



**Welcome to the 28<sup>th</sup> Annual  
AB 1058 Child Support  
Training Conference**

# ADVANCED GUIDELINE CALCULATOR TRAINING

Hon. Adam Wertheimer, San Diego Superior Court  
Mr. Jim Allen, Ventura County DCSS

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# ADVANCED GUIDELINE CALCULATION

## LEARNING OBJECTIVES

- How to calculate one NCP, multiple CP cases
- How to calculate 3 parent guideline support
- Practice calculating support in complicated scenarios
- How to use the Qualified Business Income Deduction (QBID) calculator (Optional. Follow instructions on slides, if you have time)



# Guideline Calculator (ADVANCED)

## Ground Rules

- *Unless* otherwise noted:
  - Assume income is W-2
  - Amounts in Hypos are **MONTHLY**
- If something is not clear: **ASK!**
- No question is a “stupid” question! We will not “judge”
- We are here to **HELP** you! (**Really!!**)



# WARM UP CALCULATION

- **1 child – 22% timeshare with NCP**
  - **Gross monthly incomes:**
    - NCP: \$146,796 annual income
    - CP: California minimum wage at 40 hours per week
  - **Tax filing status:**
    - NCP: Single & one
    - CP: Head of Household & two
  - **Other factors:**
    - NCP: \$875 pre-tax health insurance, \$734 401(k) contribution and other child support of \$1,120
    - CP: Pays \$400 per month work related childcare to be split equally between parties
- 
- What are your income findings and the monthly guideline child support? What if you prorate the child care per FC 4061(b)?
  - What is post September 1, 2024 Child support amount?



# WARM UP CALCULATION RESULTS

- NCP income:
  - Gross: \$12,233
  - Net: \$6,901
- CP income:
  - Gross: \$2,773
  - Net: \$2,875
- Child support: \$1,172
- Child care add on: \$200; Prorated: \$262 paid by NCP
- Post 9/1/24 Child support: \$1,449



# SAMPLE CALCULATION #1

- First scenario: One child, CP receives cash assistance (i.e. it is an aided case). NCP earns \$16/hr. working full-time, NCP does not see the child. No other additions, deductions, hardships (no other facts).
- Second scenario: Same facts as above, but now NCP has a second case, and both cases are on your calendar. The second CP is also on aid, NCP does not see this child either, and no other facts.

What is the guideline child support amount for:

- Scenario 1? \_\_\_\_\_
- Scenario 2? 1<sup>st</sup> case \_\_\_\_\_ 2<sup>nd</sup> case \_\_\_\_\_



# TRY IT YOURSELF – HYPO #1

- First scenario: One child, 20% with NCP
- NCP has YTD total income of \$78,567 for the period 12/22/23 to 8/22/24 plus retirement pay of \$3,275, MFJ & 2, new spouse's income: \$7,500, \$775 pre-tax health insurance
- CP \$6,300 self-employment income, H/H & 2, \$75 union dues, \$325 post tax health insurance, \$925 401(k) contribution and \$275 job related expenses.
  
- Second scenario: Same facts as above, but now NCP has a second case, and both cases are on your calendar. In the second case there are 2 children, 32% with NCP
- Second CP receives \$1,950 in unemployment benefits, H/H & 3.

What is the guideline child support amount for:

- Scenario 1? \_\_\_\_\_
- Scenario 2? 1<sup>st</sup> case \_\_\_\_\_ 2<sup>nd</sup> case \_\_\_\_\_ + \_\_\_\_\_ = \_\_\_\_\_





# Hypo #1 Results

- Scenario 1: NCP net: \$8,814, CP net: \$4,552, C/S: \$1,325
- Scenario 2:
  - 1<sup>st</sup> case: NCP net: \$6,859, CP net: \$4,552, C/S: \$1,044
  - 2<sup>nd</sup> case: NCP net: \$7,547, CP net: \$1,950,  
C/S: 2<sup>nd</sup> born: \$1,222 + 1<sup>st</sup> born: \$733 = \$1,955 total



