910.1 Garnishment refers to a specific sum deducted from an applicant's or recipient's wages or benefit income to repay:

A. A debt owed to:
   1. A creditor
   2. A medical institution, or
   3. For child support arrearages

B. An overpayment to:
   1. Social Security Administration
   2. Veterans Administration
   3. Railroad Retirement
   4. Unemployment Insurance, or
   5. An Annuity

910.2 Counting income with garnishments

A. Garnishments appear as a deduction from the gross payment amount

B. Use the net payment amount received by the applicant or recipient to calculate income unless the garnished amount is to repay an overpayment that is customer caused.

C. Use the gross income if the garnishment is customer caused.

D. If the case manager is unable to determine whether the garnishment resulted from customer error use the net income received.

E. Outstanding or overdue debts (bills) that have not been paid and are being recovered by garnishment, are never an allowable deduction

EXAMPLES:

Example 1. Mrs. Smith receives TCA for herself and son. She is eligible for $130 per month in unemployment benefits, but only gets $70 of that amount
because of a garnishment of $60 per month for child support arrearages she owes to her ex-husband for support of another son.

- $503 - TCA benefit amount for 2
  - 70 - monthly amount of unemployment benefits

$433 - TCA monthly benefit received

Example 2. Mrs. Johnson receives TCA for herself and 3 children. She receives also $150 per month in survivor’s benefits from Social Security for herself and $100 for each of the children. Due to an overpayment of benefits made to her during 2014 and 2015, Social Security is recouping $100 each month from her monthly benefits. The recoupment is not because of any fraudulent actions by Mrs. Johnson.

- $762 - TCA benefit amount for 4
  - 350 - Net amount of social security benefits received each month
    ($450 - 100 = 350)

$412 - TCA monthly benefit received

Example 3. Mrs. Williams applied for TCA for herself and 2 children. She is employed and earns $150 each week. She pays $50 a week for child care for her 2 children and has $50 garnished from her wages each week to pay an outstanding hospital bill. She passes the initial needs test.

- $150 X 4 = 600 - Gross monthly earnings
  $600 X 40% = 240 - Allowable disregard = 360

$50 X 4 = 200 - Child care expenses for 2 children
$360 earnings-200 child care=$160 net earnings

$636 - TCA benefit amount for 3
- 160 - Net monthly earnings

$476 - TCA monthly benefit applicant is eligible to receive

The $50 garnished each week is counted as a part of her monthly gross earnings
Example 4. Mr. Remotay receives TCA for himself, his wife, and their son. He earns $160 a week, and has been ordered to pay $40 a week in child support payments for another child and also has $20 a week garnished for child support arrearages owed.

- \[ $160 \times 4 = \] $640 - Gross monthly earnings
  
  $640 \times 40\% = \] 256 - Allowable disregard
  
  $334
  
  $40 \times 4 = \] $240 - Child support payment (excludes garnishment)
  
  $94 - Net monthly earnings
  
  $636 - TCA benefit amount for 3
  
  - 94 - Net monthly earnings
  
  $542 - TCA monthly benefit received