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HOUSE BILL NO. 601

Offered January 14, 2026

Prefiled January 13, 2026

A BILL to amend and reenact §§ 8.01-511, 8.01-511.1, 8.01-512.3, and 8.01-512.4 of the Code of Virginia and to amend the Code of Virginia by adding sections numbered 34-4.3 and 34-4.4, relating to exemptions from garnishment; minimum protected account balance; certain benefit payments; procedure for financial institutions.

Patron—Hernandez

Committee Referral Pending

Be it enacted by the General Assembly of Virginia:

1. That §§ 8.01-511, 8.01-511.1, 8.01-512.3, and 8.01-512.4 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding sections numbered 34-4.3 and 34-4.4 as follows:

§ 8.01-511. Institution of garnishment proceedings; penalty.

§ 8.01-511. Initiation of garnishment proceedings, penalty. A. On a suggestion by the judgment creditor that, by reason of the lien of his writ of fieri facias, there is a liability on any person other than the judgment debtor or that there is in the hands of some person in his capacity as personal representative of some decedent a sum of money to which a judgment debtor is or may be entitled as creditor or distributee of such decedent, upon which sum when determined such writ of fieri facias is a lien, a summons in the form prescribed by § 8.01-512.3 may be sued out of the clerk's office (i) be sued out of the clerk's office of the court from which an execution on the judgment is issued so long as the judgment shall remain enforceable as provided in § 8.01-251, (ii) be sued out of the clerk's office to which an execution issued thereon has been returned as provided in § 16.1-99 against such person, or (iii) be sued out of the clerk's office from which an execution issued as provided in § 16.1-278.18. If the judgment debtor does not reside in the city or county where the judgment was entered, the judgment creditor may have the case filed or docketed in the court of the city or county where the judgment debtor resides and such court may issue an execution on the judgment, provided that the judgment creditor (a) files with the court an abstract of the judgment rendered, (b) pays fees to the court in accordance with § 16.1-69.48:2 or subdivision 17 of § 17.1-275, and (c) files in both courts any release or satisfaction of judgment. The summons and the notice and claim for exemption form required pursuant to § 8.01-512.4 shall be served on the garnishee, and shall be served on the judgment debtor promptly after service on the garnishee. Service on the judgment debtor and the garnishee shall be made pursuant to subdivision 1 or 2 of § 8.01-296. When making an application for garnishment, the judgment creditor shall set forth on the suggestion for summons in garnishment the last known address of the judgment debtor, and shall furnish the clerk, if service is to be made by the sheriff, or shall furnish any other person making service with an envelope, with first-class postage attached, addressed to such address. A copy of the summons and the notice and claim for exemptions form required under § 8.01-512.4 shall be sent by the clerk to the sheriff or provided by the judgment creditor to the person making service, with the process to be served. Promptly after service on the garnishee, the person making service shall mail such envelope by first-class mail to the judgment debtor at his last known address. If the person making service is unable to serve the judgment debtor pursuant to subdivision 1 of § 8.01-296, such mailing shall satisfy the mailing requirements of subdivision 2 b of § 8.01-296. The person making service shall note on his return the date of such mailing which, with the notation "copy mailed to judgment debtor," shall be sufficient proof of the mailing of such envelope with the required copy of the summons and the notice and claim for exemption form with no examination of such contents being required nor separate certification by the clerk or judgment creditor that the appropriate documents have been so inserted. If the person making service is unable to serve the judgment debtor pursuant to subdivision 1 or 2 of § 8.01-296, such mailing shall constitute service of process on the judgment debtor. The judgment creditor shall furnish the social security number of the judgment debtor to the clerk, except as hereinafter provided.

B. The judgment creditor may require the judgment debtor to furnish his correct social security number by the use of interrogatories. However, use of such interrogatories shall not be a required condition of a judgment creditor's diligent good faith effort to secure the judgment debtor's social security number. Such remedy shall be in addition to all other lawful remedies available to the judgment creditor. Upon a representation by the judgment creditor, or his agent or attorney, that he has made a diligent good faith effort to secure the social security number of the judgment debtor and has been unable to do so, the garnishment shall be issued without the necessity for such number.

