

AN ACT concerning civil liabilities.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. The Code of Civil Procedure is amended by changing Sections 2-1402, 12-803, 12-805, and 12-808 as follows:

(735 ILCS 5/2-1402) (from Ch. 110, par. 2-1402)

Sec. 2-1402. Supplementary proceedings.

(a) A judgment creditor, or his or her successor in interest when that interest is made to appear of record, is entitled to prosecute supplementary proceedings for the purposes of examining the judgment debtor or any other person to discover assets or income of the debtor not exempt from the enforcement of the judgment, a deduction order or garnishment, and of compelling the application of non-exempt assets or income discovered toward the payment of the amount due under the judgment. A supplementary proceeding shall be commenced by the service of a citation issued by the clerk. The procedure for conducting supplementary proceedings shall be prescribed by rules. It is not a prerequisite to the commencement of a supplementary proceeding that a certified copy of the judgment has been returned wholly or partly unsatisfied. All citations issued by the clerk shall have the following language, or language substantially similar thereto, stated prominently on the front, in capital letters: "YOUR FAILURE TO APPEAR IN COURT AS HEREIN DIRECTED MAY CAUSE YOU TO BE ARRESTED AND BROUGHT BEFORE THE COURT TO ANSWER TO A CHARGE OF CONTEMPT OF COURT, WHICH MAY BE PUNISHABLE BY IMPRISONMENT IN THE COUNTY JAIL." The court shall not grant a continuance of the supplementary proceeding except upon good cause shown.

(b) Any citation served upon a judgment debtor or any other person shall include a certification by the attorney for the

judgment creditor or the judgment creditor setting forth the amount of the judgment, the date of the judgment, or its revival date, the balance due thereon, the name of the court, and the number of the case, and a copy of the citation notice required by this subsection. Whenever a citation is served upon a person or party other than the judgment debtor, the officer or person serving the citation shall send to the judgment debtor, within three business days of the service upon the cited party, a copy of the citation and the citation notice, which may be sent by regular first-class mail to the judgment debtor's last known address. In no event shall a citation hearing be held sooner than five business days after the mailing of the citation and citation notice to the judgment debtor, except by agreement of the parties. The citation notice need not be mailed to a corporation, partnership, or association. The citation notice shall be in substantially the following form:

"CITATION NOTICE

(Name and address of Court)

Name of Case: (Name of Judgment Creditor),

Judgment Creditor v.

(Name of Judgment Debtor),

Judgment Debtor.

Address of Judgment Debtor: (Insert last known address)

Name and address of Attorney for Judgment

Creditor or of Judgment Creditor (If no

attorney is listed): (Insert name and address)

Amount of Judgment: \$ (Insert amount)

Name of Person Receiving Citation: (Insert name)

Court Date and Time: (Insert return date and time specified in citation)

NOTICE: The court has issued a citation against the person named above. The citation directs that person to appear in court to be examined for the purpose of allowing the judgment creditor to discover income and assets belonging to the

judgment debtor or in which the judgment debtor has an interest. The citation was issued on the basis of a judgment against the judgment debtor in favor of the judgment creditor in the amount stated above. On or after the court date stated above, the court may compel the application of any discovered income or assets toward payment on the judgment.

The amount of income or assets that may be applied toward the judgment is limited by federal and Illinois law. The JUDGMENT DEBTOR HAS THE RIGHT TO ASSERT STATUTORY EXEMPTIONS AGAINST CERTAIN INCOME OR ASSETS OF THE JUDGMENT DEBTOR WHICH MAY NOT BE USED TO SATISFY THE JUDGMENT IN THE AMOUNT STATED ABOVE:

(1) Under Illinois or federal law, the exemptions of personal property owned by the debtor include the debtor's equity interest, not to exceed \$2,000 in value, in any personal property as chosen by the debtor; Social Security and SSI benefits; public assistance benefits; unemployment compensation benefits; worker's compensation benefits; veteran's benefits; circuit breaker property tax relief benefits; the debtor's equity interest, not to exceed \$1,200 in value, in any one motor vehicle, and the debtor's equity interest, not to exceed \$750 in value, in any implements, professional books, or tools of the trade of the debtor.

(2) Under Illinois law, every person is entitled to an estate in homestead, when it is owned and occupied as a residence, to the extent in value of \$7,500, which homestead is exempt from judgment.

