

115TH CONGRESS
2D SESSION

S. 3320

To prevent low-income seniors from losing benefits due to defaulted student loan debt by increasing the amount of benefits exempted from garnishment.

IN THE SENATE OF THE UNITED STATES

AUGUST 1, 2018

Mrs. MCCASKILL introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To prevent low-income seniors from losing benefits due to defaulted student loan debt by increasing the amount of benefits exempted from garnishment.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Protecting Seniors
5 with Student Loans Act of 2018”.

6 **SEC. 2. MODIFICATION OF EXEMPTION FROM ADMINISTRA-**
7 **TIVE OFFSET.**

8 (a) IN GENERAL.—Section 3716(c)(3)(A) of title 31,
9 United States Code, is amended—

1 (1) in clause (i), by striking “clause (ii)” and
2 inserting “clauses (ii) and (iii)”;

3 (2) in clause (ii), by striking “An amount” and
4 inserting “Except as provided in clause (iii), an
5 amount”; and

6 (3) by adding at the end the following:

7 “(iii)(I) For a claim of the Department of Education
8 that is subject to collection by administrative offset under
9 this section—

10 “(aa) an amount of \$14,196 which a debtor
11 may receive under Federal benefit programs cited
12 under clause (i) within a 12-month period shall be
13 exempt from offset under this subsection; and

14 “(bb) in applying the exemption under item
15 (aa), the disbursing official shall—

16 “(AA) reduce the exemption amount for
17 the 12-month period by the amount of all Fed-
18 eral benefit payments made during such 12-
19 month period which are not subject to offset
20 under this subsection; and

21 “(BB) apply a prorated amount of the ex-
22 emption to each periodic benefit payment to be
23 made to the debtor during the applicable 12-
24 month period.

1 “(II) For purposes of subclause (I), the amount of
2 a periodic benefit payment shall be the amount after any
3 reduction or deduction required under the laws author-
4 izing the program under which such payment is authorized
5 to be made (including any reduction or deduction to re-
6 cover any overpayment under such program).

7 “(III) The Secretary of the Treasury shall annually
8 adjust the amount of the exemption under subclause
9 (I)(aa) to reflect the change in the Consumer Price Index
10 for All Urban Consumers published by the Department of
11 Labor.”.

12 (b) APPLICABILITY.—The amendments made by this
13 section shall apply to the collection of a claim by an ad-
14 ministrative offset taken after the date of enactment of
15 this Act relating to a claim that arises before, on, or after
16 the date of enactment of this Act.

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