C. Except as provided herein, no summons shall be issued pursuant to this section for the garnishment of wages, salaries, commissions, or other earnings unless it: (i) is in the form prescribed by § 8.01-512.3; (ii) is

59 directed to only one garnishee for the garnishment of only one judgment debtor; (iii) contains both the
60 "TOTAL BALANCE DUE" and the social security number of the judgment debtor in the proper places as
61 provided on the summons; and (iv) specifies that it is a garnishment against (a) the judgment debtor's wages,
62 salary, or other compensation or (b) some other debt due or property of the judgment debtor. The garnishee
63 shall not be liable to the judgment creditor for any property not specified in the summons as provided in
64 *clause (iv) above*. Upon receipt of a summons not in compliance with this provision, the garnishee shall file a
65 written answer to that effect and shall have no liability to the judgment creditor, such summons being void
66 upon transmission of the answer. *Nothing in this subsection shall be construed to abrogate a duty of a*
67 *financial institution to examine a judgment debtor's account in accordance with the provisions of §§ 34-4.3*
68 *and 34-4.4 to determine whether an automatic exemption applies.*

69 D. The judgment creditor shall, in the suggestion, specify the amount of interest, if any, that is claimed to
70 be due upon the judgment, calculated to the return day of the summons. He shall also set out such credits as
71 may have been made upon the judgment.

72 All costs incurred by the judgment creditor after entry of the judgment, in aid of execution of the
73 judgment and paid to a clerk of court, sheriff, or process server are chargeable against the judgment debtor,
74 unless such costs are chargeable against the judgment creditor pursuant to § 8.01-475. Regardless of the
75 actual amount of the fee paid by the judgment creditor, the fee for a process server chargeable against the
76 judgment debtor shall not exceed the fee authorized for service by the sheriff. All such previous costs
77 chargeable against the judgment debtor may be included by the judgment creditor as judgment costs in the
78 garnishment summons form prescribed in § 8.01-512.3. This paragraph shall not be construed to limit any
79 cost assessed by a court as part of the judgment.

80 E. In addition, the suggestion shall contain an allegation that:

81 1. The summons is based upon a judgment upon which a prior summons has been issued but not fully
82 satisfied; ~~or~~

83 2. No summons has been issued upon his suggestion against the same judgment debtor within a period of
84 18 months, other than under the provisions of subdivision 1; ~~or~~

85 3. The summons is based upon a judgment granted against a debtor upon a debt due or made for necessary
86 food, rent or shelter, public utilities including telephone service, drugs, or medical care supplied the debtor by
87 the judgment creditor or to one of his lawful dependents, and that it was not for luxuries or nonessentials; ~~or~~

88 4. The summons is based upon a judgment for a debt due the judgment creditor to refinance a lawful loan
89 made by an authorized lending institution; ~~or~~

90 5. The summons is based upon a judgment on an obligation incurred as an endorser or comaker upon a
91 lawful note; or

92 6. The summons is based upon a judgment for a debt or debts reaffirmed after bankruptcy.

93 F. Any judgment creditor who knowingly gives false information upon any such suggestion or certificate
94 made under this chapter ~~shall be~~ is guilty of a Class 1 misdemeanor.

95 **§ 8.01-511.1. Garnishee inability to determine whether it holds property of judgment debtor.**

96 If a summons for the garnishment of property other than wages, salaries, commissions, or other earnings
97 does not contain sufficient or accurate information to enable the garnishee to reasonably identify the
98 judgment debtor, the garnishee shall have no liability to the judgment creditor for failing to deliver the
99 judgment debtor's property in response to the summons. If the summons contains either the social security
100 number or taxpayer identification number of the judgment debtor as it appears in the records of the garnishee,
101 or the name and address of the judgment debtor as they appear in the records of the garnishee, the summons
102 shall be deemed to contain information sufficient to enable the garnishee to reasonably identify the judgment
103 debtor.