(3) Under Illinois law, the amount of wages that may be applied toward a judgment is limited to the lesser of (i) 15% of gross weekly wages or (ii) the amount by which disposable earnings for a week exceed the total of 45 times the federal minimum hourly wage or, under a wage deduction summons served on or after January 1, 2006, the Illinois minimum hourly wage, whichever is greater.

(4) Under federal law, the amount of wages that may be

applied toward a judgment is limited to the lesser of (i) 25% of disposable earnings for a week or (ii) the amount by which disposable earnings for a week exceed 30 times the federal minimum hourly wage.

(5) Pension and retirement benefits and refunds may be claimed as exempt under Illinois law.

The judgment debtor may have other possible exemptions under the law.

THE JUDGMENT DEBTOR HAS THE RIGHT AT THE CITATION HEARING TO DECLARE EXEMPT CERTAIN INCOME OR ASSETS OR BOTH. The judgment debtor also has the right to seek a declaration at an earlier date, by notifying the clerk in writing at (insert address of clerk). When so notified, the Clerk of the Court will obtain a prompt hearing date from the court and will provide the necessary forms that must be prepared by the judgment debtor or the attorney for the judgment debtor and sent to the judgment creditor and the judgment creditor's attorney regarding the time and location of the hearing. This notice may be sent by regular first class mail."

(c) When assets or income of the judgment debtor not exempt from the satisfaction of a judgment, a deduction order or garnishment are discovered, the court may, by appropriate order or judgment:

(1) Compel the judgment debtor to deliver up, to be applied in satisfaction of the judgment, in whole or in part, money, choses in action, property or effects in his or her possession or control, so discovered, capable of delivery and to which his or her title or right of possession is not substantially disputed.

(2) Compel the judgment debtor to pay to the judgment creditor or apply on the judgment, in installments, a portion of his or her income, however or whenever earned or acquired, as the court may deem proper, having due regard for the reasonable requirements of the judgment debtor and his or her family, if dependent upon him or her, as well as any payments required to be made by prior order of court or

under wage assignments outstanding; provided that the judgment debtor shall not be compelled to pay income which would be considered exempt as wages under the Wage Deduction Statute. The court may modify an order for installment payments, from time to time, upon application of either party upon notice to the other.

(3) Compel any person cited, other than the judgment debtor, to deliver up any assets so discovered, to be applied in satisfaction of the judgment, in whole or in part, when those assets are held under such circumstances that in an action by the judgment debtor he or she could recover them in specie or obtain a judgment for the proceeds or value thereof as for conversion or embezzlement.

(4) Enter any order upon or judgment against the person cited that could be entered in any garnishment proceeding.

(5) Compel any person cited to execute an assignment of any chose in action or a conveyance of title to real or personal property, in the same manner and to the same extent as a court could do in any proceeding by a judgment creditor to enforce payment of a judgment or in aid of the enforcement of a judgment.

(6) Authorize the judgment creditor to maintain an action against any person or corporation that, it appears upon proof satisfactory to the court, is indebted to the judgment debtor, for the recovery of the debt, forbid the transfer or other disposition of the debt until an action can be commenced and prosecuted to judgment, direct that the papers or proof in the possession or control of the debtor and necessary in the prosecution of the action be delivered to the creditor or impounded in court, and provide for the disposition of any moneys in excess of the sum required to pay the judgment creditor's judgment and costs allowed by the court.

(d) No order or judgment shall be entered under subsection (c) in favor of the judgment creditor unless there appears of

record a certification of mailing showing that a copy of the citation and a copy of the citation notice was mailed to the judgment debtor as required by subsection (b).

(e) All property ordered to be delivered up shall, except as otherwise provided in this Section, be delivered to the sheriff to be collected by the sheriff or sold at public sale and the proceeds thereof applied towards the payment of costs and the satisfaction of the judgment.

(f) (1) The citation may prohibit the party to whom it is directed from making or allowing any transfer or other disposition of, or interfering with, any property not exempt from the enforcement of a judgment therefrom, a deduction order or garnishment, belonging to the judgment debtor or to which he or she may be entitled or which may thereafter be acquired by or become due to him or her, and from paying over or otherwise disposing of any moneys not so exempt which are due or to become due to the judgment debtor, until the further order of the court or the termination of the proceeding, whichever occurs first. The third party may not be obliged to withhold the payment of any moneys beyond double the amount of the balance due sought to be enforced by the judgment creditor. The court may punish any party who violates the restraining provision of a citation as and for a contempt, or if the party is a third party may enter judgment against him or her in the amount of the unpaid portion of the judgment and costs allowable under this Section, or in the amount of the value of the property transferred, whichever is lesser.

