THE UNIVERSITY OF MICHIGAN

STANDARD PRACTICE GUIDE

SECTION:	Personnel	**Number:**	201.25
		Revised:	11/1/92
SUBJECT:	Garnishments, Tax Levies, and Assignments	**Date Issued:**	
		Attachment(s)	0
APPLIES TO:	All Regular Faculty and Staff Members		
ISSUED BY:	Personnel Office and Office of the Provost and Vice President for Academic Affairs		

I. Policy

Staff members are expected to manage their personal financial affairs in a manner which prevents involving the University in legal proceedings and unnecessary expenses through garnishments, tax levies and other collection devices.

Garnishments, tax levies, and other collection devices will not be considered cause for termination of employment.

II. Regulations

A. Garnishments

1. A garnishment is a lawsuit against the Employer which directs the University to withhold and remit wages otherwise due the staff member. The University is liable for the payment if the court order is not followed.

2. The amount to be paid on a garnishment is prescribed by a formula established by federal law.

3. A garnishment continues in affect until the amount withheld equals or exceeds the judgment, interest and costs; or until 91 days after the garnishment is issued; or as otherwise ordered by the court.

   a) The University is not liable for a garnishment to the extent that the University is required to satisfy another garnishment against the same person having a higher priority, such as an obligation to pay child support, a tax levy or any other garnishment.

B. Tax Levy

A tax levy is an order directing the University to withhold and remit all wages otherwise due the staff member except money already ordered by a court to be paid for child support through the employer or other exemptions allowed by law. The University is financially liable if it fails to follow the order.

C. Wage Assignments

1. The University does not accept any obligation to remit wages to a creditor in the case of a wage assignment. Also, the University does not accept any obligation to remit wages to a creditor where the debtor has used present and future earnings as collateral for a loan as provided for in the Regulatory Loan Act of 1963, P.A. 1939, No. 21, Section 17; MCL 493.17.

D. Assignment for Benefit of Creditors

In certain cases, the University, at the initiation of an employee may be required to pay, on the order of a court, wages due an employee to the court for distribution to the employee's creditors.

III. Procedure

Receiving and handling a garnishment, tax levy or wage assignment:

RESPONSIBILITY		ACTION
Court or legal authority	1.	Serve garnishment or levy.
Payroll Office	2.	Determine action to be taken and calculate amount to be withheld.
	3.	Inform staff member.
	4.	Withhold amount and prepare check for appropriate agency.
	5.	Send copy of garnishment or levy to staff member.