104 If the summons contains sufficient or accurate information to enable the garnishee to reasonably identify
105 the judgment debtor, the garnishee shall (i) answer to the summoning court and further state what the
106 garnishee's records show as the last known address for the judgment debtor and any other information the
107 garnishee deems relevant and (ii) send to the judgment debtor at the last known address a copy of its answer
108 to the court. *If the garnishee is a financial institution, such garnishee, prior to sending or filing an answer to*
109 *the summons, shall complete an examination of any account of the judgment debtor in accordance with the*
110 *provisions of § 34-4.3 or 34-4.4 to determine whether an automatic exemption applies and to proceed*
111 *accordingly after making such determination.*

112 No garnishee or creditor who proceeds under the terms of this statute in good faith shall be liable to any
113 person therefor.

114 **§ 8.01-512.3. Form of garnishment summons.**

115 Any garnishment issued pursuant to § 8.01-511 shall be in the following form:

116 (a) Front side of summons:

117 GARNISHMENT SUMMONS

118 (Court Name)

119 (Name, address, and telephone number of judgment creditor except that when the judgment creditor's
120 attorney's name, address, and telephone number appear on the summons, only the creditor's name shall be

121 used.)

122 (Name, address, and telephone number of judgment creditor's attorney)
123 (Name, street address, and social security number of judgment debtor)
124 (Name and street address of garnishee)

125 _____ Hearing Date and Time

126 This is a garnishment against (check only one of the designations below):

127 [] wages, salary, or other compensation.

128 [] some other debt due or property of the
129 judgment debtor.130 MAXIMUM PORTION OF DISPOSABLE
131 EARNINGS SUBJECT TO GARNISHMENT
132 [] Support
133 [] 50% [] 55% [] 60% [] 65%
134 (if not specified, then 50%)
135 [] state taxes, 100%
136 If none of the above is checked,
137 then § 34-29 (a) applies.138 STATEMENT
139 Judgment Principal \$ _____
140 Credits \$ _____
141 Interest \$ _____
142 Judgment Costs \$ _____
143 Attorney's Fees \$ _____
144 Garnishment Costs \$ _____
145 TOTAL BALANCE DUE \$ _____
146 The garnishee shall rely on this amount.

147 Date of Judgment

148 TO ANY AUTHORIZED OFFICER: You are hereby commanded to serve this summons on the judgment debtor and the garnishee.

149 TO THE GARNISHEE: You are hereby commanded to

150 (1) File a written answer with this court, or
151 (2) Deliver payment to this court, or

152 (3) Appear before this court on the return date and time shown on this summons to answer the Suggestion for Summons in Garnishment of the judgment creditor that, by reason of the lien of writ of fieri facias, there is a liability as shown in the statement upon the garnishee.

153 As garnishee, you shall withhold from the judgment debtor any sums of money to which the judgment debtor is or may be entitled from you during the period between the date of service of this summons on you and the date for your appearance in court, subject to the following limitations:

154 (1) The maximum amount which may be garnished is the "TOTAL BALANCE DUE" as shown on this summons.

155 (2) If the sums of money being garnished are earnings of the judgment debtor, then the provision of "MAXIMUM PORTION OF DISPOSABLE EARNINGS SUBJECT TO GARNISHMENT" shall apply.

156 (3) *If the garnishee is a financial institution, only the funds in a judgment debtor's account that exceed the total sum of the minimum protected account balance and protected amount, as both terms are defined in § 34-4.4, shall be subject to withholding.*

157 If a garnishment summons is served on an employer having 1,000 or more employees, then money to which the judgment debtor is or may be entitled from his or her employer shall be considered those wages, salaries, commissions, or other earnings which, following service on the garnishee-employer, are determined and are payable to the judgment debtor under the garnishee-employer's normal payroll procedure with a reasonable time allowance for making a timely return by mail to this court.

158 Date of Issuance of Summons

159 Clerk

160 Date of delivery of writ of fieri facias to sheriff if different from date of issuance of this summons.

161 (b) A plain language interpretation of § 34-29 shall appear on the reverse side of the summons as follows:

162 "The following statement is not the law but is an interpretation of the law which is intended to assist those who must respond to this garnishment. You may rely on this only for general guidance because the law itself is the final word. (Read the law, § 34-29 of the Code of Virginia, for a full explanation. A copy of § 34-29 is available at the clerk's office. If you do not understand the law, call a lawyer for help.)