# THREE PARENT SUPPORT

- **FAMILY CODE SECTION 4052.5 PROVIDES:**
- (a) The statewide uniform guideline, as required by federal regulations, shall apply in any case in which a child has more than two parents. The court shall apply the guideline by dividing child support obligations among the parents based on income and amount of time spent with the child by each parent, pursuant to Section 4053.
- (b) Consistent with federal regulations, after calculating the amount of support owed by each parent under the guideline, the presumption that the guideline amount of support is correct may be rebutted if the court finds that the application of the guideline in that case would be unjust or inappropriate due to special circumstances, pursuant to Section 4057. If the court makes that finding, the court shall divide child support obligations among the parents in a manner that is just and appropriate based on income and amount of time spent with the child by each parent, applying the principles set forth in Section 4053 and this article.
- (c) Nothing in this section shall be construed to require reprogramming of the California Child Support Enforcement System, a change to the statewide uniform guideline for determining child support set forth in Section 4055, or a revision by the Department of Child Support Services of its regulations, policies, procedures, forms, or training materials.



# Three Parent Calculator

	Parent 1	Parent 2	Parent 3	
CS	-\$1,007	-\$97	\$807	CS = Child Support
LIA	N/A	N/A	N/A	LIA = Low Income Adjustment
K	0.24054545	0.222727273	0.204909091	K = Amount of all parties' income to be allocated for CS
HN	\$4,750.00	\$3,000.00	\$6,000.00	HN = Net monthly income of party
H%	65.00%	25.00%	15.00%	H% = Approximate timeshare percentage
TN	\$13,750.00	\$13,750.00	\$13,750.00	TN = Total net monthly disposable income of all parties
TN RANGE	\$0 - \$800	No		
	\$801 - \$6,666	No		
	\$6,667 - \$10,000	No		
	Over \$10,000	Yes		
Current LIA Threshold	\$2,056.00			

- Calculate Net in Guideline Calculator, input next to “HN”
- Input timeshare at “H%” Can be over 100% total if shared time
- Positive number is support paid, negative number is support received
- To reconcile amount paid and to who: get % owed to each, multiply by support. (This is deviation). Ex.  $1007 + 97 = 1104$ .  $1007/1104 = 91\%$ .  $.91 \times 807 = 734$ . So \$734 Paid to #1, \$73 paid to #2 (total \$807)



# TRY IT YOURSELF – HYPO #2

- USE VERSION 4.0 (POST 9-1-24 GUIDELINE)
- 1 Child, AGE 7
  - TIMESHARE:
- Parent 1: 65%    Parent 2: 25%    Parent 3: 10%
  - INCOME:
- Parent 1: \$4,750 W-2 income, H/H & 2, \$650 pre-tax health insurance, \$467 401(k) contribution
- Parent 2: \$8,421 self-employment S & 1, \$1,276 post-tax health insurance, \$346 property tax, \$1,675 mortgage interest
- Parent 3: \$3,890 W-2 income + \$2,734 retirement S & 1, \$125 union dues, \$375 mandatory retirement \$230 necessary job related expenses



# Hypo #2 Results

- Parent 1 net: \$3,801
- Parent 2 net: \$5,092
- Parent 3 net: \$4,610
  - Child support paid to Parent 1:
- From Parent 2: \$453 w/o deviation  
With deviation:  $453/1321=34\%$ .  $1050 \times .34=\$357$
- From Parent 3: \$868 w/o deviation  
With deviation:  $868/1321=66\%$ .  $1050 \times .66=\$693$



# Hypo #3

- Two pre-teen children – split custody. Both file HH & 2.
- Mother has the youngest child earns \$6500 self employment income. Has post tax health insurance of \$525, mortgage int. of \$775 and pays property tax of \$325 and contributes \$925 per month to an IRA
- Father has the older child and earns \$2950 biweekly (W-2). Pays \$135 required union dues and \$675 in mandatory retirement. Father also has extraordinary medical expenses of \$75/mo.
- Mother does not see the older child at all. Father sees the younger child 40% of the time.
- Your order? Guideline monthly child support: \_\_\_\_\_, payable from \_\_\_\_ to \_\_\_\_.
- Allocation? (Payable in what direction for each?)  
1<sup>st</sup> born \_\_\_\_\_ 2<sup>nd</sup> born \_\_\_\_\_
- What is post September 1, 2024 Child support amount?



