

CHILD SUPPORT AMENDMENTS

SEPTEMBER 29, 1976.—Ordered to be printed

Mr. LONG, from the Committee on Finance,
submitted the following

REPORT

[To accompany H.R. 9889]

The Committee on Finance, to which was referred the bill (H.R. 9889) to amend section 2055(e)(3) of the Internal Revenue Code, having considered the same, reports favorably thereon with an amendment and with an amendment to the title, and recommends that the bill as amended do pass.

I. HOUSE BILL

As passed by the House, H.R. 9889 would have extended until December 31, 1977 the time by which a governing instrument of a charitable remainder trust may be amended so as to permit the remainder interest to qualify for an estate tax charitable contribution deduction under the rules of the Tax Reform Act of 1969. The substance of the House-passed bill has been included in H.R. 10612, the Tax Reform Act of 1976.

II. SUMMARY OF COMMITTEE AMENDMENT

The committee amendment strikes out all after the enacting clause and instead substitutes a number of provisions amending title IV-D of the Social Security Act relating to the child support program. The provisions are essentially the same as those previously reported by the committee and passed by the Senate on June 30 as part of H.R. 14484. The House did not consider the child support provisions when it acted on that bill.

Garnishment.—There is no provision in present law specifically authorizing the issuance of regulations on garnishment. The committee amendment would add a new section to title IV-D to authorize the issuance of regulations for the executive, legislative, and judicial branches. The amendment would also establish various conditions and procedures to be followed in carrying out the garnishment provision.

The garnishment provision would be clarified to specifically include employees of the District of Columbia.

Under the Federal restrictions in garnishment law, there is no limit on the percentage of wage or other payments which may be garnisheed or be subject to wage assignment for purposes of child support or alimony. Under the committee amendment, a reasonable limit would be provided (50 percent of net pay for an individual supporting a second family and 60 percent for any other individual, plus an additional 5 percent in each case to pay for support which has been unpaid 3 months or longer).

Bonding.—Under the committee amendment, a provision would be added to title IV-D to require bonding of State and local employees who handle the collection or accounting of child support payments, and to require that individuals responsible for handling the money not be the same individuals who are responsible for the accounting of such money.

Incentive payments.—Under the present law, if a political subdivision of a State or another State collects the child support payments for another unit of Government, it is entitled to an incentive payment of 25 percent of the amount retained by the jurisdiction in which the family lives for the first 12 months of collections, and 10 percent thereafter. Under the committee amendment, a flat 15 percent incentive payment would apply to all collections retained.

Research and demonstration projects.—The provisions in section 1115 of the Social Security Act authorizing research and demonstration projects would be extended to include projects related to the child support program, and the amount authorized under the section would be increased from the present \$4 million to \$6 million a year.

Annual reporting.—Under the committee amendment, the annual reporting requirement now in law would be amended to specify the kinds of information to be included by the Secretary of Health, Education and Welfare in his reports on activities under the child support program. Annual reports would be due within three months after the end of each fiscal year.

Provision relating to Georgia.—The committee amendment also includes a provision added on the Senate floor to H.R. 14484 which would give the State of Georgia time to resolve a problem regarding the treatment of child support collections for purposes of reimbursement.

III. GENERAL EXPLANATION OF THE BILL

When the Committee on Finance reported the child support amendments which were to become law in January 1975 (Public Law 93-647) it stated: "The committee believes that all children have the right to receive support from their fathers." The committee continues to believe in this right of children, and further believes that the experience of the Nation in the implementation of the child support legislation is proof that this right can and should be enforced. Thousands of children throughout the United States have benefited from the child support program through the collection of child support payments in their behalf. In addition, taxpayers are beginning to see some progress in the reduction of welfare costs as the result of child support collections.

The First Annual Report on the Child Support Enforcement Program, dated June 30, 1976, is incomplete in the data which it provides for the first year of operation. Nonetheless, it shows that at least 23,000 families were able to leave the Aid to Families with Dependent Children (AFDC) rolls as the result of child support collections during the first three quarters of fiscal year 1976. The majority of these were in six States, indicating that as additional States are able to implement fully their programs the number can be expected to increase greatly. The report also shows that support was collected in the case of about 325,000 families during the third quarter of 1976, and about 106,000 absent parents were located during this same brief period of time.

The committee believes that these early and fragmentary statistics indicate that the child support program is beginning to work as the Congress intended. It is not the purpose of the committee bill to make any major changes in the new child support law. The bill would make modifications, consistent with the original congressional intent, to clarify questions that have been raised, to provide for administrative improvement, and to aid in the evaluation of the program.

The committee has been concerned about the slow implementation of one of the key provisions in the child support enforcement program—the provision for garnishment of Federal payments. Although the garnishment provision became effective on January 1, 1975, it was not until October 3 of that year that the President issued an order delegating the authority to issue regulations under that provision. At this time, more than 20 months after the effective date, no regulations relating to garnishment have yet been issued for any branch of Government. Thus, although some Federal payments to individuals, particularly military payments, have been garnisheed, the procedures used have been subject to some question. If the garnishment provision is to be an effective tool in behalf of children who are deprived of parental support, it must be implemented fully and the procedures must be clear to all whose interests are affected by the law. The committee amendment is designed to accomplish this.

The committee has also been concerned about the possibility of any harmful results of the garnishment law. It has come to the committee's attention that some States allow up to 100 percent of disposable earnings to be garnisheed for purposes of child support and alimony. Although the committee believes that a family's rights to support sometimes must be enforced by using the garnishment process, it does not believe that this process should be used in such a way so as to cause the financial ruin of the parent or of his second family, if a second family exists. Thus, the committee is proposing that a limit be placed on the amount of earnings which are subject to garnishment.

It is the hope of the committee that this approach will serve to protect the interests of all persons concerned, and will limit the possibility that garnishment could result in unjust treatment of any family with children.

A fair evaluation of the child support program is possible only if adequate information is made available to the Congress on a regular basis. The committee amendment is designed to assure that necessary data will be provided so that the Congress can properly fulfill its oversight obligations and make changes in the law as they are needed.

Research and demonstration projects are another way the Congress and the Executive Branch have of evaluating existing programs and developing improvements and modifications. The committee believes that present law should be amended to authorize research and demonstration projects in child support programs and that sufficient funds should be made available to implement the provision.