(2) The court may enjoin any person, whether or not a party to the supplementary proceeding, from making or allowing any transfer or other disposition of, or interference with, the property of the judgment debtor not exempt from the enforcement of a judgment, a deduction order or garnishment, or the property or debt not so exempt concerning which any person is required to attend and be examined until further direction in the premises. The

injunction order shall remain in effect until vacated by the court or until the proceeding is terminated, whichever first occurs.

(g) If it appears that any property, chose in action, credit or effect discovered, or any interest therein, is claimed by any person, the court shall, as in garnishment proceedings, permit or require the claimant to appear and maintain his or her right. The rights of the person cited and the rights of any adverse claimant shall be asserted and determined pursuant to the law relating to garnishment proceedings.

(h) Costs in proceedings authorized by this Section shall be allowed, assessed and paid in accordance with rules, provided that if the court determines, in its discretion, that costs incurred by the judgment creditor were improperly incurred, those costs shall be paid by the judgment creditor.

(i) This Section is in addition to and does not affect enforcement of judgments or proceedings supplementary thereto, by any other methods now or hereafter provided by law.

(j) This Section does not grant the power to any court to order installment or other payments from, or compel the sale, delivery, surrender, assignment or conveyance of any property exempt by statute from the enforcement of a judgment thereon, a deduction order, garnishment, attachment, sequestration, process or other levy or seizure.

(k) (Blank).

(l) At any citation hearing at which the judgment debtor appears and seeks a declaration that certain of his or her income or assets are exempt, the court shall proceed to determine whether the property which the judgment debtor declares to be exempt is exempt from judgment. At any time before the return date specified on the citation, the judgment debtor may request, in writing, a hearing to declare exempt certain income and assets by notifying the clerk of the court before that time, using forms as may be provided by the clerk of the court. The clerk of the court will obtain a prompt

hearing date from the court and will provide the necessary forms that must be prepared by the judgment debtor or the attorney for the judgment debtor and sent to the judgment creditor, or the judgment creditor's attorney, regarding the time and location of the hearing. This notice may be sent by regular first class mail. At the hearing, the court shall immediately, unless for good cause shown that the hearing is to be continued, shall proceed to determine whether the property which the judgment debtor declares to be exempt is exempt from judgment. The restraining provisions of subsection (f) shall not apply to any property determined by the court to be exempt.

(m) The judgment or balance due on the judgment becomes a lien when a citation is served in accordance with subsection (a) of this Section. The lien binds nonexempt personal property, including money, choses in action, and effects of the judgment debtor as follows:

(1) When the citation is directed against the judgment debtor, upon all personal property belonging to the judgment debtor in the possession or control of the judgment debtor or which may thereafter be acquired or come due to the judgment debtor to the time of the disposition of the citation.

(2) When the citation is directed against a third party, upon all personal property belonging to the judgment debtor in the possession or control of the third party or which thereafter may be acquired or come due the judgment debtor and comes into the possession or control of the third party to the time of the disposition of the citation.

The lien established under this Section does not affect the rights of citation respondents in property prior to the service of the citation upon them and does not affect the rights of bona fide purchasers or lenders without notice of the citation. The lien is effective for the period specified by Supreme Court Rule.

This subsection (m), as added by Public Act 88-48, is a declaration of existing law.

(n) If any provision of this Act or its application to any person or circumstance is held invalid, the invalidity of that provision or application does not affect the provisions or applications of the Act that can be given effect without the invalid provision or application.

(Source: P.A. 88-48; 88-299; 88-667, eff. 9-16-94; 88-670, eff. 12-2-94; 89-364, eff. 1-1-96.)

(735 ILCS 5/12-803) (from Ch. 110, par. 12-803)

Sec. 12-803. Maximum wages subject to collection. The maximum wages, salary, commissions and bonuses subject to collection under a deduction order, for any work week shall not exceed the lesser of (1) 15% of such gross amount paid for that week or (2) the amount by which disposable earnings for a week exceed 45 times the Federal Minimum Hourly Wage prescribed by Section 206(a)(1) of Title 29 of the United States Code, as amended, or, under a wage deduction summons served on or after January 1, 2006, the minimum hourly wage prescribed by Section 4 of the Minimum Wage Law, whichever is greater, in effect at the time the amounts are payable. This provision (and no other) applies irrespective of the place where the compensation was earned or payable and the State where the employee resides. No amounts required by law to be withheld may be taken from the amount collected by the creditor. The term "disposable earnings" means that part of the earnings of any individual remaining after the deduction from those earnings of any amounts required by law to be withheld.

