

HOW TO DETERMINE INCOME –
Practical Guide to Understanding
Relevant Documents

21st Annual AB 1058 Child Support
Training Conference
September 12-15, 2017

Presenters:

Commissioner Diana C. Baker
(Monterey and San Benito Counties)
Family Law Facilitator Peggy Hill
(Monterey County)

OFT TOLD TALES IN CHILD SUPPORT

I can't work because I'm in school.



If I pay child support I won't be able to make my car payment.



I am self-employed but I haven't made a profit in five years.

SCHEDULE C Form 1043		Profit or Loss From Business	OMB No. 1545-0047
Department of the Treasury Internal Revenue Service		2013 OMB No. 1545-0047	2013 OMB No. 1545-0047
Name of proprietor		Business name (if no separate business name, name last)	State where business done
A. Principal business or profession, including product or service (see instructions)		B. Date when first commenced	
C. Business terms, if no separate business name, name last		C. Date when first commenced	
D. Business address (including suite or room no.)		City, town or post office, state, and ZIP code	
E. Advertising method: <input type="checkbox"/> TV <input type="checkbox"/> Radio <input type="checkbox"/> Newspaper <input type="checkbox"/> Other (specify)		F. Did you "materially participate" in the operation of this business during 2013? If "Yes," see instructions for total or bases	
G. If you obtained or retained this business during 2013, check here: <input type="checkbox"/> Yes <input type="checkbox"/> No		H. Did you make any payments in 2013 that would require you to file Form 1099? (see instructions)	
I. If "Yes," did you file required Form 1099?		J. If "Yes," did you file required Form 1099?	

Types of Income

1. Presumed – FC §17400(d)(2)
 - Only DCSS can use this and only on the proposed Judgment
2. Imputed – FC §4058(b)
 - Prove Up (ability and opportunity to work)
 - Voluntary Quit
 - Expenses (kinda imputing)

"Imputing"
Based on
Expenses

FL-150

PETITIONER/PAYOR/RESPONDENT/DEFENDANT/OTHER PARENT/CLEARANT: [REDACTED] CHILD(REN): [REDACTED]

12. The following people live with me:

Name	Age	How the person is related to me? (See note)	That person's gross monthly income	Pays some of the household expenses?
a. Sofia	14	Daughter		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b. Moira	10	Son		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
c. Maria	20	Son	1,300.00	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
d. _____				<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
e. _____				<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

13. Average monthly expenses

Estimated expenses Actual expenses Proposed needs

a. Home: (1) Rent or mortgage \$ 1,416.00 b. Laundry and cleaning \$ 35.00

If mortgage: (a) average principal \$ _____ i. Clothes \$ _____
 (b) average interest \$ _____ j. Education \$ _____

(2) Real property taxes \$ Includ ed _____ k. Entertainment, gifts, and vacation \$ _____

(3) Homeowner's or renter's insurance (if not included above) \$ _____ l. Auto expenses and transportation (insurance, gas, repairs, bus, etc.) \$ 210.00

(4) Maintenance and repair \$ _____ m. Insurance (life, accident, etc.; do not include auto, home, or health insurance) \$ _____

b. Health care costs not paid by insurance \$ _____ n. Savings and investments \$ _____

c. Child care \$ _____ o. Charitable contributions \$ _____

d. Groceries and household supplies \$ 450.00 p. Monthly payments listed in Item 14 (Remember below in 14 and insert total here) \$ 0.00

e. Carrying out \$ _____ q. Other (specify): \$ _____

f. Utilities (gas, electric, water, trash) \$ 400.00 r. TOTAL EXPENSES (a-q) (do not add in the amounts in r>Total and (b)) \$ 2,531.00

g. Telephone, cell phone, and e-mail \$ _____ s. Amount of expenses paid by others Towards Utilities \$ 200.00

14. Installment payments and debts not listed above

Paid to	For	Amount	Balance	Date of last payment
		\$	\$	
		\$	\$	
		\$	\$	
		\$	\$	
		\$	\$	
		\$	\$	

15. Attorney fees (This is required if either party is requesting attorney fees.)

a. To date, I have paid my attorney this amount for fees and costs (specify): \$ 2,000.00

b. The source of this money was (specify): EARNINGS

c. I still owe the following fees and costs to my attorney (specify total owed): \$ 500.00

d. My attorney's hourly rate is (specify): \$ 225.00

I confirm this fee arrangement.

Date: March 22, 2017

(Print or Print name of ATTORNEY) _____ (Signature of ATTORNEY)

FL-150 (Rev. January 1, 2015) INCOME AND EXPENSE DECLARATION Page 1 of 4
 ORIGINAL

Ochoa, Patricia Ochoa

Note: Can only consider this as evidence of expenses if the "Actual expenses" box is checked.

3. Actual – FC §4058(a)

Annual Gross Income

- FC §4058 (a)(1) – commissions, salary, wages, bonuses, worker's comp., unemployment insurance benefits (UIB), disability insurance benefits, social security benefits, rents, etc.

We want to make the best guess we can about the payor's CURRENT and near FUTURE income.

Most times what a person made in the recent past is what they will probably make in the near future. This will not work if the person has a new job or new job classification, got a raise, one time bonus, etc.

If the person has a flat salary, you can use that.

If there are seasonal highs and lows during the year – average the income for a 12-month time period. W-2s (earnings) and 1099s (Unemployment Insurance Benefits) are helpful. If income varies with some overtime, etc., use Year to Date (YTD). The Period Ending (PE) date will tell you how long it took the person to earn the YTD amount. Divide the YTD income by the number of months it took the person to earn it. Note: Income earned in December will be included in the next year's YTD number if the first payday in that next year includes work days in the prior December. You need to adjust for that.

Reminder: Make sure you put the income on the right lines in the calculator.

Income Does NOT include (FC § 4058(c))

- Income from need based public assistance program
 - Supplemental Security Income (SSI)
 - SSI State Supplementary Payments (SSP)
 - CalWORKS (California Work Opportunity and Responsibility to Kids)
 - California's version of federal Temporary Assistance to Needy Families (TANF) program
 - General Assistance (GA)
- Child support received for other kids

How to Calculate Partial Months

4.33 weeks in month
 26 alternate weeks in year
 52 weeks in year

365 days in year
 8,760 hours in year

To Get Monthly Amount:

Annual - /by 12 mos.
 Weekly - X 52 wks. /by 12 mos.
 Semi-mo. - X 2
 Bi-weekly - X 26 /by 12 mos.
 OR /by 2 X 4.33 wks. in mo.

01 = .03	16 = .53
02 = .07	17 = .57
03 = .10	18 = .60
04 = .13	19 = .63
05 = .17	20 = .67
06 = .20	21 = .70
07 = .23	22 = .73
08 = .27	23 = .77
09 = .30	24 = .80
10 = .33	25 = .83
11 = .37	26 = .87
12 = .40	27 = .90
13 = .43	28 = .93
14 = .47	29 = .97
15 = .50	30 = 1.00

Class handout.

This chart helps you figure out how much time the party took to earn the Year To Date (YTD) income. For example, if a party started work on January 1st and the Period Ending (PE) date is June 21st, the party worked 5 months (01/01/17 thru 05/31/17) + .70 months in June or a total of 5.70 months.

Paycheck

Note: Assume Date of Hire was Jan 1st.



07/02/17 = 6.07 mos.
YTD = 20,660

20,660 /by 6.07 mos.
= 3,404 per mo.

CHISPA HOUSING MANAGEMENT INC
PAYROLL ACCOUNT
SALINAS, CA 93901

Direct Deposit Advice

Check Date: July 7, 2017

Voucher Number: 964

paylocity

Direct Deposit Voucher	Direct Deposits	Type	Amount	Amount
31392 50 10730 964 1107	J.P. MORGANC	***0161	1,172.75	
31392	CHASE BA			
GREENFIELD, CA 93927	Total Direct Deposits			1,172.75

Non Negotiable - This is not a check - Non Negotiable

CHISPA HOUSING MANAGEMENT INC

Employee ID		Fed Taxable Income	Check Date	Voucher Number
10730	1,474.72	July 7, 2017	964	
Hourly	\$17.78	State Filing Status	Net Pay	1,172.75
		Period Beginning	Period Ending	
		June 19, 2017	July 4, 2017	

Earnings	Rate	Hours	Amount	YTD	Deductions	Amount	YTD
FSA EMPL	0.00	26.92	376.88	376.88	FLEX SPENDING ACCT	7.69	107.66
HOLIDAY			924.56	924.56	Deductions	7.69	107.66
MISSED M			17.78	17.78			
OVERTIME	36.67	2.25	60.01	880.13	Direct Deposits Type	Amount	Amount
REGULAR	17.78	80.00	1,422.40	17,748.92	J.P. MORGANC	***0161	1,172.75
SICK			297.82	297.82	CHASE BANK		
VACATIO			761.21	761.21	N.A.		
Gross Earnings	82.25	1,482.41	20,660.41	20,660.41	Total Direct Deposits		1,172.75

Taxes	Amount	YTD
CA	32.61	450.42
CASDI-E	13.27	184.94
FITW	143.26	1,991.85
MED	21.38	298.02
SS	91.43	1,274.27
Taxes	301.97	4,199.50

Note: Gross "Year to Date" will be the biggest number.
Do not confuse the "Period Ending" (PE) date with the date of the check.

