

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

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 7, 2013

CHAPTER _____

1 AN ACT concerning

2 **Child Support Enforcement – ~~Information from Financial Institutions~~**
3 **Attachment and Seizure of Retirement Accounts and Claims Against**
4 **Retirement Plans**

5 FOR the purpose of altering a certain definition in certain provisions of law
6 ~~authorizing that authorize~~ the Child Support Enforcement Administration to
7 request from certain financial institutions information and assistance to enforce
8 child support, authorize the Administration to attach and seize certain accounts
9 in certain financial institutions, and require the Administration to reimburse
10 certain account holders under certain circumstances; providing an exception to
11 a certain exemption of certain retirement plans from the claims of certain
12 creditors to allow claims by the Department of Human Resources for purposes of
13 child support enforcement; and generally relating to child support enforcement.

14 BY repealing and reenacting, with amendments,
15 Article – Family Law
16 Section 10–108.2(a)(2)(i)
17 Annotated Code of Maryland
18 (2012 Replacement Volume)

19 BY repealing and reenacting, with amendments,
20 Article – Courts and Judicial Proceedings
21 Section 11–504(h)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Annotated Code of Maryland
2 (2006 Replacement Volume and 2012 Supplement)

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

5 **Article – Family Law**

6 10–108.2.

7 (a) (2) (i) “Account” means:

8 1. any funds from a demand deposit account, checking
9 account, negotiable order of withdrawal account, savings account, time deposit
10 account, money market mutual fund account, [or] certificate of deposit account, **OR**
11 **RETIREMENT ACCOUNT;**

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

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

17 **Article – Courts and Judicial Proceedings**

18 11–504.

19 (h) (1) In addition to the exemptions provided in subsections (b) and (f) of
20 this section and any other provisions of law, any money or other assets payable to a
21 participant or beneficiary from, or any interest of any participant or beneficiary in, a
22 retirement plan qualified under § 401(a), § 403(a), § 403(b), § 408, § 408A, § 414(d), or
23 § 414(e) of the United States Internal Revenue Code of 1986, as amended, or § 409 (as
24 in effect prior to January 1984) of the United States Internal Revenue Code of 1954, as
25 amended, shall be exempt from any and all claims of the creditors of the beneficiary or
26 participant, other than claims by the Department of Health and Mental Hygiene **OR**
27 **CLAIMS BY THE DEPARTMENT OF HUMAN RESOURCES FOR THE PURPOSE OF**
28 **CHILD SUPPORT ENFORCEMENT.**

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

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

33 (ii) A retirement plan, qualified under § 401(a) of the United
34 States Internal Revenue Code of 1986, as amended, as a creditor of an individual

1 retirement account qualified under § 408 of the United States Internal Revenue Code
2 of 1986, as amended; or

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

4 (3) The interest of an alternate payee in a plan described in subsection
5 (h)(1) of this section shall be exempt from any and all claims of any creditor of the
6 alternate payee, except claims by the Department of Health and Mental Hygiene **OR**
7 **CLAIMS BY THE DEPARTMENT OF HUMAN RESOURCES FOR THE PURPOSE OF**
8 **CHILD SUPPORT ENFORCEMENT.**

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

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

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.