Cooperation among States and among units of Government within States is key to the success of the child support program. In order to promote this cooperation, present law provides for a system of incentive payments for cooperating governmental units. The committee amendment would simplify the operation of the incentive payment provision.

A. CLARIFICATION OF GARNISHMENT PROVISIONS

(Section 1 of the bill)

The child support legislation enacted by the 93rd Congress (Public Law 93-647) provides for the garnishment of Federal payments for purposes of child support and alimony. Although the garnishment provision has been in effect since January 1, 1975, it has not yet been fully implemented. This delay is attributable at least in part to questions which have been raised concerning the intent of Congress with respect to certain aspects of the law, and the procedures which should be followed by Federal agencies in the implementation of the law. The following provisions in the committee bill are designed to clarify congressional intent and establish procedures to be followed in carrying out the law.

Inclusion of District of Columbia.—Section 459 of the Social Security Act provides that moneys due from, or payable by, the United States, including any agency or instrumentality thereof, shall be subject to legal process brought for the enforcement of legal obligations to provide child support or alimony payments. It was intended that employment with the District of Columbia be included. However, because a question has been raised about whether the language of the statute adequately states the intent of the Congress, section 1(a) of the bill would add specific reference to the District of Columbia.

Conditions and procedures.—The committee bill provides specific conditions and procedures to be followed under section 459. It specifies that service of legal process brought for the enforcement of an individual's obligation to provide child support or alimony is to be accomplished by certified or registered mail, or by personal service, upon the person designated to accept the service for a governmental entity. The process must be accompanied by sufficient data to permit prompt identification of the individual and the moneys which are involved. These provisions will permit inexpensive and expedited service and will enable the agency to respond in an efficient way.

Federal employees whose duties include responding to relevant interrogatories made prior to the issuance of legal process and authorized by law would not be subject to any disciplinary action, or civil or criminal liability or penalty for, or on account of, any disclosures of information made in connection with the answering of such interrogatories.

The amendment also provides that the head of a governmental entity or his designee shall have 30 days (or a longer period if provided by applicable State law) from the effective date of service within which to respond to interrogatories or to legal process seeking the payment of child support or alimony obligations. The Federal Government is so large and its activities and offices are so numerous that a reasonable time for response is required to permit identification of the proper account, ascertainment of the sufficiency of process, and consultation with counsel.

As a protection to the employee, however, the amendment also would require that the person who is served must, as soon as possible but no more than 15 days after the date of service, send written notice that the process has been served (together with a copy thereof) to the individual whose moneys are affected at his duty station or last known home address.

To avoid the problems which might ensue if Federal agencies were compelled to alter their disbursement cycles to accommodate payments due for child support or alimony, the bill specifically provides that government entities shall not be required to vary their normal pay and disbursement cycles in order to comply with any such legal process. Generally, disbursements of regular periodic payments of remuneration for employment are computerized. Process served upon an agency may unreasonably require that a pay check of a certain date be held up when in fact such process was not received in time to permit the reprogramming of the computer run affecting that particular check. In other instances a writ may call for deductions which are more or less frequent than the times the individual is actually paid. The provision in the bill would avoid very substantial additional costs to the Government and serious inconvenience or hardship to thousands of others affected by the computerized payrolls.

The bill provides that neither the United States, any disbursing officer, nor governmental entity shall be liable with respect to any payment made from money due an individual pursuant to legal process regular on its face, if the payment is made in accordance with the section and the regulations issued thereunder. This provision would protect the United States and its employees with regard to actions they are required to perform.

Issuance of regulations.—Section 459 has no provision specifically authorizing the issuance of regulations by the three branches of Government charged with administering the garnishment law. At this time, more than a year and a half after the effective date, there are still no regulations relating to this statutory provision. The General Accounting Office has recommended that the law be amended to provide specific authority to issue regulations, commenting in a recent report that “the garnishment provision in section 459 should be expanded to specifically provide authority to one or more organizations to issue implementing regulations.” The Attorney General has sent to Congress a legislative proposal aimed at clarifying the regulatory authority. The committee bill would add a new section 461 to title IV which would vest the authority to issue regulations for section 459 in: (1) the President (or his designee) for the executive branch, including the territories and possessions of the United States, the

United States Postal Service, the Postal Rate Commission, any wholly owned Federal corporation created by an Act of Congress, and the Government of the District of Columbia; (2) the President pro tempore of the Senate and the Speaker of the House of Representatives (or their designees) jointly for the legislative branch; and (3) the Chief Justice of the U.S. Supreme Court (or his designee) for the judicial branch.

The committee amendment also provides that regulations issued for the three branches of Government are to include a requirement that the head of each governmental entity involved shall cause to be published in the appendix of the regulations (1) the designation of the agent or agents to accept service of process, identified by title of position, mailing address and telephone number, and (2) an indication of the data reasonably required in order for the governmental entity promptly to identify the individual with respect to whom legal process is being brought. This provision will eliminate the problems private attorneys have had in determining how to effect service of process in order that their clients may obtain the benefit of the garnishment statute. They will make it possible for the private attorney to easily locate the person who is to receive the process, and to know the kinds of information which must be provided to enable the Government entity to identify the employee concerned.

The bill would require that heads of governmental entities or their designees respond to relevant interrogatories, if authorized by the law of the State in which legal process will issue, prior to formal issuance of the process, upon a showing of the applicant's entitlement to child support or alimony payments.

The bill also makes clear the procedure to be used in case of disputes which may arise when two or more parties seek to attach the same payments with legal process issued from more than one source. It provides that if a governmental entity is served with more than one legal process with respect to money payable to any individual, then the money shall be available on a first-come-first-served basis. This simple approach to such situations should expedite agency action and eliminate the need for lengthy procedures during which the individual concerned will not have his income subject to garnishment from any source. Subsequent process will be satisfied out of money remaining after satisfying a prior process.

The bill does not include any specific requirements for reports by the separate branches of Government on the garnishment provision. However, in order to have information by which to evaluate the provision in the first years of its implementation, the committee requests that sufficient data be kept by each branch of Government so that a close estimate of the garnishment activity may be made and submitted to the Congress in a form which would enable the Congress to evaluate the impact and operation of the garnishment provision.

Definitions.—The committee amendment would add a new section 462 to define the terms used in section 459.

