

FCIC - Child Support Guidelines Review Subcommittee

August 24, 2020

10:00 a.m. – 3:00 p.m.

Virtual Meeting

Conference Call Number: 1-408-792-6300

Access Code: 133 922 3092

Time*	Agenda Items	Presenter
10:00 a.m.	Call to Order	JUDGE DAVID GASS, CHAIR
10:05	Housekeeping and Member Roll Call	SUSAN PICKARD, STAFF
10:10	Welcome and Opening Remarks	JUDGE GASS
10:15	Approval of Minutes <ul style="list-style-type: none">July 28, 2020 <input type="checkbox"/> Formal Action required	JUDGE GASS
10:20	Preliminary Economic and Case File Review Results <input type="checkbox"/> Formal Actions possible	DR. JANE VENOHR CENTER FOR POLICY RESEARCH
12:00 p.m.	Lunch - <i>On your own</i>	
12:30	Workgroup Reports <input type="checkbox"/> Formal Actions possible <ul style="list-style-type: none">Income Issues Workgroup<ul style="list-style-type: none">Section 6ATax Issues WorkgroupDeviations Issues Workgroup<ul style="list-style-type: none">Section 6B-EParenting Time Expense and Cost Issues Workgroup<ul style="list-style-type: none">Sections 11 and 12Parenting Time Adjustment Table	STEVE WOLFSON OR LAURA BELLEAU CAROL PARK ADEN JANET SELL CHRIS GORMAN
	Open Discussion – Crossover Issues	ALL
2:45	Good of the Order/Call to the Public	JUDGE GASS
3:00	Adjournment	

**All times are approximate and subject to change. The committee chair reserves the right to set the order of the agenda. Please contact Susan Pickard, FCIC-CSGRS staff, at (602) 452-3252 with any questions concerning this agenda. Any person with a disability may request a reasonable accommodation, such as auxiliary aids or materials in alternative formats, by contacting Angela Pennington at (602) 452-3547. Requests should be made as early as possible to allow time to arrange the accommodation.*

FAMILY COURT IMPROVEMENT COMMITTEE - CHILD SUPPORT GUIDELINES REVIEW SUBCOMMITTEE

Draft Minutes

July 28, 2020 10:00 a.m. (Virtual Meeting)

Arizona State Courts Building

Present:

Telephonic: Judge David Gass (chair), Carol Park Aden, Laura Belleau, Mary Boyte Henderson, Judge Bruce Cohen, Kellie DiCarlo, Judge Joseph Goldstein, Tiffany Harvey, Jennifer Mihalovich, Janet Sell, Rosa Torrez

Absent/Excused: Commissioner John Assini, Jeff Fine, Vance Simms, Steve Wolfson

Presenters/Guests: Donald Bays, Henry & Horne; Chris Gorman, Gorman Consulting Group, LLC, Melissa Loughlin-Sines, Henry & Horne; Dr. Jane Venohr, Center for Policy Research

Administrative Office of the Courts (AOC) Staff: Theresa Barrett, Chris Manes, Angela Pennington, Susan Pickard, Kathy Sekardi

I. REGULAR BUSINESS

A. Welcome and Opening Remarks

The July 28, 2020, meeting of the Family Court Improvement Committee – Child Support Guidelines Review Subcommittee (FCIC-CSGRS) was called to order at 10:11: a.m. by Judge David Gass, chair. This sixth meeting of the subcommittee was a virtual meeting, with all attendees being online, on the phone, or both. Susan Pickard conducted the roll call, noted the committee had new committee members, and discussed “housekeeping” issues.

Judge Gass thanked the committee for their continued effort. He spoke to the members about several cases which substantively discuss child support. These cases had been previously forwarded to the committee members as references. He asked members to consider the decisions or opinions in these cases, as they move through the review. He then moved to the minutes.

<p>Motion: To approve the minutes of the June 30, 2020, meeting. Moved by Mary Boyte Henderson. Seconded by: Janet Sell. Motion passed unanimously.</p>
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II. BUSINESS ITEMS AND POTENTIAL ACTION ITEMS

A. Workgroup Reports - Part I

Income Issues Workgroup

Laura Belleau presented the Income Issues Workgroup update. Ms. Pickard shared the proposed amendment to Section 8. Ms. Belleau informed the subcommittee that the workgroup's focus for this amendment was the presumptive cap and calculation of a basic child support obligation for high income earners. The workgroup also discussed whether there should still be a stated burden of proof regarding why the child support amount should be more than the presumptive amount. Discussion ensued. Important points included:

- How is the number expressed if a straight extrapolation cannot work?
- There is a natural expectation that each party bear the burden for or against a modification to child support.
 - There is no requirement to prove by clear and convincing evidence, or a preponderance of the evidence, that a modification is in the best interests of the child(ren).
- If we do not state who bears the burden, it is possible that the question will be asked to the Court of Appeals or Supreme Court later.
- Perhaps, "the court shall determine if the evidence establishes an amount in excess of the basic child support amount."
 - How does one side prove a negative?
 - The side asking would have to provide enough evidence.
 - **Action Item:** What constitutes a need vs. a want? Further discussion is needed to determine whether another word or a modifier before "needs" should be used?
- For high income earners, how do we balance the needs of a child with an expectation that the amount should exceed the cap simply because the money is available?
 - Should there be an exception for a disparity in income?
- Should the language include a statutory reference (A.R.S. § 25-320(B), (D))?

Motion: The Section 8 language as amended is adopted. Further discussion on "needs" will take place within the workgroup. **Moved by:** Laura Belleau. **Seconded by:** Janet Sell. Motion passed unanimously.

B. Preliminary Economic and Case File Review Results

Dr. Jane Venohr, Center for Policy Research, making her third presentation to the subcommittee, reviewed the charges of her team for the FCIC-CSGRS: to review the academic data and the cost of raising children and update the schedule and to update the case file review as required by federal regulations.

Dr. Venohr and her team are receiving files from the counties (Apache, Maricopa, Pima and Yavapai Counties) and IV-D cases from the DES-DCSS Arizona Tracking and Locate Automated

System (ATLAS). The data from the sample of court files has been received and about a third has been entered. She highlighted some trends being seen in the data that has been entered. Dr. Venohr stopped her presentation and asked for any questions or discussion based on the previous conversation about high income earners and the Section 8 language.

- Based on the cases seen so far, are the judges putting in actual income or \$20,000 as per the cap?
 - Judges need to use the parties' actual incomes as they affect other cost allocation based on percentages.
- For incomes below the minimum wage, do these cases include incarcerated persons or persons on Social Security?
 - The cases received do not specify this information. This information may be found for some ATLAS cases.

Dr. Venohr discuss labor market information and minimum orders. She recommends the subcommittee be deliberate in their thinking about minimum orders.

Action Item: Janet Sell will take the information back to the back to the Deviation Issues Workgroup for discussion.

Dr. Venohr then discussed Arizona's Schedule of Basic Support Obligations. The current schedule is based on the Betson-Rothbart 3 (BR3) report. She offered alternatives and other mitigating factors to consider and let the committee know her team could produce some additional schedules if needed. Further discussion ensued.

- Clarification was requested regarding tax assumptions and how those assumptions change based on the income levels. What is the rate attributed to go from net to gross at each income level?
- Are there any assumptions that you would recommend be adopted? Should individual tax credits be considered?
 - Currently there is no compelling reason to change the assumptions. The Earned Income Tax Credit is a means tested program and is the best anti-poverty program. Other tax credits are less stable, can expire, and require complicated math formulas.
- The subcommittee is considering amending the parenting time adjustment. Does this impact any work that goes into the review or the schedules?
 - Numbers will look slightly different as the current case examples do not have time sharing adjustments. Further review after the parenting time adjustment is set will show whether the adjustment will exacerbate or narrow the discrepancies.
 - **Action Item:** Tables will be shared with Dr. Venohr to run scenarios.
- The guidelines state we should divide federal tax child exemptions. These exemptions have been replaced by child tax credits. Would it make sense to divide or allocate the child tax credit?

- This will require further research into the Internal Revenue Service statutes and regulations.
- Dr. Venohr was asked about the division of child health care costs.
 - Currently the schedule includes \$250 per year in ordinary, out-of-pocket medical expenses. Orders also include a specific percentage each parent is responsible for.
 - **Action Item:** Future orders should include the percentage with language stating the \$250 is included.

Judge Gass thanked Dr. Venohr for her time and comments.

C. Open Discussion

Judge Gass moved the subcommittee to the remainder of the workgroup reports.

D. Workgroup Reports - Part II

Income Issues Workgroup (continued)

Ms. Belleau presented a proposed amendment to Section 9A permitting the use of and credit for health insurance provided by a stepparent. The purpose is to ensure as many children as possible are insured. Minimal discussion took place. It was suggested to include “or domestic partner” after stepparent.

Motion: To adopt the amendment of Section 9A. **Moved by** Janet Sell. **Seconded by:** Jennifer Mihalovich. Motion passed unanimously.

Tax Issues Workgroup

Carol Park Aden was asked to give a thumbnail review of the work of the Tax Issues Workgroup. She noted the workgroup is focused on whether to add a separate line item to the Child Support Worksheet, “less tax credit allowed to party for Health Savings Account (HSA)/Flexible Spending Account (FSA) contributions to cover medical expenses of minor child(ren).” While the information was in the meeting packet, Ms. Aden advised that the workgroup will present the schedules at a later meeting, postponing formal action until then.

