



# DCF 150

Percentage of Income Standard

# 2016 Child Support Guidelines Advisory Panel

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# Definition of Income

- DCF 150.02(13) 7 removes the word “voluntary” from the references to employee contributions to pension or retirement accounts in the definition of gross income.
- DCF 150.02(13)8 clarifies that only Veterans disability benefits intended to replace income are available for child support.

# Low Income Cases

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- No changes to the low income formula.
  - DCF 150.04(2)(b)5 provides that the low income formula may be combined with the shared, serial, split placement and high income formulas.
  - DCF 150.03(3) adds language suggesting job search or work experience programs such as Children First as an alternative to imputing income.
  - Orders may be held open until NCP is employed at which time an order would be set based on their actual earnings
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# Serial Family Cases

- DCF 150.04(1)(a) clarifies that a parent with a legal obligation to support a child in an intact family is a serial family payer for the purpose of calculating a support obligation for children from a subsequent family.
- Clarifies that serial family parents may be eligible for application of the low income formula if multiple child support obligations put them below the low income threshold.
- DCF 150.04(6)(c) shows how to calculate support obligation for a serial family parent in an intact family when support is being calculated for children in a subsequent family and both parents will have periods of placement.

# Serial-Shared Placement Calculation

Parent A: \$2000 monthly income available for child support

Parent A: court ordered placement for 219 days a year or 60%

Parent A has a child from a previous relationship living with him or her

Parent B: \$3000 monthly income available for child support

Parent B: court ordered placement for 146 days a year or 40%

# Calculation

Parent A's first legal obligation for support to a child in an intact family =  $17\% \times \$2,000 = \$340$

Adjust Parent A's monthly income available for child support =  $\$2,000 - \$340 = \$1,660$

Determine support for the second legal obligation:

	<u>Parent A</u>	<u>Parent B</u>
1. Monthly income available for child support	\$1,660	\$3,000
2. Monthly income available for child support X percentage standard for two children	$\$1,660 \times 25\% = \$415$	$\$3,000 \times 25\% = \$750$
3. Amount in 2. X 150%	$\$415 \times 150\% = \$622.50$	$\$750 \times 150\% = \$1,125$
4. Amount in 3. X the proportion of time that the child spends with the other parent	$\$622.50 \times 40\% = \$249$	$\$1,125 \times 60\% = \$675$
5. Offset	$\$675 - \$249 = \$426$	

# Shared Placement Cases

## Variable Costs

- DCF 150.04(2)(b)6 provides that **Variable costs** are determined based upon a list provided by the parties to the court with due consideration to disparities income and transportation costs associated with visitation.
- DCF 150.04(2)(b)7 provides that a change in variable costs is not a change insufficient to justify a revision of a child support order.
- Language in DCF 150.04(2)(b)6 allowing variable cost order to be rolled into the child support amount is repealed.
- DCF 150.04(2)(b)5 provides that both the high and low income formulas may be combined with the shared-placement formula.
- DCF is working with the State Court Records Management Committee on a checkbox form for identifying variable costs.

# Shared Placement Cases Equivalent Care

- DCF 150.02(10) defines “equivalent care” as a period of time during which the parent cares for the child that is not overnight, but is determined by the court to require the parent to assume the basic support costs that are substantially equivalent to what the parent would spend to care for the child overnight. Blocks of time with the child of at least 6 hours may be considered the equivalent of a half-day if a meal is provided during that time period. Two half-day blocks may be considered the equivalent of an overnight.
- DCF 150.04(2)(a)1 provides that when calculating periods of placement based on “equivalent care”, the total number of overnights may exceed 365. The period of placement must be determined by dividing the number of overnights or their equivalent by the total number of overnights in a year.
- The Note in DCF 150.04(2)(b) provides examples of equivalent care.

