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## **Requirements for Processing Restraining Notices and Levies Amended to Exempt New York State and Local Government Entities and Actions for Child Support, Spousal Support, Maintenance and Alimony**

New York State has amended the new exemption requirements for restraining notices and levies that took effect on January 1, 2009. Pursuant to the amendments, all of the requirements that took effect on January 1, 2009 will not apply if New York State or any of its agencies or municipal corporations is the judgment creditor, or if the debt enforced is for child support, spousal support, maintenance or alimony, provided the restraining notice or levy contains a required notice. These amendments became effective on May 7, 2009, the date the law was signed by Governor David Patterson.

The provisions that took effect on January 1, 2009 require financial institutions to exempt certain protected funds from restraining notices and levies. Financial institutions are prohibited from restraining (or paying out on a levy) \$2,500 in an account that has received direct deposit or electronic payments of exempt funds (such as social security) within the prior 45-day period. In addition, financial institutions are prohibited from restraining (or paying out on a levy) \$1,716 in an account, as such amount is deemed to represent exempt wages. Both the \$2,500 and \$1,716 amounts will be adjusted over time. The provisions also require financial institutions to send exemption claim forms and notices to customers when restraining notices and levies are served on the institution.

When these new requirements took effect on January 1, 2009, they applied to virtually all restraining notices and levies issued under New York's Civil Practice Law and Rules for the enforcement of money judgments against individuals. This included restraining notices and levies issued by the New York State Department of Taxation and Finance and other state agencies seeking to collect delinquent funds, and to actions for child support, spousal support, alimony and maintenance.

Pursuant to the amendments just signed into law, all of the exemption requirements that took effect on January 1, 2009 will not apply to if New York State or any of its agencies or municipal corporations is the judgment creditor, or if the debt enforced is for child support, spousal support, maintenance or alimony, provided the restraining notice or levy contains a required notice. The required notice must be above the caption on the restraining notice or levy, must be in 16 point bold type, and must state the following:

**“THE JUDGMENT CREDITOR IS THE STATE OF NEW YORK, OR ANY OF ITS AGENCIES OR MUNICIPAL CORPORATIONS, AND/OR THE DEBT ENFORCED IS FOR CHILD SUPPORT, SPOUSAL SUPPORT, MAINTENANCE OR ALIMONY.”**

If you have any questions regarding these amendments, or regarding restraining notices or levies in general, please contact Joseph D. Simon at (516) 357-3710 or via email at [jsimon@cullenanddykman.com](mailto:jsimon@cullenanddykman.com).

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