Deviation Issues Workgroup

Janet Sell reported that the workgroup is still discussing equitability in orders for multiple families with multiple children, especially for low-income families. She forwarded a draft to Judge Bruce Cohen, who has suggested some edits which will be analyzed at the workgroup’s next meeting.

Judge Gass asked Ms. Sell her thoughts on minimum orders and whether they would be considered a deviation. Ms. Sell replied briefly, and it was decided that the conversation would be better left to be hashed out at a later meeting.

Expenses & Cost Associated Parenting Time Workgroup

Chris Gorman gave an update on the workgroup's progress. The members hope to have a proposal for the August meeting regarding the parenting time adjustment with consideration of equal parenting time. The workgroup is considering allowing 20 – 30 days from what is strictly equal parenting before an adjustment is required. On the other end, less than 30 days of parenting time would not have an adjustment. Judge Gass asked that the language be sent to Dr. Venohr.

Action Item: Chris Gorman stated he would share the charts with Dr. Venohr.
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Restyling Workgroup

Judge Bruce Cohen reported that the workgroup is awaiting substantive guidance from the other workgroups before proceeding. Judge Gass asked if there are any areas where substantive changes are not being considered that they can begin to work on. Judge Cohen stated he believed the changes will permeate throughout, and as such guidance should be received before they begin, but once they begin it will be quick.

E. Decision Points – Parenting Time Adjustment Table B

Ms. Pickard stated that this agenda item was listed to remind the subcommittee of a previously tabled motion to eliminate parenting time adjustment table B. The subcommittee tabled the motion until such time that Dr. Venohr's research is completed.

III. OTHER BUSINESS

A. Announcements/Call to the Public

- No requests to speak at the call to the public were received and no one responded to the call.

B. Next Meeting. Monday, August 24, 2020 10 a.m. Virtual Meeting

The meeting adjourned at 2:26 pm.

Review of the Arizona Child Support Guidelines: Followup Materials

Submitted to:
Arizona Supreme Court
Administrative Office of the Courts

Submitted by:
Jane Venohr, Ph.D.



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(Working Draft: August 20, 2020)

Points of view expressed in this document are those of the author and do not necessarily represent the official position of the Court. The authors are responsible for any errors and omissions.

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DRAFT

PRELIMINARY FINDINGS FROM ANALYSIS OF COURT FILES

All of the court records data have been entered. The data file is still being “cleaned” (e.g., checking for consistency in coding). CPR has not received the finalized ATLAS extract.

Exhibit 1: Comparison of Selected Findings from the Case File Data

	2013 Case File Data	2018 Case File Data (Preliminary)
Orders with Worksheets	N = 677	N = 710
Number of Children		
• One child	55%	54%
• Two children	33%	32%
• Three children	10%	10%
• Four or more children	3%	4%
Deviation Rate	26%	34%
Percentage of \$0 orders		
• All	13%	24%
• Custody is described as equal	N.A.	46%
Primary Residential Person		
• Mother	N.A.	64%
• Father		10%
• Equal		25%
• Other		<1%
Timesharing adjustment		
• Essentially equal	21%	16% ¹
• Table B was used	N.A.	Noted in 2 orders
Adjustment made for self-support reserve	4%	8%
Income equivalent to f-t minimum wage earnings		
• Obligors	N.A.	9%
• Obligees		19%
High income		
• Combined income > \$20,000	1%	3.0%
• Combined income > \$25,000	N.A.	1.5%
• Combined income > \$30,000	N.A.	1.3%

¹ Based on those putting information in the “essentially equal” line of the worksheet. May have taken the adjustment through Table A, agreed to another amount (such as \$0) or deviated in another way.

CASE EXAMPLES INCLUDING MINIMUM-WAGE EARNERS AND EQUAL CUSTODY CASES

The case examples are developed from the case file data. They are organized into four categories.

- Mother is the parent with primary residence (and the number of children and timesharing arrangement is pulled from the case file data);
- Mother’s income is full-time, minimum wage– specifically, the current minimum wage of \$12 per hour, which yields \$2,080 per month– (and the number of children and timesharing arrangement is pulled from the case file data)
- The parents are equal primary residential parents (and the number of children and timesharing arrangement is pulled from the case file data);
- An essentially equal timesharing adjustment was applied (and the number of children is pulled from the case file data).

For each category, the cases are sorted from the lowest to the highest combined incomes. In turn, the case scenarios are developed from the case at the 10th percentile, the 25th percentile, the 50th percentile, the 75th percentile and the 90th percentile. Incomes are rounded to the nearest 100th except for minimum wage incomes.

Exhibit 2: Cases Where the Mother Is the Parent with Primary Residence (orders =458)

	Case 2.A	Case 2.B	Case 2.C	Case 2.D	Case 2.E
Percentile Sorted from Lowest to Highest Combined Income	10th	25th	50th	75th	90th
Number of Children	2	1	2	1	2
Mother’s Approximate Gross Income	Min wage. \$2,080	Min wage. \$2,080	\$3,200	\$3,100	\$8,231
Father’s Approximate Gross Income	Min wage. \$2,080	\$2,400	\$2,400	\$4,600	\$2,642
Timesharing adjustment	114 days	52 days	0 days	33 days	130 days
Parent Obligated to Pay	Father	Father	Father	Father	Mother
Existing Guidelines	\$383	\$397	\$565	\$586	\$887
Updated BR3 (2020)	\$408	\$432	\$623	\$657	\$972
Updated BR5 (2020)	\$394	\$400	\$595	\$603	\$991

Exhibit 3: Cases Where the Mother's Income Is F-T, Minimum Wage Earnings (orders = 138)

	Case 3.A	Case 3.B	Case 3.C	Case 3.D	Case 3.E
Percentile Sorted from Lowest to Highest Combined Income	10th	25th	50 th	75 th	90th
Number of Children	2	1	4	1	2
Mother's Income ²	\$2,080	\$2,080	\$2,080	\$2,080	\$2,080
Father's Approximate Gross Income	(Min wage) \$2,080	Min wage) \$2,080	\$2,800	\$3,200	\$6,300
Timesharing adjustment	0 days	30 days	182 days	52 days	182 days
Parent Obligated to Pay	Father	Father	Father	Father	Father
Existing Guidelines	\$565*	\$366	\$156	\$537	\$543
Updated BR3 (2020)	\$602*	\$390	\$172	\$592	\$593
Updated BR5 (2020)	\$581*	\$363	\$158	\$538	\$623

*Eligible for SSR, amount could be up to \$416/month

Exhibit 4: Cases Where the Parents Have Equal Primary Residences for the Children (Essentially Equal Adjustment May or May Not Be Noted on Worksheet, orders = 176)

	Case 3.A	Case 3.B	Case 3.C	Case 3.D	Case 3.E
Percentile Sorted from Lowest to Highest Combined Income	10th	25th	50 th	75 th	90th
Number of Children	1	1	1	4	2
Mother's Approximate Gross Income	\$2,300	\$1,800	Min. Wage \$2,080	0	\$4,200
Father's Approximate Gross Income	\$1,700	\$3,600	\$5,700	\$10,000	\$15,000
Timesharing adjustment noted on worksheet	180 days	180 days	182 days	0 days	0 days
Parent Obligated to Pay	Mother	Father	Father	Father	Father
Existing Guidelines	\$68	\$163	\$257	\$2,181	\$1,888
Updated BR3 (2020)	\$71	\$178	\$288	\$2,373	\$2,017
Updated BR5 (2020)	\$67	\$164	\$265	\$2,307	\$2,208

² Current minimum wage of \$12 per hour is used. This produces a gross income of \$2,080 per month.

Exhibit 5: Where an Essentially Equal Adjustment Was Noted on the Worksheet (orders = 112)

	Case 4.A	Case 4.B	Case 4.C	Case 4.D	Case 4.E ³
Percentile Sorted from Lowest to Highest Combined Income	10th	25th	50 th	75 th	90th
Number of Children	1	1	1	4	4
Mother's Approximate Gross Income	\$1,900	Min. Wage \$2,080	\$3,000	\$3,400	\$41,000
Father's Approximate Gross Income	\$4,000	\$3,500	\$4,000	\$6,700	\$43,000
Parent Obligated to Pay	Father	Father	Father	Father	Father
Existing Guidelines	\$167	\$116	\$72	\$358	\$36
Updated BR3 (2020)	\$184	\$128	\$80	\$391	\$40
Updated BR5 (2020)	\$168	\$117	\$73	\$380	\$41

ESSENTIALLY EQUAL CUSTODY AND TAX ADJUSTMENTS

Most (94%) parties of orders with an essentially equal custody adjustment split the tax benefits related to the child or rotate them from year to year.

The median combined income in these cases tended to be higher than all cases i.e., \$6,900 per month compared to \$5,800 per month for all cases). The mother's median income was \$2,800 per month and the father's median income was \$3,800 per month.

Percentile Sorted from Lowest to Highest Combined Income	10th	25th	50 th	75 th	90th
Mother's Gross Income	\$ 2,080	\$ 2,687	\$ 3,812	\$ 5,689	\$ 10,150
Father's Gross Income	\$ 1,820	\$ 1,894	\$ 2,828	\$ 4,262	\$ 7,464
Combined gross	\$ 4,021	\$ 5,381	\$ 6,901	\$ 10,013	\$ 16,749

At very low incomes, the parents would be eligible for the EITC and the additional child tax credit.

