

Iowa

Committee to Review Child Support Guidelines

Preliminary Recommendations & Remaining Issues

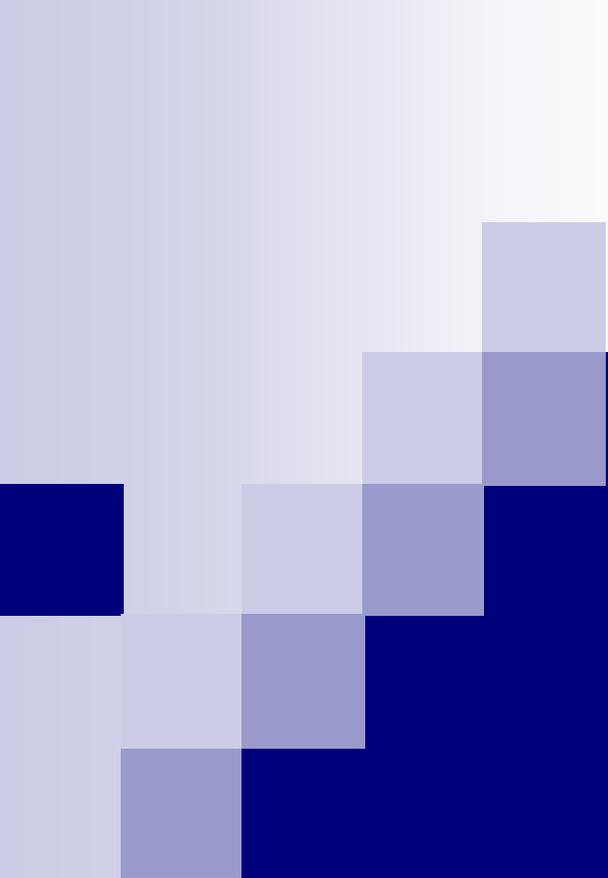
December 14, 2007

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Draft as of 12/12/07.

Outline of CPR's Goals for Today's Meeting

- Quickly take an inventory of where Iowa is in its guidelines recommendations to refresh, clarify & identify gaps.
- Review schedule
 - Assumptions about medical expenses, health insurance, child care, etc...
 - format, i.e., \$50 or \$100 income intervals and whether to express income range
- Review proposed low-income adjustment and discuss alternatives
 - Identify guidelines changes to support low-income adjustment
- Review duplicated child-rearing expenses (150% multiplier) in joint physical care
 - Guidelines changes to support 150% multiplier
 - Gross to after-tax income conversion
 - Case examples
- Examples from other states: treatment of health insurance
- Other case examples: health insurance
- Worksheets
 - Examples of language from other states that instruct the combined use of the worksheets and schedule
- Re-inventory to determine next steps
- Other?



Inventory of Preliminary Recommendations & Remaining Issues

Prepared by Center for Policy Research. The Committee should review it for any errors or omissions.

Inventory of Preliminary Guidelines Recommendations & Remaining Issues (page 1 of 3)

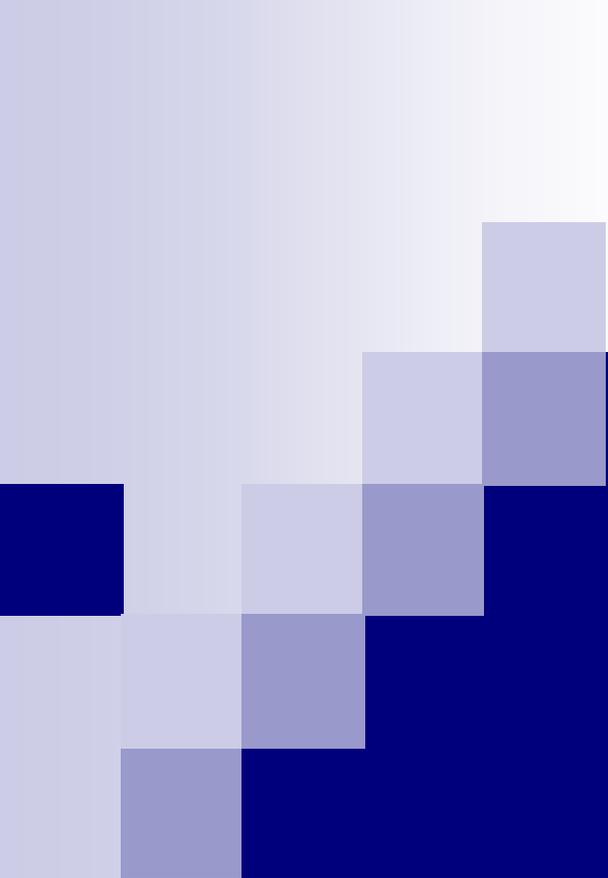
Guidelines Provision	Preliminary Recommendation(s)	Issues Still to be Considered
Rule 9.1 Guidelines Adopted		
Rule 9.2 Charts		Substitute the term "schedule of basic child support obligations" or "table" for "charts" where the schedule of reflects the basic child support obligations for a range of combined incomes. <i>(from August PPT)</i>
Rule 9.3 Purpose		
Rule 9.4 Rebuttable presumption		
Rule 9.5 Net Monthly Income	Eliminate deductions for health insurance & parent's unreimbursed medical expenses [9.5(6) and 9.5(8)]	<ul style="list-style-type: none"> • Deductions for child care [9.5(6)] • Income imputation (Sept minutes suggest that income imputation provision may also be part of Rule 9.11 variance).
Rule 9.6 Guidelines Method for Computing taxes		Add provision that standardizes gross to net income conversion in joint physical care
Rule 9.7 Qualified additional dependent deduction	Still under consideration	Alternative QUADD amounts, December agenda item assigned to Steve Lytle & Judge Ovorm.
Rule 9.8 Deduction amount and use		
Rule 9.9 Extraordinary Visitation Credit	Recommended No change	
Rule 9.10 Child support guidelines worksheet		Conforming changes may be necessary if 1.5 multiplier is adopted for joint physical care

Inventory of Preliminary Guidelines Recommendations & Remaining Issues (page 2 of 3)

Guidelines Provision	Preliminary Recommendation(s)	Issues Still to be Considered
Rule 9.11 Variance from guidelines	See September minutes for preliminary recommendations	Income imputation is a December agenda item assigned to Kevin Kaufman
Rule 9.12 Medical support order		Conform to schedule: Custodial parent pays the first \$250 per child per year up to \$800 total per year
Rule 9.13 Stipulation for child and medical support – court rule		
Rule 9.14 Joint physical care		December agenda item
Rule 9.15 Split or divided physical care		
Rules 9.16- 9.25 repealed		
Rule 9.26 Charts 1-5	Adopt Pure Income Shares chart based on Betson-Rothbarth estimates and net income	<ul style="list-style-type: none"> ●Income intervals (i.e., \$50 or \$100) ●Label income interval (e.g., \$901 -\$1,000) or round (\$950)
Rule 9.27- Form 1: Child Support Worksheet		Changes to conform with: <ul style="list-style-type: none"> ●Pure Income Shares ●Changes in 9.5 ●Changes in the treatment of the health insurance premium, child care and other specific child-rearing expenses ●1.5 multiplier in joint physical care
Rule 9.27- Form 2: Child Support Worksheet (to be used by CSRU or party agreement)		

Inventory of Preliminary Guidelines Recommendations & Remaining Issues (page 3 of 3)

Guidelines Provision	Preliminary Recommendation(s)	Issues Still to be Considered
Other		
A. Provide language explaining how to use schedule		Example of language from other states in December PPT
B. Low-income adjustment		To be discussed at December meeting.
C. Treatment of child care	Child care is not child support. No change in guidelines necessary to order child care separately.	
D. Pension deduction		December agenda item
E. Provide preamble about Income Shares		<i>Examples of language from other states in August PPT</i>



Assumptions and Format of Proposed Schedule

Major Assumptions of Proposed Schedule

- Reflects average child-rearing expenditures among families with the same combined income and number of children
- Based on estimates of child-rearing developed by Dr. Betson using Rothbarth methodology
- 2007 price levels
- Average child-rearing expenditures for ages 0-17 years old
- Does not consider extraordinary visitation or joint physical care
- Does not include child care expenses
- Does not include the child(ren)'s health insurance premiums
- Does not include the child(ren)'s extraordinary uncovered, medical expenses
- Does include the following expenditures based on the presumption that the custodial parent incurs some of the child(ren)'s uncovered medical expenses:
 - \$250 per year when there is 1 child
 - \$500 per year when there is 2 children
 - \$750 per year when there is 3 children
 - About \$775 per year when there is 4 children
 - About \$800 per year when there is 5 children

Alternative Formats of Proposed Schedule

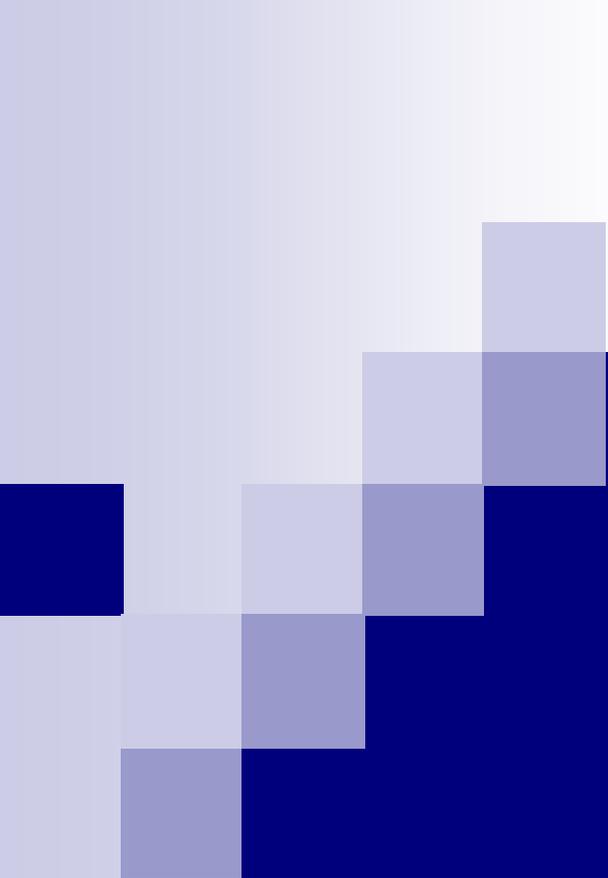
- Show income range, e.g., \$901 - \$1,000, which is format of current charts
- \$4,551-\$4,600 is calculated from \$4,575

4551 - 4600	923	1323	1542	1723	1895
4601 - 4650	926	1327	1546	1727	1900
4651 - 4700	930	1332	1551	1732	1906
4701 - 4750	935	1338	1558	1740	1914
4751 - 4800	939	1344	1565	1749	1923
4801 - 4850	944	1351	1573	1757	1932
4851 - 4900	948	1357	1580	1765	1941

- Show only one income, which is what most Income Shares Schedules do, and then develop an instruction to round (e.g., round to the nearest number)– note, that schedule prepared in Sept was in this format.

