



DEPARTMENT OF HUMAN SERVICES

Wes Moore, Governor · Aruna Miller, Lt. Governor · Stacy L. Rodgers, Acting Secretary

April 2, 2026

The Honorable J. Sandy Bartlett, Jr., Chair  
House Judiciary Committee  
6 Bladen St., Room 100  
Annapolis, Maryland 21401

**RE: TESTIMONY ON SB0016 - CHILD SUPPORT - EARNINGS WITHHOLDING LIMITS -  
POSITION: UNFAVORABLE**

Dear Chair Bartlett and Members of the Judiciary Committee:

The Maryland Department of Human Services (DHS) thanks the Committee for its consideration and respectfully requests an unfavorable report on Senate Bill 16 (SB 16), which passed out of the Senate. The Child Support Administration (CSA) ensures that children receive support from parents, which involves collecting child support through earning withholdings. This process is affected by SB 16.

**SB 16 Proposes Two Earnings Withholding Limits**

SB 16 would create two new limits on earnings withholding for child support for obligors who have not been determined to be voluntarily impoverished at the time of their most recent court order. The new limits are:

1. Through amendments to Family Law § 10-129, the bill would prohibit employers from withholding more than 35% of an eligible obligor's disposable earnings if that obligor's disposable earnings for the current year do not exceed 250% of the federal poverty level (FPL) for a family of one.
2. Amendments to Family Law § 10-138 would require that judicial earnings withholding orders (EWOs) not exceed 25% of the obligor's disposable earnings for the combined support order and arrearage if that obligor's individual income for the current year does not exceed 250% FPL for a family of one.

DHS notes that the 35% limit, which would be implemented by employers, applies to both CSA-issued earnings withholding notices (EWN) and judicially-issued EWOs. Also, given that the 35% limit would be applied based on *current year disposable earnings*, it would apply to all obligors who have not been determined to be voluntarily impoverished at the beginning of each calendar year until their total disposable earnings for the year exceed 250% FPL. For example, even an obligor that has an annual income of \$400,000 has \$0 in current year disposable earnings on January 1.

## **Current Practice - Earnings Withholding For Child Support Collections**

Earnings withholding is a collection tool, not a punishment. Per federal rules, all new or modified child support orders are subject to immediate withholding unless the court finds good cause not to require it. Under current law, CSA must issue an EWN to an obligor's employer within 2 business days of learning that: (1) an obligor with an existing EWO has a new employer; or (2) a new or modified child support order was established for an employed obligor. CSA issues EWNs for the full monthly support ordered amount (SOA) with instructions to the employer to not withhold more than 50-65%<sup>1</sup> of the obligor's disposable earnings<sup>2</sup> for child support in a pay period. The 50-65% limits were set by federal law and apply nationwide.

## **SB 16 Would Increase Child Support Debt for Obligor**

Unfortunately, obligors that have their earning withholding capped under SB 16 will see their child support debt (arrears) climb with every paycheck because they will only be making partial payments. The underlying child support order is not changed by SB 16. Obligor may believe they are fully compliant with their child support order when they are actually accumulating arrears and noncompliant due to underpayment. As a result, these obligors could face harsh enforcement actions, including professional license suspensions, passport revocations, credit bureau reporting, federal and state tax refund intercepts, seizure of assets, and civil or criminal contempt proceedings that can result in incarceration.<sup>3</sup>

## **SB 16 Would Reduce Financial Support for Families**

Nationwide, earning withholdings is the single most effective way to collect child support, accounting for over 70% of payments. SB 16 would saddle Maryland, a high cost of living state, with one of the nation's lowest limits for child support withholding, greatly reducing our state's capacity to collect financial resources for children. This bill could lead to an increase in families seeking cash assistance and Supplemental Nutrition Assistance Program (SNAP) benefits due to decreased child support.

## **Employer Implementation Challenges**

As noted above, the 35% withholding limit in SB 16 would fall on employers to apply once they receive an EWO or EWN. Under SB 16, an employer will need to determine: (1) whether their employee (the obligor) was determined to be voluntarily impoverished at the time of their most recent court order; and, if not, (2) whether their

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<sup>1</sup>The federal Consumer Credit Protection Act (CCPA) established these limits for child support withholding. The maximum percentage for an obligor depends on if they support another spouse or child, and if they are more than 12 weeks behind on their child support payments. 15 U.S.C. § 1673(b)(2).

<sup>2</sup> Defined as earnings "remaining after the deduction from those earnings of any amounts required by law to be withheld." 15 U.S.C. § 1672.

<sup>3</sup> Obligor whose employers are submitting support payments from earnings withholding are not subject to driver's license suspension.

employee's disposable earnings for the year to date exceed 250% FPL. Based on what they determine, the employer needs to either withhold the full SOA, apply the new 35% limit, or apply the existing 50-65% federal limits. Family Law § 10-129 requires employers send the withheld child support to CSA within 7 business days of the day on which the earnings are paid to the obligor. Additionally, employers can be held legally liable for erroneous earnings withholding. DHS is concerned about employers' ability to implement these new steps in a timely and accurate manner, particularly as they do not have access to their employees' court records or information on whether the employee was found to be voluntarily impoverished.

### **Administrative Implementation Challenges & Financial Risks for DHS**

To implement SB 16, CSA would need to update IT systems, notices, and employee training. Furthermore, DHS would need to hire additional staff to manage increased protests and complaints from both obligors and obligees (parents receiving support) as a result of SB 16, as well as inquiries from employers. Employers may reach out to CSA to find out if their employee has been determined to be voluntarily impoverished. While CSA would include detailed instructions on the EWNs, the multiple scenarios on how to apply the withholding limits covered may confuse employers. If an employer fails to apply withholding limits correctly and an obligor or obligee complains, CSA would need to investigate and determine how to address the error. CSA may also need to file civil actions against employers who willfully withheld less than the amount of child support required.

Finally, CSA is concerned SB 16 will make it impossible for Maryland to maintain a compliant child support program. Federal regulations outline penalties for states that are out of compliance with child support program requirements. There is a financial penalty for noncompliance of up to 5% of a state's Temporary Assistance for Needy Families (TANF) block grant. Maryland's TANF block grant allocation is fixed at \$228M and could be subject to a penalty of up to \$11.4M. Federal TANF funds support vital assistance for low-income Marylanders, including Temporary Cash Assistance, Emergency Assistance to Families with Children, and Welfare Avoidance Grants.

We appreciate the opportunity to offer testimony to the Committee for consideration during your deliberations. If you require additional information, please contact Justin Hayes, Acting Director of Government Affairs, at [justin.hayes1@maryland.gov](mailto:justin.hayes1@maryland.gov).

In service,



Gloria Brown Burnett  
Deputy Secretary for Operations