The child tax credit is affected by the number of children. There are generally more children in essential equally custody adjusted cases. The distribution is:

- One child: 42%;
- Two children: 38%;
- Three children: 12%; and
- Four or more children: 8 %.

³ Used amount at \$20,000 assuming cap.

Data on how the EITC is an anti-poverty program

- 2018 National data⁴
 - EITC lifted about 5.6 million people out of poverty, including about 3 million children.
 - The number of poor children would have been more than 25% higher without the EITC

- 2014 Arizona data⁵
 - 603,000 Arizona households received the EITC
 - 471,000 Arizona households received the low-income part of the Child Tax Credit (CTC)
 - 276,000 Arizonans were lifted out of poverty by the EITC and CTC, including 147,000 children, each year, on average, during 2011 to 2013.

⁴ Center on Budget and Policy Priorities. (Dec. 2019.) *Policy Basics: The Earned Income Tax Credit*. <https://www.cbpp.org/research/federal-tax/policy-basics-the-earned-income-tax-credit>

⁵ Center on Budget and Policy Priorities. (Sept. 2016.) *Arizona Fact Sheet: Expand Tax Credits to Promote Work and Fight Poverty*. 2014 Arizona data are from retrieved from <https://www.cbpp.org/research/federal-tax/state-fact-sheets-the-earned-income-and-child-tax-credits> .

EXAMPLES OF PROVISIONS FOR ADDRESSING \$450 OF UNINSURED HEALTHCARE COSTS

COLORADO

(F) Extraordinary Medical Expenses Any extraordinary medical expenses are entered on the worksheet (Line 6d on Worksheet A, Line 10d on Worksheet B) and added to the basic child support obligation. Extraordinary medical expenses, including copayments and deductible amounts, are uninsured expenses in excess of \$450.00 per child per year. Extraordinary medical expenses include, but are not limited to, such costs as are reasonably necessary for orthodontia, dental treatment, asthma treatments, physical therapy, vision care and any uninsured chronic health problem. At the discretion of the Court, professional counseling or psychiatric therapy for diagnosed mental disorders may also be considered as an extraordinary medical expense.

NEBRASKA

B) Health Care. Children's health care expenses are specifically included in the guidelines amount of up to \$450 per child per year. Children's health care needs are to be met by requiring either parent to provide health insurance as required by state law. All nonreimbursed reasonable and necessary children's health care costs in excess of \$450 per child per year shall be allocated to the obligor parent as determined by the court, but shall not exceed the proportion of the obligor's parental contribution ([worksheet 1](#), line 6). If not otherwise specified in the support order, "health care costs" includes public or private coverage for medical, dental, orthodontic, optometric, substance abuse, and mental health treatment.

NORTH CAROLINA

The basic guideline support obligation includes \$450 per child for the child's annual uninsured medical and/or dental expenses. In any case, including those where a parent's income falls within the shaded area of the child support schedule, the court may order that uninsured health care costs in excess of \$450 per year (including reasonable and necessary costs related to medical care, dental care, orthodontia, asthma treatments, physical therapy, treatment of chronic health problems, and counseling or psychiatric therapy for diagnosed mental disorders) incurred by a parent be paid by either parent or both parents in such proportion as the court deems appropriate

OREGON

Ordinary expenses, such as bandages, non-prescription medication, and vitamins, are included in the basic support amount based on national economic data indicating an average amount of about \$450 per child per year in ordinary expenses. Since these kinds of costs are already included in the scale and allocated between the parents based on parenting time, they should not be divided among the parties.

SCHEMATIC OF INCREASES/DECREASES TO SCHEDULE

Combined Adjusted Gross Income	1 Child	2 Children	3 Children	4 Children	5 Children	6 Children
750						
2100						
2350						
2700						
3050						
4300						
8450						
8500						
15000						
20000						

Light blue is area where the self-support reserve could apply

(\$12.00/hr = \$2,080/mo ⇒ 80% of \$2,080 = \$1,664)

Red is area where updating to BR5 would produce decreases outside the SSR area

CORRECTION TO JULY 28 COMPARISONS

There are small corrections to the existing amounts due to pulling a 2014 draft version with a different tax assumption.

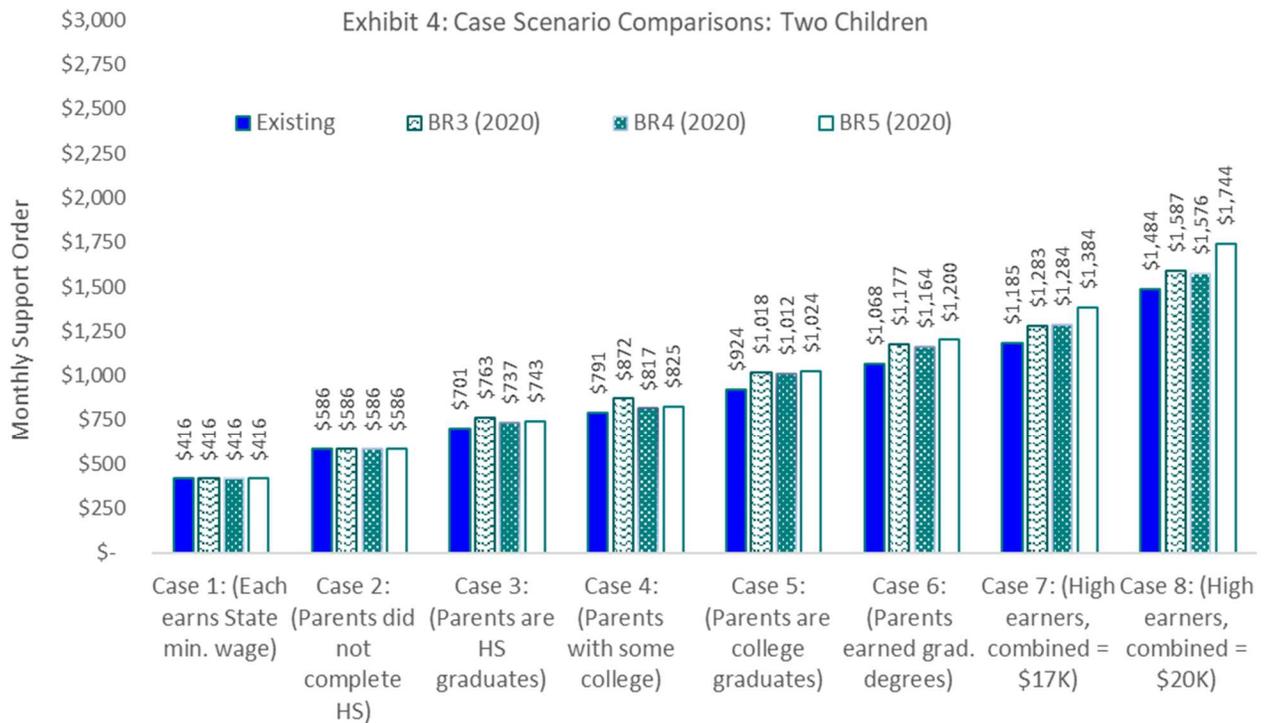
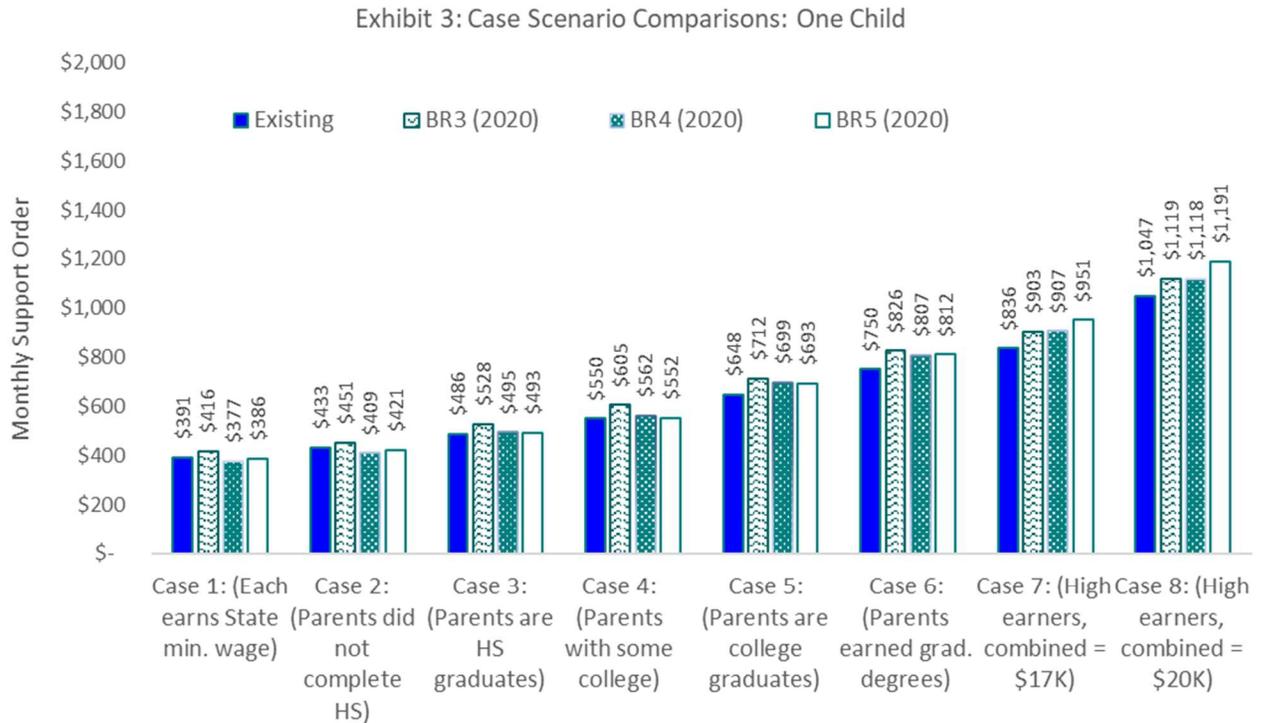
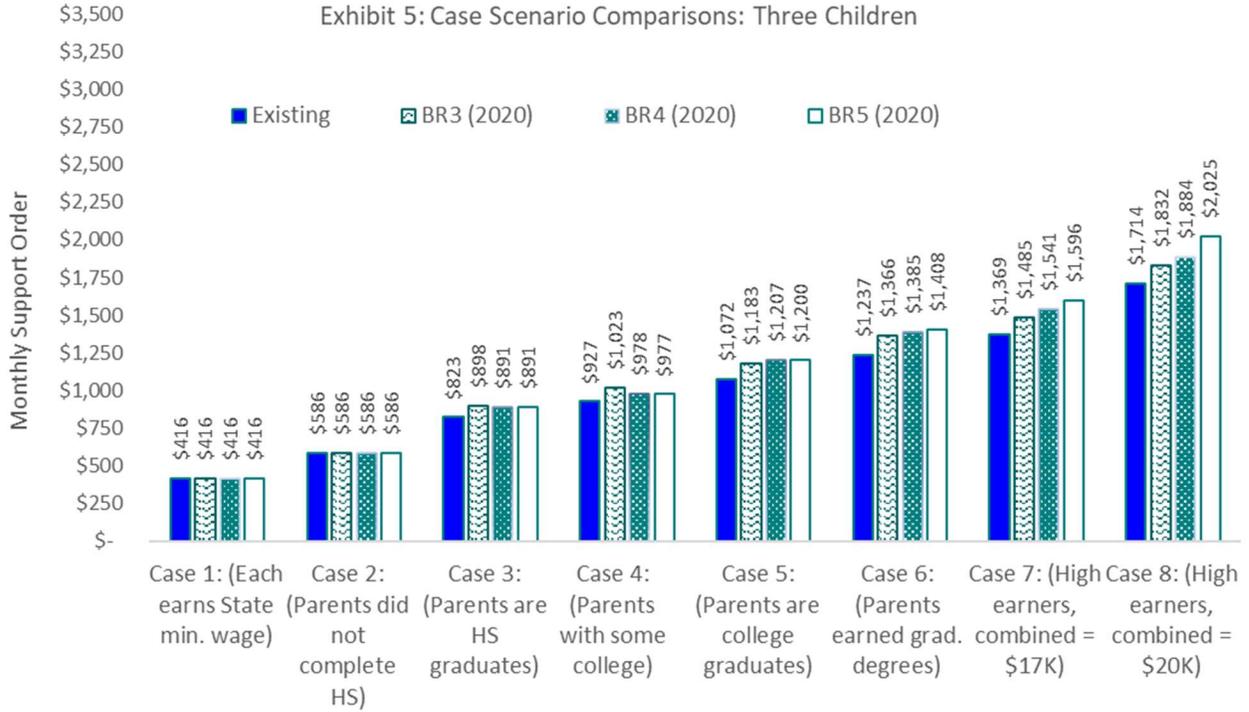