163 An employer may take as much as 25 percent of an employee's disposable earnings to satisfy this garnishment. But if an employee makes the minimum wage or less for his week's earnings, the employee will ordinarily get to keep 40 times the minimum hourly wage."

164 But an employer may withhold a different amount of money from that above if:

165 (1) The employee must pay child support or spousal support and was ordered to do so by a court procedure or other legal procedure. No more than 65 percent of an employee's earnings may be withheld for support;

166 (2) Money is withheld by order of a bankruptcy court; or

183 (3) Money is withheld for a tax debt.

184 "Disposable earnings" means the money an employee makes after taxes and after other amounts required
185 by law to be withheld are satisfied. Earnings can be salary, hourly wages, commissions, bonuses, or
186 otherwise, whether paid directly to the employee or not. After those earnings are in the bank for 30 days, they
187 are not considered earnings any more.

188 If an employee tries to transfer, assign, or in any way give his earnings to another person to avoid the
189 garnishment, it will not be legal; earnings are still earnings.

190 An employee cannot be fired because he is garnished for one debt.

191 ~~Financial institutions that receive an employee's paycheck by direct deposit do not have to determine The~~
192 ~~determination of what part of a person's earnings can be garnished is the responsibility of the employer,~~
193 ~~regardless of whether such earnings are paid to the employee by direct deposit.~~

194 **§ 8.01-512.4. Notice of exemptions from garnishment and lien.**

195 No summons in garnishment shall be issued or served, nor shall any notice of lien be served on a financial
196 institution pursuant to § 8.01-502.1, unless a notice of exemptions and claim for exemption form are attached.
197 The notice shall contain the following statement:

198 ~~Notice to judgment debtor~~

199 ~~How to claim exemptions from garnishment and lien~~

200 **NOTICE TO JUDGMENT DEBTOR**

201 **HOW TO CLAIM EXEMPTIONS FROM GARNISHMENT AND LIEN**

202 The attached Summons in Garnishment or Notice of Lien has been issued on request of a creditor who
203 holds a judgment against you. The Summons may cause your property or wages to be held or taken to pay the
204 judgment.

205 The law provides that certain property and wages cannot be taken in garnishment. Such property is said to
206 be exempted. *Financial institutions are required by law to exempt certain funds, federal benefit payments,*
207 *and state benefit payments automatically in certain garnishment cases. These exemptions are listed below.*
208 *You do not need to file a claim for exemption to receive this automatic exemption but receiving this automatic*
209 *exemption in no way impairs or limits your right to claim additional exemptions as set forth in the request for*
210 *hearing form below. Please be advised that just because you receive one or more of the listed federal and*
211 *state benefit payments does not mean that these funds will be automatically exempted. If the debt at issue*
212 *arises from a child support or spousal support obligation, the financial institution may be prohibited by law*
213 *from withholding these benefit payments from garnishment. Please consult the relevant section of federal or*
214 *state law of the listed benefit payment for further details.*

215 A summary of some of the major exemptions is set forth in the request for hearing form. There is no
216 exemption solely because you are having difficulty paying your debts.

217 If you claim an exemption, you should (i) fill out the claim for exemption form and (ii) deliver or mail the
218 form to the clerk's office of this court. You have a right to a hearing within seven business days from the date
219 you file your claim with the court. If the creditor is asking that your wages be withheld, the method of
220 computing the amount of wages that are exempt from garnishment by law is indicated on the Summons in
221 Garnishment attached. You do not need to file a claim for exemption to receive this exemption, but if you
222 believe the wrong amount is being withheld you may file a claim for exemption.

223 On the day of the hearing, you should come to court ready to explain why your property is exempted, and
224 you should bring any documents that may help you prove your case. If you do not come to court at the
225 designated time and prove that your property is exempt, you may lose some of your rights.

