

Garnishments and Bank Levies: Money Taken From Your Paycheck or Bank Account

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Can A Creditor Take My Money?

A creditor (the person or business you owe money to) may be able to take money from your paycheck or out of your bank account if:

- Your creditor has served you with a lawsuit because you owe them money.
- You have already been to court, and the judge entered a judgment against you stating that you owe the money.

How Much Money Can Be Taken From My Paycheck or Bank Account?

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Money can be taken from your **paycheck** when:

- The creditor sends a court order to your employer telling the employer to take money from your paycheck. This is called a **garnishment**.
- Your employer must withhold money from your wages.
- If you make more than \$217.50 per week, your employer will withhold 25% of your take-home pay or the amount of your pay over \$217.50, whichever is less.
- If you make less than \$217.50 per week, your employer will not withhold any money.
- There can only be one garnishment at a time.
- If you owe back child support, up to 50% of your income can be garnished.

Money can be taken from you **bank account** if:

- The creditor sends a court order to your bank telling the bank to take money out of your account to pay the debt. This is called a **bank levy**.
- If there is non-exempt money in your bank account, the bank will take all the money in your account up to the total amount of the judgment owed. The money will then be sent to the Court to pay the judgment.
- If your Recovery Rebate Check is deposited into a bank account that has a bank levy against it, the bank *will* take your Recovery Rebate Check.

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What Can I Do to Protect My Money?

If your paycheck is being **garnished**:

- You can file a motion called "Request to Make Payments" with the court clerk.
- When you file the motion, the clerk will give you a court date.
- You will have to go to court and explain to the judge why you need the garnishment stopped.
- If the judge stops the garnishment, the judge will set a monthly payment amount that you will need to pay each month.
- If you make each monthly payment, the creditor cannot issue another garnishment.

If you are **served with a lawsuit** you should:

- Make sure that you actually owe the debt.
- Make sure that you have made a payment on the debt in the last six years.
- If you believe that you do not owe the debt or it is more than six years old, you should file a "Sworn Denial" with the court clerk.
- If you know that you owe the debt, Tennessee law allows you to protect up to \$10,000 in personal property from creditors.
- You can file a form called "Protected Income and Assets." Once you file this form a creditor cannot take the property listed on the form.
- This form also will protect a bank account that has exempt income deposited into the account.

If you have any of the following income it is **exempt** from a **bank levy**:

- Social Security Income, unless you have more than two months of checks saved up in your account. Any amount over the two months can be taken from your account. (For example: if your check is for \$1,000 and you have \$2,500 in your account, \$500 can be taken from your account.)
- Some other types of income that are protected from garnishment are SSI, disability, VA benefits, most types of pension/retirement income, alimony, and child support.
- If the bank removes money from your account that you believe should not have been taken, you should contact Legal Aid of East Tennessee to see if we can help you.
- You may be able to file a bankruptcy to stop the garnishment or bank levy.

The forms mentioned in this flyer are available on at <http://www.tncourts.gov/node1436225.xt>

Contact Legal Aid of East Tennessee if you need legal help

- Johnson City Office: (423) 928-8311
- Morristown Office: (423) 587-4850
- Knoxville Office: (865) 637-0484
- Maryville Office: (865) 981-1818
- Cleveland Office: (423) 303-2266
- Chattanooga Office: (423) 756-4013
- Family Justice Center, Blountville: (423) 574-7233
- Family Justice Center, Johnson City: (423) 722-3720
- Family Justice Center, Knoxville: (865) 215-6835
- Family Justice Center, Chattanooga: (423) 643-7604
- Erlanger, Chattanooga: (423) 778-7807
- Tennessee Senior Law Alliance: (866) 333-1505