# Hypo #3 Results

- Mother net: \$4,845      Father net: \$4,640
- \$854, “net” payable from Mother to Father.
- 1<sup>st</sup> born \$1,064 payable Mother to Father
- 2<sup>nd</sup> born \$210 payable Father to Mother
  - Post 9/1/24:
- \$1,040, “net” payable from Mother to Father.
- 1<sup>st</sup> born \$1,293 payable Mother to Father
- 2<sup>nd</sup> born \$253 payable Father to Mother



# Hypo #4

- You have two cases left on your Tuesday calendar. Here are the facts:
- Both cases involve the same NCP, but different CP's, one child in #1 and three children in #2.
- | <u>NCP:</u>                  | <u>CP (#1)</u>                | <u>CP (#2)</u>                 |
|------------------------------|-------------------------------|--------------------------------|
| ■ \$5,625/mo. (W-2)          | ■ \$7,627/mo. (S/E)           | ■ \$6,375/mo. (royalties)      |
| ■ Single & 1                 | ■ H/H & 2                     | ■ H/H & 4                      |
| ■ Timeshare → → → → →        | ■ 10% w/NCP                   | ■ 25% w/NCP                    |
| ■ \$325 hlth ins. (post-tax) | ■ \$1,125 hlth ins. (pre-tax) | ■ \$715 hlth ins. (post-tax)   |
| ■ \$50 nec. Job. Rel. exp.   | ■ \$250/mo. Vol. Ret., non    | ■ \$150 spousal support paid   |
| ■ \$1,125 mortgage int.      | ■ Tax deferred                | ■ other relationship, tax ded. |
| ■ \$275/mo. Prop. Taxes      | ■ \$385 QBI                   |                                |
- Your ruling as to monthly guideline child support? (Assume no deviation issues raised)





# Hypo #4 Results

- NCP net income:
  - #1: \$3,496
  - #2: \$3,543
- #1 CP net income: \$5,123
- #2 CP net income: \$5,510
- C/S #1: \$626
- C/S #2:  $\$371 + \$193 + \$109 = \$673$  Total



# Hypo #5

- In the middle of your long Monday afternoon calendar two parties are seated at counsel table to present the facts in their matter. (see next slide)
- Your order? Guideline monthly child support: \_\_\_\_\_, payable from \_\_\_\_\_ to \_\_\_\_\_.
- Allocation (payable in what direction for each)? 1st born\_\_\_\_ 2nd born\_\_\_\_ 3rd born\_\_\_\_
- What is the post 9/1/24 child support and pro-rated allocation for child care?



# Hypo #5 Continued

- DAD: Your honor, my youngest son Max is living with me, he sees his mom every other weekend, every other holiday and two weeks each summer. Sam, my middle child stays with me three days each week and my eldest Jack is with me half the time. I also have my daughter Kim from my first marriage living with me full time. I would like you to give me a hardship for her.
- MOM: Its OK to give him the hardship, Kim is expensive. Dad is telling the truth about our custody and visitation arrangement, but I think they should spend more time with me. I am their mother after all and they would be better off with me. Can you change that?
- DAD: If you ask them, they would want to spend all the time with me. Do you want me to get them on the phone for you? I guess not... Anyway, ever since I retired from the Marines after honorably serving my country for 20 years including 3 combat tours of duty in the middle east, I started my own business and I am now clearing \$4,775 each month on the average according to my profit and loss. I receive \$3,375 from my military retirement and \$1,775 in VA disability, which is not taxed. I claim Kim and Max for taxes. I pay \$475 per month for health insurance after taxes.
- MOM: I don't contest any of those facts. I have a good job making \$120,000 per year salary, plus get a semi-annual bonus that has averaged \$6,000 each time. I claim Sam and Jack for taxes. My union dues are \$75 each month, my health insurance before taxes is \$1,325 per month and I contribute \$675 each month to my 401(k). My mortgage interest is \$1235 each month and I pay \$225 each month in property taxes.