Exhibit 5: Case Scenario Comparisons: Three Children



DRAFT

FCIC- Child Support Guidelines Review Subcommittee

Date of Meeting:	Type of Action Required:	Subject:
August 24, 2020	<input checked="" type="checkbox"/> Formal Action/Request <input type="checkbox"/> Information Only <input type="checkbox"/> Other	Section 6A – Adjustments to Income, Spousal Maintenance

PRESENTER(S): Steve Wolfson or Laura Belleau

DISCUSSION: The Income Issues Workgroup proposes the following amendments to Section 6A regarding adjustments made to gross income for spousal maintenance.

6. ADJUSTMENTS TO GROSS INCOME

For purposes of this section, “children of other relationships” means natural or adopted children who are not the subject of this particular child support determination.

Adjustments to gross income for other support obligations are made as follows:

- A. The court-ordered amount of spousal maintenance resulting from this ~~or any other~~ marriage, if actually being paid, shall be deducted from the gross income of the parent paying spousal maintenance. The court may consider the tax consequences of the spousal maintenance payment under applicable federal and state income tax regulations. Court-ordered arrearage payments shall not be included as an adjustment to gross income.

This amendment would, if adopted, allow court consideration of the tax consequences of paying spousal maintenance (taxable gross income) and receiving spousal maintenance (non-taxable net income) in light of the TCJA provision that a payor is obligated to pay tax on the spousal maintenance payment.

RECOMMENDED ACTION OR REQUEST (IF ANY): Motion to adopt the amendment to Section 6A.

6. **ADJUSTMENTS TO GROSS INCOME**

For purposes of this section, "children of other relationships" means natural or adopted children who are not the subject of this particular child support determination.

Adjustments to gross income for other support obligations are made as follows:

- A. The court-ordered amount of spousal maintenance resulting from this ~~or any other~~ marriage, if actually being paid, shall be deducted from the gross income of the parent paying spousal maintenance. The court may consider the tax consequences of the spousal maintenance payment under applicable federal and state income tax regulations. Court-ordered arrearage payments shall not be included as an adjustment to gross income.

FCIC - Child Support Guidelines Review Subcommittee

Date of Meeting:	Type of Action Required:	Subject:
July 28, 2020	<input checked="" type="checkbox"/> Formal Action/Request <input type="checkbox"/> Information Only <input type="checkbox"/> Other	Health Savings Accounts (HSA)/Flexible Spending Accounts (FSA) and Tax Credit Deduction

PRESENTER(S): Carol Park Aden, Don Bays, Melissa Loughlin-Sines and Chris Gorman

DISCUSSION:

1. Whether to add a separate line item to the Child Support Worksheet: “less tax credit allowed to party for HSA/FSA account contributions to cover medical expenses of minor child(ren)”

REASONS NOT TO ADD:

- *De minimus* dollar amounts for credit- \$21-\$36 per month, related to Total Annual Income of \$22,500-\$100,00
 - Confusing to Self-Represented Litigants
 - In unusual situations, can still present HSA/FSA tax-related issues to Judicial Officer and include on a case by case basis the “net” dollar amount (after tax credit) in the worksheet as appropriate (probably as “credit” to additional expenses)
2. The workgroup wishes to preserve the HSA/FSA Schedules for future subcommittees to convey the reasoning for removing this line item from the worksheet. The options for preservation are:
 - Maintain the schedules as part of the meeting packet. Meeting materials are kept 10 years after the year created. This timeline would ensure their availability to the next two guidelines reviews.
 - Append to the minutes of this meeting. Minutes are kept permanently.
 - Append to the subcommittee’s final report. Placement there would help to answer the “why?” in later years. Reports are also kept permanently.

RECOMMENDED ACTION OR REQUEST (IF ANY):

1. Motion that the subcommittee take no action to adjust child support regarding the tax credit allowed for HSA/FSA accounts.
2. Motion to append the HSA/FSA Schedules to the subcommittee’s final report.

HSA and FSA Plans How They Are Treated on Tax Returns and Their Effect on Child Support Calculations

The attached schedules provide examples of how Health Savings Accounts (HSA's) and Flexible Spending Accounts (FSA's) effect the tax returns of the employees participating in these plans. Although the full details of the tax returns of a Head of Household and a Single Taxpayer are shown on Schedule 1 and 2, the primary emphasis is simply on the top three lines of these schedules to see how the HSA contributions are deducted directly from Total Income or, in the examples, from W-2 wages on page 1 of the Form 1040 Tax Return.

FSA activity is not reported in the 1040 tax return. Likewise, contributions to HSA plans that are made with pre-tax dollars are not included in the tax return. Schedules 4 and 5 show the effects of the plans regarding the tax savings to a Head of Household and Individual Tax Payer.

In all the schedules, 1, 2, 4 and 5, a calculation is shown at the bottom of each schedule of the estimated tax savings for taxpayers with gross incomes of \$25,000, \$35,000, \$45,000 or \$100,000.

Some common assumptions to schedules 1, 2, 4 and 5:

- The deductible contribution for HSA plans is \$2,500, although it could be higher as allowed by the IRS.¹
- The allocation of compensation to be set aside for medical expenses (to be paid with pre-tax dollars) by the FSA (or HSA) plan participant is shown at \$2,500, although the allocated amount could be higher.
- Head of Household calculations assume one child dependent.
- Total income levels used in the schedules, as well as tax payments made, are hypothetical.

¹ In 2020 the maximum contribution for a single member FSA plan is \$2,750 and for a single member HSA plan, it is \$3,550. In 2020, the maximum contribution for an FSA family plan is \$2,750 and for an HAS family plan it is \$7,100.