How to calculate earnings with partial month: Divide amount of money earned by the time it took to earn it. Use "How to Calculate Partial Months" chart to calculate number of days it took to earn it.

For You: ADP Paycheck

Note:

- Use round #s
- Assume date of hire was Jan 1st.

The Banker



COMERICA				Earnings Statement	
COMERICA MGMT CO DALLAS, TX 75201				MONTEREY CA 93940	
Taxable Marital Status: Single				Period Beginning: 02/03/2017	
Exemption/Allowances:				Period Ending: 02/16/2017	
Federal: 2				Pay Date: 02/24/2017	
CA: 2					
Social Security Number:					
Earnings				* Excluded from federal taxable wages	
	rate	hours	this period	year to date	
Reg Regular	19.7100	80.00	1,576.80	5,541.86	Your federal taxable wages this period are
Lds Lfd			4.57	18.28	\$1,395.40
Ot Overtime				141.03	
Hol Holiday				473.04	
Sck Sick				292.30	
			Gross Pay	6,466.51	
Deductions				Other Benefits and Information	
Statutory					this period
Federal Income Tax			-131.37	545.81	Sick Available
Social Security Tax			-80.42	370.44	41.17
Medicare Tax			-21.15	86.64	Time worked
CA State Income Tax			-27.37	116.41	80.00
CA SUI/SDI Tax			-13.12	53.77	401 401K Er Mat
Other					83.07
Dn1 Dental			-6.80*	35.20	Employee Id
Lds Lfd			-4.97	18.28	0050922
MU2 Medical			-102.30*	409.56	
Vs1 Vision			-11.71*	46.84	
401 K			-83.07*	257.92	
75 Supt/Agmt			-125.53	502.12	
Uwa Unld Way				30.00	
			Net Pay	\$981.87	
			Cha Checking 1	-891.87	
			Sva Savings 1	-100.00	
			Net Check	50.00	
				Important Notes	
				YOUR COMPANY PHONE NUMBER IS 214-462-4177	
				THE TWO - WEEK PAY PERIOD EXTENDS FRIDAY 6:00 AM THROUGH FRIDAY 8:59 AM	


Exercise: Find YTD and calculate his earnings from January 1st thru February 16th.

00 PER DEPT CLOCK JOB NO. 17
 42 19922 1000000000 1

Comerica
 COMERICA MGMT CO
 DALLAS, TX 75201

Taxable Marital Status: Single
 Exemptions/Allowances:
 Federal: 2
 CA: 2

Social Security Number:

Earnings Statement 

Period Beginning: 02/03/2017
 Period Ending: 02/16/2017
 Pay Date: 02/24/2017

MONTEREY CA 93940

Earnings	rate	hours	this period	year to date
Reg Regular	19.7100	80.00	1,578.80	5,541.05
Lda Lda			4.57	18.28
OT Overtime				141.03
Hol Holiday				473.04
Sck Sck				292.30
Gross Pay			\$1,581.37	6,466.51

* Excluded from federal taxable wages
Your federal taxable wages this period are \$1,395.40

Other Benefits and Information	this period	total to date
Sick Available	41.17	
Tbrsworked	80.00	
401 401K Er Mat	63.07	257.92
Employee Id		0050022

Important Notes
YOUR COMPANY PHONE NUMBER IS 214-482-4177
THE TWO-WEEK PAY PERIOD EXTENDS FRIDAY 6:00 AM THROUGH FRIDAY 6:59 AM

Deductions	Statutory		
Federal Income Tax	-131.37	545.81	
Social Security Tax	-90.42	370.44	
Medicare Tax	-21.15	86.54	
CA State Income Tax	-27.37	118.41	
CA SUI/SDI Tax	-13.12	53.77	
Other			
Dn1 Dental	-8.80*	35.20	
Lda Lda	-4.57	18.28	
Md2 Medical	-102.39*	409.56	
Vs1 Vision	-11.71*	46.84	
401 K	-63.07*	257.92	
TS Sup/Agmt	-125.53	502.12	
Una Untd Way		30.00	
Net Pay			\$951.07
Cha Checking 1		-891.87	
Sva Savings 1		-100.00	
Net Check			59.20

Answer:

Income = 4,227

02/16/17 = 1.53 mos.

6,467 YTD /by
1.53 mos. = 4,227 mo.

The Banker





Most checks you see will be for every two weeks of work. This chart is simply an easy way to figure out how many days, if any, the party worked in December that may be included in the next year's YTD.

Example 1 (black arrows): If the person has a Period Ending (PE) date of September 16th, you could look at a calendar and count back every two weeks. This chart does it for you. The first PE date in 2017 was January 7th. That means that one week of December earnings is included in the 2017 YTD amount. You need to adjust for that time period.

Example 2 (red arrows): If the person has a PE date of August 22nd, again, you can count back every two weeks. Or you can use the yellow and green colored dates for guidance. August 22nd is three days before the green colored date. Look for the first green colored date in 2017 and go back three days. His first PE date in 2017 was January 10th. That means there were four days of December's earnings included in the 2017 YTD amount.

Example 3 (green arrows): Note the Banker's paycheck actually has a PE date of February 16th. If you locate this on the bi-weekly calendar, you will see that his first PE date in 2017 was January 5, 2017. That means he worked 9 days in 2016 which is included in his 2017 YTD earnings.

When we assumed he started work on January 1, 2017, we divided his YTD earnings by 1.53 months (01/01/17 – 02/16/17). We found he earned \$4,227 per month.

If we add .30 months for the 9 days he worked in December, we should divide his YTD by 1.83. In other words, 1.53 (01/01/17 thru 02/16/17) plus .30 months for the nine days in December. His YTD of \$6,467 divided by 1.83 = \$3,553.

By not adjusting for the 2016 earnings included in his 2017 YTD, we would be re using \$674 more income for him than he actually earned.

Bonuses – Optional Approaches

- FC §4060 - If the monthly income does not accurately reflect the actual or prospective earnings, the court may adjust the amount accordingly.

- Add it all
 - Amortize
 - Temporary order with review
 - Bonus Calculator [Smith-Ostler]
- (*IRMO Ostler & Smith* (1990) 223 Cal.App.3rd 33)



1. Add it all – If this is a bonus that the party gets every year, it is basically just part of the normal earnings. Add the total bonus to the yearly earnings and divide by 12.
2. Amortize it – Figure a normal one-time bonus will be gone in a year. For example, if payor got a \$1,200 bonus on January 1st – it will be spent at the rate of \$100 per month. If the effective date of the child support order is February 1st, then the payor has spent \$100 in January. Add the extra \$100 from February thru December 31st. At that point, the bonus is totally spent and you just use the base earnings.
3. Temporary order with review – Base the child support on base earnings or an agreed amount and set for a review when all the information is available (end of December or after W-2s and 1099s are received).
Try for an agreed amount if payor is likely to get another bonus this year. Otherwise, if the child support is too low, payor will owe a lot of back child support and if it is too high, payee may have to pay payor back.
4. Bonus calculator – Set child support on the party's base salary and the calculator will tell you how much of each bonus goes to support. Some DCSS offices will not do this because it is too time-consuming. If there are two attorneys, DCSS can collect child support on base income and have attorneys work out the bonus amount and notify DCSS re how much to collect.

DissoMaster Data Screen Monthly Figures

Input Data	Father	Mother
Party Info	Father	Mother
Number of children	0	1
% time with NCP	20.00	0.00
Filing Status	Single	HM/LA
# federal exemptions	1*	2*
Wages + salary	4000	1500

Guideline (2017)	Cash Flow Analysis	Gdn.	Prop.
Nets (adjusted)	Comb. net spendable	4829	4870
Father	Percent change	0%	0.8%
Mother	Father, payor of SS, CS, Prop. SS, Prop. CS		
Total	Payment cost	910	883
Support	Net spendable income	2196	2223
Presumed CS	Change from guideline	0	27
Basic CS	% of combined spendable	45.5%	45.6%
Add-ons	% of saving over guideline	0%	66.9%
Per Kid	Total Taxes	820	633
Child 1	Dep. exemptions value	0	27
S. Clara SS	# withholding allowances	0(es)	0(es)
Total	Net wage paycheck	3348	3348
Proposed, Tactic 9	Mother		
Presumed CS	Payment benefit	900	913
S. Clara SS	Net spendable income	2633	2647
Total	Change from guideline	0	13
Comb.	% of combined spendable	54.5%	54.4%
Savings	% of saving over guideline	0%	33.1%
Total releases to Father	Total Taxes	-149	-3
Default Case Settings	Dep. exemptions value	0	13
Default Tax Settings	# withholding allowances	3	0(es)
	Net wage paycheck	1342	1292

BONUS CALCULATION

Annual Bonus Table For Mother (annual numbers)

"R" next to a figure denotes that Mother is a recipient for the corresponding bonus
"CS%" is the percentage of wage bonus paid as additional child support
"SS%" is the percentage of the total wage bonus paid as additional spousal support

Bonus Wages	Basic CS %	Basic CS \$	SS %	SS \$	Total Basic CS	Total SS
0	0.00	0	0.00	0	7,697 R	4,113 R
100	5.00	5	26.00	26	7,692 R	4,087 R
200	5.00	10	25.50	51	7,688 R	4,061 R
300	5.00	15	25.67	77	7,683 R	4,036 R
400	4.75	19	26.25	105	7,678 R	4,007 R
500	4.60	23	27.00	135	7,674 R	3,977 R
600	4.50	27	27.50	165	7,671 R	3,947 R
700	4.43	31	27.86	195	7,667 R	3,917 R
800	4.38	35	28.13	225	7,663 R	3,887 R
900	4.33	39	28.44	256	7,659 R	3,857 R
1,000	4.30	43	28.60	286	7,656 R	3,827 R
1,100	4.18	46	28.73	316	7,651 R	3,797 R
1,200	4.17	50	28.83	346	7,647 R	3,767 R
1,300	4.15	54	28.92	376	7,643 R	3,737 R
1,400	4.14	58	29.00	406	7,639 R	3,707 R
1,500	4.13	62	29.07	436	7,635 R	3,677 R
1,600	4.13	66	29.13	466	7,631 R	3,646 R
1,700	4.12	70	29.18	496	7,627 R	3,616 R
1,800	4.11	74	29.22	526	7,623 R	3,586 R
1,900	4.11	78	29.26	556	7,619 R	3,556 R
2,000	4.10	82	29.30	586	7,616 R	3,526 R

Usually it is the payor who gets the bonuses so with each bonus the child support goes up. In this example, it is the payee Mom who gets the bonuses. So as she gets a bonus, the payor's child and spousal support amount goes down.

