

SENATE BILL 71

D4

3lr0091

(PRE-FILED)

By: **Chair, Judicial Proceedings Committee (By Request – Departmental – Human Resources)**

Requested: November 15, 2012

Introduced and read first time: January 9, 2013

Assigned to: Judicial Proceedings

A BILL ENTITLED

1 AN ACT concerning

2 **Child Support Enforcement – Information from Financial Institutions –**
3 **Claims Against Retirement Plans**

4 FOR the purpose of altering a certain definition in certain provisions of law
5 authorizing the Child Support Enforcement Administration to request from
6 certain financial institutions information and assistance to enforce child
7 support; providing an exception to a certain exemption of certain retirement
8 plans from the claims of certain creditors to allow claims by the Department of
9 Human Resources for purposes of child support enforcement; and generally
10 relating to child support enforcement.

11 BY repealing and reenacting, with amendments,
12 Article – Family Law
13 Section 10–108.2(a)(2)(i)
14 Annotated Code of Maryland
15 (2012 Replacement Volume)

16 BY repealing and reenacting, with amendments,
17 Article – Courts and Judicial Proceedings
18 Section 11–504(h)
19 Annotated Code of Maryland
20 (2006 Replacement Volume and 2012 Supplement)

21 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
22 MARYLAND, That the Laws of Maryland read as follows:

23 **Article – Family Law**

24 10–108.2.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (a) (2) (i) "Account" means:

2 1. any funds from a demand deposit account, checking
3 account, negotiable order of withdrawal account, savings account, time deposit
4 account, money market mutual fund account, [or] certificate of deposit account, **OR**
5 **RETIREMENT ACCOUNT;**

6 2. any funds paid towards the purchase of shares or
7 other interest in a financial institution, as defined in paragraph (4)(ii) and (iii) of this
8 subsection; and

9 3. any funds or property held by a financial institution,
10 as defined in paragraph (4)(iv) of this subsection.

11 **Article – Courts and Judicial Proceedings**

12 11–504.

13 (h) (1) In addition to the exemptions provided in subsections (b) and (f) of
14 this section and any other provisions of law, any money or other assets payable to a
15 participant or beneficiary from, or any interest of any participant or beneficiary in, a
16 retirement plan qualified under § 401(a), § 403(a), § 403(b), § 408, § 408A, § 414(d), or
17 § 414(e) of the United States Internal Revenue Code of 1986, as amended, or § 409 (as
18 in effect prior to January 1984) of the United States Internal Revenue Code of 1954, as
19 amended, shall be exempt from any and all claims of the creditors of the beneficiary or
20 participant, other than claims by the Department of Health and Mental Hygiene **OR**
21 **CLAIMS BY THE DEPARTMENT OF HUMAN RESOURCES FOR THE PURPOSE OF**
22 **CHILD SUPPORT ENFORCEMENT.**

23 (2) Paragraph (1) of this subsection does not apply to:

24 (i) An alternate payee under a qualified domestic relations
25 order, as defined in § 414(p) of the United States Internal Revenue Code of 1986, as
26 amended;

27 (ii) A retirement plan, qualified under § 401(a) of the United
28 States Internal Revenue Code of 1986, as amended, as a creditor of an individual
29 retirement account qualified under § 408 of the United States Internal Revenue Code
30 of 1986, as amended; or

31 (iii) The assets of a bankruptcy case filed before January 1, 1988.

32 (3) The interest of an alternate payee in a plan described in subsection
33 (h)(1) of this section shall be exempt from any and all claims of any creditor of the
34 alternate payee, except claims by the Department of Health and Mental Hygiene **OR**

1 **CLAIMS BY THE DEPARTMENT OF HUMAN RESOURCES FOR THE PURPOSE OF**
2 **CHILD SUPPORT ENFORCEMENT.**

3 (4) If a contribution to a retirement plan described under paragraph
4 (1) of this subsection exceeds the amount deductible or, in the case of contribution
5 under § 408A of the Internal Revenue Code, the maximum contribution allowed under
6 the applicable provisions of the United States Internal Revenue Code of 1986, as
7 amended, the portion of that contribution that exceeds the amount deductible or, in
8 the case of contribution under § 408A of the Internal Revenue Code, the maximum
9 contribution allowed, and any accrued earnings on such a portion, are not exempt
10 under paragraph (1) of this subsection.

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
12 October 1, 2013.