SCHEDULE 1 Effect of HSA on Head of Household Tax Returns

<i>One child dependent</i>					
Total Income	\$ 25,000	\$ 35,000	\$ 45,000	\$ 100,000	[1]
HSA	(2,500)	(2,500)	(2,500)	(2,500)	[2]
Adjusted Gross Income	22,500	32,500	42,500	97,500	
Itemized/standard deduction	(18,350)	(18,350)	(18,350)	(18,350)	[3]
Taxable Income	4,150	14,150	24,150	79,150	[4]
Tentative Tax	418	1,424	2,624	11,857	[5]
Child and Dependent Care Expenses	(418)	(624)	(504)	(480)	[6]
Child Tax Credit	-	(800)	(2,000)	(2,000)	[7]
Total Credits	(418)	(1,424)	(2,504)	(2,480)	[8]
Total Tax	\$ -	\$ -	\$ 120	\$ 9,377	[9]
Total Payments:					
Federal Taxes Withheld	1,700	\$ 3,400	4,500	18,500	[10]
Earned Income Credit	2,568	970	-	-	[11]
Additional Child Tax Credit	1,400	1,200	-	-	[12]
Total Other Payments and Refundable Credits	\$ 5,668	\$ 5,570	\$ 4,500	\$ 18,500	[13]
Net Refund	\$ 5,668	\$ 5,570	\$ 4,380	\$ 9,123	[14]
Effective Tax Rate	10.1%	10.1%	10.9%	15.0%	[15]
HSA Tax Savings - Annual	\$ 252	\$ 252	\$ 272	\$ 375	[16]
HSA Tax Savings - Monthly	\$ 21	\$ 21	\$ 23	\$ 31	[17]

SCHEDULE 2 Effect of HSA on Single Status Tax Returns

Total Income	\$ 25,000	\$ 35,000	\$ 45,000	\$ 100,000
HSA	(2,500)	(2,500)	(2,500)	(2,500)
Adjusted Gross Income	22,500	32,500	42,500	97,500
Itemized/standard deduction	(12,200)	(12,200)	(12,200)	(12,200)
Taxable Income	10,300	20,300	30,300	85,300
Tentative Tax	1,045	2,245	3,445	14,653
Child and Dependent Care Expenses	-	-	-	-
Child Tax Credit	-	-	-	-
Total Credits	-	-	-	-
Total Tax	\$ 1,045	\$ 2,245	\$ 3,445	\$ 14,653
Total Payments:				
Federal Taxes Withheld	1,700	\$ 3,400	11,000	18,000
Earned Income Credit	-	-	-	-
Additional Child Tax Credit	-	-	-	-
Total Other Payments and Refundable Credits	\$ 1,700	\$ 3,400	\$ 11,000	\$ 18,000
Net Refund	\$ 655	\$ 1,155	\$ 7,555	\$ 3,347
Effective Tax Rate	10.1%	11.1%	11.4%	17.2%
HSA Tax Savings - Annual	\$ 254	\$ 276	\$ 284	\$ 429
HSA Tax Savings - Monthly	\$ 21	\$ 23	\$ 24	\$ 36

See Notes at Schedule 3.

Schedule 3 Notes

For Schedule 1:

- [1] From Line 7b of Form 1040 Tax Return.
- [2] From form 8889 of Tax Return. Of the maximum contribution allowed for HSA plans, the tax payer has contributed only \$2,500.
- [3] Allowed for Head of Household taxpayers in 2019.
- [4] [3] deducted from Adjusted Gross Income.
- [5] Calculated by tax return prep software.
- [6] From Tax Return Form 2441.
- [7] From Child Tax Credit Worksheet; one qualifying child.
- [8] [6] + [7].
- [9] [5] minus [8].
- [10] Hypothetical for illustration purposes.
- [11] From Earned Income Credit Worksheet in tax return prep software.
- [12] From Form 8812, Additional Child Tax Credit.
- [13] [10] + [11] + [12].
- [14] [13] minus [9].
- [15] [5] ÷ [4].
- [16] [15] X [2].
- [17] [16] ÷ 12.

For Schedule 2:

Same as notes for Schedule 1 above except that this schedule is prepared for a Taxpayer with Single status. Therefore, the standard deduction and tax rates are different; also, the opportunity for Child and Child Care tax credits and Earned Income and Additional Child Tax Credits are not applicable since there is no qualifying dependent child in the household.

In an employee-sponsored HSA plan, the employee's periodic paychecks can be reduced by either pre-tax or after tax dollars to be used to pay qualified medical expenses. If after-tax dollars are put into the employee's HSA account, the employee can then deduct the contributions on their Form 1040 tax return as shown on Schedules 1 and 2.

SCHEDULE 4

Effect of FSA and HSA Pre-Tax Contributions on Head of Household Tax Returns

<i>One child dependent</i>				
	\$ 25,000	\$ 35,000	\$ 45,000	\$ 100,000
Compensation before Reduction for FSA or HSA Anticipated Medical Expenses	\$ 25,000	\$ 35,000	\$ 45,000	\$ 100,000
Compensation Reduction Amount Set Aside by Employer for Employee	(2,500)	(2,500)	(2,500)	(2,500)
Total Income to be Reported on 1040 Tax Return	<u>22,500</u>	<u>32,500</u>	<u>42,500</u>	<u>97,500</u>
<i>Effective Tax Rate - from Schedule 1</i>	10.1%	10.1%	10.9%	15.0%
Tax Savings - Annual	\$ 252	\$ 252	\$ 272	\$ 375
Tax Savings - Monthly	\$ 21	\$ 21	\$ 23	\$ 31

SCHEDULE 5

Effect of FSA and HSA Pre-Tax Contributions on Single Status Tax Returns

	\$ 25,000	\$ 35,000	\$ 45,000	\$ 100,000
Compensation before Reduction for FSA or HSA Anticipated Medical Expenses	\$ 25,000	\$ 35,000	\$ 45,000	\$ 100,000
Compensation Reduction Amount Set Aside by Employer for Employee	(2,500)	(2,500)	(2,500)	(2,500)
Total Income to be Reported on 1040 Tax Return	<u>22,500</u>	<u>32,500</u>	<u>42,500</u>	<u>97,500</u>
<i>Effective Tax Rate - from Schedule 1</i>	10.1%	11.1%	11.4%	17.2%
Tax Savings - Annual	\$ 254	\$ 276	\$ 284	\$ 429
Tax Savings - Monthly	\$ 21	\$ 23	\$ 24	\$ 36

Note: FSA account contributions are pre-tax payroll amounts and are not reported on the FSA participant's income tax return. (HSA contributions can also be on a pre-tax basis within the employer's plan.) Tax savings are achieved by the "FSA" employee communicating to their employer how much of their annual compensation they want reduced and set aside to pay IRS-approved medical expenses. The amount of compensation, therefore, to be reported on the participant's tax return will be the annual compensation of the participant, reduced by the amount they wish to allocate for medical expenses during the year. This process results in no taxes required to be paid on the monies set aside for the employee's FSA plan. In the event the employee only uses \$2,000 of the \$2,500 they set aside in their FSA, the \$500 remaining cannot be carried over into the next calendar year unless the employer's plan specifically allows for the carryover.

FCIC - Child Support Guidelines Review Subcommittee

Date of Meeting:	Type of Action Required:	Subject:
August 24, 2020	<input type="checkbox"/> Formal Action/Request <input checked="" type="checkbox"/> Information Only <input type="checkbox"/> Other	Guidelines Section 6 - Adjustments for Other Children

PRESENTER(S): Janet Sell, Deviation Issues Workgroup Chair

DISCUSSION: Ms. Sell will be seeking input from the Subcommittee regarding draft amendments to Section 6.

RECOMMENDED ACTION OR REQUEST (IF ANY): None

For purposes of this section, “children of other relationships” means natural or adopted children who are not the subject of this particular child support determination.

SUBJECT TO THE PROVISION FOR SUBSECTION E BELOW, Adjustments to gross income for other support obligations are made as follows:

A. The court-ordered amount of spousal maintenance resulting from this ~~or any other~~ marriage, if actually being paid, shall be deducted from the gross income of the parent paying spousal maintenance. **THE COURT MAY CONSIDER THE TAX CONSEQUENCES OF THE SPOUSAL MAINTENANCE PAYMENT UNDER APPLICABLE FEDERAL AND STATE INCOME TAX REGULATIONS.** Court-ordered arrearage payments shall not be included as an adjustment to gross income.

B. The court-ordered amount of child support for children of other relationships, ~~if actually being paid,~~ shall be deducted from the gross income of the parent paying that child support. **TO OBTAIN A CREDIT, THE PAYING PARENT MUST DEMONSTRATE THE ORDER IS BEING PAID, OR, IF IT HAS NOT HISTORICALLY BEEN PAID, THERE ARE CIRCUMSTANCES DEMONSTRATING IT IS LIKELY TO BE PAID IN THE FUTURE, SUCH AS THROUGH THE ISSUANCE OF AN ORDER OF ASSIGNMENT.** Court-ordered arrearage payments shall not be included as an adjustment to gross income.

C. An amount shall be deducted from the gross income of a parent for children of other relationships ~~covered by a court order~~ for whom ~~they are~~ **that parent is** the primary residential parent **or has equal parenting time and is not under a court order to pay child support.** The amount of the adjustment shall be determined by a simplified application of the guidelines (defined in example below).