Using a Bonus Calculator saves the parties from coming back to court every time there is a bonus. Set the support on the party's base salary then, when a bonus comes, look at the chart to see how much of that bonus should go to the payee. Most self-represented litigants will not be comfortable using a Bonus Calculator. This will come up when there are two attorneys.

For You:
Paycheck w/
bonuses

Lineman



Earnings Statement				
Pay Date: 12/02/2016	Company: OFCS4 - NTH CONNECT TELECOM INC			Emp #:
Period Start: 11/13/2016	(408) 922-0801			Dept: 60 - Install
Period End: 11/26/2016				Pay Basis: Hourly
Earnings	Rate	Hours/Units	Current Period	Year to Date
Regular	11.00	65.25	717.75	8,433.25
Double Time	0.00	0.00	0.00	5.50
Overtime	16.50	3.00	49.50	2,432.11
Sick	0.00	0.00	0.00	764.00
Bonus			0.00	215.34
Miscell Lunch	11.00	2.00	22.00	209.00
Performance Bonus			0.00	786.18
Reimbursement			0.00	50.00
Salary			0.00	9,045.43
Unit Bonus			133.00	4,866.00
Unit Bonus OT			2.82	222.85
Units Completed	0.00	266.00	0.00	0.00
Unit OT	0.00	0.00	0.00	185.16
Gross Pay	336.25		925.17	26,704.82
W/H Taxes				
(F) Federal W/H			64.59	2,079.03
Medicare			13.41	386.48
Social Security			57.36	1,652.59
(S) Calif. State W/H			10.18	569.11
SOT Tax			8.33	239.89
Deductions				
Child Support \$			138.46	1,107.68
Garnishment \$			0.00	1,073.05
Garnishment %			0.00	435.36
Net Pay			612.84	18,583.31
Check No.: 402041493				
Net Pay Distribution				
Payroll Net Check			612.84	18,583.31
Employee Benefits				
CA Sick Hours			5.34	47.70
				16.00
				31.70
			YTD Taken	Available

paycom 43-687-15

Earnings Statement				
Pay Date: 12/02/2016	Company: OFCS4 - NTH CONNECT TELECOM INC		Emp #:	
Period Start: 11/13/2016	(408) 922-0801		Dept: 60 - Install	
Period End: 11/26/2016	Pay Basis: Hourly			
Earnings	Rate	Hours/Units	Current Period	Year to Date
Regular	11.00	65.25	717.75	8,423.25
Double Time	0.00	0.00	0.00	5.50
Overtime	16.50	3.00	49.50	2,432.11
Sick	0.00	0.00	0.00	264.00
Bonus	0.00	0.00	0.00	215.34
Missed Lunch	11.00	2.70	29.70	289.70
Performance Bonus	0.00	0.00	0.00	786.18
Reimbursement	0.00	0.00	0.00	50.00
Salary	0.00	0.00	0.00	9,045.49
Unit Bonus	133.00	0.00	133.00	4,866.00
Unit Bonus OT	0.00	0.00	2.92	222.85
Units Completed	0.00	266.00	0.00	0.00
Unit OT	0.00	0.00	0.00	185.16
Gross Pay	36.25		925.17	26,704.82
W/H Taxes				
(S/1) Federal W/H			84.69	3,079.99
Medicare			13.41	386.48
Social Security			57.36	1,652.59
(S/1) Calif. State W/H			10.18	569.11
Gov Tax			8.33	239.89
Deductions				
Child Support \$			138.46	1,107.68
Garnishment \$			0.00	1,073.05
Garnishment %			0.00	415.38
Net Pay			612.84	18,583.31
Net Pay Distribution				
Payroll Net Check			612.84	18,583.31
Employee Benefits				
CA Sick Hours		5.34	47.70	16.00
				81.70

Answer:


Base Income = 1,896
 Bonus = 560

10.87 mos.

Bonus: 6,090 YTD /by
 10.87 mos. = 560 mo.

Other: 20,615 YTD /by
 10.87 = 1,896 mo.

Lineman



Note: These "bonuses" may be a normal part of his paycheck. Ask. If so, it is just regular income.

FC §4064 – Fluctuating Income



School Custodian
– Works 10 mos.

1 mo. X 10 mos. =
29,110

29,110 / by 12 mos.
= 2,426 per mo.

PLEASE DETACH AND RETAIN THIS STATEMENT FOR YOUR RECORDS

Sallinas Union High School District - 060 ADVISE NO: 00069763

Pay Period 01/01/17 through 01/31/17 ISSUED 01/31/17

Pay Detail	Units	Rate	Earnings	Employee Deductions	Current	Cal YTD	
Custodian I	1,000	2790.000	2790.00	PERS	167.46	167.46	
Extra Hours	5,000	24.75	123.75	Federal Withholding	343.50	343.50	
				Medicare	42.21	42.21	
				Social Security	169.47	169.47	
				State Withholding	63.39	63.39	
				CSEA Dues	36.75	36.75	
				CSEA Chapter Dues	2.00	2.00	
				CVT PFCB	343.37	343.37	
				200000001467481	308.00	308.00	
				admin fee	1.85	1.85	
TOTAL EARNINGS			2910.75	TOTAL DEDUCTIONS	1689.33	1689.33	
Current Wages		Gross Wage Summary		Employer Contributions		Current	Cal YTD
GROSS PAY:	2910.75	Earnings	2910.75	YTD: Date	PERS	337.48	337.48
DEDUCTIONS:	1689.33	FIT	2743.35	Medicare	42.21	42.21	
NET PAY:	1221.42	SUI	2743.35	Social Security	169.47	169.47	
Tax Information		STATE S & B	2910.75	SUI	1.46	1.46	
FEDERAL S O		Medicare	2910.75	Workers' Comp	66.04	66.04	
STATE S & B		Leave: Sick Leave					
		Sick Paid	148.00				
		Earned					
		Used:					
		Adv:	-10.65				
		Ending:	116.00 H				
			28.87 H				
YTD:	2910.75	0.00	167.40	2743.35	TOTAL CONTRIBUTIONS	176.66	176.66

Some folks, like school personnel, work 10 months of the year. If they get paid for 10 months, you need to multiply the monthly income by 10 months and then divide by 12 months to get a monthly amount.

However, some school personnel will opt to get paid less during the 10 months they work in order to be paid during the two months they do not work. In that case, you do not multiply and divide.

For You:

Note:
Paid for 10 mos.

Teacher



FOR SECURITY, THIS DOCUMENT CONTAINS A WATERMARK ON THE BACK
PLEASE DETACH AND RETAIN THIS STATEMENT FOR YOUR RECORDS
ADVICE NO: 00010718

Santa Rita Union School District - 066

Pay Period 04/01/17 through 04/30/17 ISSUED 04/28/17

Employee Name	Employee ID	Pay Site				
	199886	170 - New Republic Elementary School				
Pay Detail	Units	Rate	Earnings	Employee Deductions	Current	Cal/YTD
Elementary Teacher	1.000	8364.000	8364.00	* STRS	649.85	2389.30
				* Dental High	16.00	72.00
				* PPO 835	93.03	374.12
				Deferred Pay	694.10	6762.29
				* Vision Option C	0.26	1.29
				Federal Withholding	317.07	1365.04
				Medicare	76.16	317.23
				State Withholding	61.87	249.83
				CTA Dues	93.30	373.20
TOTAL EARNINGS						
					1893.93	11314.06
Current Wages		Gross Wage Summary		Employer Contributions		
		Current	YTD	Current	Cal/YTD	
GROSS PAY:	8364.00	8364.00	22324.03	STRS	674.84	2389.48
DEDUCTIONS:	1893.93	5364.40	22324.03	Medicare	76.16	317.23
NET PAY:	6470.07	4702.67	19589.12	SUR	2.68	11.19
		4702.67	19589.12	PPO 835	889.89	3334.30
		0.00	0.00	Dental High	16.40	72.00
		0.00	0.00	Vision Option C	14.45	61.79
		5252.52	21877.42	Workers' Comp	128.21	521.08
TOTAL DEDUCTIONS						
					1893.93	11314.06
TOTAL CONTRIBUTIONS						
					1769.64	7116.53
NET PAY						
					457.51	2297.53

Leaves: Sick Leave
 Bal Forw: 2.80
 Earned: -1.60
 Used: -1.80
 Ending: 1.80 D

Gross Pay 125 Plan Pre-Tax Taxable Earnings
 YTD: 22324.03 447.51 2287.15 19589.12

TOTAL CONTRIBUTIONS 1769.64 7116.53

* Reduce Taxable Earnings ** Fiscal YTD Total

Calculate "fluctuating income."