# Hypo #5 Results

- \$577, payable from Mother to Father
  - 1st born \$68 payable from F → M
  - 2nd born \$281 payable from F → M
  - 3rd born \$926 payable from M → F

## **Post 9/1/24 child support:**

- \$670, payable from Mother to Father
  - 1st born \$76 payable from F → M
  - 2nd born \$321 payable from F → M
  - 3rd born \$1,067 payable from M → F
- Allocation for C/C: 47% Mother, 53% Father if using shortcut  
45% Mother, 55% Father if not (due to taxes)



# Hypo #6

- **Your findings are:**
  - **2 kids - Timeshare with NCP:**
    - Alternate weekends, ½ holidays and 4 weeks in summer (No alternating summer weekends)
  - **Gross monthly incomes:**
    - NCP: \$10K Self-Employed + \$3K non-tax. income + \$1050 interest
    - CP: \$5K W-2 + \$12K *annual* bonus
  - **Tax filing status:**
    - NCP: Single & one
    - CP: Head of Household & three
  - **Other factors:**
    - NCP: \$2,200 mortgage int., \$350 Prop tax + \$375 pre-tax health ins + other child support paid of \$675
    - CP: \$95 union dues + \$575 post tax health ins. + \$275 non Roth IRA, Texas resident (no state taxes)
    - CP seeking temporary guideline spousal support. You are sitting in Santa Clara County
- “Maximize” the results, i.e. release exemptions (aka “tactic 9”)



# Hypo #6 Results

## NON-MAXIMIZED RESULTS

- NCP's net inc: \$10,056
- CP's net inc: \$4,764
- Child Support:
  - 1st Born Support: \$865
  - 2nd Born Support: \$1,474
- Total C/S: \$2,339
- Spousal Support: \$1,167

## MAXIMIZED RESULTS

- NCP: S & 3 CP: H/H & 1
- NCP's net inc: \$10,447
- CP's net inc: \$4,431
- Child Support:
  - 1st Born Support: \$923
  - 2nd Born Support: \$1,540
- Total C/S: \$2,463
- Spousal Support: \$1,401



# Hypo #7

- The first three matters on your Thursday calendar involve the same NCP, three separate CPs. NCP has split custody with CP #1 of 2 children, and 2 children with CP #2 who lives in Nevada and four children with CP #3. You make the following findings:
- NCP: \$4,600, H/H & 2, \$335 post-tax health ins., \$298 in mandatory retirement, \$200 child care for child in her custody
- CP #1: \$4,967, H/H & 3, \$576 health ins. (pre-tax), \$300 child care, child care to be split equally with NCP, mort. int, \$1,132, prop tax \$208, CP Timeshare: 67% with eldest child, 5% with youngest child
- CP #2: \$3,675 MFJ & 4, new spouse \$8,760, mort. int. \$2,342, prop. tax \$387, \$50 union dues, CP Timeshare: 90% (Nevada State tax rate = 0)
- CP #3: \$10,417 + \$875 qualified dividends MFJ & 6, new spouse \$15,012, mort. int. \$3,400, prop. tax \$785, \$995 pre-tax health insurance, \$1,445 voluntary retirement, CP Timeshare: 98%
- Your findings?