(1) *United States.*—Present law provides that moneys due from or payable by "the United States * * * shall be subject to legal process brought for the enforcement of legal obligations to provide child support or alimony as though the United States were a private person." Because questions have been raised about what the term "United States" means for purposes of the provision, the committee amendment adds a definition which makes clear that the term includes all

three branches of Government—legislative, judicial and executive, and each and every department, agency, or instrumentality of any such branch, including the U.S. Postal Service, the Postal Rate Commission, any wholly-owned Federal corporation created by an act of Congress, any office, commission, bureau, or other administrative subdivision, and the Governments of the territories and possessions of the United States.

(2) *Child Support*.—The committee amendment provides a definition of the term “child support” which states that it means, when used in reference to the legal obligations of an individual to provide such support, any periodic payment of funds for the support and maintenance of a child, and (subject to and in accordance with State law) includes (but is not limited to) payments to provide for health care, education, recreation, clothing, or other specific needs. Uncertainty as to whether agencies may pay court-ordered attorneys’ fees, interest, and court costs is removed by the committee’s definition. These are included when and to the extent they are recoverable pursuant to a decree, order, or judgment issued in accordance with applicable State law by a court of competent jurisdiction.

(3) *Alimony*.—The committee amendment would define “alimony” for purposes of section 459, when used in reference to the legal obligations of an individual to provide the same, to mean periodic payments of funds for the support and maintenance of the spouse (or former spouse). It includes (subject to and in accordance with State law) separate maintenance, alimony pendente lite, maintenance, and spousal support. This definition is in keeping with the increasing State use of “support” terminology instead of “alimony” The same provisions relating to attorneys’ fees, interest, and court costs as are provided with regard to “child support” are also included with regard to alimony. The amendment also clarifies the committee intent that “alimony” does not include payments or transfers of property made in compliance with any community property settlement, equitable distribution of property, or other division of property between spouses.

(4) *Private person*.—The definition provides that “private person” means a person who does not have sovereign or other special immunity or privilege which causes the person not to be subject to legal process.

(5) *Legal process*.—This term is defined for purposes of section 459 to mean any writ, order, summons or other similar process in the nature of garnishment which is issued by a court of competent jurisdiction, or by an authorized official pursuant to a court order or pursuant to State or local law, and which is directed to, with the purpose of compelling, a governmental entity which holds moneys otherwise payable to an individual to make a payment to another party in order to satisfy a legal obligation for child support or alimony payments. Thus, legal process includes the statutory remedy for recovery of support and maintenance under the Aid to Families with Dependent Children program which is provided in the law of the State of Washington, and other States which have similar statutes.

(6) *Moneys, the entitlement to which is based on remuneration for employment*.—When the committee made its report on the child support amendments in 1974, it stated:

The committee bill would specifically provide that the wages of Federal employees, including military personnel, would be subject to garnishment in support and alimony

cases. In addition, annuities and other payments under Federal programs in which entitlement is based on employment would also be subject to attachment for support and alimony payments. This provision would be applicable whether or not the family upon whose behalf the proceeding is brought is on the welfare rolls. It would also override provisions in various social insurance or retirement statutes which prohibit attachment or garnishment. (S. Rept. 93-1356)

Although the intent of the Congress would appear to be clear from this report language, questions as to the applicability of the statute to social insurance and retirement statutes have arisen. Other questions as to the kinds of remuneration which are covered by the statute, such as commissions or bonuses, have also been raised. To remove the possibility of confusion, the amendment adds a definition of "remuneration for employment" which covers compensation paid or payable for personal services of an individual, whether as wages, salary, commission, bonus, pay, or otherwise, and includes but is not limited to severance pay, sick pay and incentive pay, but does not include awards for making suggestions. It also includes periodic benefits (as defined in section 228(h)(3) of the Social Security Act) or other payments to an individual under the insurance system established by title II, or any other system or fund established by the United States which provides for the payment of pensions, retirement or retired pay, annuities, dependents or survivors' benefits, or similar amounts payable on account of personal services performed by any individual. It excludes any payment as compensation for death under any Federal program, any payment under any program established to provide "black lung" benefits, any payment by the Veterans' Administration as pension, or any payment by the Veterans' Administration as compensation for service-connected disability or death. Such exclusion, however, does not apply to dependency and indemnity compensation paid under chapter 13 of title 38, United States Code, and any compensation paid by the Veterans' Administration to a former member of the armed forces who is in receipt of retired or retainer pay if such former member has waived a portion of his retired pay in order to receive such compensation.

Thus, the provisions of section 459 would apply, in addition to those already mentioned, to payments under: (1) The civil service retirement program; (2) the retirement and disability system established for employees of the Foreign Service; (3) the various retirement, annuity, and survivor benefit plans and programs established for members of the Armed Services or employees of the United States; (4) the Railroad Retirement Act, and the Railroad Unemployment Insurance program; (5) beneficiaries of life insurance policies provided under Government programs where the amount of coverage is directly or indirectly based (wholly or in part) on the amount of remuneration for the employment involved; (6) the Federal program for compensation for work injuries of Federal employees (but not death benefits thereunder); and (7) the Longshoremen's and Harbor Workers' Compensation Act (but only in cases where the payments are made by the United States).

The provision would not apply to reimbursement of expenses incurred by an individual in connection with employment or allowances in lieu thereof, e.g., per diem, mileage allowance, travel and transportation allowances, cost-of-living allowances, military quarters and subsistence allowances, uniform and clothing allowances, overseas station allowances, Armed Forces health profession scholarship stipends, and other similar work-related expenses or allowances.

It would not apply to State or locally administered programs even though such programs have been established under Federal auspices and there is Federal participation in the costs thereof simply because the benefits paid out are not paid by the Federal Government. The State unemployment compensation programs are prime examples of this category.

It should be emphasized that the fact that section 459 is applicable to particular moneys does not necessarily mean that those moneys will be subject to legal process; it merely means that the question of whether such moneys will be subject to legal process will be determined in accordance with State law in like manner as if the United States were a private person.

The committee amendment would also provide for exclusions which are to be made in determining the amount of money due from or payable by the United States to any individual for purposes of section 459. Thus there would be excluded from garnishment any amounts which are owed by an individual to the United States; are required to be, and are, deducted from the remuneration or other payment involved, including, but not limited to, Federal employment taxes, survivor benefit program contributions, fines and forfeitures ordered by court-martial; and are properly withheld for Federal, State or local income tax purposes, if the withholding is authorized or required by law and if amounts withheld are not greater than would be the case if the individual claimed all dependents to which he was entitled (the withholding of additional amounts pursuant to section 3402 (i) of the Internal Revenue Code of 1954 may be permitted only when such individual presents evidence of a tax obligation which supports the additional withholding); are deducted as health insurance premiums; are deducted as normal retirement contributions (without supplementary coverage); and are deducted as normal life insurance premiums (without supplementary coverage).