226 It may be helpful to you to seek the advice of an attorney in this matter.

227 **AUTOMATIC EXEMPTIONS UNDER FEDERAL AND STATE LAW**

228 1. *Benefit payments received from a federal authority (31 C.F.R. § 212.2):*

229 a. *Social Security benefits and Supplemental Security Income (SSI) (42 U.S.C. § 407).*

230 b. *Veterans' benefits (38 U.S.C. § 5301).*

231 c. *Federal civil service retirement benefits (5 U.S.C. § 8346).*

232 d. *Railroad Retirement Board benefits (45 U.S.C. 231m(a)).*

233 2. *Minimum protected account balance (§ 34-4.3, Code of Virginia).*

234 3. *Benefit payments received from a Virginia agency or ordered by a Virginia court:*

235 a. *Unemployment compensation benefits (§ 60.2-600, Code of Virginia).*

236 b. *Public assistance payments (§ 63.2-506, Code of Virginia).*

237 c. *Workers' compensation benefits (§ 65.2-531, Code of Virginia).*

238 d. *Child support payments (§ 20-108.1, Code of Virginia).*

239 **Request for hearing garnishment/lien exemption claim**

240 **REQUEST FOR HEARING-GARNISHMENT/LIEN EXEMPTION CLAIM**

241 I claim that the exemption(s) from garnishment or lien that are checked below apply in this case:

242 **MAJOR EXEMPTIONS UNDER FEDERAL AND STATE LAW**

243 1. Social Security benefits and Supplemental Security Income (SSI) (42 U.S.C. § 407).

244 2. Veterans' benefits (38 U.S.C. § 5301).

245 3. Federal civil service retirement benefits (5 U.S.C. § 8346).

246 4. Annuities to survivors of federal judges (28 U.S.C. § 376(n)).

247 5. Longshore and Harbor Workers' Compensation Act (33 U.S.C. § 916).

248 6. Black lung benefits.

249 Exemptions listed under 1 through 6 above may not be applicable in child support and alimony cases (42 U.S.C. § 659).

250 7. Seaman's, master's or fisherman's wages, except for child support or spousal support and maintenance (46 U.S.C. § 11109).

251 8. Unemployment compensation benefits (§ 60.2-600, Code of Virginia). **This exemption may not be applicable in child support cases (§ 60.2-608, Code of Virginia).**

252 9. Portions or amounts of wages subject to garnishment (§ 34-29, Code of Virginia).

253 10. Public assistance payments (§ 63.2-506, Code of Virginia).

254 11. Homestead exemption of \$5,000, or \$10,000 if the debtor is 65 years of age or older, in cash, and, in addition, real or personal property used as the principal residence of the householder or the householder's dependents not exceeding \$50,000 in value (§ 34-4, Code of Virginia). This exemption may not be claimed in certain cases, such as payment of spousal or child support (§ 34-5, Code of Virginia).

255 12. Property of disabled veterans — additional \$10,000 cash (§ 34-4.1, Code of Virginia).

256 13. Workers' Compensation benefits (§ 65.2-531, Code of Virginia).

257 14. Growing crops (§ 8.01-489, Code of Virginia).

258 15. Benefits from group life insurance policies (§ 38.2-3339, Code of Virginia).

259 16. Proceeds from industrial sick benefits insurance (§ 38.2-3549, Code of Virginia).

260 17. Assignments of certain salary and wages (§ 8.01-525.10, Code of Virginia).

261 18. Benefits for victims of crime (§ 19.2-368.12, Code of Virginia).

262 19. Preneed funeral trusts (§ 54.1-2823, Code of Virginia).

263 20. Certain retirement benefits (§ 34-34, Code of Virginia).

264 21. Child support payments (§ 20-108.1, Code of Virginia).

265 22. Support for dependent minor children (§ 34-4.2, Code of Virginia). To claim this exemption, the debtor shall attach to the claim for exemption form an affidavit that complies with the requirements of subsection B of § 34-4.2 and two items of proof showing that the debtor is entitled to this exemption.

266 23. Other (describe exemption): \$ _____

267 I request a court hearing to decide the validity of my claim. Notice of the hearing should be given me at:

268 _____ (address)

269 _____ (address)

270 _____ (telephone no.)

271 _____ (telephone no.)

