

## Garnishee Orders – 5 things to know.

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In a previous blog, which can be found [here](#), we explained the advantages and disadvantages of using Garnishee Orders to recover money from a Judgement Debtor.

Here are 5 things you may not have known about Garnishee Orders:

1. *There is no filing fee on a Garnishee Order.*

The process of issuing a Garnishee Order against a Garnishee is a quick and inexpensive process.

2. *You can issue a Garnishee Order with limited information about your Judgment Debtor.*

An advantage of Garnishee Orders is that you don't need a lot of information in order to use the garnishing process. In most cases, the name of the debtor is all that is required, however the more information that is provided the quicker the process will be.

3. *A Garnishee Order for Debts can be Repeated.*

A Garnishee Order for Debts will garnish an amount owed to, or held on behalf of, the Judgment Debtor at a particular period of time. However, Garnishee Orders can be issued on the same garnishee multiple times. Therefore, should a Garnishee Order be issued on a bank, but not recover any monies at that time, a Judgment Creditor may choose to wait a further period of time and issue a additional Garnishee Order to the same bank.

4. *Garnishee Orders issued to an third party in relation to the garnishing of Wages or Salary of a debtor are not able to be complied with if the debtor is engaged as a Contractor.*

There is no legislation restricting the changes of a debtor's employment status while under a garnishee order. Therefore should a Judgment Debtor change employment or change their employment status while a Garnishee Order is in force, the Garnishee Order is no longer required to be complied with. However a different Garnishee Order may still catch debts owed to the Judgment Debtor, by his or her former employer.

5. *Social Security payments are protected in relation to the issuing of a Garnishee Order.*

Under s62 of the *Social Security (Administration) Act 1999 (Cth)*, a garnishee order does not apply to the 'saved amount' of a person who holds an account with a financial institution and is



receiving social security payments when a garnishee order comes into force.

The '*saved amount*' is worked out by calculating the total amount of payments received by the debtor during the 4 week period prior to the garnishee order being issued and subtracting from that amount the total amount withdrawn from the account during the same 4 week period.

If you would like more information or advice in relation to the use of Garnishee Orders in your debt recovery matter or in relation to insolvency, restructuring or debt recovery law in general, please contact Renee Smith on (02) 9806 7485 or [renees@matthewsfolbigg.com.au](mailto:renees@matthewsfolbigg.com.au) or a Principal of the Matthews Folbigg Insolvency, Restructuring & Debt Recovery Group:

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