FOR SECURITY, THIS DOCUMENT CONTAINS A WATERMARK ON THE BACK
PLEASE DETACH AND RETAIN THIS STATEMENT FOR YOUR RECORDS

Santa Rita Union School District - 066 ADVICE NO: 00010718

Pay Period 04/01/17 through 04/30/17 ISSUED 04/28/17

Employee Name	Employee ID	Pay Site
	108886	170 - New Republic Elementary School

Pay Detail	Units	Rate	Earnings	Employee Deductions	Current	Cal YTD
Elementary Teacher	1.000	6364.400	6364.40	* STRS 649.85 * Dental High 18.00 * PPO 151 93.52 * Deferred Pay 694.10 * Vision Option C 6.26 Federal Withholding 317.07 Medicare 76.16 State Withholding 81.57 CTA Dues 91.30	1893.93	2088.30
TOTAL EARNINGS			6364.40	TOTAL DEDUCTIONS	1893.93	1934.06

Current Wages		Gross Wage Summary		Employer Contributions		
		Current	Year-to-Date	Current	Cal YTD	
GROSS PAY:	5364.40	5364.40	22324.53	STRS	674.84	
DEDUCTIONS:	1893.93			Medicare	76.16	
NET PAY:	3470.47	4702.67	19589.12	SUR	2.89	
				PPO 151	808.90	
Tax Information		SIT	4702.67	19589.12	Dental High	66.40
FEDERAL: M 4		OASDI	0.00	0.00	Vision Option C	14.46
STATE: M 4; 0		Medicare	6762.52	21877.42	Workers' Comp	126.21

Leaves: Sick Leave 2.80
 Bill Fund: Earned -1.00
 AD: 1.80 D

Gross Pay	151 Plan	Pvt-401	Taxable Earnings	TOTAL CONTRIBUTIONS	1,788.84	7,176.63
YTD: 22324.53	447.51	2088.30	16589.12			

Important Messages: * Federal Taxable Earnings ** Fiscal YTD Total

Answer:

Income = 4,651

YTD = 22,325
/by 4 mos. =

5,581 mo. X 10
mos. = 55,810

/by 12 mos. =
4,651 mo.

Teacher



Some State Employees

Correctional Officer - CDC



EMPLOYEE INFORMATION		PAY PERIOD 03/17		MARRANT NO 01-741492	
GOV/UNIT	954-203	TAX YEAR	17	ISSUE DATE	04/01/17
TAX STATUS	FED STATE	STATE EMP	WORKERS	RETRAY	
CURRENT	7359.00	5650.02	5510.66	1828.34	
TERMINATED	7/27/16				
EMPLOYEE		REGULAR	GRAND	DEDUCTIONS	AMOUNT
REGULAR		7359.00		RETIREMENT	815.88
				MEDICARE	68.11
				MF PERSCHSE	457.29
				MF PSH DRTL	21.00
				MCCPOA VIS	2.00
				M457 PLAN	308.00
				SUPPORT	3099.00
				PEKS SUR AD	3.15
				CFD PSH	15.00
				PEKS SURV	2.00
				SHP ADM CHD	1.50
				ASBLTYSEFC	10.00
				401K LOAN	149.22
				CCPOA-BTE	25.00
				CRS FED CU	247.00
				DUES-CCPOA	90.70
				MCKEKT	92.81
EMPLOYER CONTRIBUTIONS (gross and adjusted)					
RETIREMENT	1630.87	98.11			
VISION		8.64			
2/17 BEGIN BAL		CHRGY	USED	MISC	3/17 BEGIN
ANNUAL	679.00	17.00	25.00	0.00	671.00
HOL CR	228.75	0.00	0.00	0.00	228.75
HSL LTD	24.00	0.00	0.00	0.00	24.00
TRNO/DEV	8.00	0.00	0.00	0.00	16.00
S POINTS	126.00	1.00	0.00	0.00	127.00
<p>CIVIL SERVICE EXAM BOOKS, ONLINE DATABASES, RESEARCH HELP, CALIFORNIA STATE LIBRARY. GET A CARD TODAY. 8004.LIBRARY.CA.GOV</p> <p>APRIL IS NATIONAL CHILD ABUSE PREVENTION MONTH. MAKE A DIFFERENCE AND DONATE TO THE STATE CHILDREN'S TRUST FUND AT: HTTPS://SECURE.ES.S.CA.GOV/CPS/CONTRIBUTIONS/. THE MEDICAL BOARD OF CALIFORNIA ENCOURAGES YOU TO MAKE AN INFORMED DECISION WHEN CHOOSING A DOCTOR. CALL (800) 453-2322 OR VISIT WWW.MBC.CA.GOV TO CHECK UP ON YOUR DOCTOR'S LICENSE.</p> <p>CS 10 (Rev 03/05) * YTD-to-Date Gross and Net earnings statement may not agree with W-2. * Amounts which affect taxable gross</p>					

Some state employees have to work a whole month BEFORE they get paid. In this example, the person got paid for all of March on April 1st. That means that income earned in December will not be paid until January. The YTD number will include an entire extra month of income. You need to divide this YTD by four months – not three months – to account for the extra income included in this YTD number.

Military - Army Officer

DEFENSE FINANCE AND ACCOUNTING SERVICE MILITARY LEAVE AND EARNINGS STATEMENT																	
ID	NAME (Last, First, MI)	SOC. SEC. NO.	GRADE	PAY DATE	YRS SVC	ETS	BRANCH	ADSNCOSSN	PERIOD COVERED								
			O4	930812	23	888888	ARMY	4845	1-31 DEC 16	ENTITLEMENTS		DEDUCTIONS		ALLOTMENTS		SUMMARY	
Type		Amount		Type		Amount		Type		Amount		Amt Fwd					
A	BASE PAY		7526.70	FEDERAL TAXES		832.28		TRICARE DENTAL		34.68			Tot Em		10759.42		
B	BAS		253.63	FICA-SOC SECURITY		466.09							Tot Ded		8473.99		
C	BAH		2979.09	FICA-MEDICARE		109.14							Tot All		34.68		
D	REFUND MEDICARE		.03	RSU		15.00							Net Amt		2250.75		
E	REF SOC SECURITY		.06	PAY RELEASED		2290.79							Cr Fwd		.00		
F				PAY RELEASED		723.40							EOM Pay		2250.75		
G				SUPPORT/COMM DEBT		3014.18											
H				TRADITIONAL TSP		75.27											
I				PRIOR SPT/COMM		3014.18											
J				DEBT		1710.80											
K				MID-MONTH-PAY		2250.06											
L																	
M																	
N																	
O																	
TOTAL		10759.42				8473.99				34.68							
LEAVE		EF Bal	Emd	Used	Dr Bal	ETS Bal	Lv Lost	Lv Paid	Use/Loss	FED TAXES	Wage Period	Wage YTD	MS	Ex	Add Tax	Tax YTD	
		60.0	7.5	0	67.5	.0	24.0	10.5	30.0	7451.43		89417.16	M	.02	.00	9987.12	
FICA TAXES		Wage Period	Soc Wage YTD	Soc Tax YTD	Med Wage YTD	Med Tax YTD	STATE TAXES	St	Wage Period	Wage YTD	MS	Ex	Tax YTD				
		7526.70	90320.40	5599.86	90320.40	1309.65	FL	9	.00	.00	S	.02	.00				
PAY DATA		BAQ Type	BAQ Depn	VHA Zip	Rent Amt	Share	Stat	JFTR	Depn	2D JFTR	BAS Type	Charity YTD	TPC	PACENL STU90JAA			
		SINGLE		93943	.00	1	R		0			.00					
TRADITIONAL PLAN (TSP)		Base Pay Rate	Base Pay Current	Spec Pay Rate	Spec Pay Current	Inc Pay Rate	Inc Pay Current	Bonus Pay Rate	Bonus Pay Current								
		1	.00	0	.00	0	.00	0	.00								
ROTH PLAN		Base Pay Rate	Base Pay Current	Spec Pay Rate	Spec Pay Current	Inc Pay Rate	Inc Pay Current	Bonus Pay Rate	Bonus Pay Current								
		0	.00	0	.00	0	.00	0	.00								
CONTRIBUTIONS TOTALS		YTD Deductions			YTD TSP Deferred			YTD TSP Exempt			YTD ROTH						
		903.24			903.24			.00			.00						

There are a lot of different categories that make up a military paycheck. See the Taxes Slide and the handout provided in class.

Base pay is always taxable. BAS (Basic Assistance for Sustenance) and BAH (Basic Assistance for Housing) are generally not taxable. Your Commissioner may interpret this differently.