Limitation on percentage of wages subject to legal process.—There is no limit in Federal law on the percentage of wages or other employment-related income which may be garnished for child support or alimony under court order. Many States allow garnishment of 100 percent of earnings and others provide that 100 percent of wages may be subject to wage assignment. Because of the arrearages that have resulted through incomplete payments (or no payments) of child support and alimony orders, the wages or the annuities of a number of people have been garnished at 100 percent for periods of many months and even years. This has sometimes caused the second families of the fathers in those cases to face financial ruin. It would be of questionable equity to place a limit on section 459 which affects only Federal employees and do nothing for other persons faced with financial ruin which cannot be avoided even under the bankruptcy provisions since both child support and alimony are exempt from bankruptcy. To provide equal treatment

to all persons who are subject to garnishment under State laws, including persons affected by section 459, the committee amendment would, therefore, modify the provisions of the Consumer Credit Protection Act (15 USC 1673(b)) which now permit 100 percent of earnings and other employment-related income to be garnisheed for child support and alimony, by setting a limit of 50 percent on the amount which is subject to garnishment for child support and alimony for a person supporting a second family and 60 percent for a person who is not—plus an additional 5 percent in each situation if there are outstanding arrearages over twelve weeks old.

The Consumer Credit Protection Act would also be modified to cover garnishment provided under State administrative procedures, as well as under court orders for child support. The administrative procedures would have to be established by State law, afford substantial due process, and be subject to judicial review. At present, the Act refers only to garnishment under court orders. However, in recent years, the legislatures of at least six States—Florida, Georgia, Maine, Utah, Virginia and Washington—have enacted legislation providing for the use of certain administrative procedures for the enforcement of support for financially dependent minor children. States have enacted these laws generally because they have found existing common law and statutory remedies to be insufficiently effective and efficient. These procedures are clearly included in the definition of "legal process" for purposes of section 459 of the Social Security Act. In the view of the committee, these procedures are equally appropriate for inclusion under title III of the Consumer Credit Protection Act and will make the two laws consistent.

The amendment to the Consumer Credit Protection Act would become effective on the first day of the first calendar month beginning after the date of enactment.

A spokesman for the Department of Justice stated before the committee on September 22 that his Department strongly endorsed the enactment of the garnishment provisions. The committee has received the following letter from the Justice Department concerning garnishment:

GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE,
Washington, D.C., September 15, 1976.

Hon. RUSSELL B. LONG,
Chairman, Committee on Finance,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to your request for the views of the Department of Defense on H.R. 14484, 94th Congress, which would clarify the provisions of section 459 of the Social Security Act, as added by Public Law 93-647, Part B, sec. 101(a), January 4, 1975 (42 U.S.C. 659).

Section 459, as presently worded, authorizes the garnishment of wages paid to employees of the Federal government, including military members, for the purpose of enforcing their child support and alimony obligations. Because of the brevity of section 459 a number of questions have arisen concerning the intent of Congress and the procedures to be used in implementing this new law.

The Senate amendments are designed to eliminate such questions by clarifying the intent of Congress with respect to certain provisions of section 459 and by correcting certain deficiencies which have been discovered during the course of implementing the new law. The three major provisions of the amendments would: (1) Add a new section 461 to the Social Security Act which would authorize the promulgation of implementing regulations governing each of the three branches of government; (2) add a new section 462 to the Social Security Act which would provide definitions for certain key terms such as "alimony", "child support", and "remuneration for employment"; and (3) amend section 303 of the Consumer Credit Protection Act (15 U.S.C. 1673) so as to establish a uniform limitation on the amount of wages which may be subject to garnishment for the purpose of enforcing child support and alimony obligations.

Although we have some reservations regarding the necessity or desirability of certain minor provisions, the Department of Defense supports fully the objectives of the Senate amendments to H.R. 14484. Of particular concern to the Department of Defense is the need to establish a uniform limitation on the amount of wages which may be subject to garnishment. Since there is no such limitation contained in existing Federal law, the exemptions provided by the various State laws determine the amount of wages actually subject to garnishment. The laws of a number of States, however, provide little or no exemption for wages in the case of garnishments brought for the purpose of enforcing support obligations. Consequently, many military members and civilian employees whose pay is the subject of garnishment proceedings initiated in these States have had 100% of their net wages garnished. The loss of all of their wages in many instances has been for an extended period of time and has created great hardships, particularly for those with second families. This unfortunate situation is exacerbated by the fact that those members whose wages have been garnished pursuant to legal proceedings initiated in other States with more generous exemptions for wages have been able to retain a significant portion of their wages. As a result of such hardships and unequal treatment, the morale and discipline of many military members have been adversely affected. The elimination of such hardships and the unequal treatment provided by State exemption laws is of the utmost importance to the Department of Defense.

The Office of Management and Budget advises that, from the standpoint of the Administration's program, there is no objection to the presentation of this report for the consideration of the Committee.

Sincerely,

RICHARD A. WILEY.

B. BONDING OF STATE AND LOCAL EMPLOYEES

(Section 2 of the bill)

The new child support legislation is expected to result in the collection by State and local agencies of increasingly large amounts of money. Although normal procedures would seem to call for the bonding of employees who are responsible for handling this money, it has come to the committee's attention that this is not the case in

all instances. The committee amendment would therefore require bonding of all State and local employees, or employees of contractors used by agencies, who handle the collection of or accounting for child support payments.

The committee amendment would also provide for the separation of functions of collection of money from accounting by requiring that individuals responsible for handling the money not be the same individuals who are responsible for the accounting of such money. The principles, standards, and related requirements prescribed by the U.S. Comptroller General concerning control over collection of funds require that persons responsible for handling cash receipts should not participate in accounting or operating functions which would permit them to conceal in the accounting records the misuses of cash receipts. Again, however, the committee is aware that these procedures are not always followed.

