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New Protections Against Bank Levies in California Starting September 1, 2020

Starting September 1, 2020, the California Work Opportunity and Responsibility to Kids (CalWORKs) resource limits have been changed. These changes are a result of [Senate Bill 616](#) (2019), by Senator Bob Wieckowski. [Following a period of public comment](#), the Judicial Council [implemented the new law](#). The Judicial Council forms can be found [here](#) under "Latest Changes."

SB 616 Establishes Protections from Bank Levy: [The new law](#) automatically protects funds in a judgment debtor's deposit account in an amount calculated by Department of Social Services to establish the [Minimum Basic Standard for Adequate Care \(MBSAC\)](#) for a family of four. This standard is established in Welfare and Institutions Code § 11452(a)(1) and is currently \$1,788. The MBSAC is adjusted annually and defines the lowest amount needed by a family of four to live for a month, according to the state of California, in order to pay for:

- Safe housing and utilities;
- Minimum clothing for health and decency;
- A low-cost adequate food budget;
- Other items including household operation and educational expenses; and
- Essential medical or dental care to the extent not covered.

FEMA Funds Protected: In addition to the above protections, SB 616 also protects any deposits that originate from the [Federal Emergency Management Agency \(FEMA\)](#).

Government Debt Not Protected by SB 616: The new law only protects consumer debt and does not protect against bank levies related to child or spousal support; unpaid income tax; unpaid court imposed criminal justice fines, fees or restitution; government-owed school loan debt; or any other type of government debt.

Additional Protections for Wage Levies: As a reminder, low-wage earners have some additional legal protections against debt collectors seeking to collect consumer debt through a wage garnishment. [Senate Bill 501](#), enacted in 2016, requires [consumer wage garnishments](#) – money that is taken automatically from a person's pay to go towards their debts – to be capped at the lesser of 25% of the person's weekly disposable earnings or 50% of the amount by which the person's disposable earnings for the week exceed 40 times the state minimum hourly wage or applicable local minimum wage, whichever is higher.

For More Information: The 79-page Judicial Council Report of May 15, 2020 that created the new forms can be found [here](#). For more information, visit www.wclp.org or contact Jessica Bartholow, jbartholow@wclp.org