



Minnesota Department of **Human Services**

# Child Support Overview

# THE EARLY YEARS

- Laws governing the support of children have existed in one form or another for more than 400 years
- 1576 English Law required that children born outside of wedlock be supported by their fathers

# ENGLISH POOR LAWS

- The English Poor Law of 1733
  - Fathers required to support children born outside of marriage
  - Parish government would provide support to mother and child, and the father would be required to reimburse the parish
  - Father could be jailed if he failed to support
  - Sometimes parish could force parents to marry

# CHILD SUPPORT IN THE UNITED STATES

- The United States formalized the concept of child support for divorced parents earlier than English law
- *Stanton v. Willson*, 1808 Connecticut Supreme Court
  - First US child support jurisprudence
  - Father ordered to reimburse the estate of a woman's second husband for specific expenditures made on behalf of father's child

# CHILD SUPPORT IN MINNESOTA

## THE EARLY YEARS

- 1851 Revised Statutes of the Territory of Minnesota included provisions for child support for children born out of wedlock
  - Required prosecution of alleged father of child born to unmarried mother
    - Father paid fines and court costs, reimbursed county for costs of caring for the pregnant mother and child, and ordered to pay ongoing support for the child
    - The county board (later public welfare agency) could enter a settlement with the father discharging him from any liability for support of the child

# EARLY CHILD SUPPORT LAWS

## PATERNITY ADJUDICATIONS

- Remained the law, with few substantive changes, for nearly 130 years
- Minnesota Parentage Act enacted in 1980
  - aligned parentage actions with dissolution actions relative to determination of child support

# CHILD SUPPORT IN MINNESOTA

## THE EARLY YEARS: 1851

- For divorced parents, the court could:

“...make such further order as it shall deem just and proper concerning the care, custody, and maintenance of the minor children of the parties.” (Revised Statutes of the Territory of Minnesota, Chapter 66, Section 18)

“...further order to her such part of the personal estate of the husband, and such alimony out of his estate, as it shall deem just and reasonable” to support herself and any children in her care.

(Rev. Stat. Territory of Minnesota, Ch. 66, Section 23)

- The statutes governing child support remained basically the same until 1984

# FEDERAL INVOLVEMENT & NATIONAL STANDARDS

- Much of the work done by Minnesota's counties to establish and enforce paternity and child support is mandated by the federal government in Title IV-D of the Social Security Act



# FEDERAL INVOLVEMENT & NATIONAL STANDARDS

- In 1950, the federal government entered the child support picture:
  - Created Section 402(a)(11) of the Social Security Act – required state welfare agencies to notify appropriate law enforcement officials upon providing Aid to Families with Dependent Children (AFDC) with respect to a child “who was abandoned or deserted by a parent”
- Also that year, the National Conference of Commissioners on Uniform State Laws and the American Bar Association approved the Uniform Reciprocal Enforcement of Support Act

# FEDERAL INVOLVEMENT IN CHILD SUPPORT GROWS

- 1967 Social Security Act Amendments:
  - Required states to create a single organizational unit to establish paternity and collect child support for “deserted children” receiving AFDC

US Department of Health and Human Services – History of Child Support Enforcement

# BACK IN MINNESOTA...

- 1971 – Minnesota statute required:
  - Assignment of child support to the state if obligee received public assistance
  - Payment of any child support remaining after reimbursement for public assistance to the obligee

# GROWING FEDERAL INVOLVEMENT

## 1974-75

- Title IV-D of the Social Security Act began the child support enforcement system we know today
- Required federal Department of Health and Human Services to do a variety of things, including:
  - Establish parent locator service, review state plans for child support enforcement, provide technical assistance to states
- Assigned states primary responsibility for child support enforcement

# GROWING FEDERAL INVOLVEMENT

## 1976 - 1981

- Assignment of child support to state required if Medicaid paid on behalf of the child
- States could intercept federal tax refunds to pay child support arrears
- Child support obligations owed to the state not dischargeable in bankruptcy

