

Income Determination Advanced

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If you have any technical issues, please e-mail kelly.ragsdale@jud.ca.gov.

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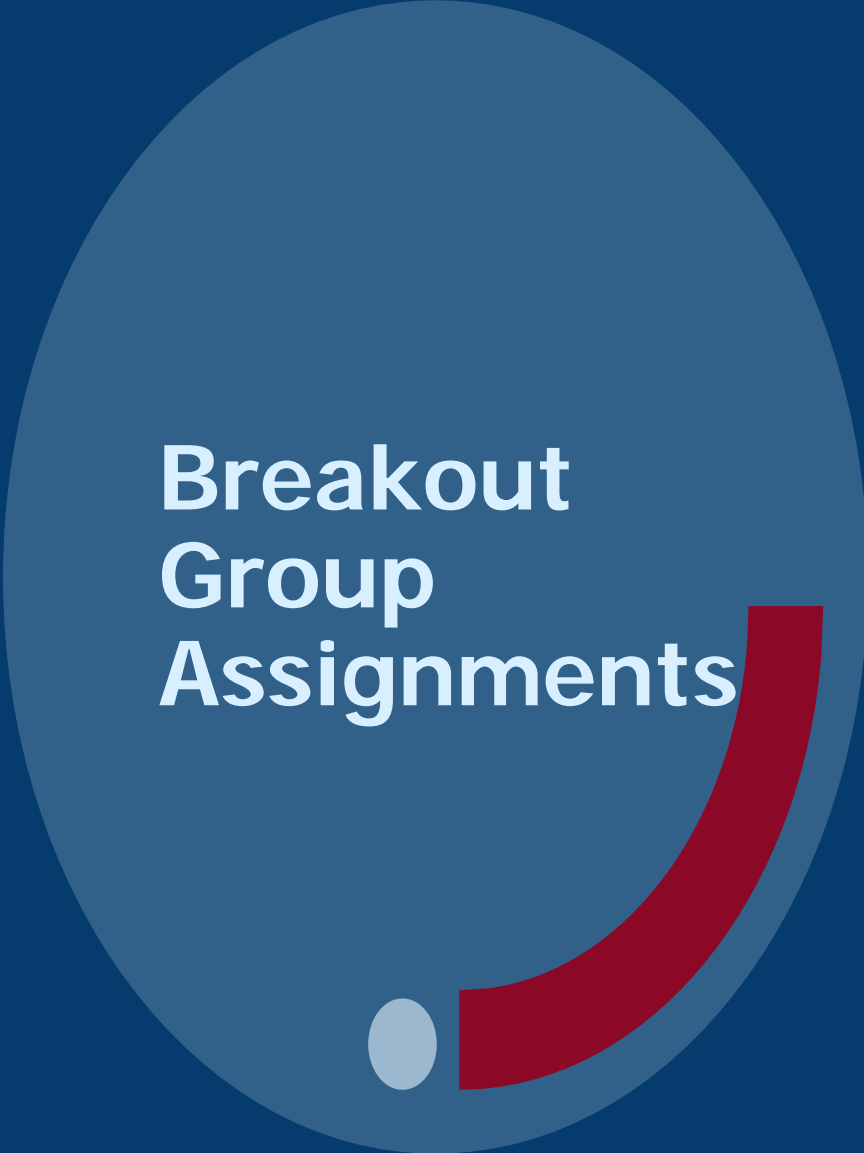
Income Determination Advanced

**25th Annual AB1058 Child Support
Training Conference
October 14, 2021**

Breakout Sessions

- ❖ Work through ALL hypos as a group
- ❖ Pick a spokesperson for your group
- ❖ Links to the hypos sent in email and will be in chat
- ❖ Be prepared to discuss assigned hypo with larger group

- ❖ Groups 1 and 2: Hypo 1
- ❖ Groups 3 and 4: Hypo 2
- ❖ Groups 5 and 6: Hypo 3
- ❖ Groups 7 and 8: Hypo 4
- ❖ Groups 9 and 10: Hypo 5
- ❖ Groups 11: Hypo 6
- ❖ Groups 12: Hypo 7
- ❖ Group 13: Hypo 8



Breakout Group Assignments

Hypothetical #1

- ❖ Ashley and Joseph had two children together, Katie and Jessie, out of wedlock. After separating, Ashley was given 25% parenting time and ordered to pay \$750 per month in child support (allocated \$250 for Katie and \$500 for Jessie). At a hearing to modify child support, Ashley requested that the stimulus funds received entirely by Joseph be included as income for him. Do you include it as income? If not, do you consider it in some other way?
- ❖ What if, to increase the funds available to each party, the support was based on Ashley claiming the children on her taxes, and she received the stimulus funds for the children? Same questions.