4550.00	921	1320	1540	1720	1892
4600.00	925	1325	1544	1725	1897
4650.00	928	1329	1548	1729	1902
4700.00	932	1335	1554	1736	1910
4750.00	937	1341	1562	1744	1919
4800.00	942	1348	1569	1752	1928
4850.00	946	1354	1576	1761	1937
4900.00	951	1360	1583	1769	1946

- \$50 or \$100 intervals



Low-Income Adjustment

Figures Relevant to Low-Income Adjustment

- Federal poverty level for one person (\$851 in 2007)
- Minimum wage = \$7.25 per hour (monthly equivalents of \$1,257 gross and \$1,073 net)
 - Effective January 2008 in Iowa
 - Effective July 2009 nationally

Overview of Typical Low-Income Adjustments in Pure Income Shares States

- Self support reserve test
 - incorporated into schedule (e.g., SC, NC)
 - incorporated into worksheet (e.g., VT, WV)
 - Principle is that noncustodial parent should be able to live at least at a sustainable level after payment of child support
- 10% minimum order below poverty (e.g., ME)
- Equalize income (e.g., CO, SD)

Most Income Shares schedules also include a minimum order

- Mode is \$50
- Few states use \$20 or 10%
- Uncommon for minimum order to vary by # of children

Illustration of Self Support Test in Worksheet

Example of a Self Support Reserve Test (adapted from the Vermont Child Support Guidelines Worksheet)			
	<i>Custodial Parent</i>	<i>Noncustodial Parent</i>	<i>Combined</i>
1. Monthly Net Income	\$800	\$1,200	\$2,000
2. Proportional share of income (Line 1 for each parent divided by line 1 "Combined")	40%	60%	100%
3. Basic Obligation from Schedule (2 children)			\$700
4. Parental Support Obligation (Line 2 for each parent multiplied by line 3)	\$280	\$420	
5. Self Support Reserve Amount		\$851	
6. Income Available for Support (Line 1 minus line 5)		\$349	
7. Monthly Support Payable (Enter the smaller of line 4 or line 6)		\$349	

NOTE: Noncustodial parent income only for the darker shaded areas of the schedule on the first page; combined parental income for the remainder of the schedule.

Self Support Test Is Typically Incorporated into schedule

When incorporated into schedule, most apply 90-95% of difference between after-tax income and poverty level to child support

Combined Adjusted Net Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
900.00	44	45	45	46	46	47
950.00	89	90	91	92	93	94
1000.00	134	136	137	139	140	142
1050.00	179	181	183	185	187	189
1100.00	224	227	229	232	234	237
1150.00	269	272	275	278	281	284
1200.00	303	318	321	325	328	332
1250.00	315	363	367	371	375	379
1300.00	327	409	413	418	422	427
1350.00	339	454	459	464	469	474
1400.00	352	500	505	511	516	522
1450.00	364	529	551	557	563	569
1500.00	376	547	597	604	610	617
1550.00	388	564	643	650	657	664
1600.00	400	582	687	697	704	712
1650.00	412	599	707	743	751	759
1700.00	424	616	727	790	798	807
1750.00	436	633	746	834	845	854
1800.00	448	650	766	856	892	902
1850.00	460	667	786	878	939	949
1900.00	472	684	806	901	986	997
1950.00	484	701	826	923	1015	1044
2000.00	496	718	846	945	1040	1092
2050.00	508	735	866	968	1064	1139
2100.00	520	753	886	990	1089	1184

Explanation of the Shaded Area (Green-colored area on previous page):

Excerpt adapted from South Carolina]: A self support reserve allows a low-income noncustodial parent to retain a minimal amount of income before being assessed a full percentage of child support. This insures that the noncustodial parent has sufficient income available to maintain a minimum standard of living which does not affect negatively his or her earning capacity, incentive to continue working, and ability to provide for him or herself. These Guidelines incorporate a self support reserve of \$851.00 per month. In order to safe guard the self support reserve in cases where the noncustodial parent's income and corresponding number of children fall within the shaded area of the Schedule of Basic Child Support Obligations, the support obligation must be calculated using the noncustodial parent's income only. To include the custodial parent's income in the calculation of such cases would reduce the noncustodial parent's net income below the self support reserve.

Can also be emboldened.

[Excerpt from South Dakota] .. the obligation using only the noncustodial parent's monthly net income is an obligation within the emboldened areas of the schedule, that amount shall be compared to the noncustodial parent's proportionate share using both parents' monthly net incomes. The lesser amount establishes the noncustodial parent's child support order.

Utah Uses 2 tables instead of shaded area

Excerpt from Utah (4) In cases where the monthly adjusted gross income of either parent is between \$650 and \$1,050, the base child support award shall be the lesser of the amount calculated in accordance with Subsection (2) and the amount calculated using the low income table. If the income and number of children is found in an area of the low income table in which no amount is shown, the base combined child support obligation table is to be used.

Base Combined Child Support Obligation

Monthly Combined Adj. Gross Income	Number of Children					
	1	2	3	4	5	6
650 - 675	99	184	191	198	200	201
676 - 700	103	190	198	205	207	209
701 - 725	106	197	205	212	214	216

Low-Income Table

Monthly Combined Adj. Gross Income	Number of Children						
	1	1	2	3	4	5	6
From To							
0 - 649	30	30	30	30	30	30	30
650 - 675	30	30	30	30	31		31
676 - 700	58	60	60	61	61		62
701 - 725	88	88	90	91	92		92
726 - 750	117	118	119	120	122		123

Proposed, Low-Income Adjustment (See Attachment A for schedule)

ATTACHMENT A: Draft: December 11, 2007

 =area adjusted for low-income**

 45%**

Iowa
Proposed Pure Income Shares Schedule of Basic Support Obligations

Combined Adjusted Net Income	One Child	Two Children	Three Children	Four Children	Five Children
0 - 100	10	20	30	35	40
101 - 200	10	20	30	35	40
201 - 300	20	30	30	45	50
301 - 400	30	40	40	55	60
401 - 500	40	50	50	65	70
501 - 600	50	60	70	75	80
601 - 700	60	70	80	85	90
701 - 800	70	80	90	95	100
801 - 850	80	90	100	105	110
851 - 900	85	95	105	110	115
901 - 950	90	100	110	115	120
951 - 1000	95	105	120	130	145
1001 - 1050	120	135	153	163	178
1051 - 1100	145	165	185	195	210
1101 - 1150	170	195	218	228	243
1151 - 1200	195	225	250	260	275
1201 - 1250	220	255	283	293	308
1251 - 1300	245	285	315	325	340
1301 - 1350	270	315	348	358	373
1351 - 1400	295	345	380	390	405
1401 - 1450	320	375	413	423	438
1451 - 1500	345	405	445	455	470
1501 - 1550	370	435	478	488	503
1551 - 1600	395	465	510	520	535
1601 - 1650	406	495	543	553	568
1651 - 1700	418	525	575	585	600
1701 - 1750	430	555	608	618	633
1751 - 1800	442	585	640	650	665
1801 - 1850	454	615	673	683	698
1851 - 1900	466	645	705	715	730
1901 - 1950	478	675	738	748	763
1951 - 2000	490	705	770	780	795
2001 - 2050	502	727	803	813	828
2051 - 2100	514	744	835	845	860
2101 - 2150	526	761	868	878	893
2151 - 2200	538	778	900	910	925
2201 - 2250	550	795	933	943	958
2251 - 2300	562	813	957	975	990
2301 - 2350	574	831	978	1008	1023
2351 - 2400	586	848	999	1040	1055
2401 - 2450	598	866	1020	1067	1088
2451 - 2500	610	883	1041	1089	1120
2501 - 2550	622	901	1061	1111	1153
2551 - 2600	634	919	1082	1133	1159
2601 - 2650	647	936	1103	1155	1181
2651 - 2700	659	954	1124	1177	1204

Principles of Adjustment (See Attachment B for more context)

Minimum order of about 10-20%

- minimum order varies by # of children
- incentive to earn more money (i.e., \$100 increase in income increases support by \$5-\$10)

Quick Phase-out. Once NCP has income above poverty after payment of child support, which is at about \$1,000 per month), work incentive phases to \$25-\$32.5 increase in support for \$50 increase in income. This low-income adjustment phases out at 1600 for 1 child & \$2050 for 2 children.