# MINNESOTA'S CHANGES - 1980

- Implemented wage withholding statutes
  - Authorized public authority to withhold income if obligor was in arrears for at least 30 days
  - All child support orders would require employers and others who pay funds to an obligor to withhold child support

# “FUN” FACT

- Regular Session 1981 (ended May, 1981), Minn. Stat. § 257.021 was passed:
  - Stepparent legally obligated to support a stepchild living in the same household to the same extent that a natural or adoptive parent is required to support a child.
  - Unless – court rules otherwise because undue hardship would result because stepparent is supporting children from a prior relationship.
  - Natural or adoptive parents still required to provide primary support.
- Repealed 3<sup>rd</sup> Special Session 1981 (Dec 1981 – Jan 1982)

# MINNESOTA – AHEAD OF THE PACK

- Minnesota passed the first state-wide child support guidelines in the country in 1983
- Federal requirement in 1984 – states must establish child support guidelines by 1989 or face financial penalties



# MORE FEDERAL REQUIREMENTS

## 1984 - 1994

- States required to:
  - Create expedited process for establishment and enforcement of child support
  - Provide equal services to families regardless of whether they receive public assistance
  - Prohibit retroactive modification of child support
  - Meet performance standards for establishment of paternity
  - Establish automated statewide child support enforcement system
  - Give full faith and credit to other state child support orders and enforce

# PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY RECONCILIATION ACT - 1996

- Required state child support enforcement programs to meet federal requirements to receive TANF block grant
- Mandated statewide collection and disbursement units
- Created new penalties for failure to pay child support
- Prioritized arrears owed to families over arrears owed to the state for public assistance reimbursement

# FEDERAL CHILD SUPPORT LAWS

## QUIETER TIMES

- Since 1996, changes to federal laws have largely been technical:
  - Lowered federal financial participation (FFP) to 66%
  - States required to review child support orders for obligees on TANF every 3 years for potential modification

# MINNESOTA'S IV-D PROGRAM

- State administered, county operated
- Child support is determined and modified through the court process – the state and counties have no administrative authority
- Child support is governed by statute – there is no rule-making for child support policy

# MINNESOTA'S IV-D PROGRAM

- In 2015, Minnesota's IV-D Program:
  - Provided IV-D services to more than 250,000 families
    - Approximately 89% of the families served do not receive public assistance
    - Approximately 11% of the families served currently receive public assistance
  - Collected \$609 million in child support
  - Collected \$3.55 for every \$1.00 spent on the IV-D program
  - Disbursed 96% of all child support collected to the families we serve

# MINNESOTA'S GUIDELINES BACK TO THE BEGINNING

- Basic child support based upon:
  - Net income of obligor
  - Number of children
- Net income was gross income minus deductions
  - Federal, state, payroll taxes
  - Union dues
  - Pension contribution, and
  - Cost of health insurance for obligor and child

Net Income Per  
Month of Obligor

Number of Children

	1	2	3	4	5	6	7 or more
\$550 and Below	Order based on the ability of the obligor to provide support at these income levels, or at higher levels, if the obligor has the earning ability.						
\$551 - 600	16%	19%	22%	25%	28%	30%	32%
\$601 - 650	17%	21%	24%	27%	29%	32%	34%
\$651 - 700	18%	22%	25%	28%	31%	34%	36%
\$701 - 750	19%	23%	27%	30%	33%	36%	38%
\$751 - 800	20%	24%	28%	31%	35%	38%	40%
\$801 - 850	21%	25%	29%	33%	36%	40%	42%
\$851 - 900	22%	27%	31%	34%	38%	41%	44%
\$901 - 950	23%	28%	32%	36%	40%	43%	46%
\$951 - 1000	24%	29%	34%	38%	41%	45%	48%
\$1001- 5000	25%	30%	35%	39%	43%	47%	50%

