

The Protecting Wages of Essential Workers Act of 2022 (Protecting Wages Act) Introduced by Rep. Alma Adams (D-NC):

- 1. Protects Enough Wages for Basic Needs From Seizure:** Protects \$1,000 in disposable earnings per week from being seized for old debts, or 75% of disposable earnings, whichever protection is greater.
Current law hasn't been updated since 1968 and only protects \$217.50 a week (or 75% of disposable earnings, if greater) from seizure—nowhere near enough to meet basic needs.
- 2. Protects Consumer Purchasing Power:** Annually adjusts the \$1,000 in protected wages based on the Consumer Price Index to protect purchasing power from inflation.
Recent inflation spikes have shown the need to future-proof consumer protections to ensure consumers have sufficient income to meet basic needs.
- 3. Protects Jobs:** Makes sure workers aren't fired for having their wages seized for multiple debts.
Current law only protects workers who have their wages seized for ONE debt.
- 4. Protects Employers and Small Businesses.** Employers get stuck with the burden of administering wage garnishments, which is especially a headache for small businesses.
The Protecting Wages Act is good not just for employees but for job creators.
- 5. Ensures Collectors Can't Threaten Imprisonment for Failure to Pay a Consumer Debt:** Stops debt collectors from using the threat of jail to coerce breadwinners into paying old debts—rather than necessities like food and rent.
Forty-four states authorize [debtors to be arrested and incarcerated](#) for failing to appear for debtors' examinations or other post-judgment proceedings. The threat or issuance of arrest warrants in debt matters amounts to de-facto debtors' prisons.

Background Q&A:

- 1. Why Protect \$1,000 Per Week?** The current framework of protecting 30 times the federal minimum wage (\$217.50 today) allows collectors to push families below the poverty level and comes nowhere close to preserving a living wage. Protecting \$1,000 per week will not be enough in every state or for every size family, but it is a compromise that recognizes that a living wage that can meet basic needs for a small family is lower in some states but higher in others. Protecting \$1,000 per week is a reasonable [middle ground](#).
 - 2. Is Wage Seizure Allowed in Every State? Won't Access to Credit be Impacted if We Protect More Wages from Seizure?:** **No.** North Carolina, South Carolina, Texas, and Pennsylvania forbid wage seizure for all or most debts. There is no evidence of a lack of access to credit in those states. A 2019 law review study notes that “[t]his may be [because the worry about limiting access to credit was always misplaced](#), or it could be because the credit market has expanded and evolved since then in ways that avoid these effects.”
 - 3. Does the Protecting Wages Act Help With the Current Inflation Crisis? Yes.** Inflation is simultaneously eroding consumer protections (\$217.50 is worth a lot less than it was two years ago) and driving up the costs of necessities like food, rent, and fuel. Increasing the amount of a workers' wages protected from seizure and indexing that amount to inflation helps ensure that families can meet basic needs in the face of cost increases and future-proofs this consumer protection.
 - 4. Does the Protecting Wages Act Address Racial Justice Issues? Yes.** While 22% of people in white communities have a debt in collection nationally, that number rises to 35% in communities of color. Increasing debt collection protections helps address a prong of the systemic racism that has [fostered a debt collection landscape in which people of color are more likely to be contacted by collectors](#) and more likely to be impacted by lawsuits resulting in wage garnishment, which worsens the racial wealth gap.
 - 5. Is the Protecting Wages Act a Win-Win for Employees and Employers? Yes.** In today's job market, where employers are struggling to fill positions and understaffing places burdens on workers, the Protecting Wages Act reduces administrative headaches for employers and enables front-line workers to keep hard-earned pay for necessities.
- Note:** While the bill lifts the floor amount on what debts are currently garnishable, it does not change the categories of debts outlined in current law that can be seized. Debts owed to the government, such as child support, and state and federal taxes, are excluded from the protections this bill provides.

The Protecting Wages Act will keep more money in the pockets of working people struggling to pay rent and put food on the table, while still allowing the collection industry to collect debts.