

MINNESOTA CHILD SUPPORT GUIDELINES

Basic Calculations

Guidelines Task Force Meeting – November 30, 2016

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ROADMAP FOR PRESENTATION

A. Very Basic Scenarios

Parent A with a variety of incomes +

1. Parent B on MFIP
2. Parent B earning Minimum Wage
3. Parent B earning \$20 per hour

B. Parenting Expense Adjustment 2018 Examples

C. Multiple Family or Multiple Obligation Examples

LIFE IS COMPLICATED; OUR EXAMPLES ARE VERY BASIC

- Parent A - Parent with less parenting time
- Parent B - Parent with more parenting time
- **1** Joint Child - Biological or adopted child of Parent A and Parent B
- No Non-Joint Children - Children who are the biological or adopted child of one, but not both parents
- No Parenting Expense Adjustment
- No Public Assistance (except MFIP for Parent B in some examples)
- No Spousal Maintenance owed or received by either parent

EXAMPLE 1 – PARENT B – MFIP (\$0 GMI)

a. Parent A - minimum wage at 30 hours per week (imputed potential income)

- Basic Support Before Adjustments = \$177
- Parent A Income Available for Support = \$46
- Self-Support Reserve = -\$177
- Parent A's Basic Support Obligation = \$50 (3% of \$1,234 GMI)

b. Parent A - minimum wage at 40 hours per week

- Basic Support Before Adjustments = \$337
- Parent A Income Available for Support = \$457
- Self-Support Reserve = -\$0
- Parent A's Basic Support Obligation = \$337 (20% of \$1,645 GMI)

EXAMPLE 1 – PARENT B – MFIP (\$0 GMI)

c. Parent A - \$15 per hour at 40 hours per week

- Basic Support Before Adjustments = \$560
- Parent A Income Available for Support = \$1,410
- Self-Support Reserve = -\$0
- Parent A's Basic Support Obligation = \$560 (22% of \$2,598 GMI)

d. Parent A - \$40 per hour at 40 hours per week

- Basic Support Before Adjustments = \$957
- Parent A Income Available for Support = \$5,740
- Self-Support Reserve = -\$0
- Parent A's Basic Support Obligation = \$957 (14% of \$1,645 GMI)

EXAMPLE 2 – PARENT B – MINIMUM WAGE AT 40 HOURS PER WEEK (\$1,645 GMI)

a. Parent A - minimum wage at 30 hours per week (imputed potential income)

- Basic Support Before Adjustments = \$253
- Parent A Income Available for Support = \$46
- Self-Support Reserve = -\$253
- Parent A's Basic Support Obligation = \$50 (3% of \$1,234 GMI)

b. Parent A - minimum wage at 40 hours per week

- Basic Support Before Adjustments = \$312
- Parent A Income Available for Support = \$457
- Self-Support Reserve = -\$0
- Parent A's Basic Support Obligation = \$312 (19% of \$1,645 GMI)

EXAMPLE 2 – PARENT B – MINIMUM WAGE AT 40 HOURS PER WEEK (\$1,645 GMI)

c. Parent A - \$15 per hour at 40 hours per week

- Basic Support Before Adjustments = \$464
- Parent A Income Available for Support = \$1,410
- Self-Support Reserve = -\$0
- Parent A's Basic Support Obligation = \$464 (18% of \$2,598 GMI)

d. Parent A - \$40 per hour at 40 hours per week

- Basic Support Before Adjustments = \$875
- Parent A Income Available for Support = \$5,740
- Self-Support Reserve = -\$0
- Parent A's Basic Support Obligation = \$875 (13% of \$6,928 GMI)

EXAMPLE 3 – PARENT B – \$20 PER HOUR AT 40 HOURS PER WEEK (\$3,468 GMI)

a. Parent A - minimum wage at 30 hours per week (imputed potential income)

- Basic Support Before Adjustments = \$212
- Parent A Income Available for Support = \$46
- Self-Support Reserve = -\$212
- Parent A's Basic Support Obligation = \$50 (3% of \$1,234 GMI)

b. Parent A - minimum wage at 40 hours per week

- Basic Support Before Adjustments = \$268
- Parent A Income Available for Support = \$457
- Self-Support Reserve = -\$0
- Parent A's Basic Support Obligation = \$268 (16% of \$1,645 GMI)

EXAMPLE 3 – PARENT B – \$20 PER HOUR AT 40 HOURS PER WEEK (\$3,468 GMI)

c. Parent A - \$15 per hour at 40 hours per week

- Basic Support Before Adjustments = \$385
- Parent A Income Available for Support = \$1,410
- Self-Support Reserve = -\$0
- Parent A's Basic Support Obligation = \$385 (15% of \$2,598 GMI)

d. Parent A - \$40 per hour at 40 hours per week

- Basic Support Before Adjustments = \$876
- Parent A Income Available for Support = \$5,740
- Self-Support Reserve = -\$0
- Parent A's Basic Support Obligation = \$876 (13% of \$6,928 GMI)

EXAMPLE 3 – PARENT B – \$20 PER HOUR AT 40 HOURS PER WEEK (\$3,468 GMI)

e. Parent A - \$23.77 per hour at 40 hours per week

- Basic Support Before Adjustments = \$539
- Parent A Income Available for Support = \$2,930
- Self-Support Reserve = -\$0
- Parent A's Basic Support Obligation = \$539 (13% of \$4,118 GMI)

Summary of Results for Very Basic Scenarios:

	Parent B MFIP \$0 GMI		Parent B MinWage \$1,645 GMI		Parent B \$20/hr \$3,468 GMI	
Parent A	Basic Support	% of Parent A income	Basic Support	% of Parent A income	Basic Support	% of Parent A income
Min. Wage – 30 hrs \$1,234 GMI	\$50 1(a)	3%	\$50 2(a)	3%	\$50 3(a)	3%
Min. Wage – 40 hrs \$1,645 GMI	\$337 1(b)	20%	\$312 2(b)	19%	\$268 3(b)	16%
\$15/hr – \$2,598 GMI	\$560 1(c)	22%	\$464 2(c)	18%	\$385 3(c)	15%
\$40/hr – \$6,928 GMI	\$957 1(d)	13%	\$875 2(d)	12%	\$876 3(d)	12%
\$23.77/hr – \$4,118 GMI	n/a		n/a		\$539 3(e)	13%

WHAT HAPPENS WHEN THE
PARENTING EXPENSE
ADJUSTMENT IS APPLIED?

PARENTING EXPENSE ADJUSTMENT: (PEA)– 2007 LAW

- Currently the PEA Law is that if Parent A has Overnight Equivalents =
 - Less than 10% (36 or less per year)- **No PEA**
 - 10-45% (37-164 per year) – **12% PEA**
 - 45.1-50% (165 or more per year) – **Presumptively equal parenting time formula used**
- 2015 Child Support Work Group recommended a new PEA to prevent the cliff effect that occurs for some families

PARENTING EXPENSE ADJUSTMENT: (PEA)– AUGUST 1, 2018 LAW

- The PEA Law effective 8/1/18 (HF2749/SF2356/Session Law 189) is:

$$\frac{(A_o)_3 (B_s) - (B_o)_3 (A_s)}{(A_o)_3 + (B_o)_3}$$

Where:

- A_o – Approximate annual number of overnight equivalents the children will spend with parent A
 - B_o – Approximate annual number of overnight equivalents the children will spend with parent B
 - A_s – Parent A's base support obligation
 - B_s – Parent B's base support obligation
- This will be programmed into the Guidelines Calculator
 - There is a rebuttable presumption of a \$0 basic support obligation if the parent has 55% of the court ordered parenting time

PARENTING EXPENSE ADJUSTMENT EXAMPLES USING 2018 LAW

a. Parent A - \$15 per hour at 40 hours per week (\$2,598 GMI)

Parent B – MFIP (\$0 GMI)

- Parent A's Basic Support Before Adjustments = \$560
- Parent A's Basic Support After Parenting Expense Adjustments 2018
 - 0% PEA = \$560
 - 15% PEA (4.6 overnights/mo) = \$557
 - 35% PEA (10.6 overnights/mo) = \$484
 - 50% PEA (15.2 overnights/mo) = \$280

PARENTING EXPENSE ADJUSTMENT EXAMPLES USING 2018 LAW

b. Parent A - \$15 per hour at 40 hours per week (\$2,598 GMI)

Parent B – minimum wage at 40 hours per week
(\$1,645 GMI)

- Parent A's Basic Support Before Adjustments = \$464
- Parent A's Basic Support After Parenting Expense Adjustments 2018
 - 0% PEA = \$464
 - 15% PEA (4.6 overnights/mo) = \$459
 - 35% PEA (10.6 overnights/mo) = \$361
 - 50% PEA (15.2 overnights/mo) = \$84

PARENTING EXPENSE ADJUSTMENT EXAMPLES USING 2018 LAW

c. Parent A - \$15 per hour at 40 hours per week (\$2,598 GMI)

Parent B – \$20 per hour at 40 hours per week
(\$3,468 GMI)

- Parent A's Basic Support Before Adjustments = \$385
- Parent A's Basic Support After Parenting Expense Adjustments 2018
 - 0% PEA = \$385
 - 15% PEA (4.6 overnights/mo) = \$380
 - 35% PEA (10.6 overnights/mo) = \$264
 - 50% PEA (15.2 overnights/mo) = **Parent B pays \$63**

Summary of Results for 2018 Parenting Expense Adjustment Examples:

	Parent B MFIP \$0 GMI		Parent B MinWage \$1,645 GMI		Parent B \$20/hr \$3,468 GMI	
Parent A \$15/hr - \$2,598 GMI	Basic Support	% of Parent A income	Basic Support	% of Parent A income	Basic Support	% of Parent A income
No PEA	\$560	22%	\$464	18%	\$385	14%
15% PEA	\$557	21%	\$459	18%	\$380	15%
35% PEA	\$484	19%	\$361	14%	\$264	10%
50% PEA	\$280	11%	\$84	3%	(\$63)	--

WHAT HAPPENS WHEN PARENT A HAS MORE THAN ONE FAMILY?

Multiple Family or Multiple Obligation Examples

	Parent B MFIP \$0 GMI		Parent B MinWage \$1,645 GMI		Parent B \$20/hr \$3,468 GMI	
Parent A MinWage – 40 hrs/wk \$1,645 GMI	Basic Support	% of Parent A income	Basic Support	% of Parent A income	Basic Support	% of Parent A income
1 st Obligation	\$337	20%	\$312	19%	\$268	16%
2 nd Obligation	\$120	7%	\$145	9%	\$189	11%
3 rd Obligation	\$50	3%	\$50	3%	\$50	3%
Total	\$507	31%	\$507	31%	\$507	31%