Support Does Not Exceed Income Withholding Limit (Yellow area)

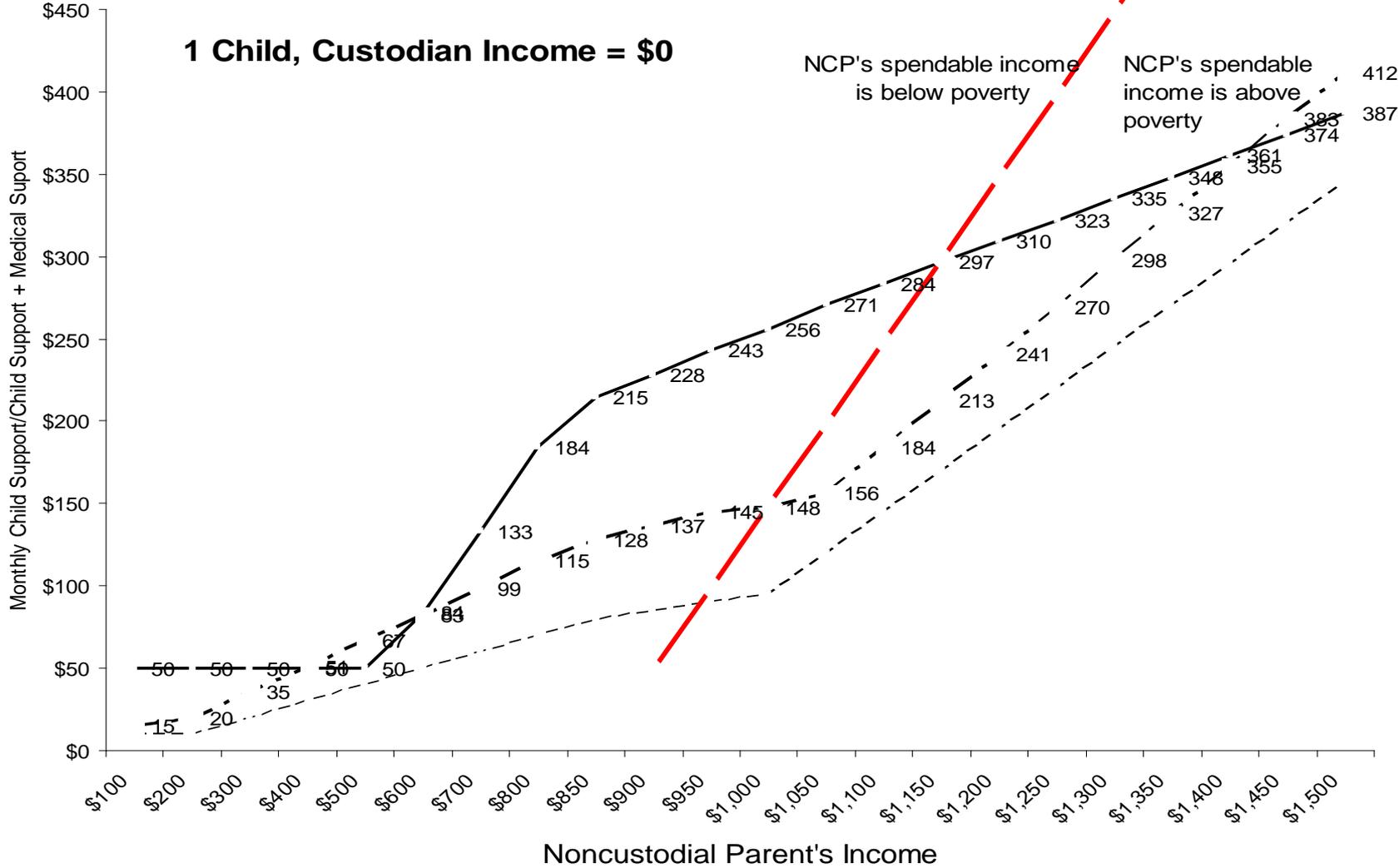
Families with 4 or 5- children at this income level devote about 50%+ of their income to child-rearing expenditures. State withhold more than 50% of disposable income from noncustodial parent's paycheck. 5-child amount is set at 45% (assuming 5% for medical support will be added); 4-child amount set at 44%.

- 4-child adjustment is phased out at \$3,450
- 5-child adjustment is phased out at \$4,050

Low-Income Adjustment: Side-by-Side Comparisons (Full Comparison is in Attachment C)

Attachment C: Custodial Parent Has No Income, Does Not Consider Medical Support															
Combined Adjusted Net Income	One Child			Two Children			Three Children			Four Children			Five Children		
	Proposed w/ Low-Income Adjust-ment	Pure Betson-Rothbarth	Amount from Existing Chart	Proposed w/ Low-Income Adjust-ment	Pure Betson-Rothbarth	Amount from Existing Chart	Proposed w/ Low-Income Adjust-ment	Pure Betson-Rothbarth	Amount from Existing Chart	Proposed w/ Low-Income Adjust-ment	Pure Betson-Rothbarth	Amount from Existing Chart	Proposed w/ Low-Income Adjust-ment	Pure Betson-Rothbarth	Amount from Existing Chart
0 - 100	10	NA	50	20	NA	75	30	100	35	NA	125	40	NA	125	
101 - 200	10	NA	50	20	NA	75	30	100	35	NA	125	40	NA	125	
201 - 300	20	NA	50	30	NA	75	30	100	45	NA	125	50	NA	125	
301 - 400	30	NA	50	40	NA	75	40	100	55	NA	125	60	NA	125	
401 - 500	40	NA	50	50	NA	75	50	100	65	NA	125	70	NA	125	
501 - 600	50	NA	84	60	NA	120	70	150	75	NA	192	80	NA	192	
601 - 700	60	NA	133	70	NA	189	80	231	85	NA	287	90	NA	287	
701 - 800	70	193	184	80	282	256	90	335	304	95	374	376	100	411	376
801 - 850	80	211	215	90	308	313	100	366	366	105	409	432	110	449	432
851 - 900	85	223	228	95	326	331	105	387	387	110	432	457	115	475	457
901 - 950	90	235	243	100	344	352	110	407	410	115	455	486	120	500	486
951 - 1000	95	248	256	105	361	371	120	428	432	130	478	512	145	526	512
1001 - 1050	120	260	271	135	379	391	153	449	457	163	501	541	178	551	541
1051 - 1100	145	272	284	165	397	409	185	470	479	195	525	567	210	577	567
1101 - 1150	170	284	297	195	414	428	218	490	500	228	548	592	243	602	592
1151 - 1200	195	297	310	225	432	446	250	511	522	260	571	618	275	628	618
1201 - 1250	220	309	323	255	450	465	283	532	544	293	594	644	308	653	644
1251 - 1300	245	321	335	285	467	484	315	553	566	325	617	670	340	679	670
1301 - 1350	270	333	348	315	485	502	348	573	587	358	640	695	373	704	695
1351 - 1400	295	346	361	345	503	521	380	594	609	390	664	721	405	730	721
1401 - 1450	320	358	374	375	520	539	413	615	631	423	687	747	438	756	747
1451 - 1500	345	370	387	405	538	558	445	636	653	455	710	773	470	781	773
1501 - 1550	370	382	400	435	556	577	478	656	674	488	733	798	503	807	798
1551 - 1600	395	395	413	465	573	595	510	677	696	520	756	824	535	832	824
1601 - 1650	406	406	426	495	590	614	543	697	718	553	778	850	568	856	850
1651 - 1700	418	418	439	525	607	632	575	717	740	585	801	876	600	881	876

1 Child, Custodian Income = \$0

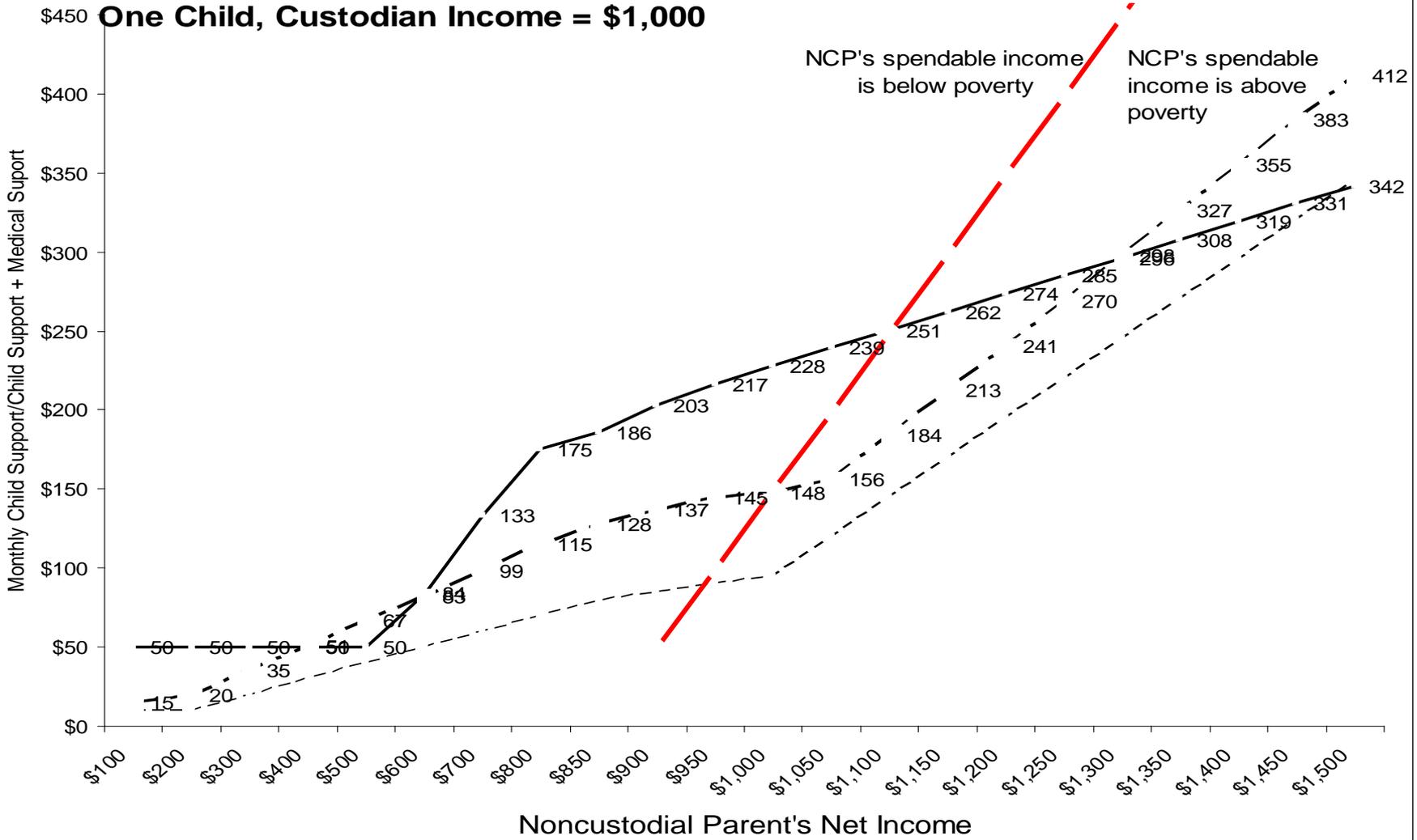


— Existing - - - - Proposed w/o Medical Support - . - . Proposed + Medical Support - - - Poverty Line





One Child, Custodian Income = \$1,000



NCP's spendable income is below poverty

NCP's spendable income is above poverty

— Existing - - - - Proposed w/o Medical Support — Proposed + Medical Support - - - - Poverty Line

