



January 25, 2024

The Honorable Rob Swearigen
Chair, Committee on State Affairs
Wisconsin House of Representatives
Rep.Swearigen@legis.wisconsin.gov

The Honorable Chanz Green
Vice-Chair, Committee on State Affairs
Wisconsin House of Representatives
Rep.Green@legis.wisconsin.gov

The Honorable Patrick Testin
Chair, Committee on Labor, Regulatory
Reform, Veterans and Military Affairs
Wisconsin Senate
Sen.Testin@legis.wisconsin.gov

The Honorable Steve Nass
Vice-Chair, Committee on Labor, Regulatory
Reform, Veterans and Military Affairs
Wisconsin Senate
Sen.Nass@legis.wisconsin.gov

The Honorable Ron Tusler
Wisconsin House of Representatives
Rep.Tusler@legis.wisconsin.gov

The Honorable Rob Hutton
Wisconsin Senate
Sen.Hutton@legis.wisconsin.gov

Re: Support for S.B. 327/A.B. 337, Opposition to S.A.1/A.A.1

Dear Wisconsin Representatives and Senators:

PayrollOrg (PAYO), formerly the American Payroll Association,¹ supports Wisconsin S.B. 327/A.B. 337, but opposes the November 17, 2023, proposed amendment by Representative Ron Tussler, identified as A.A. 1, and Senator Hutton, identified as S.A. 1.

Support for S.B. 327/A.B. 337

PAYO supports eliminating the 13-week limit on the garnishment of earnings. For payroll professionals, receiving new orders every 13 weeks is a significant administrative burden and cost, especially if an employee has multiple garnishments.

When a garnishment order is received, payroll departments must first identify whether the named individual is an employee and then investigate to determine if a garnishment is already withheld for that employee. These steps are followed by a determination of priority order of withholding and calculating legal amounts that can be withheld under federal and state laws. The order and related

¹ PAYO is a nonprofit association representing more than 20,000 payroll professionals throughout the United States. PAYO's Government Relations Task Force partners with government agencies to help payroll professionals with compliance, while minimizing the administrative burden on government, employers, and individual workers. PAYO members are directly responsible for calculating wages and withholding for their employers across all industries and employer types. PAYO does not endorse any technology or management approach. Therefore, PAYO is not positioning itself with any specific business, employer, or group.



details must be accurately entered into the payroll management system to ensure correct withholding, generate records for employee pay statements, inform creditors and trustees, and transmit withheld amounts to the correct trustee address.

When a new order is received for the same garnishment, payroll managers cannot simply change the date of the existing order and continue withholding. Instead, the process of identifying the employee, determining priority order, calculating legal withholding amounts, entering the order into the payroll system, etc. must be repeated. If other garnishment orders for the same employee are pending, the priority order and calculation amount for withholding may change.

The administrative burden and cost are greatly reduced if an order is processed and continues until fully paid or the employee terminates. Legislative action to eliminate the 13-week limit is appreciated.

Opposition to Assembly Amendment 1

PAYO is opposed to S.B. 1/A.A. 1 § 3M. 812.35 (7) that would require an employer, upon being served, to determine whether the debtor's address as shown in the earnings garnishment form is consistent with the debtor's address in the garnishee's records, and, if it is not consistent, to notify the creditor in writing by the end of the 7th business day after receiving the form.

Eliminating burdens and costs created through the relationship between creditors and debtors and placing it on employers is not appropriate. PAYO understands that making the process easier for creditors and debtors is an important role for Wisconsin's legislature, but changing who bears the burden is not a good solution, especially when employers are innocent third parties in this process.

Instead, when a garnishment order is received by an employer, the employee is informed. If the employee was not aware of legal proceedings against them to pay the owed debt, yet the creditor made a good faith effort to inform the employee, state law offers the employee an opportunity to challenge the creditor at that point, stop the garnishment, and receive reimbursement from the creditor for amounts already paid. The employee can provide their correct address to the court or the creditor/trustee at that point.

Thank you for the opportunity to comment on S.B. 327/A.B. 337. To discuss these comments further, please contact PAYO at ajacobsohn@payroll.org or 202-669-4001.

Sincerely,



Alice P. Jacobsohn, Esq.
Director, Government Relations

For: Government Relations Task Force Garnishments Subcommittee, Chair, Corrinne Flores