# OLD-TIME CHILD SUPPORT

## AN EXAMPLE

- Example 1: Angie and Brad have 3 children, Matt, Max, and Milo
  - Brad had *sole physical custody*
  - Brad had a net monthly income of \$750
  - Angie had parenting time every Friday, Saturday and Sunday night (43% parenting time)
  - Angie had a net monthly income of \$1,200
  - Angie would pay 35% of net income

**Angie's obligation**  
**\$420 per month**



# OLD-TIME CHILD SUPPORT JOINT PHYSICAL CUSTODY

- Parents with “joint physical custody” used the “Hortis-Valento” formula – from case law
  - Child support calculated for each parent
    - Each parent’s child support multiplied by the other parent’s percentage of parenting time
    - The obligation equaled the higher support amount minus the lower support amount

# OLD-TIME CHILD SUPPORT HORTIS-VALENTO EXAMPLE

- Same facts except now Angie and Brad share *joint physical custody*
- Angie basic support = 35%, \$420
- Angie basic support adjusted (57%) = \$239
- Brad basic support = 27%, or \$203
- Brad basic support adjusted (43%) = \$87

**Angie's Obligation**  
**\$152 per month**

Strict application of the law resulted in a \$268 (approx. 64%) difference in child support due entirely to the custody label.

# OLD-TIME CHILD SUPPORT TIME FOR A CHANGE

- Public Sentiment in favor of a child support formula that considered the income of both parents grew among parents, policy-makers, and attorneys

# THE OLD-NEW (CURRENT) FORMULA

- 2005 – Legislature enacted **current** child support formula and guidelines
  - Effective January 1, 2007
  - Considers income of both parents (shared responsibility, or income shares model)
  - Unlinked custody label from child support (largely)
  - Considers non-joint children

# THE CURRENT FORMULA

- Goals of “new” guidelines as articulated by the author Judge Tom Neuville (former Senator)
  - Create a more equitable system
  - Create a more flexible and simple system
  - Recognize the costs associated with parenting time and nonjoint children
  - Recognize the reality of low income obligors, and
  - Encourage deviations where appropriate

# GUIDELINES CALCULATION: CHILD SUPPORT OBLIGATION

- Determine Parental Income for Child Support (PICS) for each parent – gross income
  - Includes a parent's veterans and social security benefits
  - Includes spousal maintenance received
  - Does not include spousal maintenance paid to the other parent or another individual
  - May include potential income (more later)
- Find the combined PICS by adding together both parents' gross incomes
- Determine each parent's proportional share of combined PICS

# GUIDELINES CALCULATION: CHILD SUPPORT OBLIGATION

- Determine which parent is the obligor – generally the parent with less parenting time, if equal parenting time the parent with the higher income
- Calculate combined basic child support by multiplying the statutory guideline for child support by the obligor's percentage of PICS (more later)
- Apply the parenting expense adjustment (PEA) to base support to determine the obligation

# GUIDELINES CALCULATION: CHILD SUPPORT OBLIGATION

- If both parents have more than 45 percent parenting time, but less than 55 percent, the formula for presumptively equal parenting time is applied
  - Multiply the combined basic support by .75
  - Determine each parent's share of the combined basic support (multiply by each parents share of PICS)
  - Subtract the lower from the higher



# GUIDELINES CALCULATION: CHILD SUPPORT OBLIGATION

- If the child does not live with either parent, the custodian's income is not considered
- Multiply the combined basic support by the PICS percentage (which will be 100%)

# THE CURRENT FORMULA

## WHAT IS THE GUIDELINES CHART?

- From: Minnesota Statutes § 518A.35

Combined Parental Income for Determining Child Support	Number of Children					
	One	Two	Three	Four	Five	Six
\$0- \$799	\$50	\$50	\$75	\$75	\$100	\$100
800- 899	80	129	149	173	201	233
900- 999	90	145	167	194	226	262
1,000- 1,099	116	161	186	216	251	291
1,100- 1,199	145	205	237	275	320	370
1,200- 1,299	177	254	294	341	396	459
1,300- 1,399	212	309	356	414	480	557
1,400- 1,499	251	368	425	493	573	664
1,500- 1,599	292	433	500	580	673	780
1,600- 1,699	337	502	580	673	781	905
1,700- 1,799	385	577	666	773	897	1,040
1,800- 1,899	436	657	758	880	1,021	1,183
1,900- 1,999	490	742	856	994	1,152	1,336