# Hypo #7 Results

- NCP net monthly income:  
#1: \$1,563, #2: \$2,365, #3: \$2,716
- CP #1 net monthly income: \$3,937
- CP #2 net monthly income: \$3,058
- CP #3 net monthly income: \$7,785
- Children with CP #1:
  - \$1,015, total “net” payable from CP to NCP
  - 1st born \$150 payable from NCP to CP
  - 2nd born \$907 payable from CP to NCP
  - Child care: \$50 net payable from NCP to CP
- Children with CP #2:
  - Total: \$802 payable NCP to CP:
  - 1st born: \$299, 2nd born: \$503
- Children with CP #3:
  - Total: \$1,153 payable NCP to CP:
  - 1st born: \$146, 2nd born: \$198, 3rd born: \$301, 4th born: \$508





# WHAT IS QBID (aka 199a deduction)

- Deduction from gross of up to 20% of qualified business income
- QBI is Net income from any trade or business other than a “specified service trade or business”
- SSTB is defined as any trade or business that performs services in the fields of:
  - Accounting, Actuarial science, Athletics, Consulting, Health, Law, Performing arts, Financial services, Brokerage services (including investment management and investing, trading, or dealing in securities, commodities, or partnership interests)
- Engineering and architecture were specifically excluded from the SSTB definition as it relates to this deduction.
- Types of QBI:
  - 1. Self Employment Income
  - 2. Passthrough Entities (LLPs, LLCs, Partnerships, S Corp.s)
  - 3. Trusts/Estates
  - 4. Rental Income



# How to use the Qualified Business Income Deduction (QPID) calculator

- Step 1: Follow “Instructions” link on 1<sup>st</sup> page of GC, Scroll down page to QPID section. Click link [“this original Excel tool”](#) to open calculator.
- Step 2: Calculate support as usual
- Step 3: Find Federally Taxable Income
- Step 4: Go to QPID Calculator and place Federally Taxable Income and all other inputs into the QPID Calculator (pay attention to inputs as a monthly or yearly figure)
- Step 5: Place QPID result into CS calculation done in Step 2
- Step 6: Hit “Calculate Guideline Support”



# TRY IT YOURSELF – HYPO #8

- **Children:**

- Kim and Greg have four children: Jack (15 yrs.), Natalie (13 yrs.), Erica (11 yrs.) and Max (8 yrs.)
- Greg is the custodial parent. Kim has parenting time with the children every other weekend plus one evening per week when school is in session. Kim also has one-half the school vacation.

- **About Kim:**

- Has \$7,500 per month self-employment income from a qualified business
- Files Single with three exemptions (she claims Jack and Max)
- Pays \$275 in monthly post-tax health insurance
- Pays \$1,570 mortgage interest and \$195 property tax per month
- Contributes \$300 every month to a traditional IRA
- Utilize the QBID calculator

- **About Greg:**

- Has \$4,200 per month in W-2 income
- Receives \$2,250 per month in military retirement
- Files Head of Household with four exemptions (he claims Natalie, Eric, and a 16-year-old child from a different relationship)
- Pays \$395 per month post-tax health insurance
- Incurs \$175 per month in job related expenses
- The evidence supports granting a full hardship for the child from a different relationship

- *Note: Can claim a child for child care credit if under age 13, can claim for child tax credit if under 17, for EIC if under 19. (H/H if over 50% of time with parent/pay over ½ their expenses)*

- Your ruling? Guideline child support: \_\_\_\_\_, payable from \_\_\_\_\_ to \_\_\_\_\_.

- Allocation (payable in what direction)?

- 1<sup>st</sup> born: \_\_\_\_\_ 2<sup>nd</sup> born: \_\_\_\_\_ 3<sup>rd</sup> born: \_\_\_\_\_ 4<sup>th</sup> born: \_\_\_\_\_



# Hypo #8 Results

- Federal Taxable Income (aka Qualified Business Income):  
\$4,804/mo. = \$57,648/yr.
- Total Taxable Income: \$7,200/mo. = \$86,400/yr.
- QBI deduction: \$17,280/yr. = \$1,440/mo
  
- Guideline child support: \$1,645.
  - 1<sup>st</sup> born: \$177
  - 2<sup>nd</sup> born: \$262
  - 3<sup>rd</sup> born: \$432
  - 4<sup>th</sup> born: \$774



# THANK YOU!

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