(Source: P.A. 87-569.)

(735 ILCS 5/12-805) (from Ch. 110, par. 12-805)

Sec. 12-805. Summons; Issuance.

(a) Upon the filing by a judgment creditor, its attorney or other designee of (1) an affidavit that the affiant believes any person is indebted to the judgment debtor for wages due or to become due, as provided in Part 8 of Article XII of this Act, and includes the last address of the judgment debtor known

to the affiant as well as the name of the judgment debtor, and a certification by the judgment creditor or his attorney that, before filing the affidavit, the wage deduction notice has been mailed to the judgment debtor by first class mail at the judgment debtor's last known address, and (2) written interrogatories to be answered by the employer with respect to the indebtedness, the clerk of the court in which the judgment was entered shall issue summons against the person named in the affidavit as employer commanding the employer to appear in the court and answer the interrogatories in writing under oath. The interrogatories shall elicit all the information necessary to determine the proper amount of non-exempt wages. The interrogatories shall require that the employer certify that a copy of the completed interrogatories as specified in subsection (c) of Section 12-808 has been mailed or hand delivered to the judgment debtor and shall be in a form consistent with local court rules. The summons shall further command federal agency employers, upon effective service of summons pursuant to 5 USC 5520a, to commence to pay over deducted wages in accordance with Section 12-808. The summons shall be in a form consistent with local court rules. The summons shall be accompanied by a copy of the underlying judgment or a certification by the clerk of the court that entered the judgment, or by the attorney for the judgment creditor, setting forth the date and amount of the judgment, allowable costs expended, interest accumulated, credits paid by or on behalf of the judgment debtor and the balance due the judgment creditor, and one copy of a wage deduction notice in substantially the following form:

"WAGE DEDUCTION NOTICE

(Name and address of Court)

Name of Case: (Name of Judgment Creditor),

Judgment Creditor v.

(Name of Judgment Debtor),

Judgment Debtor.

Address of Judgment Debtor: (Insert last known address)

Name and Address of Attorney for Judgment

Creditor or of Judgment Creditor (if no

attorney is listed): (Insert name and address)

Amount of Judgment: \$.....

Employer: (Name of Employer)

Return Date: (Insert return date specified in summons)

NOTICE: The court shall be asked to issue a wage deduction summons against the employer named above for wages due or about to become due to you. The wage deduction summons may be issued on the basis of a judgment against you in favor of the judgment creditor in the amount stated above.

The amount of wages that may be deducted is limited by federal and Illinois law.

(1) Under Illinois law, the amount of wages that may be deducted is limited to the lesser of (i) 15% of gross weekly wages or (ii) the amount by which disposable earnings for a week exceed the total of 45 times the federal minimum hourly wage or, under a wage deduction summons served on or after January 1, 2006, the minimum hourly wage prescribed by Section 4 of the Minimum Wage Law, whichever is greater.

(2) Under federal law, the amount of wages that may be deducted is limited to the lesser of (i) 25% of disposable earnings for a week or (ii) the amount by which disposable earnings for a week exceed 30 times the federal minimum hourly wage.

(3) Pension and retirement benefits and refunds may be claimed as exempt from wage deduction under Illinois law.

You have the right to request a hearing before the court to dispute the wage deduction because the wages are exempt. To obtain a hearing in counties with a population of 1,000,000 or more, you must notify the Clerk of the Court in person and in writing at (insert address of Clerk) before the Return Date specified above or appear in court on the date and time on that Return Date. To obtain a hearing in counties with a population of less than 1,000,000, you must notify the Clerk of the Court

in writing at (insert address of clerk) on or before the Return Date specified above. The Clerk of the Court will provide a hearing date and the necessary forms that must be prepared by you or your attorney and sent to the judgment creditor and the employer, or their attorney, regarding the time and location of the hearing. This notice may be sent by regular first class mail."

(b) In a county with a population of less than 1,000,000, unless otherwise provided by circuit court rule, at the request of the judgment creditor or his or her attorney and instead of personal service, service of a summons for a wage deduction may be made as follows:

(1) For each employer to be served, the judgment creditor or his or her attorney shall pay to the clerk of the court a fee of \$2, plus the cost of mailing, and furnish to the clerk an original and one copy of a summons, an original and one copy of the interrogatories and an affidavit setting forth the employer's mailing address, an original and one copy of the wage deduction notice required by subsection (a) of this Section, and a copy of the judgment or certification described in subsection (a) of this Section. The original judgment shall be retained by the clerk.