Great Resource: How to read an Army Leave and Earnings Statement (LES)
<https://www.dfas.mil/civilianemployees/understandingyourcivilianpay/LES.html>

Note: There is a separate one for Army/Air Force, Navy, and Reserve/National Guard

Seasonal Labor -

COPY B FOR RECIPIENT		FORM 1099G CERTAIN GOVERNMENT PAYMENTS		OMB NO. 1545-0139	
REPORT OF TAXABLE UNEMPLOYMENT COMPENSATION PAYMENTS FROM THE STATE OF CALIFORNIA		2016		Form 1099G Rev. 33	
Employment Development Department Unemployment Insurance Agency and Accounting Division, 400 SFA PO Box 3558 Sacramento, CA 95834-0358		Recipient's Name: [REDACTED]		Social Security Number	
Paper's Federal ID No. 94-2650401		3. Box 2 Amount for Tax Year		4. Federal Income Tax Withheld	
1. Unemployment Compensation (UC) \$2,428		2. State or Local Income Tax Refunds, Credits, or Offsets		\$0.00	
Type of UC Payments: UI \$ 2,428		2016 Benefits Repaid (a) \$0.00 Prior Year(s) Benefits Repaid (b) \$0.00			
This is important tax information and is being furnished to the Internal Revenue Service (IRS). If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.					

UIB = 202
Earned = 4,325

2,428 /by 12 mos. = 202

51,901 /by 12 mos. =4,325

1 Control number 704290403	2 Employee's social security number [REDACTED]	3 Wages, tips, other compensation 47,045.57	4 Federal income tax withheld 1,623.01
5 Employer's name, address, and ZIP code PAYROLL/ACCOUNTING OFFICE SANTA CRUZ, CA 95060-5728	6 Social security wages 51,900.56	7 Social security tax withheld 3,217.83	8 Medicare wages and tips 51,900.56
9 Advance EIC payment	10 Medicare tax withheld 752.56	11 Nonqualified plans	12 See instructions for Box 12 12a F 300.00 12b G 100.00 12c DD 26,177.52
13 Disability Benefits Plan <input type="checkbox"/> Disability Benefits Plan <input checked="" type="checkbox"/> Retirement Plan <input type="checkbox"/> Unemployment sick pay	14 Other DCRP 4,454.99	Form W-2 Wage and Tax Statement 2016	
15 State Employer's state I.D. No. CA	16 State wages, tips, etc. 47,045.57	17 State income tax 68.24	18 Local wages, tips, etc.
		19 Local income tax	20 Locality

To calculate seasonal labor, add all the earnings and divide by 12 months to get a monthly earnings amount. Add all the Unemployment Insurance Benefits (UIB) and divide by 12 to get a monthly UIB amount.

Note: You will also get a 1099 form for an independent contractor (self-employment).

For You:

Note: She works 8 mos. and gets UIB for 4 mos.

Copy B--To Be Filed With Employee's FEDERAL Tax Return. 30-1098023 (OMB No. 1545-0048)

a Employee's SSN	1 Wages, tips, other comp. 12941.50	2 Federal income tax withheld 375.49
b Employer ID no. (EIN)	3 Social security wages 12941.50	4 Social security tax withheld 802.38
94-2062106	5 Medicare wages and tips 12941.50	6 Medicare tax withheld 187.66
c Employer's name, address, and ZIP code AROMAS, CA 95004		
d Control number		
e Employer's name, address, and ZIP code SALINAS, CA 93908		
7 Social security tips	8 Allocated tips	9
10 Dependent care benefits	11 Nonqualified plans	12a Code (see instructions)
13 Statutory employee	14 Other CASDI 116.48	12b Code
Retirement plan		12c Code
13a Code		12d Code
15 State Employer's state ID number CA 509-4582-3	16 State wages, tips, etc. 12941.50	17 State income tax 0.00
18 Local wages, tips, etc.	19 Local income tax	20 Locality name

Form W-2 Wage and Tax Statement 2016 Dept. of the Treasury -- 1013
This information is being furnished to the Internal Revenue Service.

SSN: [REDACTED]

EDD Phone Numbers:
English 1-800-300-6616
Spanish 1-800-528-6037
Cantonese 1-800-547-3506
Mandarin 1-888-303-2706
Vietnamese 1-800-547-2058
TTY (for voice) 1-800-615-6357
website: www.edd.ca.gov

MARINA CA 93933-6018

NOTICE OF UNEMPLOYMENT INSURANCE AWARD

1. Claim Beginning Date:	07/17/2016	2. Claim Ending Date:	07/15/2017
3. Maximum Benefit Amount:	\$6,500.00	4. Weekly Benefit Amount:	\$250
5. Total Wages:	\$17,980.76	6. Highest Quarter Earnings:	\$6,480.76

7. This item does not apply to your claim. For more information, see item 7 on the reverse.
8. You must look for full time work each week. For more information, refer to the handbook, A Guide to Benefits and Employment Services, DE 1275A, available online at www.edd.ca.gov/forms.
9. This item does not apply to your claim.
10. This Claim Award is calculated based on the Standard Base Period.

11. Employee Name:	12. Employee Wages for the Quarter Ending:	13. Employee Name:
	JUN 15	
	\$ 850.00	
	\$ 0.00	
	\$ 1,360.76	
	\$ 0.00	
	\$ 0.00	
14. TOTALS:	\$ 850.00	\$ 6,480.76
	\$ 5,350.00	\$ 6,480.00

Answer:

Earned = 1078
 12,941 yr. /by 12 mos. = 1,078 mo.

UIB = 361
 250 wk. X 4.33 wks. = 1,082 mo.
 1,082 mo. X 4 mos. = 4,330 yr.
 4,330 yr. /by 12 mos. = 361 mo.

Copy B--To Be Filed With Employee's FEDERAL Tax Return. 38-209903 OMB No. 1545-0048

a Employee's SSN: 12941-50

1 Wages, tips, other comp.: 12941.50

2 Federal income tax withheld: 375.49

3 Employer ID no. (EIN): 94-2062106

4 Social security tax withheld: 802.38

5 Medicare wages and tips: 12941.50

6 Medicare tax withheld: 187.66

c Employer's name, address, and ZIP code:
 RONALD G BORBA FARMS
 68 COREY ROAD
 AROMAS, CA 95004

7 Social security tips: [blank]

8 Allocated tips: [blank]

9 State wages, tips, etc.: 12941.50

10 State income tax: 0.00

11 State Employer's state ID number: CA 509-4582-3

12 Local wages, tips, etc.: [blank]

13 Local income tax: [blank]

14 Locality name: [blank]

Form W-2 Wage and Tax Statement 2016 Dept. of the Treasury -- 1053
 This information is being furnished to the Internal Revenue Service.

SSN: [redacted]

EDD Phone Numbers:
 English 1-800-300-6616
 Spanish 1-800-528-6037
 Cantonese 1-800-547-3556
 Mandarin 1-866-303-2708
 Vietnamese 1-800-547-2058
 TTY (for voice) 1-800-615-6357
 website: www.edd.ca.gov

MARINA CA 93935-6018

NOTICE OF UNEMPLOYMENT INSURANCE AWARD

1. Claim Beginning Date: 07/17/2016

2. Claim Ending Date: 09/06/16

3. Maximum Benefit Amount: \$6,500.00

4. Weekly Benefit Amount: \$250

5. Total Wages: \$17,980.76

6. Highest Quarter Earnings: \$6,480.76

7. This item does not apply to your claim. For more information, see item 7 on the reverse.

8. You must look for full time work each week. For more information, refer to the handbook, A Guide to Benefits and Employment Services, DE 1275A, available online at www.edd.ca.gov/forms/.

9. This item does not apply to your claim.

10. This Claim Award is calculated based on the Standard Base Period.

11. Employee Name:	12. Employee Wages for the Quarter Ending:				13. Employee Name:
	JUN 15	SEP 15	DEC 15	MAR 16	
	\$ 850.00	\$ 5,100.00	\$ 6,250.00	\$ 6,480.00	
	\$ 0.00	\$ 1,380.76	\$ 0.00	\$ 0.00	
(16) TOTALS:	\$ 850.00	\$ 6,480.76	\$ 6,250.00	\$ 6,480.00	

Social Security

- Social Security Disability Income (SSDI)
- Retirement

Administración del Seguro Social
Seguro de Jubilación, Sobrevivientes e Incapacidad
Notificación de Aprobación

Western Program Service Center

Fecha: 20 de febrero de 2017
Número de Solicitud: [REDACTED]

2025 SEP 2 8 50 AM WASHINGTON DC 20535-1001
[REDACTED]

TRACY, CA 95376

Usted tiene derecho a beneficios mensuales de jubilación comenzando en febrero de 2017.

Qué Pagaremos Y Cuándo

- Usted recibirá \$1,228.00 por febrero de 2017 alrededor de 3 de marzo de 2017.
- Después de eso, recibirá \$1,228.00 en o cerca del tercer día de cada mes.
- Estos y cualquier otro pago futuro irán a la institución financiera que usted eligió. Por favor notifíquenos si cambia su dirección postal para que le podamos enviar cartas directamente.

Otras personas que posiblemente tengan derecho a recibir los beneficios

Es posible que los hijos de no teng(a) derecho a recibir los beneficios bajo su registro de ganancias, en su solicitud. Los siguientes niños fueron nombrados cuando solicitó los beneficios:

- JAI [REDACTED]
- ISA [REDACTED]
- MARC [REDACTED]

Si todavía no ha llenado una solicitud nombrando a su(s) hijo(s), favor de comunicarse con nosotros.