The committee amendment would make clear in the law that this kind of precaution must be taken in all States and localities, with only limited exceptions. The Secretary of HEW would be required to prescribe by regulation exceptions to this requirement for sparsely populated geographic areas where the hiring of unreasonable additional staff would otherwise be necessary.

C. INCENTIVE PAYMENTS TO STATES AND LOCALITIES

(Section 3 of the bill)

Section 458 of the Social Security Act provides for incentive payments to States and localities for the purpose of encouraging broader participation in the child support program. It provides that if a political subdivision of a State or another State collects the child support payment, it is entitled, for the first 12 months of collections, to 25 percent of the amount retained by the State in which the recipient family lives. This 25 percent is paid from the Federal share. After the first year the collecting unit of Government is entitled to 10 percent of the amount retained. This provision has two potentially negative features: it encourages States to concentrate on new cases in order to get the higher percentage payment at the expense of older cases; and it creates serious administrative complications in calculating the amounts payable. The Committee amendment would change this provision to allow the payment of a single uniform percentage of 15 percent for all incentive payments, without regard to the time period of collections.

D. DEMONSTRATION PROJECTS

(Section 4 of the bill)

The basic research and demonstration authorization for health and welfare programs under the Social Security Act is in section 1115. However, the provisions of that section do not apply to part D of title IV. This means that there is no authorization for experimental, pilot, or demonstration projects relating to the child support program. Such projects could be particularly useful in promoting the development and more effective implementation of this new program by the States, and therefore, the committee amendment would extend this provision to

include projects under part D. The amount of money now authorized for purposes of section 1115 is \$4 million. The committee amendment would increase the authorization to \$6 million to insure adequate funds for the new child support projects. The new authorized amount would be effective in the case of fiscal years beginning after September 30, 1976.

E. REPORTING REQUIREMENTS

(Section 5 of the bill)

Present law requires that the Secretary of HEW submit an annual report to the Congress on all activities under the child support program. The law does not specify, however, the kinds of information which should be included in these reports. The committee amendment spells out in the law some of the kinds of information which are necessary for program evaluation. Examples are data (for both AFDC and non-AFDC families) on program costs, collections, court support orders, paternity determinations, and parents located in sufficient detail to show the cost and benefits to the States and Federal Government of child support programs; costs and staff associated with the Office of Child Support Enforcement; and data showing use by States of the Federal Parent Locator Service, use of provisions for IRS collections, use of Federal courts, and the number of cases by State in which AFDC applicants and recipients refuse to cooperate in identifying and locating the absent parent.

The committee amendment also provides that annual reports be submitted to the Congress within three months of the end of each fiscal year to assure the possibility of prompt and current evaluation of program developments. The second annual report would be due December 31, 1977, three months after the end of fiscal year 1977.

Due to the various problems encountered in establishing the new child support enforcement program, the first annual report submitted to Congress on June 30, 1976 did not show a complete picture of the first year's total activities. The committee, therefore, has provided that a special supplemental report on fiscal year 1976 be provided by December 31, 1976 which will also include a report on the transitional quarter July 1 through September 30, 1976.

F. EXCEPTION TO THE DISTRIBUTION OF COLLECTIONS PROVISIONS RELATING TO CURRENT MONTH CHILD SUPPORT COLLECTIONS

(Section 6 of the bill)

The committee amendment also includes a provision which would give the State of Georgia until the end of the calendar year to straighten out a problem of interpretation that State has concerning the treatment of child support collections for purposes of reimbursement.

It validates a letter of exception by HEW to Georgia dated January 22, 1976 and its scope is the same as authorized in that letter.

IV. BUDGETARY IMPACT OF H.R. 9889

The Finance Committee estimates that the enactment of H.R. 9889 with the amendment recommended by the committee would be consistent with the budgetary totals included in the Second Concurrent Resolution on the Budget for Fiscal Year 1977.

Child support provisions.—The provision of the bill revising the application of incentive payments to units of Government collecting child support on behalf of other units of Government is estimated to reduce Federal budget authority and outlays by \$22 million in fiscal year 1977. Comparable savings in the range of \$20 to \$30 million per year are estimated for this provision in each of the four subsequent fiscal years. The increased authorization for research and demonstration projects would, subject to appropriations actions, increase Federal budget authority and outlays by \$2 million in fiscal year 1977 and in each of the four subsequent years. The Committee on Finance estimates that there would be an overall net reduction in Federal budget authority and outlays, of an entitlement nature under the program of Aid to Families with Dependent Children, amounting to \$20 million as a result of the child support provisions of the bill. This is consistent with the report filed by the committee pursuant to section 302(f) of the Congressional Budget Act.

V. VOTE OF THE COMMITTEE IN REPORTING OUT THE BILL

In compliance with section 133 of the Legislative Reorganization Act of 1946, the following statement is made relative to the vote by the committee on the motion to report the bill. The bill was ordered favorably reported by voice vote.

VI. CHANGES IN EXISTING LAW

In compliance with subsection (4) of the XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

SOCIAL SECURITY ACT, AS AMENDED

* * * * *

TITLE IV—GRANTS TO STATES FOR AID AND SERVICES TO NEEDY FAMILIES WITH CHILDREN AND FOR CHILD-WELFARE SERVICES

PART D—CHILD SUPPORT AND ESTABLISHMENT OF PATERNITY

* * * * *

DUTIES OF THE SECRETARY

SEC. 452. (a) The Secretary shall establish, within the Department of Health, Education, and Welfare a separate organizational unit, under the direction of a designee of the Secretary, who shall report directly to the Secretary and who shall—

* * * * *

(10) not later than [June 30 of each year beginning after December 31, 1975, submit to the Congress a report on all activities undertaken pursuant to the provisions of this part.] *three months after the end of each fiscal year, beginning with the year*

1977, submit to the Congress a full and complete report on all activities undertaken pursuant to the provisions of this part, which report shall include but not be limited to, the following:

(A) total program costs and collections set forth in sufficient detail to show the cost to the States and the Federal Government, the distribution of collections to families, State and local governmental units, and the Federal Government; and an identification of the financial impact of the provisions of this part;

(B) costs and staff associated with the Office of Child Support Enforcement;

(C) the number of child support cases in each State immediately prior to the effective date of this part and the number of such cases added each quarter thereafter, and the disposition of such cases;

(D) the status of all State plans under this part as of the end of the fiscal year last ending before the report is submitted, together with an explanation of any problems which are delaying or preventing approval of State plans under this part;

(E) data, by State, on the use of the Federal Parent Locator Service, and the number of locate requests submitted without the absent parent's social security account number;

(F) the number of cases, by State, in which an applicant for or recipient of aid under a State plan approved under part A has refused to cooperate in identifying and locating the absent parent and the number of cases in which refusal so to cooperate is based on good cause (as determined in accordance with the standards referred to in section 402(a)(26)(B)(ii); and

(G) data, by State, on the use of Federal courts and on use of the Internal Revenue Service for collections, the number of court orders on which collections were made, the number of paternity determinations made and the number of parents located, in sufficient detail to show the cost and benefits to the States and to the Federal Government; and

(H) the major problems encountered which have delayed or prevented implementation of the provisions of this part during the fiscal year last ending prior to the submission of such report.

