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TESTIMONY IN SUPPORT OF HB650 Execution on a Judgment – Child Support Arrearage- Workers' Compensation

Judiciary Committee February 17, 2022

Chair Clippinger, Vice-Chair Moon, and Members of the Committee,

Thank you for the opportunity to testify before you on HB650, Execution on a Judgment — Child Support Arrearage — Workers' Compensation. This bill clarifies the impact of child support orders on workers' compensation entitlements. Under the current statutory authority, no explicit definition exists as to whether workers' compensation indemnity benefits may be attached by child support orders, and, if so, whether or not a cap applies to limit excessive withholdings. As such, injured workers, child support recipients, child support enforcement authorities and workers' compensation claims personnel are left to interpret the existing ambiguous law which leads to inconsistent results.

As a practitioner that litigates workers' compensation claims on behalf of Maryland employers and their insurers, like many of my colleagues, I've often between caught in the middle of differing opinions offered by Claimants' attorneys and child support enforcement authorities. This results in a legal quagmire with threats of litigation and penalties for non-compliance from both Claimants' attorneys and enforcement authorities with no easy solution. These disputes create additional litigation, legal expense, and result in judicial inefficiency.

This bill solves that issue by clarifying once and for all the types, and amounts, of benefits that may be withheld for child support. This bill favorably amends the existing statute so that workers' compensation entitlements are treated with other analogous personal injury recoveries and is consistent with existing state and federal law. This rather simple modification to existing law will relieve stakeholders by providing greater clarity and certainty when considering the impact of child support orders on workers' compensation entitlements.

For these reasons, I am requesting a favorable report.

With kindest regards,

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