# THE CURRENT FORMULA

## WHAT IS THE GUIDELINES CHART?

- Based upon the 2001 USDA estimates on the cost of raising a child in the urban Midwest, then made several modifications
  - Adjusted housing costs downward by 28 percent
  - Excluded child care, educational and medical expenses
- Legislature commissioned Policy Studies Incorporated (PSI) to examine the new guidelines
  - PSI determined that the proposed guidelines were too high for high-income earners and too low for low-income earners.
- The child support guidelines modified in 2006 to match PSI's recommendations with respect to the low-income and high-income groups

# GUIDELINES CALCULATION: BASIC SUPPORT OBLIGATION

- Potential Income:
  - There is a rebuttable presumption that parents able to work full-time of 40 hours unless they work in a profession that has a custom of fewer hours
  - Methods of determining potential income
    - Probable earnings based on work history, qualifications, available jobs in the community
    - Amount of unemployment compensation or worker's compensation
    - Amount the parent would receive working 30 hours at 100% of the higher of Minnesota or federal minimum wage

# THE CURRENT FORMULA

## WHAT IS THE GUIDELINES CHART?

- No changes to the guidelines chart since 2006
- Statute provides a cost of living adjustment (COLA) to the amount of basic support every two years
  - Administrative process
  - COLA based upon the Consumer Price Index

# THE CURRENT FORMULA

## WHAT IS THE PEA?

- Parenting Expense Adjustment
- Intended to recognize both parents contribute to a child's costs while caring for the child
- Minn. Stat. § 518A.36 (amended in 2016):  
“The parenting expense adjustment... reflects the presumption that while exercising parenting time, a parent is responsible for and incurs costs of caring for the child, including, but not limited to, food, clothing, transportation, recreation, and household expenses.

# GUIDELINES CALCULATION

## PARENTING EXPENSE ADJUSTMENT

- The PEA applied to support is:

### COURT ORDERED PARENTING TIME

1. <10%
2. 10-45%
3. 45.1% - 50%

### PERCENTAGE OF DEDUCTION

1. 0%
2. 12%
3. Calculate as parenting time presumed equal
  - Multiply the basic support obligation by each parent's PICS percentage and subtract the lower from the higher

# GUIDELINES CALCULATION: CHILD CARE OBLIGATION

- Next, determine child care support if applicable:
  - Determine cost of child care – average if needed
  - Determine tax credits for the child care expense (online calculator does this for you)
  - Adjust child care based upon the tax credits
  - Calculate each parent's share of the child care expense – PICS
  - Parent paying the child care costs receives the support
- Note: If the parent paying child care expenses receives a child care subsidy, the sliding fee scale co-payment table is used to determine a low income obligor's share of the child care costs



# GUIDELINES CALCULATION: MEDICAL SUPPORT OBLIGATION

- Next, determine the medical support obligation
  - Determine cost of medical insurance for the joint child
  - Calculate each parent's share of the medical insurance expense – PICS
  - Parent paying for the insurance receives the support
- Note: Medical support is calculated differently if the child receives public insurance benefits

# GUIDELINES CALCULATION: CHILD SUPPORT OBLIGATION

- Determine presumptive child support obligation

Basic Support Obligation

+

Child Care Obligation

+

Medical Support Obligation

-

Benefits Adjustment

(Social Security or Veteran's benefits, if parent receiving child support is the representative payee for the joint child  
based on the other parent's disability or retirement)

=

**Presumptive Child Support Obligation**

# GUIDELINES CALCULATION: CHILD SUPPORT OBLIGATION

- Review ability to pay based upon poverty guidelines
  - Determine the self-support reserve – 120% of the Federal Poverty Guidelines for one person (\$1,188 for 2016)
  - Subtract the gross monthly income from the self-support reserve to determine the income available for child support

