contract
16 of employment, the wages of an employee who is discharged in
17 violation of this section shall continue until reinstatement
18 notwithstanding ~~such~~ his or her discharge, but ~~such~~ the employee’s
19 wages shall not continue for more than 30 days and shall not exceed
20 the amount of wages earned during the 30 calendar days
21 immediately preceding the date of the levy of execution upon the
22 employee’s wages which resulted in his or her discharge. The
23 employee shall give notice to his or her employer of his or her
24 intention to make a wage claim under this subdivision within 30
25 days after being discharged; and, if ~~he~~ the employee desires to have
26 the Labor Commissioner take an assignment of his or her wage
27 claim, the employee shall file a wage claim with the Labor
28 Commissioner within 60 days after being discharged. The Labor
29 Commissioner may, ~~in his discretion~~, take assignment of wage
30 claims under this subdivision as provided for in Section 96. A
31 discharged employee shall not be permitted to recover wages under
32 this subdivision if a criminal prosecution based on the same
33 discharge has been commenced for violation of Section 304 of the
34 Consumer Credit Protection Act of 1968 (15 U.S.C. Sec. 1674).

35 (d) Nothing in this section affects any other ~~rights~~ right the
36 employee may have against his or her employer.

37 (e) This section is intended to aid in the enforcement of the
38 prohibition against discharge for garnishment of earnings provided
39 in the Consumer Credit Protection Act of 1968 (15 U.S.C. Secs.

- 1 1671–1677) and shall be interpreted and applied in a manner which
- 2 is consistent with the corresponding provisions of ~~such~~ *that* act.

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