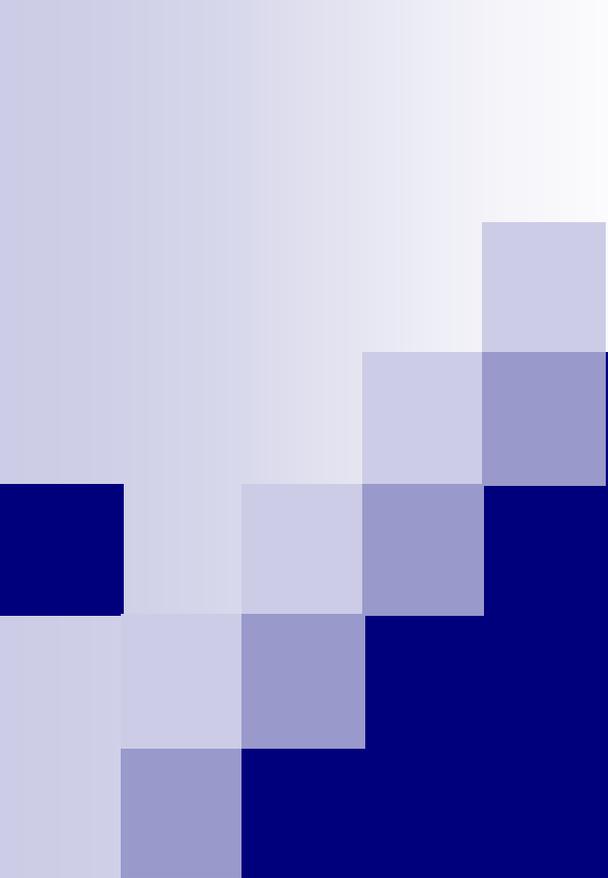


Possible Changes to the Low-Income Adjustment

- *Beware that There Are Trade-Offs*
 - Can't bring both households above poverty income
 - Can't gradually phase-out low-income adjustment & only apply the adjustment to incomes below poverty incomes
 - Can't increase the amount for more children & allow noncustodial parent sufficient income to live above poverty

- *If Proposed Low-Income Adjustment Appears too Low, It Can Be Increased by.....*
 - Increasing minimum support orders (but this will leave more noncustodial parents with income below poverty)
 - Increasing dollar level of phase-out, e.g., child support increases by \$40 for every \$50 increase in income (but this will reduce work incentive)

- *If Proposed Low-Income Adjustment Appears too High, It Can Be Reduced by.....*
 - Reducing minimum support orders
 - Reducing dollar level of phase-out, e.g., child support increases by \$10 for every \$50 increase in income (but this will phase-in the obligations based on actual child-rearing expenditures at higher incomes, e.g., high \$2,000s to \$3,000)



Joint Physical Care

Offset Formula verses Cross-Credit

Offset (Iowa 9.14)

- Calculate order for each parent
- Offset them
- Parent with greater income owes the other parent

Cross-Credit

- Same as offset, except 2 additional steps
 - Weigh dummy order by percent of time
 - Use 1.5 multiplier to account for about 50% of child-rearing expenses being devoted to items duplicated between the households, e.g., housing, transportation, so most states multiple the basic obligation by 150%.

Advantage of cross-credit is that it can be used for time-sharing arrangements other than 50-50%. Advantage of offset is fewer steps.

Excerpt of Worksheet with Cross-Credit

See MN, NM, SD, CO, NE, VT, UT, OR, NC, SC, WV for examples of other worksheets.

Line Reference		Mother	Father	Combined
1	Monthly Combined Net Income			
2	PERCENTAGE SHARE OF INCOME (Each parent's income from line 1 divided by Combined Income)			
3	BASIC OBLIGATION (Use line 1 to find amount from Child Support Schedule.)			
4	Shared Custody Basic Obligation (line 3 x 1.5)			
5	Each Parent's Share (Line 4 x each parent's line 2)			
6	Overnights with Each Parent (must total 365)			365
7	Percentage Time with Each Parent (Line 6 divided by 365)			100%
8	Amount Retained (Line 5 x Line 7 for each parent)			
9	Each Parent's Obligation (Line 5 – Line 8)			
10	AMOUNT TRANSFERRED FOR BASIC OBLIGATION (Subtract smaller amount on line 9 from larger amount on line 9. Parent with larger amount on line 9 owes the other parent the difference.)			

Proposed Language for Offset that Conforms to Pure Income Shares

Rule 9.14 Joint physical care. In cases of court-ordered joint (equally shared) physical care, child support shall be calculated using worksheet xx in the following manner: compute the child support required by these guidelines for each party assuming the other is the custodial parent; Offset the two amounts obligations on line 9 as a method of payment; and the net difference on line 10 shall be paid by the party with the higher child support obligation unless variance is warranted under rule 9.11. The offset method of payment cannot be used if public assistance is expended.

Excerpts from State Guidelines Explaining Cross-Credit & Multiplier (1 of 2)

[Excerpt from South Dakota] In a shared responsibility situation, unless the parties otherwise agree and the agreement is approved by the court, the court may, if deemed appropriate under the circumstances, order a shared responsibility cross credit. The cross credit shall be calculated by multiplying the combined child support obligation using both parents' monthly net incomes by 1.5 to arrive at a shared custody child support obligation. The shared custody child support obligation shall be apportioned to each parent according to his or her net income. A child support obligation is computed for each parent by multiplying that parent's portion of the shared custody child support obligation by the percentage of time the child spends with the other parent. The respective child support obligations are offset, with the parent owing more child support paying the difference between the two amounts. It shall be presumed that the shared responsibility parenting plan is exercised. If the parenting plan exercised substantially deviates from the parenting plan ordered, either party may file a petition for modification without showing any other change in circumstances.

[Excerpt from North Carolina] Use Worksheet B when (a) the parents share custody of all of the children for whom support is being determined, or (b) when one parent has primary physical custody of one or more of the children and the parents share custody of another child. Parents share custody of a child if the child lives with each parent for at least 123 nights during the year and each parent assumes financial responsibility for the child's expenses during the time the child lives with parent. A parent does not have shared custody of a child when that parent has visitation rights that allow the child to spend less than 123 nights per year with the parent and the other parent has primary physical custody of the child. Shared custody is determined without regard to whether a parent has primary, shared, or joint legal custody of a child. not apply the self-sufficiency reserve incorporated into the shaded area of the schedule when using Worksheet B. In cases involving shared custody, the parents' combined basic support obligation is increased by 50% multiplied by 1.5) and is allocated between the parents based on their respective incomes and the amount of time the children live with the other parent. The adjustment based on the amount of time the children live with the other parent calculated for all of the children regardless of whether a parent has primary, shared, or split custody of a child. After child support obligations are calculated for both parents, the parent with the higher child support obligation is ordered to pay the difference between his or her presumptive child support obligation and the other parent's presumptive child support obligation. Use Worksheet C when primary physical custody of two or more children is split between the parents. Split

Excerpts from State Guidelines Explaining Cross-Credit & Multiplier (2 of 2)

(from Oregon)

Parenting Time Credit

(1) This rule applies when the overall parenting time calculated pursuant to OAR 137-050-0450 is 25 percent or greater for each parent.

(2) Parent B will be entitled to a parenting time credit for joint minor children only and will be calculated as follows:

(a) Multiply the Basic Child Support Obligation for Joint Minor Child(ren), from OAR 137-050-0330 section (7), by 1.5 (150%).

(b) Multiply each parents percentage share of income by the amount in subsection (a).

(c) Multiply the amount for each parent in subsection (b) by the percentage time with each parent.

(d) Subtract the amount in subsection (c) from the amount in subsection (b) for each parent.

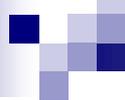
(3) If the parenting time is equal, the expenses for the children are equally shared and the adjusted gross incomes of the parents also are equal, no support shall be paid.

(4) If the parenting time is equal but the parents adjusted gross incomes are not equal, the parent having the greater adjusted gross income shall be obligated for the amount of basic child support needed to equalize the basic child support to each parent, calculated as follows:

(a) After the basic child support obligation has been prorated between the parents, subtract the lower amount from the higher amount and divide the balance in half.

(b) The resulting figure is the obligation after parenting time credit for the parent with the greater adjusted gross income.

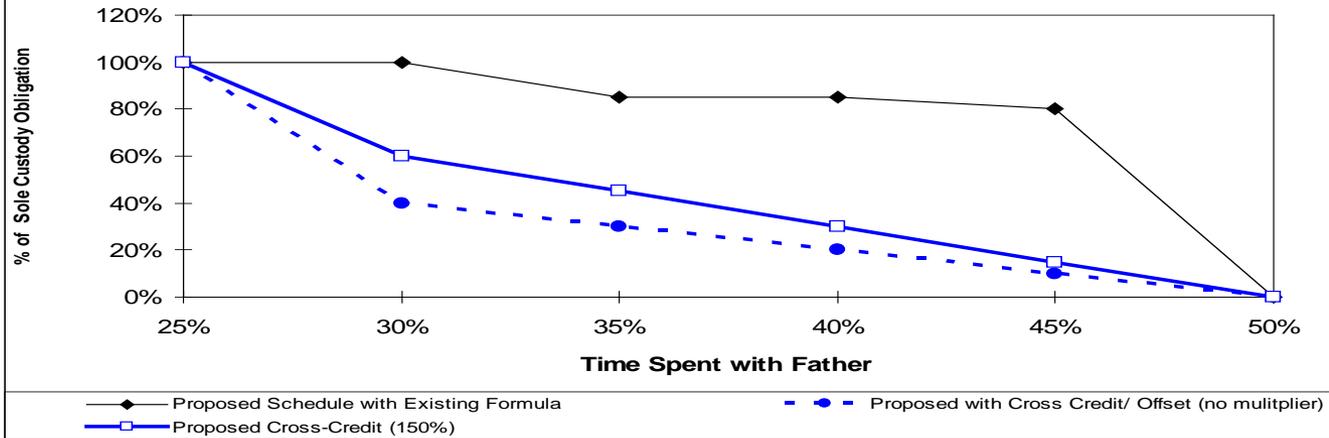
(5) This parenting time credit reflects the presumption that while exercising parenting time, a parent is responsible for and incurs the costs of caring for the child, including but not limited to, food, clothing, transportation, recreation and household expenses.



Excerpt from Vermont on gross to after-tax conversion in Joint Physical Custody

(iii) for parents who share custody as defined in section 657 of this title, using the standard deduction, head of household filing status and one exemption for the parent and an equal share of the exemptions attributable to the children who are the subject of the order, plus earned income tax credits if applicable.