2016 Federal Poverty Guidelines

Family Size	Gross Annual Income	Gross Monthly Income	Approximate Hourly Wage
1	\$11,880	\$990	\$5.71
2	\$16,020	\$1,335	\$7.70
3	\$20,160	\$1,680	\$9.69
4	\$24,300	\$2,025	\$11.68
5	\$28,440	\$2,370	\$13.67
6	\$32,580	\$2,715	\$15.66
7	\$36,720	\$3,061	\$17.66
8	\$40,860	\$3,408	\$19.66
Over 8 add per person:	\$4,160	\$347	\$2.00

Source: Federal Register vol. 81, no. 15, January 25, 2016, pp. 4836-7. Monthly and hourly income calculated by OCPP and rounded to the nearest dollar and cent, respectively. The hourly rate is based on 40 hours of work per week for a full year (2080 hours). These guidelines are for the 48 contiguous states and the District of Columbia.

# GUIDELINES CALCULATION: CHILD SUPPORT OBLIGATION

- If the self-support reserve is higher than the presumptive child support obligation
  - Adjust the child support by reducing the following in order until the total reductions equal the income available for support
    - Medical support
    - Child care support
    - Basic support

# GUIDELINES CALCULATION

## THE FINAL STEP

If the income available for support is less than the self-support reserve adjustments there is a presumptive minimum basic support order:

1-2 children = \$50

3-4 children = \$75

5+ children = \$100

- There will be no child care or medical support obligation when the presumptive minimum order is used
- The presumptive minimum basic support order does not apply for those who are incarcerated

# WHAT ABOUT OTHER MEDICAL COSTS AND FEES FOR ACTIVITIES?

- Uninsured and unreimbursed medical and dental expenses
  - Divided in accordance with PICS
  - Parents reimburse one another
  - Process for obtaining reimbursement in statute
  - County child support offices will enforce
- Activity Expenses
  - Some parents share
  - Not child support – even if called child support in an order
  - County child support offices will not enforce

# THE CURRENT FORMULA

## WHY IS IT CHANGING?

### Criticism of the current PEA formula:

- Results in a substantial change in child support at 45.1% of parenting time – commonly called the child support “cliff”
  - The cliff can lead to legal battles over very small changes in parenting time
- Inadequately addresses the increased child-related costs that come with increased parenting time

# THE PEA CLIFF

- Angie & Brad
- Angie's gross monthly income is \$2,000, Brad's gross monthly income is \$1,500
- If Angie has no parenting time

**Angie's Obligation –  
\$686 per month**



# THE PEA CLIFF

- Angie has 14% of overnight parenting time (approx. 52 annual overnights - 1 per week)

**Angie's Obligation –  
\$604 per month**

**\$82 less in support than if she had 0 overnights**

# THE PEA CLIFF

- If Angie has 44% of overnight parenting time (approx. 161 annual overnights – 3 per week)

**Angie's Obligation –  
\$604 per month**

109 more overnights per year results in  
***no change in basic support***

# THE PEA CLIFF

- If Angie has 46% of overnight parenting time - (168 annual overnights - 3 overnights per week one week in the summer):

**Angie's Obligation – \$127 per month**

7 additional overnights per year results in a  
***\$477 change in monthly child support***

# THE PEA CLIFF

## CHANGING THE FORMULA

- There was an attempt to level the cliff during the 2015 session
  - Applied Oregon's parenting time credit formula to Minnesota's income shares model
  - Unintentionally resulted in substantial increases in child support for obligors with close to 50% parenting time and significant decreases in child support at lower incomes

# THE PEA CLIFF

## THE 2015 WORK GROUP

- 2015 PEA legislation amended to create a work group with two tasks:
  - Recommend a new PEA formula to level the cliff
  - Design and recommend the framework for a longer-term child support task force
- The Work Group:
  - Included various stakeholders
  - Met in fall and early winter 2015
  - Worked with Dr. Jane Venohr
  - Recommended a new PEA formula and the formation of this task force