EXAMPLE: A PARENT HAVING GROSS MONTHLY INCOME OF \$3,000 SUPPORTS A NATURAL OR ADOPTED MINOR CHILD WHO IS NOT THE SUBJECT OF THE CHILD SUPPORT CASE BEFORE THE COURT AND FOR WHOM NO CHILD SUPPORT ORDER EXISTS. TO USE THE SIMPLIFIED APPLICATION OF THE GUIDELINES, LOCATE \$3,000 IN THE COMBINED ADJUSTED GROSS INCOME COLUMN OF THE SCHEDULE. SELECT THE AMOUNT IN THE COLUMN FOR ONE CHILD, \$592. THE PARENT'S INCOME MAY BE REDUCED UP TO \$592, RESULTING IN AN ADJUSTED GROSS INCOME OF \$2402.

~~**D.** An amount may be deducted from the gross income of a parent for support of natural or adopted children of other relationships not covered by a court order. The amount of any adjustment shall not exceed the amount arrived at by a simplified application of the guidelines (defined in example below).~~

D. FOR THE PURPOSES OF THIS SECTION, WHEN A PARENT HAS SUBSTANTIALLY EQUAL PARENTING TIME, THE ADJUSTMENT FOR THE SUPPORT OF OTHER CHILDREN MAY BE MADE UNDER EITHER PARAGRAPH B OR PARAGRAPH C, WHICHEVER PRODUCES THE GREATER ADJUSTMENT.

E. AFTER ADJUSTING FOR OTHER CHILDREN AND APPLYING THE SELF SUPPORT RESERVE, THE CHILD SUPPORT AMOUNT DETERMINED UNDER THE GUIDELINES RESULTS IN NO CHILD SUPPORT TO BE PAID, THE ADJUSTMENT FOR OTHER CHILDREN SHOULD BE REDUCED TO THE EXTENT NECESSARY TO ENSURE THAT THERE IS A SUPPORT AMOUNT ORDERED THAT TREATS ALL OF THE SUPPORT OF ALL OF THE CHILDREN IN AN EQUITABLE FASHION. *(add a cross reference in self-support reserve test section?)*

~~EXAMPLE: A parent having gross monthly income of \$2,000 supports a natural or adopted minor child who is not the subject of the child support case before the court and for whom no child support order exists. To use the Simplified Application of the Guidelines, locate \$2,000 in the Combined Adjusted Gross Income column of the Schedule. Select the amount in the column for one child, \$415. The parent's income may be reduced up to \$415, resulting in an Adjusted Gross Income of \$1,585.~~

EXAMPLE TWO: CHILD SUPPORT IS BEING CALCULATED FOR ONE CHILD. ONE PARENT HAVING A GROSS MONTHLY INCOME OF MINIMUM WAGE (PRESENTLY \$12/HOUR OR \$2080/MONTH) ALSO SUPPORTS ANOTHER BIOLOGICAL OR ADOPTED CHILD IN THAT PARENT'S HOUSEHOLD. REFERRING TO THE BASIC SUPPORT SCHEDULE FOR ONE CHILD, WHEN THAT PARENT EARNS \$2080 A MONTH, THE FIGURE FROM THE SCHEDULE IS \$433. REDUCING THAT PARENT'S INCOME BY \$433 PUTS THE CHILD SUPPORT INCOME BELOW THE SELF SUPPORT RESERVE AMOUNT, RESULTING IN NO SUPPORT FOR THE CHILD OR CHILDREN FOR WHOM SUPPORT IS BEING DETERMINED. UNDER SUCH CIRCUMSTANCES THE ADJUSTMENT FOR THE SUPPORT OF OTHER CHILDREN SHOULD BE REDUCED. THE DIFFERENCE BETWEEN THE SELF-SUPPORT RESERVE (80% OF MINIMUM WAGE, PRESENTLY \$1664) AND THE PARENT'S INCOME IS \$416 ($\$2080 - \$1664 = \416). THE \$416 SHOULD BE DIVIDED BY TWO (THE NUMBER OF CHILDREN FOR WHOM THE OBLIGOR IS FINANCIALLY RESPONSIBLE). DIVIDING \$416 BY TWO CHILDREN RESULTS IN A REDUCED ADJUSTMENT FOR THE SUPPORT OF OTHER CHILDREN FROM \$433 TO \$208.

EXAMPLE THREE: A PARENT HAVING INCOME OF \$2650, AN AMOUNT GREATER THAN MINIMUM WAGE, SUPPORTS TWO CHILDREN IN HIS HOUSEHOLD AND SUPPORT IS BEING CALCULATED FOR ANOTHER TWO. REFERRING TO THE BASIC SUPPORT SCHEDULE FOR TWO CHILDREN WHEN THAT PARENT EARNS \$2650 A MONTH, THE FIGURE FROM THE SCHEDULE IS \$768. WITH AN ADJUSTMENT OF \$768.00 BASED ON A SIMPLIFIED APPLICATION OF THE GUIDELINES, THAT PARENT'S CHILD SUPPORT INCOME IS REDUCED TO \$1852. SUBTRACTING THE SELF SUPPORT RESERVE AMOUNT OF \$1664,

THE MAXIMUM SUPPORT OBLIGATION FOR THE TWO CHILDREN NOT IN THE HOUSEHOLD WOULD BE ONLY \$188, MUCH LESS THAT THE ADJUSTMENT FOR THE CHILDREN IN THE HOUSEHOLD. THE DIFFERENCE BETWEEN \$2624 AND THE SELF-SUPPORT RESERVE OF \$1664 IS \$960. THEREFORE, THE ADJUSTMENT FOR THE SUPPORT OF OTHER CHILDREN SHOULD BE REDUCED TO \$480.

FCIC- Child Support Guidelines Review Subcommittee

Date of Meeting: August 24, 2020	Type of Action Required: [X] Formal Action/Request [] Information Only [] Other	Subject: Parenting Time Adjustment Table A & Sections 11-12
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PRESENTER(S): Chris Gorman, Expenses and Costs Associated with Parenting Time Workgroup Chair

DISCUSSION:

Current:

Parenting Time Table A		
Number of		
Parenting Time		Percentage
0	3	.000
4	20	.012
21	38	.031
39	57	.050
58	72	.085
73	87	.105
88	115	.161
116	129	.195
130	142	.253
143	152	.307
153	162	.362
163	172	.422
173	182	.486

Proposed:

Parenting Time Table A		
Number of		
Parenting Time		Percentage
0	19	0.0%
20	34	2.5%
35	49	5.0%
50	69	7.5%
70	84	10.0%
85	99	15.0%
100	114	17.5%
115	129	20.0%
103	142	25.0%
143	152	32.5%
153	163	40.0%
164	182	50.0%

Proposed new "Table A" with the following changes:

- Equal parenting time of 50/50 stretches to 164 days to increase variations of equal plans,
- Parenting plans of less than 20 days receive no credit,
- Aligns common parenting plans into same steps,
- Reduces the number of steps and rounds the percentages,
- Minimizes the impact and severity of change from prior table of going to any fewer steps.

Proposed revised Section 11 & 12:

- Changes wording to identify that equal plans are 164 days or more,
- Removes reference to 143 days and above,
- Removes reference to Table B, but states that prior purpose of Table B are now reasons for a deviation.

RECOMMENDED ACTION OR REQUEST (IF ANY): MOTION to approve amendments to Parenting Time Adjustment Table A and Child Support Guidelines Sections 11 & 12.