Case A: Effect of Shared Parenting Adjustments on Order Amounts
Equal Incomes; 2 Children
Both Parents Net Incomes = \$3,500 per month

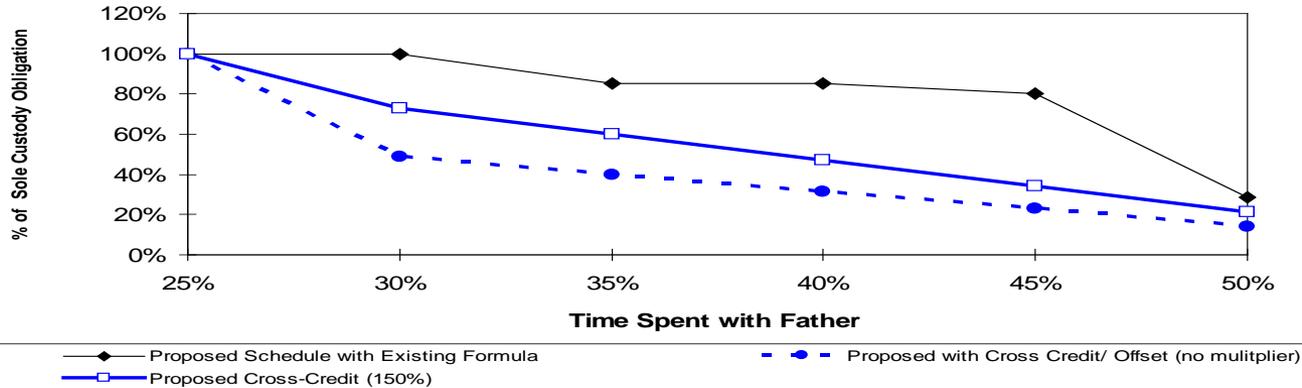


Case A: Comparison of Shared Custody Formulas							
Father's Monthly Net Income = \$3,500, Mother's Monthly Gross Income = \$3,500							
Support Due (\$\$ per month)				% of Sole Custody Obligation			
Timesharing Arrangement (Percent)	Proposed Schedule with Existing Formula	Proposed with Cross Credit/ Offset (no multiplier)	Proposed Cross-Credit (150%)	Timesharing Arrangement (Percent)	Proposed Schedule with Existing Formula	Proposed with Cross Credit/ Offset (no multiplier)	Proposed Cross-Credit (150%)
25% (91 days)	\$826	\$826	\$826	25%	100%	100%	100%
30% (110 days)	\$826	\$330	\$496	30%	100%	40%	60%
35% (128 days)	\$702	\$248	\$372	35%	85%	30%	45%
40% (146 days)	\$702	\$165	\$248	40%	85%	20%	30%
45% (164 days)	\$661	\$83	\$124	45%	80%	10%	15%
50% (182.5 days)	\$0	\$0	\$0	50%	0%	0%	0%

Case B: Effect of Shared Parenting Adjustments on Order Amounts

2 Children

Father's Income = \$3,500, Mother's Income = \$2,500



Case B:

Comparison of Shared Custody Formulas

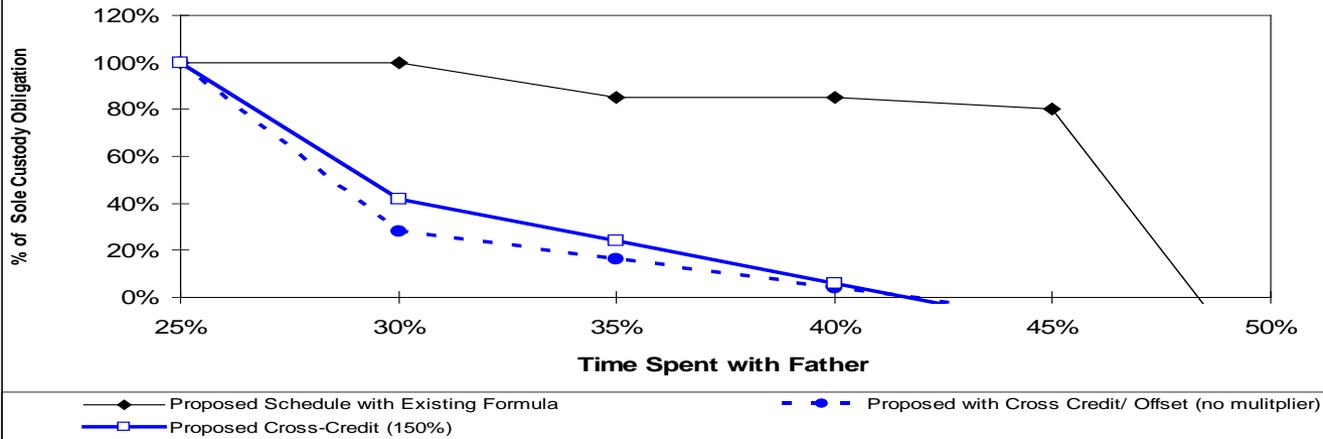
Father's Monthly Net Income = \$3,500, Mother's Monthly Gross Income = \$2,500

Support Due (\$ per month)				% of Sole Custody Obligation			
Timesharing Arrangement (Percent)	Proposed Schedule with Existing Formula	Proposed with Cross Credit/ Offset (no multiplier)	Proposed Cross-Credit (150%)	Timesharing Arrangement (Percent)	Proposed Schedule with Existing Formula	Proposed with Cross Credit/ Offset (no multiplier)	Proposed Cross-Credit (150%)
25% (91 days)	\$880	\$880	\$880	25%	100%	100%	100%
30% (110 days)	\$880	\$428	\$641	30%	100%	49%	73%
35% (128 days)	\$748	\$352	\$528	35%	85%	40%	60%
40% (146 days)	\$748	\$277	\$415	40%	85%	31%	47%
45% (164 days)	\$704	\$201	\$302	45%	80%	23%	34%
50% (182.5 days)	\$252	\$126	\$189	50%	29%	14%	21%

Case C: Effect of Shared Parenting Adjustments on Order Amounts

2 Children

Father's Income = \$2,500, Mother's Income = \$3,500



Case C:

Comparison of Shared Custody Formulas

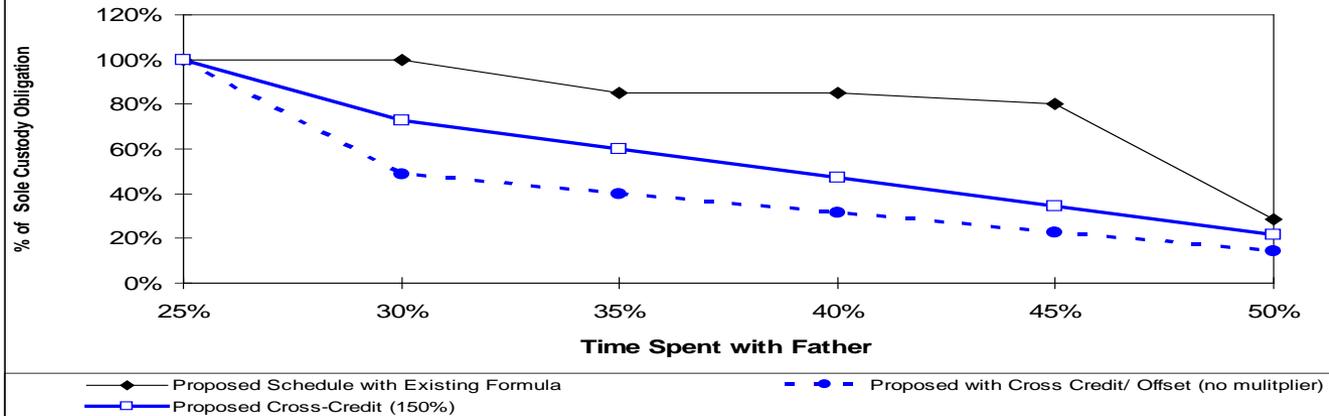
Father's Monthly Net Income = \$2,500, Mother's Monthly Gross Income = \$3,500

Support Due (\$ per month)				% of Sole Custody Obligation			
Timesharing Arrangement (Percent)	Proposed Schedule with Existing Formula	Proposed with Cross Credit/ Offset (no multiplier)	Proposed Cross-Credit (150%)	Timesharing Arrangement (Percent)	Proposed Schedule with Existing Formula	Proposed with Cross Credit/ Offset (no multiplier)	Proposed Cross-Credit (150%)
25% (91 days)	\$629	\$629	\$629	25%	100%	100%	100%
30% (110 days)	\$629	\$176	\$264	30%	100%	28%	42%
35% (128 days)	\$534	\$101	\$151	35%	85%	16%	24%
40% (146 days)	\$534	\$25	\$38	40%	85%	4%	6%
45% (164 days)	\$503	-\$50	-\$75	45%	80%	-8%	-12%
50% (182.5 days)	-\$252	-\$126	-\$189	50%	-40%	-20%	-30%

Case D: Effect of Shared Parenting Adjustments on Order Amounts

2 Children

Father's Income = \$3,500, Mother's Income = \$1,000

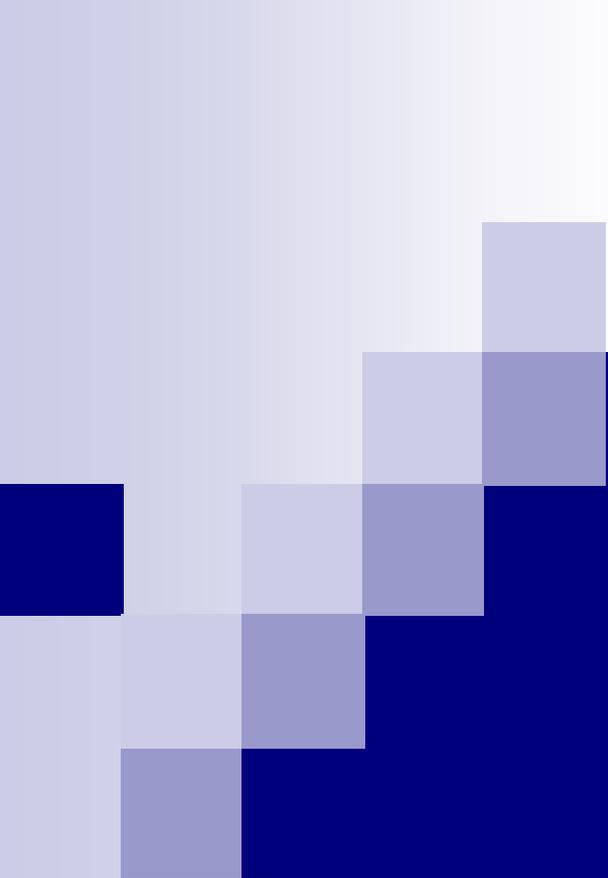


Case D:

Comparison of Shared Custody Formulas

Father's Monthly Net Income = \$3,500, Mother's Monthly Gross Income = \$1,000

Support Due (\$\$ per month)				% of Sole Custody Obligation			
Timesharing Arrangement (Percent)	Proposed Schedule with Existing Formula	Proposed with Cross Credit/ Offset (no multiplier)	Proposed Cross-Credit (150%)	Timesharing Arrangement (Percent)	Proposed Schedule with Existing Formula	Proposed with Cross Credit/ Offset (no multiplier)	Proposed Cross-Credit (150%)
25% (91 days)	\$767	\$767	\$767	25%	100%	100%	100%
30% (110 days)	\$767	\$372	\$558	30%	100%	49%	73%
35% (128 days)	\$652	\$307	\$460	35%	85%	40%	60%
40% (146 days)	\$652	\$241	\$361	40%	85%	31%	47%
45% (164 days)	\$613	\$175	\$263	45%	80%	23%	34%
50% (182.5 days)	\$219	\$110	\$164	50%	29%	14%	21%



Language from Other States

Treatment of Health Insurance

Examples of how state guidelines calculate child's share of family health insurance premium (1 of 2).

Missouri 11a. Health, Dental, Orthodontic and Optometric Premiums

The cost to the parent or parent's household to provide for health, dental, orthodontic or optometric insurance coverage for the child is to be added to the Gross Child Support Obligation. If coverage is provided without cost to the parents or parent's household, then zero should be entered as the amount. If there is a cost, the amount to be used on Line D.4 is the actual cost for the child or children if it is itemized. If the cost is not itemized, the child's pro rata share of the costs of family coverage, over the cost of a single policy, may be used.

Arizona

DETERMINING THE TOTAL CHILD SUPPORT OBLIGATION

To determine the Total Child Support Obligation, the court:

- A. Shall add to the Basic Child Support Obligation the cost of the children's medical, dental and/or vision insurance coverage, if any (this provision does not imply any obligation of either parent to provide dental or vision insurance). In determining the amount to be added, only the amount of the insurance cost attributable to the children subject of the child support order shall be included. If coverage is applicable to other persons, the total cost shall be prorated by the number of persons covered. The court may decline to credit a parent for medical, dental and/or vision insurance coverage obtained for the children if the coverage is not valid in the geographic region where the children reside.

EXAMPLE: Through an employment-related insurance plan, a parent provides medical insurance that covers the parent, one child who is the subject of the child support case and two other children. Under the plan, the cost of an employee's individual insurance coverage would be \$50. This parent instead pays a total of \$170 for the "family option" that provides coverage for the employee and any number of dependents. Calculate the adjustment for medical insurance as follows: Subtract the \$50 cost of individual coverage from the \$170 paid for the "family option" to find the cost of dependent coverage. The \$120 remainder then is divided by three -- the number of covered dependents. The resulting \$40 is added to the Basic Child Support Obligation as the cost of medical insurance coverage for the one child.

Examples of how state guidelines calculate child's share of family health insurance premium (2 of 2).

South Carolina

G. Health Insurance.

The court shall consider provisions for adequate health insurance coverage for children in every child support order. Ordinarily, the court should require coverage by that parent who can obtain the most comprehensive coverage through an employer, or otherwise, at the most reasonable cost. If either parent carries health insurance for the child(ren) who is to receive support, the cost of the coverage should be added. If the employer provides some measure of coverage, only that amount actually paid by the employee or contributed by the employee should be added. Note that the portion of the health insurance premium which covers the children is the only expense that should be added. If this amount cannot be verified, the total cost of the premium should be divided by the total number of persons covered by the policy and then multiplied by the number of children in the support order. Whichever party is responsible for paying the health insurance premium will receive a credit.

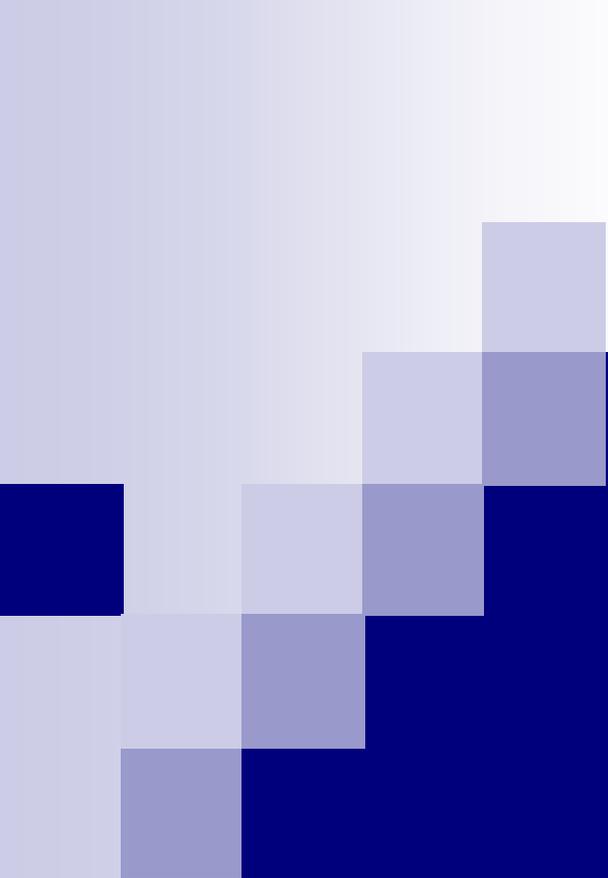
North Carolina

AOC-A-126 Health Insurance and Health Care Costs

The amount that is, or will be, paid by a parent (or a parent's spouse) for health (medical, or medical and dental) insurance for the children for whom support is being determined is added to the basic child support obligation and prorated between the parents based on their respective incomes. Payments that are made by a parent's (or stepparent's) employer for health insurance and are not deducted from the parent's (or stepparent's) wages are not included. When a child for whom support is being determined is covered by a family policy, only the health insurance premium actually attributable to that child is added. If this amount is not available or cannot be verified, the total cost of the premium is divided by the total number of persons covered by the policy and then multiplied by the number of covered children for whom support is being determined.

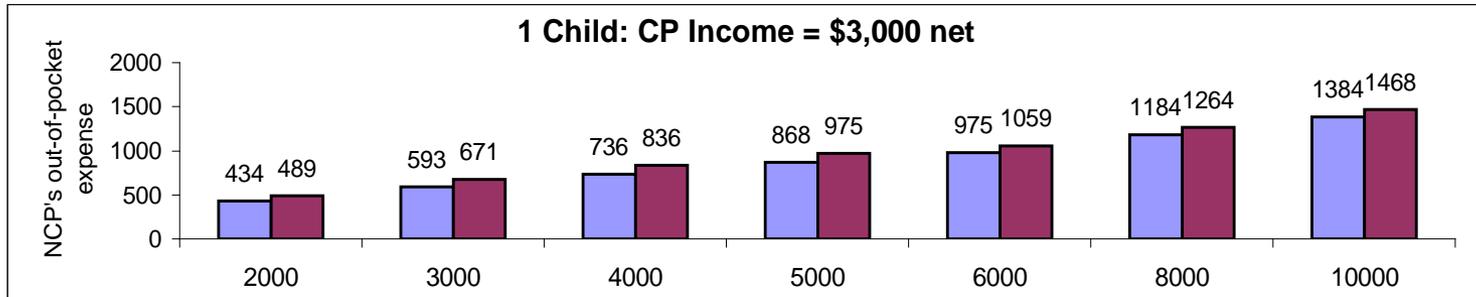
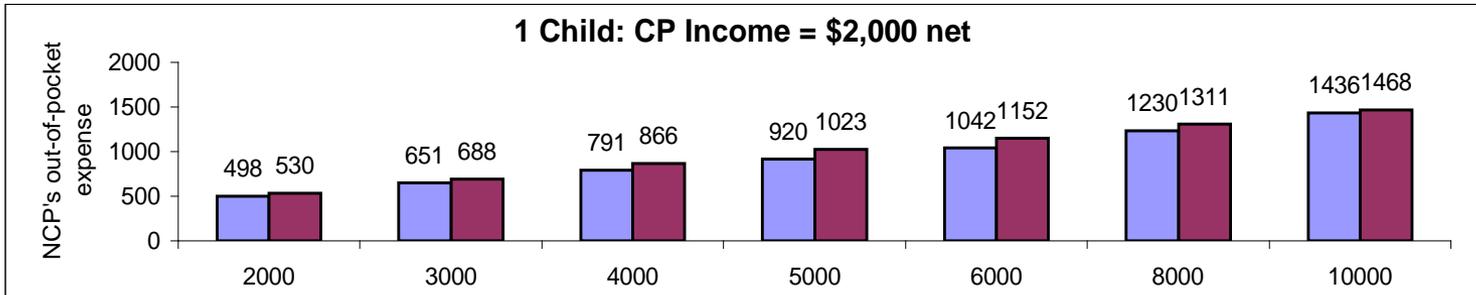
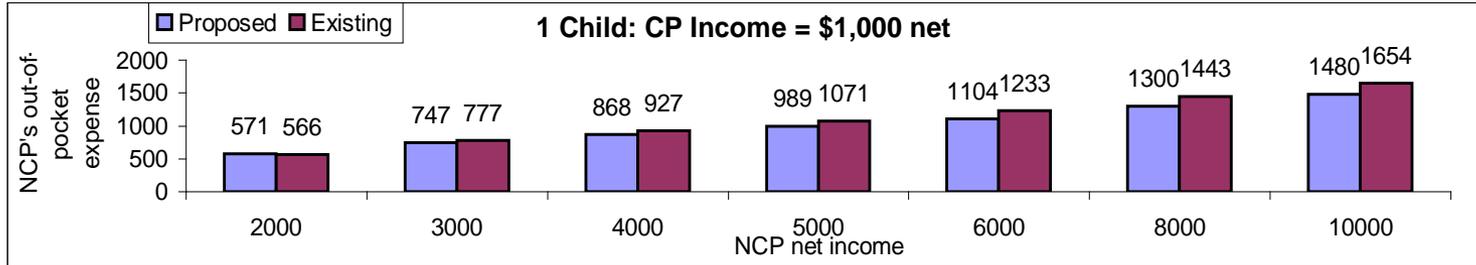
Oregon

(2) Determine the cost to the parent of carrying health care coverage for only the parent's joint child(ren). If family coverage is provided for joint child(ren) and other family members, prorate the out-of-pocket cost of health care coverage for joint child(ren) only.



