



TESTIMONY IN SUPPORT OF SENATE BILL 16:

Child Support - Earnings Withholdings Limits

TO: Hon. Sandy Bartlett, Chair, and Members of the House Judiciary Committee

FROM: Christopher Dews, Policy Advisor for Life After Release and Out for Justice

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CROSSOVER TESTIMONY

Senate Bill 16, as amended, limits earnings withholdings for child support at 35% for parents with annual incomes below \$40,000 or 250% of the [Federal Poverty Level](#) (pg. 38) and delays implementation until 2028. The amendments also eliminate the \$3.9M fiscal note by shifting the workload (income determination) away from the Department of Human Services and back into employers' hands, which is already the process under current law. This is in parity with other garnishment rates in Maryland and remains consistent with the logic that obligors must bear responsibility for caring for their dependents while retaining enough income to survive. urge a favorable report on Senate Bill 16, as amended.

The Amendments

The amendments are designed to eliminate the fiscal note by moving the start date back to 2028 and by removing the income determinations from the Department and placing them on the employer, as is current law. An explanation of the process, as amended, is provided below.

Re: Fiscal Note

Regarding the massive reduction in the fiscal note regarding the amendment to shift income determinations from the Department back to the employers, an explanation is below:

1. Maryland employers *are already* responsible for applying the federal income withholding limit to their employees' paychecks.
 - o The current law caps withholdings between 50% - 65% based on circumstances.
2. The Senate amendments move the application of the newly established 35% cap for low-income obligors from Family Law Article §10-122 (which regulates the Child Support Administration) to Family Law Article §10-129, where employers are currently required to follow federal earnings withholding limits.
3. Thus, the ONLY work the Department has is to update the standard [Income Withholding Order](#) it already sends to employers to specify when the new cap should be applied. Multiple states already provide state-specific withholding order information in the supplemental information section on page 3 of the income withholding order, including [Connecticut](#), [Hawaii](#), [Indiana](#), and [New York](#).
4. DHS recently confirmed via emailed correspondence that "the supplemental information portion of the form can be used for that purpose, and no prior approval from the feds is required."

For more information, contact:

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I have also attached an income withholding order form with the supplemental section filled in, where the Department can place information on the new withholding cap.

Lastly, I remind the committee that DHS supported this bill text in its omnibus bill last year at the 25% earnings-withholding rate. See page two (2) of their testimony [here](#):

https://mgaleg.maryland.gov/cmt_e_testimony/2025/jpr/24316_01132025_13410-329.pdf

With these amendments, implementing Senate Bill 16 will require *only* that DHS/CSA update the supplemental information section of the standard income withholding form they send to all employers, at negligible cost.

ORIGINAL TESTIMONY

The [1968 Federal Consumer Credit Protection Act \(CCPA\)](#) caps wage garnishment at 25% of disposable income for most debts, but allows up to 65% garnishment for child support and alimony obligations. The purpose of this carve-out was to ensure a legal and moral duty to provide for dependents and prevent the burden of support from shifting from the individual to the government.

The specific 65% ceiling applies only if the individual is not supporting another spouse or child and is over 12 weeks in arrears. Otherwise, the cap is usually 50% when supporting another dependent or 60% if not. [Maryland Commercial Law § 15-601.1](#) limits garnishments on standard debts, such as credit cards or medical bills, to 25% to ensure workers keep enough income to pay for housing and food, preventing them from losing their incentive to work.

After taxes and a 65% garnishment, an employee making Maryland's minimum wage of \$15/hour, for example, is left with approximately \$5/hour, or \$8,000 per year, to cover housing, food, and clothing. An [Abell Foundation report](#) by the former Federal Child Support Director found that "[the 50% to 65%] withholding rate can have the unintended effect of pushing low-wage parents out of a job, because the remaining paycheck is often too little to survive on." (pg.24) According to the most [recent quadrennial review](#) conducted by the University of Maryland School of Social Work (pg. 17), **65% of child support obligors earn less than Maryland's Living Wage (\$54,500)**, and 50% of child support obligors make less than [200% of the Federal Level \(\\$31,000\)](#).

Research shows that **child support is more likely to be paid if it consists of roughly one-fifth of an obligor's income** (Eldred & Takayesu, 2011), and **collection rates decline when support orders comprise more than 30% of obligors' incomes** (Hodges, 2020). When obligors leave the workforce due to excessive garnishments, *the entire family loses* access to critical financial support, and the state's tax base is reduced.

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