Enclosure(s):
Pub 05-10977

Social Security Notifications

Taxes:	SSDI	Tax free
	Retirement	Taxable

See class handout "Taxes – Who Pays What?" Included here as second to last slide.

Self Employment

- FC §4058 (a)(2) – Income from the proprietorship of a business, such as gross receipts reduced by expenditures required for the operation of the business

Self employed real estate broker - Earnings

The image shows two pages of tax forms for a self-employed real estate broker. The left page is Schedule C (Form 1040) for 2015, titled 'Profit or Loss From Business (Sole Proprietorship)'. It shows a net profit of \$107,004. The right page is Schedule C-EZ (Form 1040) for 2015, titled 'Cost of Goods Sold (see instructions)'. It shows a net profit of \$107,004. The forms include various sections for expenses, deductions, and income.

Tax returns are presumptively correct. However, there are deductions that are fine for the federal and state government but are not deductions from income for calculating child support. What a Commissioner includes and excludes is pretty much discretionary.

The following are generally added back to the net self-employment income for child support calculation:

1. Depreciation. Example, you buy office equipment that costs \$5,000 and will need to be replaced in five years. You might deduct the whole \$5,000 in the year you bought it. However, the government knows that this equipment is losing value every year. So instead, you may be allowed to deduct \$1,000 a year for five years from your income for tax purposes. This is just a paper deduction. The money was spent when you bought it. So the \$1,000 you are writing off this year is still sitting in your bank account. Since it is not an actual cash expense, it can be considered as income for child support.
2. Meals and entertainment. You do not get to deduct your meals at home so why would you get to deduct them when you are traveling? However, some may argue that it costs more to eat out than at home, etc.
3. Expenses not related to the business. In this example, the real estate agent only has \$1,000 a year in office expense. She does not seem to be renting an office. In addition, the adding machine tape is covering the spot where she is deducting \$10,494 for business use of her home. Why would we allow her to deduct janitorial expenses for her home?

Everyone needs clean clothes. Should she be allowed a deduction for laundry and cleaning?
Would your answer be different if she was required to wear a uniform?

For You: What would you NOT allow?

Self employed – Massage Therapist

SCHEDULE C
Profit or Loss From Business
 (Form 1040-S)
 2016

1. Business name (do not check this box unless you are a partnership)
 2. EIN (do not check this box unless you are a partnership)
 3. Principal business activity (use NAICS code)

4. Business address (do not check this box unless you are a partnership)

5. Business phone number

6. Business website

7. Accounting method (check one)
 Cash
 Accrual
 Other (specify)

8. Did you "materially participate" in the operation of the business during 2016? (do not check this box unless you are a partnership)
 Yes
 No

9. If you started or acquired this business during 2016, check here:
 I am a new business owner.
 I am an existing business owner.

10. Did you make any payments in 2016 that would require you to file Form 990-B?
 Yes
 No

11. Did you acquire any assets in 2016 that would require you to file Form 990-B?
 Yes
 No

12. Gross receipts or sales. See instructions for line 1 and check the box if this amount was reported to you on Form 1099-MISC or the "Business received" box on that form was checked.
 13. Returns and allowances.
 14. Subtotal line 1 from line 1.
 15. Cost of goods sold (line 14)
 16. Gross profit. Subtract line 15 from line 14.
 17. Other income, including interest (do not include any interest on a loan that is not used in your business).
 18. Total income. Add lines 16 and 17.

19. Expenses. Enter expenses for business use of your home only on line 20.
 20. Advertising.
 21. Car and truck expenses.
 22. Commissions and fees.
 23. Contract labor.
 24. Depreciation.
 25. Depreciation and section 179 expense election (see instructions).
 26. Employee benefit programs (see instructions).
 27. Insurance (other than health).
 28. Interest.
 29. Mortgage (and other loans, etc.).
 30. Other.
 31. Legal and professional services.
 32. Telephone profit or loss. Subtract line 32 from line 7.
 33. Equipment for business use of your home. See instructions for expense election. Attach Form 8829 unless using the simplified method (see instructions).
 34. Depreciation deduction for the part of your home used for business.
 35. Net profit or gross. Subtract line 33 from line 18.
 36. If you checked line 35, enter the box on both Form 1040, line 12, or Form 1040-S, line 12, and on Schedule SE, line 2.
 37. If you checked line 36, enter the box on both Form 1040, line 12, or Form 1040-S, line 12, and on Schedule SE, line 2.
 38. If you checked line 37, enter the box on both Form 1040, line 12, or Form 1040-S, line 12, and on Schedule SE, line 2.
 39. If you checked line 38, enter the box on both Form 1040, line 12, or Form 1040-S, line 12, and on Schedule SE, line 2.
 40. If you checked line 39, enter the box on both Form 1040, line 12, or Form 1040-S, line 12, and on Schedule SE, line 2.

19. Total expenses. Enter expenses not included on lines 20-33 on line 30.
 20. CPE.
 21. Laundry and cleaning.
 22. Linen and towels.
 23. Postage.
 24. Telephone.
 25. Uniforms.

21. Total expenses. Enter expenses not included on lines 20-30 on line 30.
 22. CPE.
 23. Laundry and cleaning.
 24. Linen and towels.
 25. Postage.
 26. Telephone.
 27. Uniforms.

21. Total expenses. Enter expenses not included on lines 20-30 on line 30.
 22. CPE.
 23. Laundry and cleaning.
 24. Linen and towels.
 25. Postage.
 26. Telephone.
 27. Uniforms.

21. Total expenses. Enter expenses not included on lines 20-30 on line 30.
 22. CPE.
 23. Laundry and cleaning.
 24. Linen and towels.
 25. Postage.
 26. Telephone.
 27. Uniforms.

Part III Cost of Goods Sold (do not check this box unless you are a partnership)

23. Inventory at start of year.
 Cost
 Lower of cost or market
 Other (check explanation)

24. Was there any change in inventory quantities, units, or valuations between starting and closing inventory?
 If "Yes," which explanation?
 Yes
 No

25. Inventory at end of year. Different from last year's closing inventory, which explanation?
 Yes
 No

26. Purchases less cost of items returned from last year's closing inventory.
 Yes
 No

27. Cost of labor. Do not include any amounts paid to yourself.
 Yes
 No

28. Materials and supplies.
 Yes
 No

29. Other costs.
 Yes
 No

30. Add lines 25 through 29.
 Yes
 No

31. Inventory at end of year.
 Yes
 No

32. Cost of goods sold. Subtract line 31 from line 23. From the result here and on line 4.
 (Part III) Information on Your Vehicles. Complete this part only if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.

33. How did you use your vehicle to service for business purposes? (month, day, year) 2016: 01:13
 34. Of the total number of miles you drove your vehicle during 2016, enter the number of miles you used your vehicle for:
 a. Business 13,115 a. Commuting 3,287 a. Other 7,146
 Yes
 No

35. Was your vehicle available for personal use during all days of 2016?
 Yes
 No

36. Do you file your annual tax return with a return preparer?
 Yes
 No

37. Do you have another business or profession?
 Yes
 No

38. If "Yes," is the business active?
 Yes
 No

39. Total other expenses. Enter expenses not included on lines 20-30 on line 30.
 40. CPE.
 41. Laundry and cleaning.
 42. Linen and towels.
 43. Postage.
 44. Telephone.
 45. Uniforms.

39. Total other expenses. Enter expenses not included on lines 20-30 on line 30.
 40. CPE.
 41. Laundry and cleaning.
 42. Linen and towels.
 43. Postage.
 44. Telephone.
 45. Uniforms.

39. Total other expenses. Enter expenses not included on lines 20-30 on line 30.
 40. CPE.
 41. Laundry and cleaning.
 42. Linen and towels.
 43. Postage.
 44. Telephone.
 45. Uniforms.

39. Total other expenses. Enter expenses not included on lines 20-30 on line 30.
 40. CPE.
 41. Laundry and cleaning.
 42. Linen and towels.
 43. Postage.
 44. Telephone.
 45. Uniforms.

Answer: Self employed – Massage Therapist

SCHEDULE C
Profit or Loss From Business
 (Form 1040)
 2016

1. Name of business: **MASSAGE THERAPIST**

2. Business address: **MASSACHUSETTS, MASSACHUSETTS**

3. Business address (including mail or e-mail): **CHESHAM, MA 01533**

4. Accounting method: Cash Accrual Other (specify):

5. Did you have a partner? Yes No

6. Did you make any payments to a partner during 2016, other than interest on a loan? Yes No

7. Did you make any payments to a partner that would require you to file Form 1099? Yes No

8. Did you or will you sell the business during 2016?

9. Gross receipts or sales: **24,372**

10. Returns and allowances: **0**

11. Cost of goods sold: **24,372**

12. Other deductions: **24,372**

13. Net profit or loss: **0**

Part II Expenses

14. Car expenses: **8,162**

15. Other expenses: **3,601**

16. Total expenses: **11,763**

17. Net profit or loss: **12,609**

Part III Cost of Goods Sold (See Instructions)

18. Inventory at start of year: **0**

19. Inventory at end of year: **0**

20. Purchases less cost of items for personal use: **0**

21. Net cost of goods sold: **24,372**

22. Net profit or loss: **0**

Part IV Information on Your Vehicle

23. Total number of miles you drove your vehicle during 2016: **15,115**

24. Business use: **1,287**

25. Other use: **13,828**

26. Do you have a vehicle available for personal use during off-duty hours? Yes No

27. Do you (or your spouse) have another vehicle available for personal use? Yes No

28. Do you have a vehicle available for business use? Yes No

Part V Other Expenses (List all other business expenses not included on lines 14-22 on Form 1040)

29. CPE: **1,025**

30. Payment and charges: **575**

31. Linen and towels: **731**

32. Postage: **325**

33. Telephone: **1,213**

34. Uniforms: **500**

35. Total other expenses: **4,779**

Review his Schedule C to determine what you would allow him as business expenses.