Hypothetical #2

- ❖ Jack and Mary had one child in their marriage, and, upon separation, they agreed to a shared custody arrangement with Jack having the child 3 days a week and Mary 4 days (43%/57%). Jack had a good job earning a six-figure income while Mary was a stay-at-home mother during the marriage; after separation Mary was able to obtain a part-time job (child was in school and did not require childcare) and Jack was ordered to pay \$1,000 per month child support and \$2,500 per month spousal support, all of which is being enforced by the LCSA. Jack suffered a stroke and has been unable to return to work. He has received State Disability Insurance and support has been modified to reflect the change in income, but that has now run out and Jack's application for Social Security Disability is still pending. In the meantime, he has no income and requests his support be reduced to \$0. How do you deal with this request?

Hypothetical #3

- ❖ Kristin and Brian have one son, Todd, from their now dissolved marriage who was determined to have special needs. Throughout his youth he had an IEP and received services from the Alta California Regional Center. Kristin has been the primary caretaker and is now requesting adult support. She has filed a Request for Order supported by her declaration describing Todd's diagnoses and limitations. Brian opposes the request and, in his declaration, he argues that Kristin is coddling the child as she is afraid of losing his company. How do you handle this issue?

Hypothetical #4

- ❖ Kristin and Joe were married for 10 years and have one child, Jack, who, after separation, they have shared equal custody. They come before you for orders for child support and childcare expenses. Kristin works for the State and earns \$5,000 per month gross, and Joe works for a construction company (non-union) and earns \$3,000 per month gross. When calculating child support and childcare, what do you use as the tax filing status of each party? Which party is entitled to claim the child tax credit? The childcare tax credit?
- ❖ Assume that the calculation and order for support and childcare shows Kristin as Head of Household-2 and Joe Single-1 and Kristin complains that Joe has beaten her to the IRS and claimed Jack on his taxes and received a refund and she has lost the refund she would otherwise have received. What can or should you do about that?

Hypothetical #5

- ❖ Jack and Steve, during their marriage, adopted two special needs children in the Juvenile Court, Atticus, and Sabine. They subsequently divorced and the children spend 65% of the time with Steve and 35% of the time with Jack. There are Adoption Assistance Program (AAP) funds received by Steve in the sum of \$750 per month per child. Guideline child support is \$1,500 per month payable by Jack. What do you order? What if the guideline support payable by Jack is \$150 per month?

Hypothetical #6

- ❖ Fred and Ethel have a little boy together, age 6. Fred is in the military. The parties share a 30/70 timeshare with Ethel as primary custodial parent. Fred pays \$650.00 per month in child support. Ethel has just given birth to a second child and has recently quit her job to be able to stay home to take care of her. She has filed a Request for Order to modify child support based on her lack of employment and birth of her daughter. Ethel does not live or have a relationship with father #2. She is asking the court to include Fred's BAH, BAS in the calculation, for a hardship deduction for her daughter, as well as half childcare expenses to be built into the child support order. Fred objects to using his BAH and BAS as income and wants the court to impute Ethel with her prior wages. How do you rule?

Hypothetical #7

- ❖ Harry and Megan have two children together. Harry owns his own construction company and Megan is an accountant. Megan has asked for child support. Harry claims a loss of income due to COVID and that he is struggling to find work. His income went from \$8,000 per month to \$1,500. He hasn't applied for any other work as he is holding out for the economy to improve. He has received a Paycheck Protection Program (PPP) loan of \$50,000 and is unsure if he must pay that back or not. He is also receiving \$1,000 per week of unemployment benefits. His monthly living expenses are \$4,200 and he has a lot of credit card debt. His 2020 Schedule C shows that he claims \$12,000 per year in auto expenses, \$40,000 per year in depreciation, \$3,600 per year for his personal cell phone and \$12,000 per year in company meals. How would you deal with Harry's income?

Hypothetical #8

- ❖ Jack and Jill were never married but they did bring two lovely daughters into the world and they currently have a custody order that affords Jill 43% parenting time. When the Stay-At-Home Order was put in place in March, Jack stopped allowing the girls to visit their mother based on his fear of the pandemic, and he is seeking a modification of support due to the change in the visitation schedule. Jill is furious and opposes a modification, at least to the extent that it is based on a change in the parenting schedule. What do you use as the time share? 43%? 0%? Something else? What else can you/should you do in these circumstances?

**Thank
you for
joining
us!**

Hon. Scott Harman

HarmanS@saccourt.ca.gov

Hon. Erin Childs

Erin.childs@slo.courts.ca.gov