<https://www.leg.state.mn.us/docs/2016/mandated/160242.pdf>

# NEW PEA FORMULA

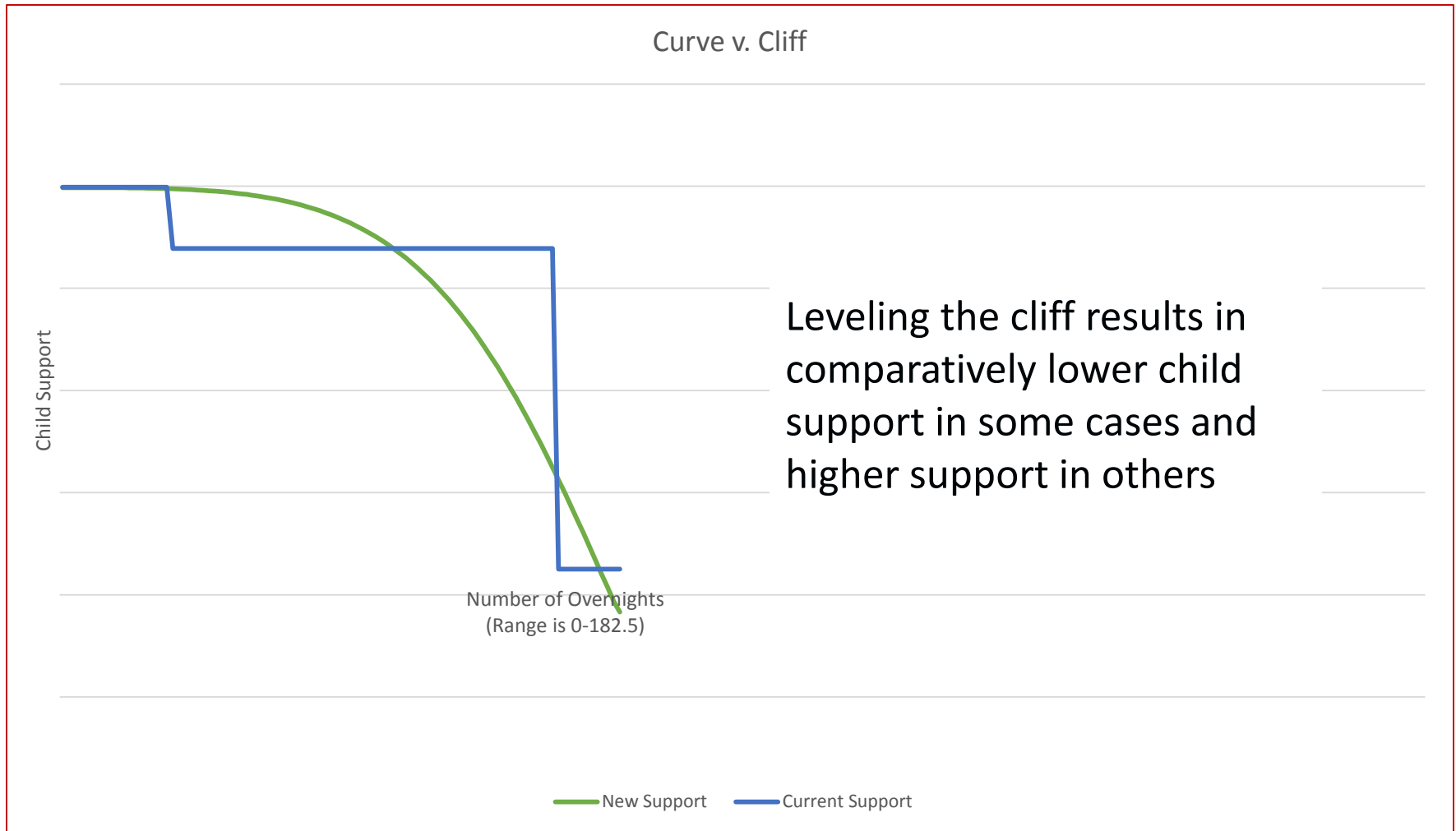
## WHAT DOES IT DO?