(2) The clerk shall mail to the employer, at the address appearing in the affidavit, the copy of the judgment or certification described in subsection (a) of this Section, the summons, the interrogatories, and the wage deduction notice required by subsection (a) of this Section, by certified or registered mail, return receipt requested, showing to whom delivered and the date and address of delivery. This Mailing shall be mailed on a "restricted delivery" basis when service is directed to a natural person. The envelope and return receipt shall bear the return address of the clerk, and the return receipt shall be stamped with the docket number of the case. The receipt for certified or registered mail shall state the

name and address of the addressee, the date of the mailing, shall identify the documents mailed, and shall be attached to the original summons.

(3) The return receipt must be attached to the original summons and, if it shows delivery at least 3 days before the return date, shall constitute proof of service of any documents identified on the return receipt as having been mailed.

(4) The clerk shall note the fact of service in a permanent record.

(c) Instead of personal service, a summons for a wage deduction may be served and returned in the manner provided by Supreme Court rule for service, otherwise than by publication, of a notice for additional relief upon a party in default.

(Source: P.A. 89-28, eff. 6-23-95; 90-677, eff. 1-1-99.)

(735 ILCS 5/12-808) (from Ch. 110, par. 12-808)

Sec. 12-808. Duty of employer.

(a) An employer served as herein provided shall pay the employee the amount of his or her exempt wages.

(b) To the extent of the amount due upon the judgment and costs, the employer shall hold, subject to order of court, any non-exempt wages due or which subsequently come due. The judgment or balance due thereon is a lien on wages due at the time of the service of summons, and such lien shall continue as to subsequent earnings until the total amount due upon the judgment and costs is paid, except that such lien on subsequent earnings shall terminate sooner if the employment relationship is terminated or if the underlying judgment is vacated or modified.

(b-5) If the employer is a federal agency employer and the creditor is represented by an attorney, then the employer, upon service of summons and to the extent of the amount due upon the judgment and costs, shall commence to pay over to the attorney for the judgment creditor any non-exempt wages due or that subsequently come due. The attorney for the judgment creditor

shall thereafter hold the deducted wages subject to further order of the court and shall make answer to the court regarding amounts received from the federal agency employer. The federal agency employer's periodic payments shall be considered a sufficient answer to the interrogatories.

(c) Except as provided in subsection (b-5), the employer shall file, on or before the return date or within the further time that the court for cause may allow, a written answer under oath to the interrogatories, setting forth the amount due as wages to the judgment debtor for the payroll periods ending immediately prior to the service of the summons and a summary of the computation used to determine the amount of non-exempt wages. Except as provided in subsection (b-5), the employer shall mail by first class mail or hand deliver a copy of the answer to the judgment debtor at the address specified in the affidavit filed under Section 12-805 of this Act, or at any other address or location of the judgment debtor known to the employer.

A lien obtained hereunder shall have priority over any subsequent lien obtained hereunder, except that liens for the support of a spouse or dependent children shall have priority over all other liens obtained hereunder. Subsequent summonses shall be effective in the order in which they are served.

(d) The Illinois Supreme Court may by rule allow an employer to file answers to interrogatories by facsimile transmission.

(e) Pursuant to answer under oath to the interrogatories by the employer, an order shall be entered compelling the employer to deduct from wages of the judgment debtor subject to collection under a deduction order an amount not to exceed the lesser of (i) 15% of the gross amount of the wages or (ii) the amount by which disposable earnings for a week exceed 45 times the Federal Minimum Hourly Wage prescribed by Section 206(a)(1) of Title 29 of the United States Code, as amended, in effect at the time the amounts are payable, for each pay period in which statutory exemptions under Section 12-804 and child support

garnishments, if any, leave funds to be remitted or, under a wage deduction summons served on or after January 1, 2006, the minimum hourly wage prescribed by Section 4 of the Minimum Wage Law, whichever is greater. The order shall further provide that deducted wages shall be remitted to the creditor or creditor's attorney on a monthly basis.

(Source: P.A. 89-28, eff. 6-23-95; 90-677, eff. 1-1-99.)

Section 99. Effective date. This Act takes effect January 1, 2006.