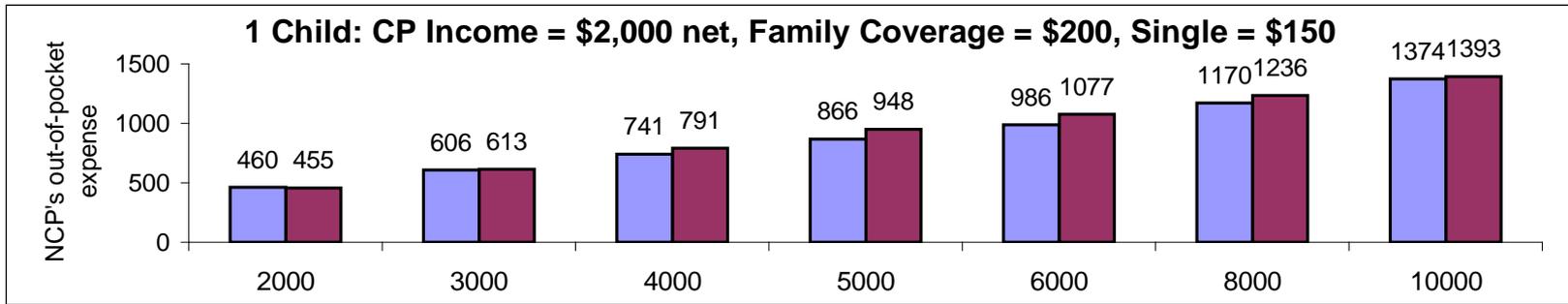
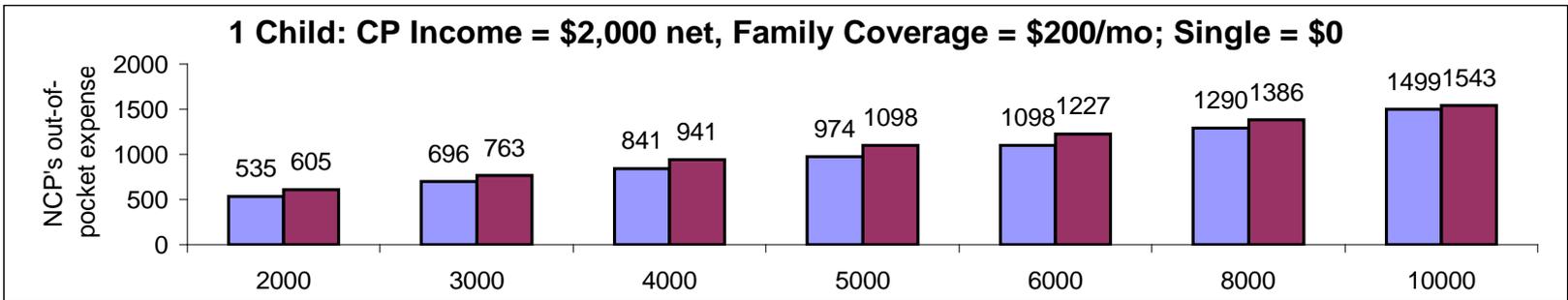
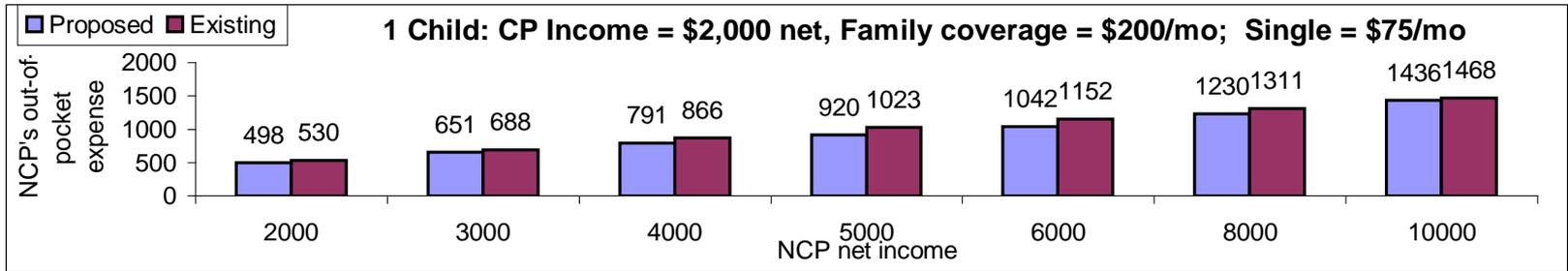
More Case Examples

NCP Carries Insurance; NCP's Order + NCP's net expenses for child's insurance (See attachment D, Case Series A)

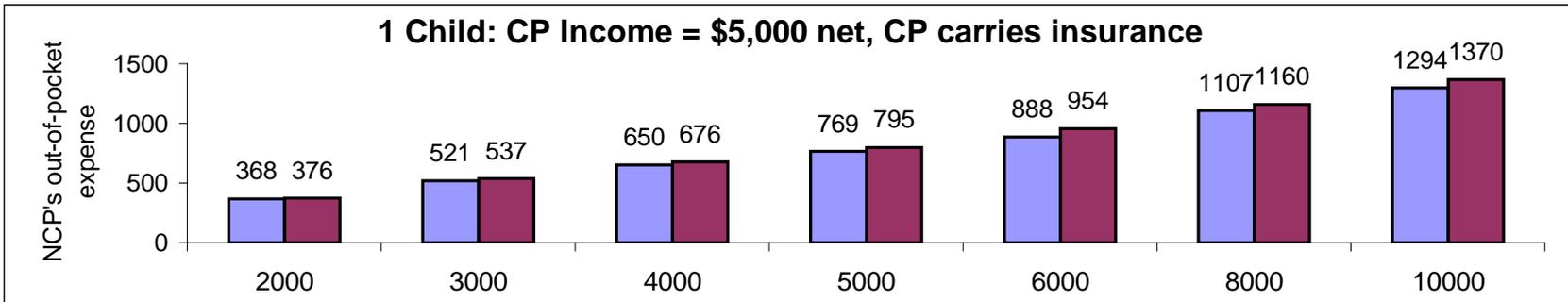
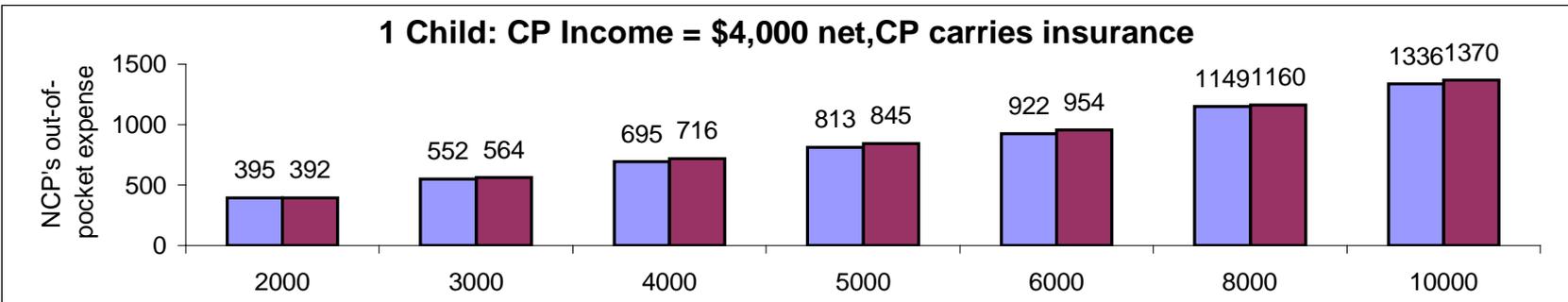
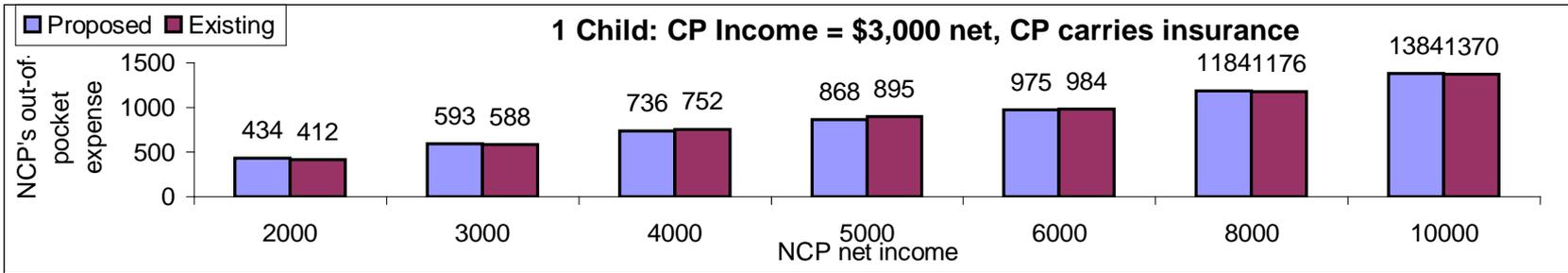


Difference between existing and proposed varies depending on insurance costs.