- Based upon Michigan's child support formula
- Provides an overnight-by-overnight PEA
- Eliminates the child support "cliff" at 45.1% parenting time, and replaces it with a "curve" or "slope"

# NEW PEA FORMULA

## ELIMINATION OF THE CLIFF





# NEW PEA FORMULA

## HOW DOES IT WORK?

- Mathematical formula based upon each parent's overnight parenting time and base support obligation
- Determines which parent is the obligor and the amount of the obligation after application of the PEA
- The PEA is implicit in the formula, not an amount or percentage that can be easily determined and applied



# NEW PEA FORMULA

## HOW DOES IT WORK?

- PICS is calculated as in the current formula
- Each parent's proportional share of PICS is calculated as in the current formula
- Multiply the statutory guideline for child support by each parent's PICS share to determine each parent's base support obligation.
- Apply the formula – the PEA is not a defined adjustment – it is a function of the formula itself

# NEW PEA FORMULA

## HOW DOES IT WORK?

- The parent with the fewest overnights is Parent A
- The parent with the most overnights is Parent B
- Each parent's number of parenting time overnights is determined as a two-year average (Fortunately, there will be a calculator)

# NEW PEA FORMULA

## HOLY ALGEBRA, BATMAN!

- $A_o$  = The number of Parent A's overnights  
(or overnight equivalents)
- $A_s$  = Parent A's base support obligation
- $B_o$  = The number of Parent B's overnights  
(or overnight equivalents)
- $B_s$  = Parent B's base support obligation

$$\frac{(A_o)^3 \cdot (B_s) - (B_o)^3 \cdot (A_s)}{(A_o)^3 + (B_o)^3}$$

- A negative outcome means Parent A is the obligor, a positive outcome means Parent B is the obligor
- There will be a new child support calculator!

# NEW PEA FORMULA

## HOW DOES IT IMPACT CHILD SUPPORT?

- Under the new formula obligors might:
  - Pay more support when they have less than 30% parenting time (< 110 overnights)
  - Pay close to the same support between 30% and 35% (110 to 128 overnights)
  - Pay less support between 35% and 45% (128 to 164 overnights)
  - Pay slightly more support with parenting time over 45% (>165 overnights)

# CHILD SUPPORT COMPARISON

## OLD VS. NOW VS. NEW

Comparing pre-2007 guidelines to the present and future guidelines will be imprecise because net income is case specific. Assumptions for a comparison:

- Brad and Angie and their 3 children
- Angie's gross income = \$2000
- Angie's estimated net income = \$1,500  
(net estimate = gross inc. less 25% to reach net)
- Brad's gross income = \$1,500
- Brad's estimated net income = \$1,125  
(net estimate = gross inc. less 25% to reach net)

# CHILD SUPPORT COMPARISON

## OLD VS. NOW VS. NEW

- Angie has 10% parenting time (37 o/n)
- Brad has 90% parenting time (328 o/n) and sole physical custody label (only applicable to pre-2007 support)
- Old: \$525 (35% of net)
- Now: \$604
- New: \$686

# CHILD SUPPORT COMPARISON

## OLD VS. NOW VS. NEW

- Angie has 40% parenting time (146 o/n)
- Brad has 60% parenting time (219 o/n) and sole physical custody label
- Old: \$525 (35% of net)
- Now: \$604
- New: \$413

# CHILD SUPPORT COMPARISON

## OLD VS. NOW VS. NEW

- Angie has 40% parenting time (146 o/n)
- Brad has 60% parenting time (219 o/n) and *joint physical custody label*
- Old: \$159
- Now: \$604
- New: \$413