If he is a mobile massage therapist it may make sense to allow for mileage (Note: He took the standard mileage deduction - 15,115 work miles x .54 cents per mile = 8,162.)
 Would you allow for meals and entertainment?

His "Other Expenses" on page two look reasonable but what is "CPE?" Ask him.

DCSS Income Sources – Quarterlies

CCSAS-CSE - Participant Income List Page 1 of 2

03/31/2017 Logout Most Recent Case: 0507496631 Most Recent Participant: Search Most Recent Employer: No Recent Employer

YARA BONGA

Home Participant Cases Financials Employer LHA Tools Documents Public Asst Cust Srv

Search Cases/Financials Demographics Locals Financial Enforcement Activity

Demographics Participant Income List 1 DOB: 05/01/1974

Details

Envelope	Envelope Type	Income (\$)	Source	Frequency	Tax Year	Start Date	End Date
<input checked="" type="checkbox"/>	VALID REPORTED EARNINGS	4,648.00	NDNH-QUARTERLY WAGES	QUARTERLY	2016	2016-01-01	2016-03-31
<input checked="" type="checkbox"/>	VALID REPORTED EARNINGS	5,452.00	NDNH-QUARTERLY WAGES	QUARTERLY	2016	2016-04-01	2016-06-30
<input checked="" type="checkbox"/>	VALID REPORTED EARNINGS	16,507.00	NDNH-QUARTERLY WAGES	QUARTERLY	2016	2016-07-01	2016-09-30
<input type="checkbox"/>	VALID REPORTED EARNINGS	16,606.00	EMPLOYMENT DEVELOPMENT DEPARTMENT	QUARTERLY	2016	2016-07-01	2016-09-30
<input checked="" type="checkbox"/>	VALID REPORTED EARNINGS	8,320.00	EMPLOYMENT DEVELOPMENT DEPARTMENT	QUARTERLY	2016	2016-04-01	2016-06-30
<input checked="" type="checkbox"/>	VALID REPORTED EARNINGS	-593.00	EMPLOYMENT DEVELOPMENT DEPARTMENT	QUARTERLY	2016	2016-04-01	2016-06-30
<input checked="" type="checkbox"/>	VALID REPORTED EARNINGS	5,419.00	NDNH-QUARTERLY WAGES	QUARTERLY	2016	2016-01-01	2016-03-31
<input type="checkbox"/>	VALID REPORTED EARNINGS	5,418.00	EMPLOYMENT DEVELOPMENT DEPARTMENT	QUARTERLY	2016	2016-01-01	2016-03-31
<input type="checkbox"/>	VALID REPORTED EARNINGS	6,214.00	NDNH-QUARTERLY WAGES	QUARTERLY	2015	2015-10-01	2015-12-31
<input type="checkbox"/>	VALID REPORTED EARNINGS	2,434.00	NDNH-QUARTERLY WAGES	QUARTERLY	2015	2015-10-01	2015-12-31
<input type="checkbox"/>	VALID REPORTED EARNINGS	6,213.00	EMPLOYMENT DEVELOPMENT DEPARTMENT	QUARTERLY	2015	2015-10-01	2015-12-31

Address List

00

YARA BONGA, YARA BONGA, LISA
GARCIA, LINDA GARCIA
1234567890

ADD Change Status

https://cse.ccsas.ca.gov/cso/CSFWEB/cso/participant/demographics/viewParticipantIncomeList.do?my_instance=7ec1651-2609... 5/24/2017

Employer reported earnings: California locate service is through Employment Development Department (EDD). National locate service is through National Directory of New Hires (NDNH)

DCSS advised me that the Quarterlies always seem to be off by \$1.00

Both payor and the payee used to load automatically to the California Child Support Automated System, Child Support Enforcement (CCSAS-CSE) commonly referred to as CSE. Now it is just payor. DCSS has to manually request info thru EDD on the payee.

Quarterlies Detail – By quarter showing employer

The image displays two side-by-side screenshots of the CCSAS-CSE Participant Income Detail web application. Both screenshots show the same data for a participant, but for different quarters.

Left Screenshot (Quarter 1):

- Participant Information:**
 - Wage: 0000
 - Plan: 00000000000000000000
 - Other Income Type: 0000
 - Income Amount: \$ 10,000.00
 - Frequency: Quarterly
 - Start Date: 01/01/2018
 - End Date: 03/31/2018
 - Employer: 00000000000000000000
 - Benefit: 00000000000000000000
 - State: 0000
- Income Data:**
 - Filing Status: 0000
 - Status Date: 10/31/2018
 - Account Number: 00000000000000000000
 - Plan Name: 00000000000000000000
 - Plan "Cost of Money": 00000000000000000000
 - Method: 00000000000000000000
 - Plan Account Number: 00000000000000000000
 - Source Description: 00000000000000000000
 - Other Income Inclusions: 00000000000000000000
 - Reporting After Quarterly Wage:
 - Amount: 00000000000000000000
 - Change: 00000000000000000000
 - Quarterly Wage Percent of: 0.0%
 - Change: 00000000000000000000
 - Reporting New Hire Record:
- Information Source:**
 - Source: 00000000000000000000
 - Source Date: 10/31/2018
 - Source Description: 00000000000000000000

Right Screenshot (Quarter 2):

- Participant Information:**
 - Wage: 0000
 - Plan: 00000000000000000000
 - Other Income Type: 0000
 - Income Amount: \$ 10,000.00
 - Frequency: Quarterly
 - Start Date: 04/01/2018
 - End Date: 06/30/2018
 - Employer: 00000000000000000000
 - Benefit: 00000000000000000000
 - State: 0000
- Income Data:**
 - Filing Status: 0000
 - Status Date: 09/30/2018
 - Account Number: 00000000000000000000
 - Plan Name: 00000000000000000000
 - Plan "Cost of Money": 00000000000000000000
 - Method: 00000000000000000000
 - Plan Account Number: 00000000000000000000
 - Source Description: 00000000000000000000
 - Other Income Inclusions: 00000000000000000000
 - Reporting After Quarterly Wage:
 - Amount: 00000000000000000000
 - Change: 00000000000000000000
 - Quarterly Wage Percent of: 0.0%
 - Change: 00000000000000000000
 - Reporting New Hire Record:
- Information Source:**
 - Source: 00000000000000000000
 - Source Date: 09/30/2018
 - Source Description: 00000000000000000000

These are helpful because they have the name of the employer.

The Work Number

Print Page 1 of 5

Information Current As Of 05/05/2017

Order Information

Verification Type: Social Services Verification
 Purpose: Determine child support payments - I request a state or local child support enforcement agency
 Reference Number: 94833118
 Tracking Number: 3000000000000000

Employer

Address 1: [Redacted] Date not provided
 Address 2: [Redacted]
 City: [Redacted]
 State: [Redacted]
 Zip: [Redacted]
 Phone Number: [Redacted]
 Date of Birth: 01/21/1982

Employment

Employer: RED LOBSTER (1780)

Headquarters Address:

Address 1: 400 SOUTH ORANGE AVE
 Address 2: SUITE 800
 City: ORLANDO
 State: FL
 Zip Code: 32801
 Employer Description: ***For total time with employee, combine both the ILJSA and the REGUS divisions years and months of service.
 Please send all government requests to:
 ADP
 3700 East Grand
 St. Diego, CA 92145-6124
 Federal Employer Identification Number (FEIN): 48134308
 Division: 0716
 Union Affiliation: [Redacted]
 Work Location (Job Site): [Redacted]
 Address 1: [Redacted]
 Address 2: [Redacted]
 City: [Redacted]
 State: [Redacted]
 Zip: [Redacted]

Employment Status: Active
 Most Recent Start Date: 05/05/2014
 Original Hire Date: 05/05/2010
 Reason for Termination: [Redacted]
 Total Time With Employer: 9 YRS 0 MO 0 DRS

<https://secure2.verifier.theworknumber.com/verifier/OrderForm> 4/16/2017

Print Page 2 of 5

Job Title: Server

Benefits:
 Dental Insurance: Data not provided
 Medical Insurance: Data not provided
 Vision Insurance: Data not provided
 Student Compensation: Data not provided

Income and Deductions:
 Rate of Pay: \$12.80
 Employee Pay Frequency: Hourly
 Avg. Wks. Worked / Pay Period: [Redacted]
 Pay Cycle: Weekly

Income Summary:

Year	Base Salary	Overtime	Commissions	Bonus	Other	Total
2017	\$4,870.82	\$2.24	\$0.00	\$0.00	\$7,202.95	\$12,265.98
2016	\$12,832.49	\$0.50	\$0.00	\$0.00	\$20,686.16	\$33,549.15
2015	\$10,438.32	\$1.49	\$0.00	\$0.00	\$19,210.98	\$30,710.79

