

BILL NUMBER: House Bill 650 **COMMITTEE:** Judiciary

BILL TITLE: Execution on Judgment - Child Support Arrearage - Workers' Compensation

DHS POSITION: Support with Amendments

The Department of Human Services (the Department) respectfully offers this letter of support with amendments regarding House Bill 650 (HB650). This legislation specifies that 25% of the net recovery by the debtor on a claim for workers' compensation is subject to execution on a judgment for a child support arrearage.

As currently drafted House Bill 650 amends § 11-504 of the Courts and Judicial Proceedings Article to authorize the Child Support Agency (CSA) to execute a judgment on a claim for personal injury and workers' compensation insurance plans. The statute would allow the CSA to collect temporary partial disability, temporary total disability, permanent partial disability, permanent total disability, and vocational rehabilitation compensation from a noncustodial parent for an arrearage.

Passage of House Bill 650 would establish that "twenty-five percent of the net recovery" by a debtor is subject to execution on a judgment for child support arrearage on a claim for personal injury with the Workers' Compensation Commission. This bill would clarify an existing ambiguity in Family Law for the Child Support Administration to use this collection source for payment of child support arrearages from noncustodial parents who are awarded settlements from personal injury through workers' compensation claims.

The Department of Human Services recommends that only the permanent disability options be included in this bill. Temporary disability benefits and vocational rehabilitation compensation are already available for an earnings withholding garnishment, which are subject to the limitations under the Federal Consumer Credit Protection Act (CCPA).

The Department supports House Bill 650 if amendments are included to remove Temporary Partial Disability; Temporary Total Disability; and Vocational Rehabilitation Compensation and alter subsection (i)(2) to read as follows:

- (ii) Workers Compensation Permanent Partial Disability; and
- (iii) Workers Compensation Permanent Total Disability.

The Department appreciates the opportunity to share the aforementioned information regarding HB 650 and respectfully requests a support with amendments during the committee's deliberations.