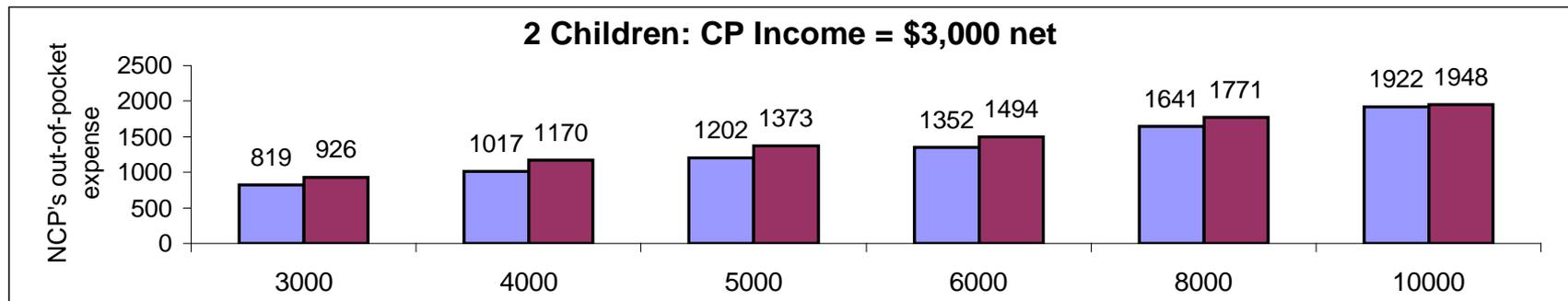
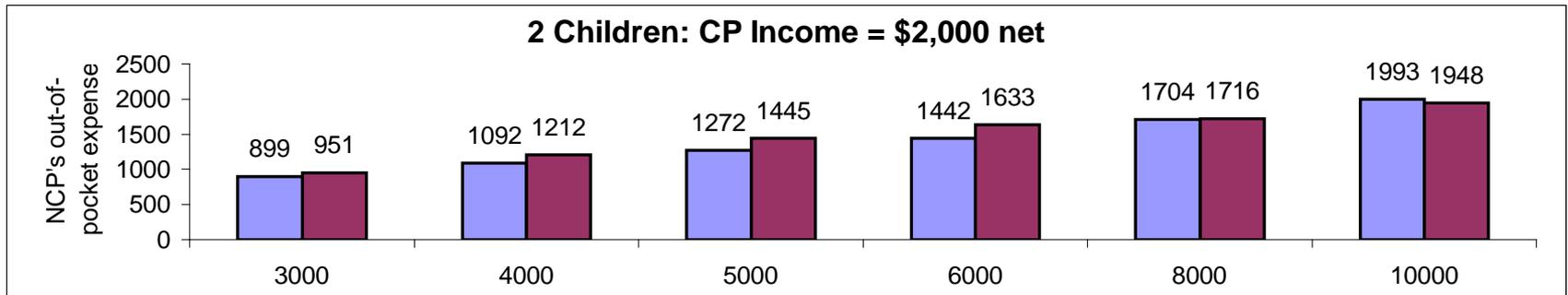
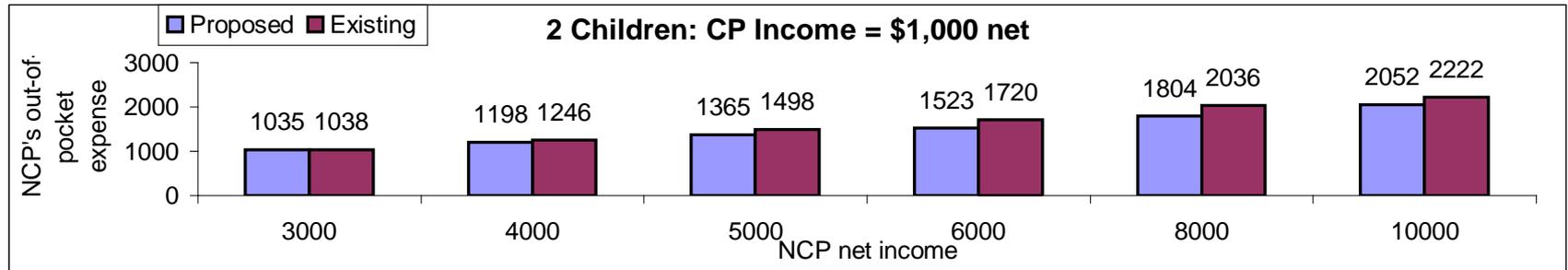
(See attachment D, Case Series B)

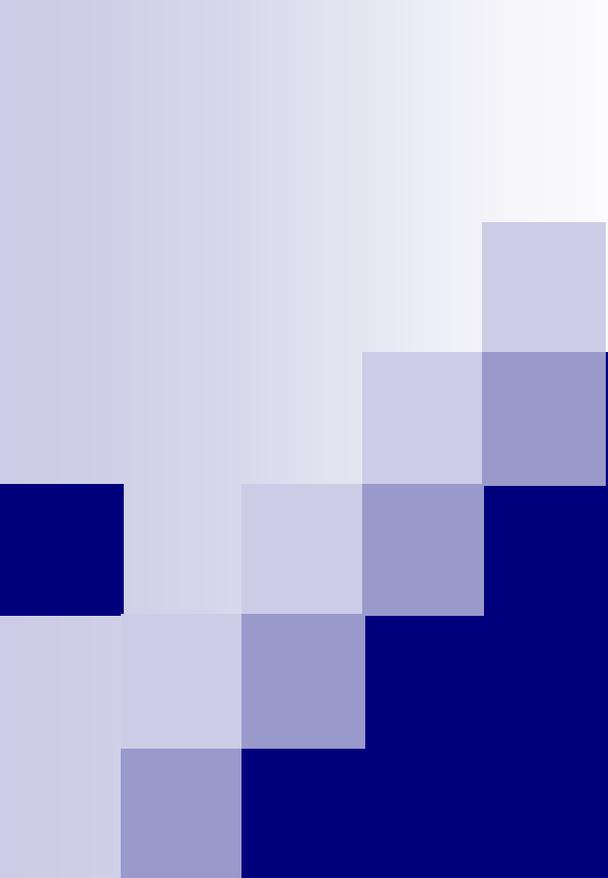


Gap between Existing and Proposed Changes when CP carries insurance (See attachment D, Case Series C)



2-Child Example (See attachment D, Case Series D)





Worksheets

Recommend that this worksheet calculation is explicitly provided in guidelines.

	<i>Custodial Parent</i>	<i>Noncustodial Parent</i>	<i>Combined</i>
1. Monthly Net Income	\$800	\$1,200	\$2,000
2. Proportional share of income (Line 1 for each parent divided by line 1 "Combined")	40%	60%	100%
3. Basic Obligation from Schedule (2 children)			\$700
4. Noncustodial Parent's Support Obligation (Line 2 multiplied by line 3)		\$420	

Example of Explanation of Income Shares Calculation in Guidelines Narrative

District of Columbia

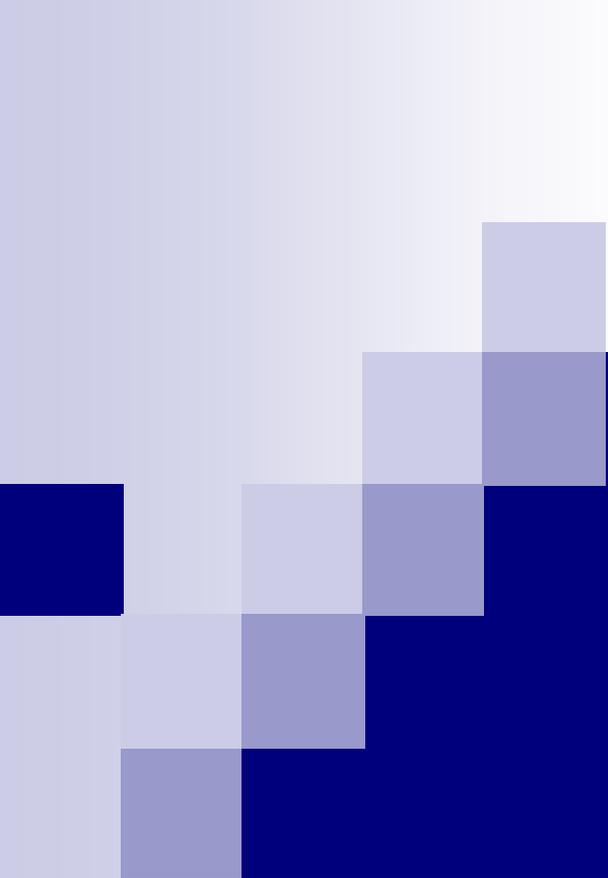
- (e) Basic child support obligation. The basic child support obligation shall be determined in accordance with the Schedule of Basic Child Support Obligations in subsection (2) of this section. The basic child support obligation shall be divided between the parents in proportion to their respective adjusted gross incomes.
- (g) Calculation of Basic Child Support Obligation (Worksheet A) Except in cases of Shared Physical Custody as defined in section (o), Worksheet A found in section (u) shall be used in conjunction with the following steps to calculate the basic child support obligation to be paid by the parent with a legal duty to pay support.
- (1) Determine each parent's adjusted gross income according to section (d-1)
 - (2) Using the parents' combined adjusted gross income, locate the basic child support obligation from the Schedule of Child Support Obligations in subsection (e)(2).
 - (3) Calculate each parent's percentage share of combined adjusted gross income by dividing each parent's adjusted gross income by the combined adjusted gross income.
 - (4) Multiply the basic child support obligation from step 2 by each parent's percentage share of combined adjusted gross income from step 3 to determine each parent's share of the basic child support obligation. When the parents do not have Shared Physical Custody as defined in subparagraph (o) below the parent with whom the child does not primarily reside shall be the parent with a legal duty to pay support. The parent with a legal duty to pay support shall pay his or her share of the basic child support obligation to the other parent. Additional costs, if any, for health insurance premiums, extraordinary medical expenses, and child care shall be added to this amount according to subsections (h) through (j). The parent with whom the child primarily resides shall be presumed to spend his or her share directly on the child.

Example of Explanation of Income Shares Calculation in Guidelines Narrative

[Excerpt from Nebraska]

F. Monthly Support. The combined monthly net income of both parties from line 4 of worksheet 1 is compared to table 1. For example, if the combined monthly net income was \$1,500 and there were three children, we would find \$530 as the child support from table 1 (read across the table from \$1,500 to the "Three Children" column to find \$530).

G. Parent's Monthly Share. This is the child support amount from line 7, worksheet 1, multiplied by the percentage contribution of each parent from line 6, worksheet 1. In our example, if F had a monthly net income of \$1,000 and M had a monthly income of \$500, each parent's monthly share would be \$355.10 for F (.67 times \$530) and \$174.90 for M (.33 times \$530). F would be required to pay M \$355.10 per month in the event M was awarded custody of the children.



Re-Inventory & Next Steps