

DEPARTMENT OF HUMAN RESOURCES FAMILY INVESTMENT ADMINISTRATION		TEMPORARY CASH ASSISTANCE MANUAL
GARNISHMENTS 910	COMAR 07.03.03.13	FINANCIAL 900

910.1 Garnishment refers to a specific sum deducted from an applicant's or recipient's wages or benefit income to repay:

- A. A debt owed to:
 - 1. A creditor
 - 2. A medical institution, or
 - 3. For child support arrearages
- B. An overpayment to:
 - 1. Social Security Administration
 - 2. Veterans Administration
 - 3. Railroad Retirement
 - 4. Unemployment Insurance, or
 - 5. An Annuity

910.2 Counting income with garnishments

- A. Garnishments appear as a deduction from the gross payment amount
- B. Use the net payment amount received by the applicant or recipient to calculate income unless the garnished amount **is to repay an overpayment that is** customer caused.
- C. Use the gross income if the garnishment is customer caused.
- D. If the case manager is unable to determine whether the garnishment resulted from customer error use the net income received.
- E. Outstanding or overdue debts (bills) that have not been paid and are being recovered by garnishment, **are never an allowable deduction**

EXAMPLES:

Example 1. Mrs. Smith receives TCA for herself and son. She is eligible for \$130 per month in unemployment benefits, but only gets \$70 of that amount

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because of a garnishment of \$60 per month for child support arrearages she owes to her ex-husband for support of another son.

- \$ 446 - TCA benefit amount for 2
 - 70 - gross amount of unemployment benefits

\$376 - TCA monthly benefit received

Example 2. Mrs. Johnson receives TCA for herself and 3 children. She receives also \$150 per month in survivor's benefits from Social Security for herself and \$100 for each of the children. Due to an overpayment of benefits made to her during 2004 and 2005, Social Security is recouping \$100 each month from her monthly benefits. The recoupment is not because of any fraudulent actions by Mrs. Johnson.

- \$503 - TCA benefit amount for 4
 - 350 - Net amount of social security benefits received each month
 (\$450 - 100 = 350)

\$ 153 - TCA monthly benefit received

Example 3. Mrs. Williams applied for TCA for herself and 2 children. She is employed and earns \$150 each week. She pays \$50 a week for child care for her 2 children and has \$50 garnished from her wages each week to pay an outstanding hospital bill. She passes the initial needs test.

- \$150 X 4 = \$600 - Gross monthly earnings

\$600 X 40% = - \$240 - Allowable disregard = \$360

\$ 50 X 4 = - 200 - Child care expenses for 2 children
 \$360 earnings - 200 child care = \$160 net earnings

\$417 - TCA benefit amount for 3
 - 160 - Net monthly earnings

\$257 - TCA monthly benefit applicant is eligible to receive

The \$50 garnished each week is counted as a part of her monthly gross earnings

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Example 4. Mr. Remotay receives TCA for himself, his wife, and their son. He earns \$160 a week, and has been ordered to pay \$40 a week in child support payments for another child and also has \$20 a week garnished for child support arrearages owed.

- $\$160 \times 4 = \$ 640$ - Gross monthly earnings

$$\$640 \times 40\% = \frac{-256}{\$ 334} \text{ - Allowable disregard}$$

$$\$40 \times 4 = \$ - 240 \text{ - Child support payment (excludes garnishment)}$$

$$\$ 94 \text{ - Net monthly earnings}$$

\$417 - TCA benefit amount for 3

- 94 - Net monthly earnings

\$323 - TCA monthly benefit received