Proposed Parenting Time Draft 8/18/20

Days	Proposed	Current	Average of Step		
			By Days	by Days	Variance
1	0.00%	0%	0.27%		0.00%
2	0.00%	0%	0.56%		0.00%
3	0.00%	0%	0.85%		0.00%
4	0.00%	1.20%	1.10%		1.20%
5	0.00%	1.20%	1.37%		1.20%
6	0.00%	1.20%	1.64%		1.20%
7	0.00%	1.20%	1.92%		1.20%
8	0.00%	1.20%	2.19%		1.20%
9	0.00%	1.20%	2.47%		1.20%
10	0.00%	1.20%	2.74%		1.20%
11	0.00%	1.20%	3.01%		1.20%
12	0.00%	1.20%	3.29%		1.20%
13	0.00%	1.20%	3.56%		1.20%
14	0.00%	1.20%	3.84%		1.20%
15	0.00%	1.20%	4.11%	2.74%	1.20%
16	0.00%	1.20%	4.38%		1.20%
17	0.00%	1.20%	4.66%		1.20%
18	0.00%	1.20%	4.93%		1.20%
19	0.00%	1.20%	5.21%		1.20%
20	2.50%	1.20%	5.48%		-1.30%
21	2.50%	3.10%	5.75%		0.60%
22	2.50%	3.10%	6.03%		0.60%
23	2.50%	3.10%	6.30%		0.60%
24	2.50%	3.10%	6.58%		0.60%
25	2.50%	3.10%	6.85%	7.40%	0.60%
26	2.50%	3.10%	7.12%		0.60%
27	2.50%	3.10%	7.40%		0.60%
28	2.50%	3.10%	7.67%		0.60%
29	2.50%	3.10%	7.95%		0.60%
30	2.50%	3.10%	8.22%		0.60%
31	2.50%	3.10%	8.49%		0.60%
32	2.50%	3.10%	8.77%		0.60%
33	2.50%	3.10%	9.04%		0.60%
34	2.50%	3.10%	9.32%		0.60%
35	5.00%	3.10%	9.59%		-1.90%
36	5.00%	3.10%	9.86%		-1.90%
37	5.00%	3.10%	10.14%		-1.90%
38	5.00%	3.10%	10.41%		-1.90%
39	5.00%	5.00%	10.68%	11.51%	0.00%
40	5.00%	5.00%	10.96%		0.00%
41	5.00%	5.00%	11.23%		0.00%
42	5.00%	5.00%	11.51%		0.00%
43	5.00%	5.00%	11.78%		0.00%
44	5.00%	5.00%	12.05%		0.00%
45	5.00%	5.00%	12.33%		0.00%
46	5.00%	5.00%	12.60%		0.00%
47	5.00%	5.00%	12.88%		0.00%
48	5.00%	5.00%	13.15%		0.00%
49	5.00%	5.00%	13.42%		0.00%
50	7.50%	5.00%	13.70%		-2.50%
51	7.50%	5.00%	13.97%		-2.50%
52	7.50%	5.00%	14.25%		-2.50%
53	7.50%	5.00%	14.52%		-2.50%
54	7.50%	5.00%	14.79%		-2.50%
55	7.50%	5.00%	15.07%		-2.50%
56	7.50%	5.00%	15.34%		-2.50%
57	7.50%	5.00%	15.62%		-2.50%
58	7.50%	8.50%	15.89%		1.00%
59	7.50%	8.50%	16.16%	16.30%	1.00%
60	7.50%	8.50%	16.44%		1.00%
61	7.50%	8.50%	16.71%		1.00%
62	7.50%	8.50%	16.99%		1.00%
63	7.50%	8.50%	17.26%		1.00%
64	7.50%	8.50%	17.53%		1.00%
65	7.50%	8.50%	17.81%		1.00%
66	7.50%	8.50%	18.08%		1.00%
67	7.50%	8.50%	18.36%		1.00%
68	7.50%	8.50%	18.63%		1.00%
69	7.50%	8.50%	18.90%		1.00%
70	10.00%	8.50%	19.18%		-1.50%
71	10.00%	8.50%	19.45%		-1.50%
72	10.00%	8.50%	19.73%		-1.50%
73	10.00%	10.50%	20.00%		0.50%
74	10.00%	10.50%	20.27%		0.50%
75	10.00%	10.50%	20.55%		0.50%
76	10.00%	10.50%	20.82%		0.50%
77	10.00%	10.50%	21.10%		0.50%
78	10.00%	10.50%	21.37%		0.50%
79	10.00%	10.50%	21.64%	21.1%	0.50%
80	10.00%	10.50%	21.92%		0.50%
81	10.00%	10.50%	22.19%		0.50%
82	10.00%	10.50%	22.47%		0.50%
83	10.00%	10.50%	22.74%		0.50%
84	10.00%	10.50%	23.01%		0.50%
85	15.00%	10.50%	23.29%		-4.50%
86	15.00%	10.50%	23.56%		-4.50%
87	15.00%	10.50%	23.84%		-4.50%
88	15.00%	16.10%	24.11%		1.10%
89	15.00%	16.10%	24.38%		1.10%
90	15.00%	16.10%	24.66%		1.10%
91	15.00%	16.10%	24.93%		1.10%
92	15.00%	16.10%	25.21%		1.10%
93	15.00%	16.10%	25.48%		1.10%
94	15.00%	16.10%	25.75%	25.21%	1.10%
95	15.00%	16.10%	26.03%		1.10%
96	15.00%	16.10%	26.30%		1.10%
97	15.00%	16.10%	26.58%		1.10%
98	15.00%	16.10%	26.85%		1.10%
99	15.00%	16.10%	27.12%		1.10%

Days	Proposed	Current	By Days	Step by	
				Days	Variance
100	17.50%	16.10%		77.40%	-1.40%
101	17.50%	16.10%		77.67%	-1.40%
102	17.50%	16.10%		77.95%	-1.40%
103	17.50%	16.10%		78.22%	-1.40%
104	17.50%	16.10%		78.49%	-1.40%
105	17.50%	16.10%		78.77%	-1.40%
106	17.50%	16.10%		79.04%	-1.40%
107	17.50%	16.10%		79.32%	-1.40%
108	17.50%	16.10%		79.59%	-1.40%
109	17.50%	16.10%		79.86%	-1.40%
110	17.50%	16.10%		80.14%	-1.40%
111	17.50%	16.10%		80.41%	-1.40%
112	17.50%	16.10%		80.68%	-1.40%
113	17.50%	16.10%		80.96%	-1.40%
114	17.50%	16.10%		81.23%	-1.40%
115	20.00%	16.10%		81.51%	-3.90%
116	20.00%	19.50%		81.78%	-0.50%
117	20.00%	19.50%		82.05%	-0.50%
118	20.00%	19.50%		82.33%	-0.50%
119	20.00%	19.50%		82.60%	-0.50%
120	20.00%	19.50%		82.88%	-0.50%
121	20.00%	19.50%		83.15%	-0.50%
122	20.00%	19.50%		83.42%	-0.50%
123	20.00%	19.50%		83.70%	-0.50%
124	20.00%	19.50%		83.97%	-0.50%
125	20.00%	19.50%		84.25%	-0.50%
126	20.00%	19.50%		84.52%	-0.50%
127	20.00%	19.50%		84.79%	-0.50%
128	20.00%	19.50%		85.07%	-0.50%
129	20.00%	19.50%		85.34%	-0.50%
130	25.00%	25.30%		85.62%	0.30%
131	25.00%	25.30%		85.89%	0.30%
132	25.00%	25.30%		86.16%	0.30%
133	25.00%	25.30%		86.44%	0.30%
134	25.00%	25.30%		86.71%	0.30%
135	25.00%	25.30%		86.99%	0.30%
136	25.00%	25.30%		87.26%	0.30%
137	25.00%	25.30%		87.53%	0.30%
138	25.00%	25.30%		87.81%	0.30%
139	25.00%	25.30%		88.08%	0.30%
140	25.00%	25.30%		88.36%	0.30%
141	25.00%	25.30%		88.63%	0.30%
142	25.00%	25.30%		88.90%	0.30%
143	32.50%	30.70%		89.18%	-1.80%
144	32.50%	30.70%		89.45%	-1.80%
145	32.50%	30.70%		89.73%	-1.80%
146	32.50%	30.70%		90.00%	-1.80%
147	32.50%	30.70%		90.27%	-1.80%
148	32.50%	30.70%		90.55%	-1.80%
149	32.50%	30.70%		90.82%	-1.80%
150	32.50%	30.70%		91.10%	-1.80%
151	32.50%	30.70%		91.37%	-1.80%
152	32.50%	30.70%		91.64%	-1.80%
153	40.00%	36.20%		91.92%	-3.80%
154	40.00%	36.20%		92.19%	-3.80%
155	40.00%	36.20%		92.47%	-3.80%
156	40.00%	36.20%		92.74%	-3.80%
157	40.00%	36.20%		93.01%	-3.80%
158	40.00%	36.20%		93.29%	-3.80%
159	40.00%	36.20%		93.56%	-3.80%
160	40.00%	36.20%		93.84%	-3.80%
161	40.00%	36.20%		94.11%	-3.80%
162	40.00%	36.20%		94.38%	-3.80%
163	40.00%	42.20%		94.66%	2.20%
164	50.00%	42.20%		94.93%	-7.80%
165	50.00%	42.20%		95.21%	-7.80%
166	50.00%	42.20%		95.48%	-7.80%
167	50.00%	42.20%		95.75%	-7.80%
168	50.00%	42.20%		96.03%	-7.80%
169	50.00%	42.20%		96.30%	-7.80%
170	50.00%	42.20%		96.58%	-7.80%
171	50.00%	42.20%		96.85%	-7.80%
172	50.00%	42.20%		97.12%	-7.80%
173	50.00%	48.60%		97.40%	-1.40%
174	50.00%	48.60%		97.67%	-1.40%
175	50.00%	48.60%		97.95%	-1.40%
176	50.00%	48.60%		98.22%	-1.40%
177	50.00%	48.60%		98.49%	-1.40%
178	50.00%	48.60%		98.77%	-1.40%
179	50.00%	48.60%		99.04%	-1.40%
180	50.00%	48.60%		99.32%	-1.40%
181	50.00%	48.60%		99.59%	-1.40%
182	50.00%	48.60%		99.86%	-1.40%