# Variable Costs

## Checklist

### VARIABLE EXPENSES CHECKLIST

Yes	No	
<input type="checkbox"/>	<input type="checkbox"/>	<b>CHILD CARE</b>
<input type="checkbox"/>	<input type="checkbox"/>	day care
		nanny
<input type="checkbox"/>	<input type="checkbox"/>	<b>TRANSPORTATION</b>
<input type="checkbox"/>	<input type="checkbox"/>	driver's ed fees
<input type="checkbox"/>	<input type="checkbox"/>	kid's auto insurance
<input type="checkbox"/>	<input type="checkbox"/>	kid's car
<input type="checkbox"/>	<input type="checkbox"/>	repair and upkeep for children's bicycle
<input type="checkbox"/>	<input type="checkbox"/>	bus pass
<input type="checkbox"/>	<input type="checkbox"/>	<b>RECURRING SCHOOL ITEMS</b>
<input type="checkbox"/>	<input type="checkbox"/>	school pictures
<input type="checkbox"/>	<input type="checkbox"/>	school supplies
<input type="checkbox"/>	<input type="checkbox"/>	school fees
<input type="checkbox"/>	<input type="checkbox"/>	school lunches
<input type="checkbox"/>	<input type="checkbox"/>	parochial school tuition
<input type="checkbox"/>	<input type="checkbox"/>	class trips
<input type="checkbox"/>	<input type="checkbox"/>	tutoring fees
<input type="checkbox"/>	<input type="checkbox"/>	<b>ONCE-IN-A LIFETIME SCHOOL ITEMS</b>
<input type="checkbox"/>	<input type="checkbox"/>	year books
<input type="checkbox"/>	<input type="checkbox"/>	letter jackets
<input type="checkbox"/>	<input type="checkbox"/>	class rings
<input type="checkbox"/>	<input type="checkbox"/>	high school graduation expenses
<input type="checkbox"/>	<input type="checkbox"/>	costs of college search - application fees, travel expenses
<input type="checkbox"/>	<input type="checkbox"/>	class trips
<input type="checkbox"/>	<input type="checkbox"/>	prom dresses
<input type="checkbox"/>	<input type="checkbox"/>	formal dancewear (tuxes/tickets/flowers)
<input type="checkbox"/>	<input type="checkbox"/>	a limo for prom
<input type="checkbox"/>	<input type="checkbox"/>	SAT/ACT prep classes
<input type="checkbox"/>	<input type="checkbox"/>	SAT/ACT fees
<input type="checkbox"/>	<input type="checkbox"/>	private college
<input type="checkbox"/>	<input type="checkbox"/>	financial aid counseling
<input type="checkbox"/>	<input type="checkbox"/>	<b>CLOTHING</b>
<input type="checkbox"/>	<input type="checkbox"/>	winter coats
<input type="checkbox"/>	<input type="checkbox"/>	boots
<input type="checkbox"/>	<input type="checkbox"/>	school uniforms
<input type="checkbox"/>	<input type="checkbox"/>	jewelry

# Shared Placement Equivalent Care

Example of equivalent care:

Number of children: Two

Parent A: \$2,000 monthly income available for child support

Parent A has court-ordered placement of the child 271 days a year or 74%.

Parent B: \$3,000 monthly income available for child support

Parent B has court-ordered placement of the child 94 days a year or 26%.

Parent B also provides day care 4 days a week from 3 pm – 9 pm and

Provides dinner to the children 46 weeks per year.

(4) 6 hour blocks per week = 2 overnights X 46 weeks= 92 overnights per year

Total number of overnights = 457 (271 + 94 + 92)

Parent A = 59%

Parent B = 41%

Time with Parent A = 59% (271/457 = .59)

Time with Parent B = 41% (94 + 92/457 = .407)

# Calculation

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	<u>Parent A</u>	<u>Parent B</u>
1. <u>Monthly income available for child support</u>	<u>\$2,000</u>	<u>\$3,000</u>
2. Monthly income available for child support <u>X percentage standard for two children</u>	<u><math>\\$2,000 \times 25\% = \\$500</math></u>	<u><math>\\$3,000 \times 25\% = \\$750</math></u>
3. <u>Amount in 2. X 150%</u>	<u><math>\\$500 \times 150\% = \\$750</math></u>	<u><math>\\$750 \times 150\% = \\$1125</math></u>
4. Amount in 3. X the proportion of time <u>that the child spends with the other parent</u>	<u><math>\\$750 \times 41\% = \\$307.50</math></u>	<u><math>\\$1125 \times 59\% = \\$663.75</math></u>
5. <u>Offset</u>	<u><math>\\$663.75 - \\$307.50 = \\$367.50</math></u>	
6. Court also assigns responsibility for payment of the child's variable costs.	Manner of payment is between the parents or from a parent to a third-party service provider.	

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# Adjustment to Child's SSDI Benefit

- DCF 150.03(5)(a) amended to clarify that if the payer is receiving the child's benefit, the amount of support is either the percentage standard applied to the payer's income or the amount of the child's benefit, whichever is greater.
- DCF 150.03(5)(b) provides methodology for calculating support under the shared placement guidelines when the child(ren) is entitled to a SSDI benefit. The child's benefit is split between the parents in proportion to the amount of time the child spends with each parent.
- The proportion of the child's benefit that represents the proportion of time the child spends with the parent NOT receiving the benefit should be added to the support obligation of the parent who IS receiving the child's benefit.
- Emergency rule change being pursued to amend DCF 150.03(5)(b)(7) to clarify that the NCP is obligated to pay the **lesser** of the amount calculated under this section or the amount determined using a straightforward application of the percentage standard.