* * * * *

STATE PLAN FOR CHILD SUPPORT

SEC. 454. A State plan for child support must—

* * * * *

(12) provide that any payment required to be made under section 456 or 457 to a family shall be made to the resident parent, legal guardian, or caretaker relative having custody of or responsibility for the child or children;

(13) provide that the State will comply with such other requirements and standards as the Secretary determines to be necessary to the establishment of an effective program for locating absent parents, establishing paternity, obtaining support orders, and collecting support payments; and

(14) *comply with such bonding requirements, for employees who receive, disburse, handle, or have access to, cash, as the Secretary shall by regulation prescribe; and*

(15) *maintain methods of administration which are designed to assure that persons responsible for handling cash receipts shall not participate in accounting or operating functions which would permit them to conceal in the accounting records the misuse of cash receipts (except that the Secretary shall by regulations provide for exceptions to this requirement in the case of sparsely populated areas where the hiring of unreasonable additional staff would otherwise be necessary).*

* * * * *

INCENTIVE PAYMENT TO LOCALITIES

SEC. 458. (a) When a political subdivision of a State makes, for the State of which it is a political subdivision, or one State makes, for another State, the enforcement and collection of the support rights assigned under section 402(a)(26) (either within or outside of such State), there shall be paid to such political subdivision or such other State from amounts which would otherwise represent the Federal share of assistance to the family of the absent parent **[an amount equal to 15 per centum of any amount collected and required to be distributed as provided in section 457 to reduce or repay assistance payments.**

[(1) an amount equal to 25 per centum of any amount collected (and required to be distributed as provided in section 457 to reduce or repay assistance payments) which is attributable to the support obligation owed for 12 months; and

[(2) an amount equal to 10 per centum of any amount collected (and required to be distributed as provided in section 457 to reduce or repay assistance payments) which is attributable to the support obligation owed for any month after the first twelve months for which such collections are made.]

(b) Where more than one jurisdiction is involved in such enforcement or collection, the amount of the incentive payment determined under paragraphs **[(1) and (2)]** of subsection (a) shall be allocated among the jurisdictions in a manner to be prescribed by the Secretary.

CONSENT BY THE UNITED STATES TO GARNISHMENT AND SIMILAR PROCEEDINGS FOR ENFORCEMENT OF CHILD SUPPORT AND ALIMONY OBLIGATIONS

SEC. 459. (a) Notwithstanding any other provision of law, effective January 1, 1975, moneys (the entitlement to which is based upon remuneration for employment) due from, or payable by, the United States or the District of Columbia (including any agency or instrumentality thereof and any wholly owned Federal corporation) to any individual, including members of the armed services, shall be subject in like manner and to the same extent as if the United States were a private person, to legal process brought for the enforcement, against such individual of his legal obligations to provide child support or make alimony payments.

(b) *Service of legal process brought for the enforcement of an individual's obligation to provide child support or make alimony payments shall be accomplished by certified or registered mail, return receipt requested,*

or by personal service, upon the appropriate agent designated for receipt of such service of process pursuant to regulations promulgated pursuant to section 461 (or, if no agent has been designated for the governmental entity having payment responsibility for the moneys involved, then upon the head of such governmental entity). Such process shall be accompanied by sufficient data to permit prompt identification of the individual and the moneys involved.

(c) No Federal employee whose duties include responding to interrogatories pursuant to requirements imposed by section 461(b)(3) shall be subject under any law to any disciplinary action or civil or criminal liability or penalty for, or on account of, any disclosure of information made by him in connection with the carrying out of any of his duties which pertain (directly or indirectly) to the answering of any such interrogatory.

(d) Whenever any person, who is designated by law or regulation to accept service of process to which the United States is subject under this section, is effectively served with any such process or with interrogatories relating to an individual's child support or alimony payment obligations, such person shall respond thereto within thirty days (or within such longer period as may be prescribed by applicable State law) after the date effective service thereof is made, and shall, as soon as possible but not later than fifteen days after the date effective service is so made of any such process, send written notice that such process has been so served (together with a copy thereof) to the individual whose moneys are affected thereby at his duty station or last-known home address.

(e) Governmental entities affected by legal processes served for the enforcement of an individual's child support or alimony payment obligations shall not be required to vary their normal pay and disbursement cycles in order to comply with any such legal process.

(f) Neither the United States, any disbursing officer, nor governmental entity shall be liable with respect to any payment made from moneys due or payable from the United States to any individual pursuant to legal process regular on its face, if such payment is made in accordance with this section and the regulations issued to carry out this section.

CIVIL ACTIONS TO ENFORCE CHILD SUPPORT OBLIGATIONS

SEC. 460. The district courts of the United States shall have jurisdiction, without regard to any amount in controversy, to hear and determine any civil action certified by the Secretary of Health, Education, and Welfare under section 452(a)(8) of his Act. A civil action under this section may be brought in any judicial district in which the claim arose, the plaintiff resides, or the defendant resides.

REGULATIONS PERTAINING TO GARNISHMENTS

SEC. 461. (a) Authority to promulgate regulations for the implementation of the provisions of section 459 shall, insofar as the provisions of such section are applicable to moneys due from (or payable by)—

(1) the executive branch of the Government (including in such branch, for the purposes of this subsection, the territories and possessions of the United States, the United States Postal Service, the Postal Rate Commission, any wholly owned Federal corporation created by an Act of Congress, and the government of the District of Columbia), be vested in the President (or his designee),

(2) the legislative branch of the Government, be vested jointly in the President pro tempore of the Senate and the Speaker of the House of Representatives (or their designees), and

(3) the judicial branch of the Government, be vested in the Chief Justice of the United States (or his designee).