272 The statements made in this request are true to the best of my knowledge and belief.

273 _____ (date)

274 _____ (date)

275 _____ (signature of judgment debtor)

276 _____ (signature of judgment debtor)

277 **§ 34-4.3. Minimum account balance exempt from garnishment; garnishments.**

278 *A financial institution, as defined in § 6.2-100, shall, upon receipt of a garnishment summons, examine all accounts for which the account holder is the judgment debtor named in the summons and shall hold exempt from garnishment a minimum protected account balance of such account holder's funds in a combined total amount not to exceed \$1,000. No portion of such minimum protected account balance shall be withheld from the account holder for a purpose relating to the garnishment and such financial institution shall provide the account holder with full and customary access to such minimum protected account balance.*

279 *On April 1, 2027, and at each three-year interval ending on April 1 thereafter, the monetary limit in effect under this section immediately before such April 1 shall be adjusted to reflect the change in the Consumer Price Index for all urban consumers (CPI-U), as published by the Bureau of Labor Statistics of the U.S. Department of Labor, for the most recent three-year period ending immediately before January 1 preceding such April 1, and rounded to the nearest \$25, the dollar amount that represents such change.*

280 **§ 34-4.4. Exemption of certain electronic benefit payments; account review.**

281 *A. For purposes of this section:*

282 *"Account review" means the process of examining deposits made into an account to determine if one or more benefit payments have been deposited during the two months immediately preceding the day before the account review commenced.*

283 *"Benefit payment" means funds received from (i) a federal authority listed in 31 C.F.R. § 212.2 or (ii) an agency of the Commonwealth or ordered by a court of the Commonwealth for (a) unemployment compensation pursuant to § 60.2-200, (b) public assistance pursuant to § 63.2-506, (c) workers' compensation pursuant to § 65.2-531, or (d) child support pursuant to § 20-108.1.*

284 *"Financial institution" means the same as that term is defined in § 6.2-100.*

307 "Minimum protected account balance" means a combined total of not more than \$1,000 in all of a
308 judgment debtor's accounts held by the financial institution as described in § 34-4.3.

309 "Protected amount" means the total sum of benefit payments deposited into a judgment debtor's account
310 within the two months immediately preceding the day before a financial institution conducts an account
311 review.

312 B. Except as provided in subsection G, a financial institution shall, upon receipt of a garnishment
313 summons, conduct an account review for an account of an account holder named in the summons as the
314 judgment debtor, provided that the financial institution finds that the total amount in all of the account
315 holder's accounts exceeds the minimum protected account balance described in § 34-4.3. If the financial
316 institution determines pursuant to the account review that one or more benefit payments have been deposited
317 within the two months immediately preceding the day before such account review commenced, the financial
318 institution shall immediately calculate the protected amount and establish that such protected amount shall
319 be automatically exempt from garnishment. Additionally, the financial institution shall ensure that the
320 account holder has full and customary access to such protected amount and shall not withhold any portion of
321 such protected amount pursuant to the garnishment summons.

322 C. Upon conducting an account review and establishing a protected amount in accordance with
323 subsection B, the financial institution shall issue notice to the account holder that contains information
324 consistent with the provisions of 31 C.F.R. § 212.7.

325 D. If an account holder named in a garnishment summons as the judgment debtor maintains more than
326 one account at a financial institution, the financial institution shall conduct a separate account review as
327 described in subsection B for each account and, if applicable, a separate and distinct protected amount shall
328 be calculated and established for each account. Additionally, a financial institution shall only conduct one
329 account review per receipt of a garnishment summons and shall not repeat an account review of the same
330 account pursuant to the same garnishment summons. However, a financial institution shall perform a
331 separate and new account review of each account if subsequently served with a new or different garnishment
332 summons against the same account holder.

333 E. Any funds in an account exceeding the total of (i) the minimum protected account balance and (ii) the
334 protected amount or protected amounts calculated pursuant to this section shall be subject to garnishment
335 unless otherwise provided by state or federal law.

336 F. Any minimum protected account balance under § 34-4.3 or protected amount calculated pursuant to
337 this section shall constitute an automatic exemption. No judgment debtor shall be required to either claim the
338 exemptions under § 34-4.3 or this section or to request a hearing on such exemptions; however, nothing in
339 this section shall be construed to prohibit or limit a judgment debtor's ability to claim other exemptions
340 available to him by law.

341 G. The provisions of this section shall not apply and no financial institution shall conduct an account if an
342 exemption is prohibited by § 34-5 or any other relevant provision of law.