To amend the Consumer Credit Protection Act to address restrictions on the garnishment of wages, prohibitions on debt collection practices relating to imprisonment of debtors, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 25, 2022

Ms. ADAMS introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the Consumer Credit Protection Act to address restrictions on the garnishment of wages, prohibitions on debt collection practices relating to imprisonment of debtors, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Protecting Wages of Essential Workers Act of 2022”.

SEC. 2. RESTRICTION ON GARNISHMENT.

Title III of the Consumer Credit Protection Act (15 U.S.C. 1671 et seq.) is amended—
(1) in section 303 (15 U.S.C. 1673)—

(A) by striking subsection (a) and inserting the following:

“(a)(1) Except as provided in subsection (b) and in section 305, the maximum part of the aggregate disposable earnings of an individual for any workweek which is subjected to garnishment may not exceed the lesser of—

“(A) 25 per centum of the disposable earnings of the individual for that week; or

“(B) the amount by which the disposable earnings of the individual for that week exceed—

“(i) beginning on the date of enactment of this subsection, $1000; and

“(ii) for fiscal year 2023, and each fiscal year thereafter, the amount determined under paragraph (3).

“(2) In the case of earnings for any pay period other than a week, the Secretary of Labor shall, for purposes of paragraph (1)(B), prescribe an amount that is proportional to the amount under paragraph (1)(B)(i), which, beginning for fiscal year 2023, shall be adjusted in accordance with paragraph (3).

“(3)(A) On September 4, 2023, and annually thereafter, the Secretary shall adjust the dollar amounts described in paragraphs (1)(B)(ii) and (2) by the annual
percentage increase in the Consumer Price Index, rounded to the nearest multiple of $100, as applicable.

“(B) Not later than Labor Day (as specified in section 6103 of title 5, United States Code) of each fiscal year, the Secretary of Labor shall publish in the Federal Register the percentage change in the Consumer Price Index published for June of the preceding fiscal year from June of the fiscal year in which that publication is made.

“(C) In this paragraph, the term ‘Consumer Price Index’ means the Consumer Price Index for All Urban Consumers (all items, U.S. city average), published monthly by the Bureau of Labor Statistics.”; and

(B) in subsection (b)(2)(A), by striking “his spouse or dependent child” and inserting “the spouse or dependent child of the individual”;

(2) in section 304 (15 U.S.C. 1674), by striking subsection (a) and inserting the following:

“(a) No employer may discharge, or take any other adverse action against, any employee by reason of the fact that the earnings of the employee have been subjected to garnishment.”;

(3) in section 305 (15 U.S.C. 1675), by striking “he determines” and inserting “the Secretary determines”; and
(4) in section 307 (15 U.S.C. 1677)—

   (A) in the matter preceding paragraph (1),

   by striking “State” and inserting “State—”;

   and

   (B) by striking paragraph (2) and inserting the following:

   “(2) prohibiting the discharge, or the taking of

   any other adverse action against, any employee by

   reason of the fact that the earnings of the employee

   have been subjected to garnishment.”.

SEC. 3. PROHIBITION ON DEBT COLLECTION PRACTICES

   RELATING TO IMPRISONMENT OF DEBTORS.

Section 808 of the Fair Debt Collection Practices Act

(15 U.S.C. 1692f) is amended by adding at the end the

following:

“(9) Taking or threatening to take any action

in connection with the collection of a debt to cause

the arrest or imprisonment of any person, including

taking or threatening to take any action to seek the

issuance or service of a civil arrest warrant in State

court.”.