(b) Regulations promulgated pursuant to this section shall—

(1) in the case of those promulgated by the executive branch of the Government, include a requirement that the head of each agency thereof shall cause to be published, in the appendix of the regulations so promulgated, (A) his designation of an agent or agents to accept service of process, identified by title of position, mailing address, and telephone number, and (B) an indication of the data reasonably required in order for the agency promptly to identify the individual with (respect to whose moneys the legal process is) brought,

(2) in the case of regulations promulgated for the legislative and judicial branches of the Governments, set forth, in the appendix to the regulations so promulgated, (A) the name, position, address, and telephone number of the agent or agents who have been designated for service of process, and (B) an indication of the data reasonably required in order for such entity promptly to identify the individual with respect to whose moneys the legal process is brought,

(3) provide that (A) in the case of regulations promulgated by the executive branch of the Government, that each head of a governmental entity (or his designee) shall respond to relevant interrogatories, if authorized by the law of the State in which legal process will issue, prior to formal issuance of such process, upon a showing of the applicant's entitlement to child support or alimony payments, and (B) in the case of regulations promulgated for the legislative and judicial branches of the Government, or the person or persons designated as agents for service of process in accordance with paragraph (2) shall respond to relevant interrogatories if authorized by the law of the State in which legal process will issue, prior to formal issuance of legal process, upon a showing of the applicant's entitlement to child support or alimony payments.

(c) In the event that a governmental entity, which is authorized under this section or regulations issued to carry out this section to accept service of process, pursuant to the provisions of subsection (a), is served with more than one legal process with respect to the same moneys due or payable to any individual, then such moneys shall be available to satisfy such processes on a first-come first-served basis, with any such process being satisfied out of such moneys as remain after the satisfaction of all such processes which have been previously served.

(d) Part D of title IV of such Act is further amended by adding after section 461 (as added by subsection (c) of this section) the following new section:

DEFINITIONS

SEC. 462. For purposes of section 459—

(a) The term "United States" means the Federal Government of the United States, consisting of the legislative branch, the judicial branch, and the executive branch thereof, and each and every department, agency, or instrumentality of any such branch, including the United States Postal Service, the Postal Rate Commission, any wholly owned Federal corpora-

tion created by an Act of Congress, any office, commission, bureau, or other administrative subdivision or creature thereof, and the governments of the territories and possessions of the United States.

(b) The term "child support", when used in reference to the legal obligations of an individual to provide such support, means periodic payments of funds for the support and maintenance of a child or children with respect to which such individual has such an obligation, and (subject to and in accordance with State law) includes but is not limited to, payments to provide for health care, education, recreation, clothing, or to meet other specific needs of such a child or children; such term also includes attorney's fees, interest, and court costs, when and to the extent that the same are expressly made recoverable as such pursuant to a decree, order, or judgment issued in accordance with applicable State law by a court of competent jurisdiction.

(c) The term "alimony", when used in reference to the legal obligations of an individual to provide the same, means periodic payments of funds for the support and maintenance of the spouse (or former spouse) of such individual, and (subject to and in accordance with State law) includes but is not limited to, separate maintenance, alimony pendente lite, maintenance, and spousal support; such term also includes attorney's fees, interest, and court costs when and to the extent that the same are expressly made recoverable as such pursuant to a decree, order, or judgment issued in accordance with applicable State law by a court of competent jurisdiction. Such term does not include any payment or transfer of property or its value by an individual to his spouse or former spouse in compliance with any community property settlement equitable distribution of property, or other division of property between spouses or former spouses.

(d) The term "private person" means a person who does not have sovereign or other special immunity or privilege which causes such person not to be subject to legal process.

(e) The term "legal process", when used in the context of section 459, means any writ, order, summons, or other similar process in the nature of garnishment, which—

(1) is issued by (A) a court of competent, jurisdiction within any State, territory, or possession of the United States, or (B) an authorized official pursuant to an order of such a court of competent jurisdiction or pursuant to State or local law, and

(2) is directed to, and the purpose of which is to compel, a governmental entity, which holds moneys which are otherwise payable to an individual, to make a payment from such moneys to another party in order to satisfy a legal obligation of such individual to provide child support or make alimony payments.

(f) Entitlement of an individual to any money shall be deemed to be "based upon remuneration for employment", if such money consists of—

(1) compensation paid or payable for personal services of such individual, whether such compensation is denominated as wages, salary, commission, bonus, pay, or otherwise, and includes but is not limited to, severance pay, sick pay, and incentive pay, but does not include awards for making suggestions or

(2) periodic benefits (as defined in section 228(h)(3) of this Act) or other payments to such individual under the insurance system established by title II of this Act or any other system or fund established by the United States (as defined in subsection (a)) which provides for

the payment of pensions, retirement or retired pay, annuities, dependents or survivors' benefits, or similar amounts payable on account of personal services performed by himself or any other individual (not including any payment as compensation for death under any Federal program, any payment under any Federal program established to provide "black lung" benefits, any payment by the Veterans' Administration as pension, or any payment by the Veterans' Administration as compensation for a service-connected disability or death, except dependency and indemnity compensation paid under chapter 13 of title 38, United States Code, and any compensation paid by the Veterans' Administration to a former member of the armed forces who is in receipt of retired or retainer pay if such former member has waived a portion of his retired pay in order to receive such compensation), and does not consist of amounts paid, by way of reimbursement or other wise, to such individual by his employer to defray expenses incurred by such individual in carrying out duties associated with his employment.

(g) In determining the amount of any moneys due from, or payable by, the United States to any individual, there shall be excluded amounts which—

- (1) are owed by such individual to the United States,
- (2) are required by law to be, and are, deducted from the remuneration or other payment involved, including but not limited to, Federal employment taxes, and fines and forfeitures ordered by court-martial,
- (3) are properly withheld for Federal, State, or local, income tax purposes, if the withholding of such amounts is authorized or required by law and if amounts withheld are not greater than would be the case if such individual claimed all dependents to which he was entitled (the withholding of additional amounts pursuant to section 3402(i) of the Internal Revenue Code of 1954 may be permitted only when such individual presents evidence of a tax obligation which supports the additional withholding),
- (4) are deducted as health insurance premiums,
- (5) are deducted as normal retirement contributions (not including amounts deducted for supplementary coverage), and
- (6) are deducted as normal life insurance premiums from salary or other remuneration for employment (not including amounts deducted for supplementary coverage).

