

Legal Assistance Resource Center

❖ of Connecticut, Inc. ❖

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H.B. 5816 -- Employer service fees for withholding child support from wages

Judiciary Committee public hearing -- March 24, 2006

Testimony of Raphael L. Podolsky

Recommended Committee action: REJECTION OF THE BILL

This bill proposes to allow employers to charge employees a "service fee" of up to \$2 per pay period for withholding from their wages for child support. This proposal is contrary to state child support policy, unfair to children, and unreasonable. Its long-term practical effect is to transfer child support from children to employers. Charging employees for child support withholding is no more appropriate than charging them for making income tax and Social Security deductions from their wages or for issuing them a paycheck. All create minimal administrative costs, but all are part of conducting a business. The bill should be rejected.

- Wage withholding does not imply that an employee is behind in child support payments: Until recent years, child support was withheld from wages only if the employee was in arrears (the so-called "deadbeat dad"). The well-established current approach, however, now mandated by both federal and state law, is to make wage withholding for child support automatic and to eliminate its pejorative aspects. Courts and magistrates now routinely order wage withholding in nearly all support cases; and withholding no longer is based upon default. Such orders are thus equivalent to withholding taxes, insurance, credit union payments, and similar matters. It is not an employee's "fault" that his wages are withheld for child support. Indeed, to reflect this change, what used to be called a wage "execution" is now statutorily called wage or income "withholding."
- Charging a fee is contrary to state child support policy: In effect, it diverts money from the child to the employer. Child support orders are set by a formula in the Child Support Guidelines, which are based on a balancing of the needs of the child and the financial ability of the parents. If the employee can spare an extra \$2 per pay period, then that money should go to the child. If the employee cannot, then the support order should be reduced accordingly. In either case, by seeking the right to charge a child support withholding fee, the employer is attempting to obtain income for itself which should go to the child.
- The burden on employers is minimal: Under the state's Title IV-D program, through which nearly all child support withholding operates, payments for multiple employees can be aggregated and paid to the state in a single payment, often by electronic transfer. There is simply no valid reason to assess employees and their children for the routine administrative cost of running a business.