# Calculation for a shared placement parent who receives a child's benefit under 42 USC 402 (d):

- Two children
- Parent A has placement 146 days or 40% of the year.
- Parent B has placement 219 days or 60% of the year.
- Parent A's current monthly income available for support is \$2000.
- Parent B's current monthly income available for support is \$2500
- Parent B receives a \$1000 per month child's benefit under 42 USC 402(d) based on Parent A's entitlement to federal disability or old-age insurance benefits under 42 USC 401 to 433.

# Calculation

	<u>Parent A</u>	<u>Parent B</u>
Monthly Income Available For Child Support	\$2,000	\$2,500
Monthly Income Available For Child Support x Percentage Standard for Two Children	$\$2,000 \times 25\% = \$500$	$\$2,500 \times 25\% = \$625$
Amount x 150%	$\$500 \times 150\% = \$750$	$\$625 \times 150\% = \$937.50$
Amount x Proportion of Time Spent with Other Parent	$\$750 \times 60\% = \$450$	$\$937.50 \times 40\% = \$375$
Child's Benefit x Proportion of Time Spent with Parent Not Receiving the Child's Benefit	$\$1,000 \times 40\% = \$400$	
Add Last Two Amounts	$\$375 + \$400 = \$775$	
Offset	$\$775 - \$450 = \$325$ (Parent B)	

# Adjustment for Adoption Assistance

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- DCF 150.03(5m) provides that the court may consider adoption assistance received by either parent when setting support.
  - If the shared placement guidelines apply, the adoption assistance be split between the parents in proportion to the amount of time the child spends with each parent.
  - Wis. Stat. §46.10(14)(cm)1 caps the amount that adoptive parents may be ordered to pay for child support to the amount of the adoption assistance.
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# Medical Support

- DCF 150.05(1)(b)2 changes the measure of reasonable cost from 5% to 10% of insuring parent's gross monthly income and applies it to full cost of policy rather than incremental cost of adding child(ren).
- DCF 150.05(1)(b)3 provides that a contribution from the non-insuring parent may not exceed the cost to add the child or children to existing coverage, or, if no coverage exists, the difference between the cost of single coverage and the cost to the insuring parent to add the child(ren).

# Medical Support Reasonable Cost Standard

Parent A: \$4,000 monthly income available for child support 10% = \$400

Parent B: \$2,500 monthly income available for child support 10% = \$250

Cost of insurance to Parent A = \$350/month Cost to add children = \$150

10% of Parent A's monthly income \* = \$400

Parent B could be ordered to contribute up to \$150/month

\* DCF 150.05(1)(b)2 provides that the policy must also cover hospitalization and or other medical costs without large out-of-pocket deductibles or co-payments.

# Calculation

- Parent A Employer sponsored insurance:
  - **\$200**/month single coverage
  - **\$150**/month to add the child or children
  - **\$350** total policy cost
  - \* ( $\$350 < \$400$ . Therefore, the total cost of the policy does not exceed 10% of insuring parent's income. This is considered reasonable)
- Parent A may be ordered to enroll the child or children and pay the full \$350.00/month policy cost.
- Parent B may be ordered to contribute up to \$150/month toward the cost
- If Parent A is ordered to pay child support, the court may incorporate responsibility for a contribution from Parent B to the cost of health insurance as a downward deviation to Parent A's child support obligation.

# Birth Costs

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DCF 150.05(2)(a) provides that recovery of birth costs is inappropriate in cases where the alleged father is a member of an intact family that includes the mother and the subject child at the time paternity or support is established and the father's income, if any, contributes to the support of the child.

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# Birth Costs

- The determination of whether a family is intact is made either at the time paternity or support is established.
- Held open orders should not be established for birth costs. Ability to pay is based on current income at the time paternity or support is established.
- If a case is referred to child support, birth costs may be established if the child is less than 24 months old.
- Do not seek birth cost judgments in cases in which the mother/child are eligible for the Purchased Referral Care Program, formerly Indian Health Services (IHS).
- A POTF's income is not taken into consideration when determining a mother's eligibility for MA.
- The determination of whether a father is providing support for the child must also include consideration of non-financial support.