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TITLE XI—GENERAL PROVISIONS AND PROFESSIONAL STANDARDS REVIEW

PART A—GENERAL PROVISIONS

* * * * *

DEMONSTRATION PROJECTS

SEC. 1115. In the case of any experimental, pilot, or demonstration project which, in the judgment of the Secretary, is likely to assist in promoting the objectives of title I, VI, X, XIV, XVI, XIX, or XX, or part A or D of title IV, in a State or States—

- (a) the Secretary may waive compliance with any of the requirements of section 2, 402, 454, 602, 1002, 1402, 1602, 1902,

2002, 2003, or 2004, as the case may be, to the extent and for the period he finds necessary to enable such State or States to carry out such project, and

(b) costs of such project which would not otherwise be included as expenditures under section 3, 404, 455, 603, 1003, 1403, 1602, 1903, or 2002, as the case may be, and which are not included as part of the costs of projects under section 1110, shall, to the extent and for the period prescribed by the Secretary, be regarded as expenditures under the State plan or plans approved under such title, or for administration of such State plan or plans, or expenditures with respect to which payment shall be made under section 2002, as may be appropriate.

In addition, not to exceed \$6,000,000 of the aggregate amount appropriated for payments to States under such titles for any fiscal year beginning after June 30, 1977, shall be available, under such terms and conditions as the Secretary may establish, for payments to States to cover so much of the cost of such project as it not covered by payments under such titles and is not included as part of the cost of projects for purposes of section 1110.

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CONSUMER CREDIT PROTECTION ACT (PUBLIC LAW 90-321)

* * * * *

TITLE III—RESTRICTION ON GARNISHMENT

Sec.

301. Findings and purpose.

302. Definitions.

303. Restriction on garnishment.

304. Restriction on discharge from employment by reason of garnishment.

305. Exemption for State-regulated garnishments.

306. Enforcement by Secretary of Labor.

307. Effect on State laws.

§ 301. Findings and purpose

(a) The Congress finds:

(1) The unrestricted garnishment of compensation due for personal services encourages the making of predatory extensions of credit. Such extensions of credit divert money into excessive credit payments and thereby hinder the production and flow of goods in interstate commerce.

(2) The application of garnishment as a creditors' remedy frequently results in loss of employment by the debtor, and the resulting disruption of employment, production, and consumption constitutes a substantial burden on interstate commerce.

(3) The great disparities among the laws of the several States relating to garnishment have, in effect, destroyed the uniformity of the bankruptcy laws and frustrated the purposes thereof in many areas of the country.

(b) On the basis of the findings stated in subsection (a) of this section, the Congress determines that the provisions of this title are necessary and proper for the purpose of carrying into execution the powers of the Congress to regulate commerce and to establish uniform bankruptcy laws.

§ 302. Definitions

For the purposes of this title:

(a) The term "earnings" means compensation paid or payable for personal services, whether denominated as wages, salary, commission, bonus, or otherwise, and includes periodic payments pursuant to a pension or retirement program.

(b) The term "disposable earnings" means that part of the earnings of any individual remaining after the deduction from those earnings of any amounts required by law to be withheld.

(c) The term "garnishment" means any legal or equitable procedure through which the earnings of any individual are required to be withheld for payment of any debt.

§ 303. Restriction on garnishment

(a) 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

(1) 25 per centum of his disposable earnings for that week, or

(2) the amount by which his disposable earnings for that week exceed thirty times the Federal minimum hourly wage prescribed by section 6(a)(1) of the Fair Labor Standards Act of 1938 in effect at the time the earnings are payable.

whichever is less. In the case of earnings for any pay period other than a week, the Secretary of Labor shall by regulation prescribe a multiple of the Federal minimum hourly wage equivalent in effect to that set forth in paragraph (2).

(b)(1) The restrictions of subsection (a) do not apply in the case of

(A) any order **[of any court for the support of any person.]** *for the support of any person issued by a court of competent jurisdiction or in accordance with an administrative procedure, which is established by State law, which affords substantial due process, and is subject to judicial review.*

(B) any order of any court of bankruptcy under chapter XIII of the Bankruptcy Act.

(C) any debt due for any State or Federal tax.

(2) *The maximum part of the aggregate disposable earnings of an individual for any workweek which is subject to garnishment to enforce any order for the support of any person shall not exceed—*

(A) *where such individual is supporting his spouse or dependent child (other than a spouse or child with respect to whose support such order is issued), 50 per centum of such individual's disposable earnings for that week, and*

(B) *where such individual is not supporting such a spouse or dependent child described in clause (A), 60 per centum of such individual's disposable earnings for that week;*

except that, with respect to the disposable earnings of any individual for any workweek, the 50 per centum specified in clause (A) shall be deemed to be 55 per centum and the 60 per centum specified in clause (B) shall be deemed to be 65 per centum, if and to the extent that such earnings are subject to garnishment to enforce a support order with respect to a period which is prior to the twelve-week period which ends with the beginning of such workweek.

(c) No court of the United States or any State, *and no State (or officer or agency thereof)*, may make, execute, or enforce any order or process in violation of this section.

§ 304. Restriction on discharge from employment by reason of garnishment

(a) No employer may discharge any employee by reason of the fact that his earnings have been subjected to garnishment for any one indebtedness.

(b) Whoever willfully violates subsection (a) of this section shall be fined not more than \$1,000, or imprisoned not more than one year, or both.

§ 305. Exemption for State-regulated garnishments

The Secretary of Labor may by regulation exempt from the provisions of section 303(a) *and (b)(2)* garnishments issued under the laws of any State if he determines that the laws of that State provide restrictions on garnishment which are substantially similar to those provided in section 303(a) *and (b)(2)*.

§ 306. Enforcement by Secretary of Labor

The Secretary of Labor, acting through the Wage and Hour Division of the Department of Labor, shall enforce the provisions of this title.

§ 307. Effect on State laws

This title does not annul, alter, or affect, or exempt any person from complying with, the laws of any State.

(1) prohibiting garnishments or providing for more limited garnishments than are allowed under this title, or

(2) prohibiting the discharge of any employee by reason of the fact that his earnings have been subjected to garnishment for more than one indebtedness.

* * * * *