82 Summer and Breaks

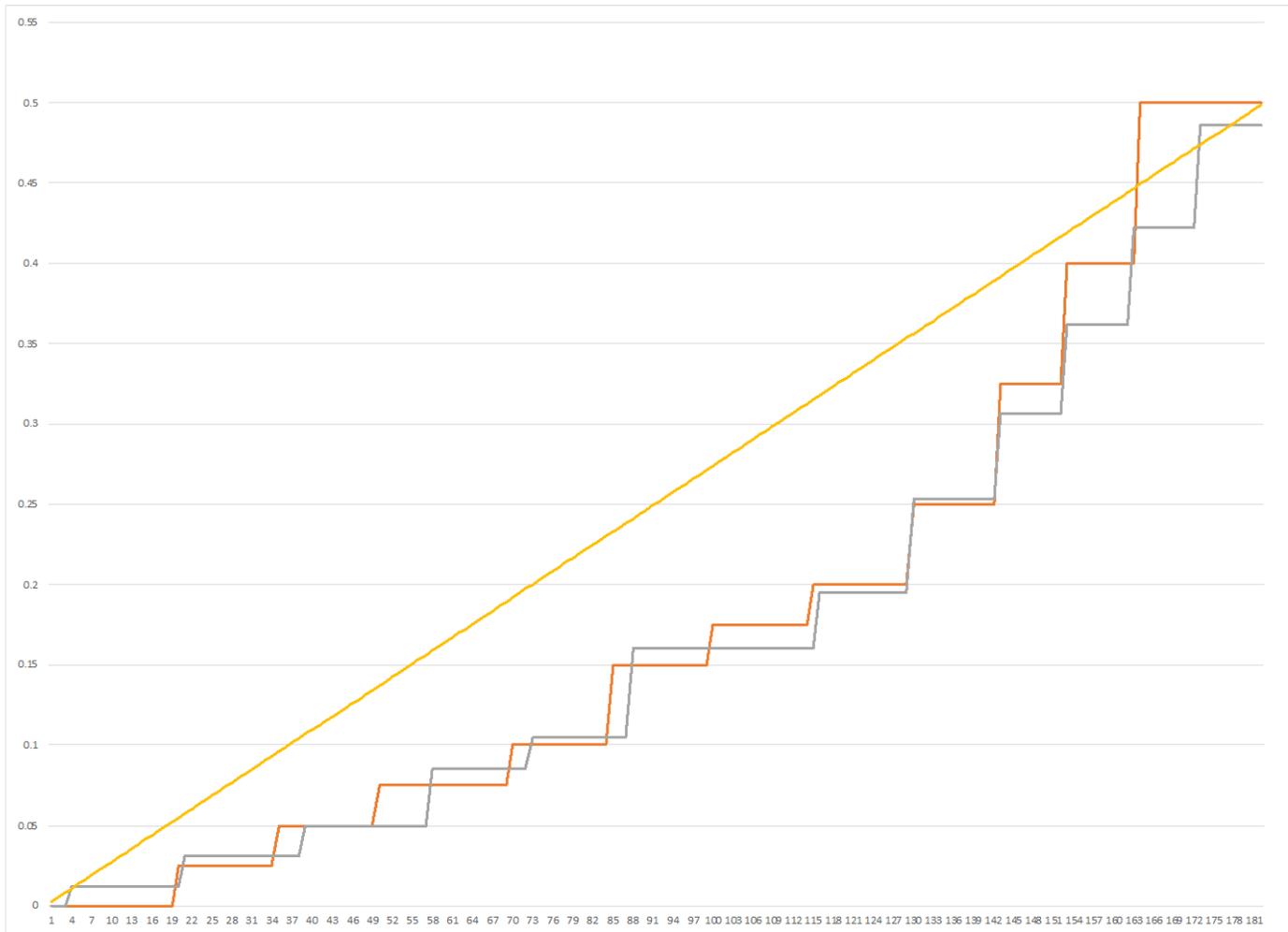
78 Every Other Weekend.

130 Every Other Weekend and 1 overnight during week.

135 Every Other Weekend and 1 overnight during week, and every other holiday.

141 Every Other Weekend and 1 overnight during week, and every other holiday and two weeks over summer.

164 Flip in the summer for custodial.



11. ADJUSTMENT FOR COSTS ASSOCIATED WITH PARENTING TIME

Because the Schedule of Basic Child Support Obligations is based on expenditures for children in intact households, there is no consideration for costs associated with parenting time. When parenting time is exercised by the parent with less parenting time, a portion of the costs for children normally expended by the primary residential parent shifts to the other parent. Accordingly, unless it is apparent from the circumstances that the parent with less parenting time will not incur costs for the children during parenting time, when proof establishes that parenting time is or is expected to be exercised by that parent, an adjustment shall be made to that parent's proportionate share of the Total Child Support Obligation. To calculate child support in equal parenting time cases [of 164 days or more](#), see Section 12.

For purposes of calculating parenting time days, only the time spent by a child with the parent with less parenting time is considered. Time that the child is in school or childcare is not considered.

To adjust for the costs of parenting time, first determine the total annual amount of parenting time indicated in a court order or parenting plan or by the expectation or historical practice of the parents. Using the following definitions, add together each block of parenting time to arrive at the total number of parenting time days per year. Calculate the number of parenting time days arising from any block of time the child spends with the parent with less parenting time in the following manner:

- A. Each block of time begins and ends when that parent receives or returns the child from the primary residential parent or from a third party with whom the primary residential parent left the child. Third party includes, for example, a school or childcare provider.
- B. Count one day of parenting time for each 24 hours within any block of time.
- C. To the extent there is a period of less than 24 hours remaining in the block of time, after all 24-hour days are counted or for any block of time which is in total less than 24 hours in duration:
 1. A period of 12 hours or more counts as one day.
 2. A period of 6 to 11 hours counts as a half-day.
 3. A period of 4 to 5 hours counts as a quarter-day.
 4. A period of 3 to 5 hours counts as a quarter-day.
 5. Periods of less than 3 hours may count as a quarter-day if, during those hours, the parent with less parenting time pays for routine expenses of the child, such as meals.

EXAMPLES: For the purposes of these examples, mother has parenting time 130 days per year and father is the primary residential parent.

- 1) Mother receives the child at 9:00 p.m. on Thursday evening and brings the child to school at 8:00 a.m. on Monday morning, from which father picks up the child at 3:00 p.m. on Monday.
 - a) 9:00 p.m. Thursday to 9:00 p.m. Sunday is three days.
 - b) 9:00 p.m. Sunday to 8:00 a.m. Monday is 11 hours, which equals a half day.
 - c) Total is 3 1/2 days.

- 2) Mother picks the child up from school at 3:00 p.m. Friday and returns the child to school at 8:00 a.m. on Monday.
 - a) 3:00 p.m. Friday to 3:00 p.m. Sunday is two days.
 - b) 3:00 p.m. Sunday to 8:00 a.m. Monday is 17 hours, which equals one day.
 - c) Total is 3 days.

- 3) Mother picks up child from soccer at noon on Saturday, and returns the child to father at 9:00 p.m. on Sunday.
 - a) Noon Saturday to noon Sunday is one day.
 - b) Noon Sunday to 9:00 p.m. Sunday is 9 hours, which equals 1/2 day.
 - c) Total is 1 1/2 days.

If the children have different parenting time schedules, then see Section 16 to determine the parenting time adjustment or to determine if separate worksheets are required. After determining the total number of parenting time days, refer to "Parenting Time Table A" below. The left column of the table sets forth numbers of parenting time days in increasingly higher ranges. Adjacent to each range is an adjustment percentage. The parenting time adjustment is calculated as follows: locate the total number of parenting time days per year in the left column of "Parenting Time Table A" and select the adjustment percentage from the adjacent column. Multiply the Basic Child Support Obligation determined under Section 8 by the appropriate adjustment percentage. The number resulting from this multiplication then is subtracted from the proportionate share of the Total Child Support Obligation of the parent who exercises parenting time.

Table A

EXAMPLE: The Basic Child Support Obligation from the Schedule is \$667 for two children. After making all applicable adjustments under Section 9, such as an adjustment for one older child, the Total Child Support Obligation is \$700 and father's proportionate share is 60%, or \$421. Father has parenting time with the children a total of 100 days. On Parenting Time Table A, the range of days for this amount of parenting time is from ~~88~~ to ~~115~~ days. The corresponding adjustment percentage is ~~.161~~. Multiply the \$667 Basic Child Support Obligation by ~~.161~~ or ~~16.1~~%. The resulting ~~\$107~~ is subtracted from \$421 (father's proportionate share of the Total Child Support Obligation), adjusting the child support obligation to ~~\$313~~.

As the number of parenting time days approaches equal time sharing (~~143 days and above~~), certain costs usually incurred only in the primary residential parent's household are assumed to be substantially or equally shared by both parents. These costs are for items such as the child's clothing and personal care items, entertainment and reading materials. If this assumption is rebutted by proof, for example, that such costs are not substantially or equally shared in each household, ~~a deviation may be appropriate. only Parenting Time Table B must be used to calculate the parenting time adjustment for this range of days. Locate the total number of parenting time days per year in the left columns of "Parenting Time Table B" and select the adjustment percentage from the adjacent column. Multiply the Basic Child Support Obligation determined under Section 8 by the appropriate adjustment percentage. The number resulting from this multiplication then is subtracted from the proportionate share of the Total Child Support Obligation of the parent who exercises parenting time.~~

12. EQUAL PARENTING TIME

If the time spent with each parent is essentially equal, the expenses for the children are equally shared and adjusted gross incomes of the parents also are essentially equal, no child support shall be paid. If the parents' incomes are not equal, the total child support amount shall be divided equally between the two households and the parent owing the greater amount shall be ordered to pay what is necessary to achieve that equal share in the other parent's household.

EXAMPLE: After making all applicable adjustments under Sections 9 and 13, the remaining child support obligation is \$1,500. The parents' proportionate shares of the obligation are \$1,000 and \$500. To equalize the child support available in both households, deduct the lower amount from the higher amount ($\$1,000 - \$500 = \$500$), then divide the balance in half ($\$500 \div 2 = \250). The resulting amount, \$250, is paid to the parent with the lower obligation.