# CHILD SUPPORT COMPARISON

## OLD VS. NOW VS. NEW

- Angie has 46% parenting time (168 o/n)
- Brad has 54% parenting time (197 o/n) and ***joint physical custody label***
- Old: \$103
- Now: \$127
- New: \$227

# CHILD SUPPORT COMPARISON

## OLD VS. NOW VS. NEW

- Angie has 50% parenting time (182 o/n)
- Brad has 50% parenting time (183 o/n) and ***joint physical custody label***
- Old: \$103
- Now: \$127
- New: \$91

# NEW PEA FORMULA

## IS ANYTHING THE SAME?

- No changes to:
  - PICS calculation
  - Guidelines grid
  - Medical support
  - Child care support
  - Self-support reserve
  - Minimum presumptive child support
  - Credit for non-joint child

# NEW PEA FORMULA

## YOU NEED A SCHEDULE!

- Amends Minn. Stat. § 518.175, subdivision 5:

If a parenting plan or parenting time order does not clearly state the amount of time a child spends with each parent (whether calculated as overnights or another method), the court shall modify the parenting plan or order to determine the parenting time

# NEW PEA FORMULA

## YOU REALLY NEED A SCHEDULE!

- Amends Minn. Stat. § 518A.35 to clarify that a parenting expense adjustment **must not** be applied if a parent has no court-ordered parenting time
  - Why? The PEA is dependent upon night by night changes – no % or \$ amount
- Effectively ends stipulations applying a 12% PEA without a schedule

# SOMETIMES YOU DON'T NEED A SCHEDULE

- Amends Minn. Stat. § 518A.39 to provide that existing orders that apply a PEA without an order for a parenting time schedule, that PEA shall continue unless a modification of parenting time is sought
- In such cases, the current formula is applied

# NEW PEA FORMULA

## WHO IS THE OBLIGOR?

- Either parent can be the obligor
- 2015 changes to obligor definition
  - Removed presumption against parent with sole physical custody being the obligor
    - Removed last tie between custody label and child support
    - Reasoned that it made sense with very high-income CPs if NCP is low income and has substantial parenting time

# NEW PEA FORMULA

## WHO CAN BE THE OBLIGOR?

- Amends Minn. Stat. § 518A.26, subd. 14 to create a rebuttable presumption that a parent with more than 55% parenting time shall not be ordered to pay child support to the other parent.
  - Support will be \$0
  - Provides a list of factors that must be shown and considered by the court if a party seeks to overcome the presumption.
- Why? To avoid lower income parents with more parenting time paying child support



# NEW PEA FORMULA

## REBUTTAL FACTORS

- Significant income disparity between the parents  
(may include potential income)
- The benefit and detriment to the child if the parent with the most parenting time pays support
- The ability of each parent to meet the needs of the child
- Whether the presumption creates an unjust or inappropriate result

# NEW PEA FORMULA REBUTTAL FACTORS

- Confirms that an obligor's child support arrears are not eliminated if the court sets an obligation at \$0
- Clarifies the presumption does not apply to county § 256.87 reimbursement actions

# NEW PEA FORMULA

## WHAT ABOUT SPLIT CUSTODY?

- Amends Minn. Stat. § 518A.34 to create a method for calculating basic support, child care support, and medical support when each parent has the majority of time with at least one of two or more children (“split custody” as defined in the legislation)
- Method = Calculate child support separately for each child, then offset the higher obligation with the lower obligation

# NEW PEA FORMULA

## WHAT IS AN OVERNIGHT EQUIVALENT?

- “Parenting time determined by a method other than overnights if a parent has significant time periods on separate days where the child is in the parent's care but does not stay overnight.”

# NEW PEA FORMULA WHEN WILL THIS HAPPEN?

August 1, 2018

# NEW PEA FORMULA

## IMPLEMENTATION PROCESS

- It's a big change. Time is needed to implement properly
- Automated child support enforcement system (PRISM) requires significant upgrades
- Two new calculators
  - Child support
  - Parenting time
- Updates will be made to policy and procedures documents used by counties, training materials, etc.



*The End*