Payroll Deduction for All Insurance Coverage: Data not provided
 Income: \$724.62
 Total Gross Earnings: \$724.62
 Total Net Earnings: \$73.80
 Other Income: [Redacted]
 Withholding: [Redacted]

Historical Pay Period Summary:

Pay Period End Date	Pay Date	Hours Worked	Gross Earnings	Net	YTD Gross	YTD Net
04/09/2017	05/09/2017	27.47	\$724.62	\$73.80	\$77,721.4	\$7,721.4
04/23/2017	04/28/2017	17.08	\$438.68	\$68.88	\$62,821.4	\$6,821.4
04/06/2017	04/11/2017	26.3	\$797.68	\$105.64	\$54,821.4	\$5,821.4
04/06/2017	04/14/2017	23.83	\$687.77	\$78.88	\$51,941.4	\$5,194.1
04/02/2017	04/07/2017	26.83	\$687.84	\$77.81	\$48,061.4	\$4,806.1
03/26/2017	03/31/2017	24.89	\$646.14	\$68.12	\$44,181.4	\$4,181.4
03/19/2017	03/24/2017	28.27	\$730.89	\$88.79	\$40,301.4	\$3,801.4
03/12/2017	03/17/2017	22.21	\$582.91	\$66.46	\$36,421.4	\$3,421.4
03/05/2017	03/10/2017	25.98	\$728.33	\$88.08	\$32,541.4	\$3,041.4
02/26/2017	03/02/2017	31.12	\$969.81	\$142.78	\$28,661.4	\$2,661.4
02/19/2017	02/24/2017	31.9	\$877.67	\$115.28	\$24,781.4	\$2,381.4
02/12/2017	02/17/2017	25.82	\$729.87	\$88.81	\$20,901.4	\$1,901.4
02/05/2017	02/10/2017	28.38	\$688.34	\$108.88	\$17,021.4	\$1,521.4
01/29/2017	02/03/2017	28.88	\$691.84	\$111.30	\$13,141.4	\$1,141.4
01/22/2017	01/27/2017	24.82	\$643.07	\$108.83	\$9,261.4	\$888.8
01/15/2017	01/20/2017	32.82	\$688.34	\$79.89	\$5,381.4	\$488.8
01/08/2017	01/13/2017	28.88	\$632.83	\$87.78	\$1,501.4	\$138.8
01/01/2017	01/06/2017	28.84	\$677.72	\$88.87	\$713.4	\$625.6
12/25/2016	12/30/2016	18.87	\$488.76	\$62.82	\$25.4	\$13.8
12/18/2016	12/23/2016	24.88	\$611.08	\$71.88	\$1.4	\$1.4
12/11/2016	12/16/2016	22.17	\$646.32	\$83.28	\$0.0	\$0.0
12/04/2016	12/09/2016	21.88	\$688.88	\$84.87	\$0.0	\$0.0
11/27/2016	12/02/2016	28.5	\$634.38	\$83.84	\$0.0	\$0.0

<https://secure2.verifier.theworknumber.com/verifier/OrderForm> 5/10/2017

This is an optional form for California. The information is listed by Social Security number.

If the employer signs up for this and provides all the information, the employer does not have to complete an Employer Wage and Insurance Verification form. (Next slide.)

Some employers complete the form but they do not report to EDD so DCSS checks both.

Wage and Insurance Verification

STATE OF CALIFORNIA - HEALTH AND HUMAN SERVICES AGENCY
WAGE AND INSURANCE VERIFICATION
DEPARTMENT OF CHILD SUPPORT SERVICES
CSB Case Number: 00000170-01
Participant Name: JALD R VARGAS
Employer Name: DEPARTMENT OF CORRECTIONS AND REHABILITATION

EMPLOYEE CASE PARTICIPANT IDENTIFICATION AND CONTACT INFORMATION (If you have different information, write down information in the blank spaces)

A. Name: _____
 B. Social Security Number: _____
 C. Date of Birth: _____
 D. Address: _____
 E. Phone Number: _____

EMPLOYEE WORK STATUS (Check all applicable boxes and fill in requested information)

Former employee (If former employee, we need to complete form further. Just sign the certification on page 2 and return entire form.)
 Currently employed: Part-time Full-time Seasonal
 Usual season start date: _____ Usual season end date: _____
 No longer employed: Last date employed: _____
 Reason for termination of employment: _____
 New employer name and address: _____

Is there an Income Withholding Order for support on file in your business for this employee? Yes No
 What income tax filing status does employee report? Single Head of Household Married
 How many dependents does employee claim for income tax withholding purposes? _____

EMPLOYEE EARNINGS

Just Pay Date (Month, Day, Year) Pay Frequency (Check one) Weekly Bi-Weekly Monthly
 Hourly Rate (if applicable) \$ _____ Number of Hours _____
 Monthly Earnings \$ 2196.21 Per Month/Year Date \$ 155.17

Union Name: 00604 Union Local Number: 800-891-1443
 Proof of Employment: From (Month, Day, Year) 1/1/15 To (Month, Day, Year) Current

Please complete employer's earnings for the past 12 months or attach a copy of payroll earnings for three months. If the employee has worked less than 12 months, provide the information for the number of months employee did have earnings.

Check if copy of payroll earnings is attached. Check if employee has worked less than 12 months.

Month / Year	Earnings	Month / Year	Earnings	Month / Year	Earnings
January	\$ 2196	July	\$ 2196	January	\$ 2196
February	\$ 2196	August	\$ 2196	February	\$ 2196
March	\$ 2196	September	\$ 2196	March	\$ 2196
April	\$ 2196	October	\$ 2196	April	\$ 2196
May	\$ 2196	November	\$ 2196	May	\$ 2196
June	\$ 2196	December	\$ 2196	June	\$ 2196

STATE OF CALIFORNIA - HEALTH AND HUMAN SERVICES AGENCY
WAGE AND INSURANCE VERIFICATION
DEPARTMENT OF CHILD SUPPORT SERVICES
CSB Case Number: 00000170-01
Participant Name: JALD R VARGAS
Employer Name: DEPARTMENT OF CORRECTIONS AND REHABILITATION

HEALTH INSURANCE INFORMATION (Check to the program. If from state plan or available to the employee, please list the lowest cost insurance plan available for the employee, even if it differs from the plan the employee is currently enrolled in.)

Check all applicable boxes:

No health insurance is available to: Employee Employee's dependents
 Health insurance is available at no cost for: Employee Employee's dependents
 Cost to the employee of lowest cost available health insurance for employee only:
 Cost reported for period: Annual Monthly Two Weeks Weekly Other \$ _____
 Medical: \$ _____ Dental: \$ _____ Vision: \$ _____ Other: \$ _____
 Cost to the employee of lowest cost available health insurance for each of employee's insured dependents:
 Cost reported for period: Annual Monthly Two Weeks Weekly Other \$ _____
 Medical: \$ _____ Dental: \$ _____ Vision: \$ _____ Other: \$ _____
 Total cost to the employee of lowest cost available health insurance for employee and all of employee's insured dependents:
 Cost reported for period: Annual Monthly Two Weeks Weekly Other \$ _____
 Medical: \$ 79.14 Dental: \$ 21.50 Vision: \$ 9.40 Other: \$ _____

DEPENDENT INFORMATION (If all names of all employees' insured dependents. Add a sheet of paper if needed.)

First Name: _____
 Last Name: _____
 Date of Birth: _____
 Relationship: _____

POLICY INFORMATION

Insurance Co. Name: Pru Select Western Pacific VSP
 Mailing Address: _____
 Phone Number: 1-800-999-9916
 Policy Number: 1500-779-5930
 Effective Date: 1/1/15
 Expiration Date: Current

Health Insurance Summary:
 Health Insurance: 0
 Medical: 281.45
 Dental: 21.00
 Vision: 2.00
 Total: 304.45

The Wage and Insurance Verification has a wealth of information. This will give you income and deductions like union dues and mandatory retirement. It will also tell you how much insurance costs for the employee and dependents. There may be children you have never heard of listed as being covered by the person's insurance. Check to make sure you have the correct filing status for the person. If the children are not in the home, the person may get credit for other support paid.

DCSS Social Security Verification Request

MONTREY COUNTY DEPARTMENT OF CHILD SUPPORT SERVICES
PO BOX 3599
SALINAS CA 93903-0599

05/18/2016
CSE Case Number: 053003031-01
Participant Name: [REDACTED]

SSA BENEFITS SALINAS
SSN: [REDACTED]
DOB: [REDACTED]
Driver License: [REDACTED]
Last Known Address: [REDACTED]

The Department of Child Support Services office is requesting the following information be provided pursuant to Title 4, Section 402 of the Social Security Act. The individual named above has an active child support case with this office. It has been indicated that this party is receiving Social Security benefits. To determine if a child support matter can be pursued, it is necessary to verify the type of benefit, start date of the benefit, and the amount of benefit. Please complete the appropriate sections and return this form to the address below as soon as possible. If you have any questions, the number to call is (888) 961-3212. Thank you for your cooperation in this matter.

TYPE OF BENEFIT: SSA
 SSA DISABILITY
 RETIREMENT

START DATE: 1/1/80

MONTHLY BENEFIT AMOUNT: 1108.00

ADDRESS BENEFITS ARE SENT TO: SAME AS ABOVE

PLEASE LIST BENEFITS PAID, IF ANY, FOR EACH CHILD OF ARMANDO PEREZ

CHILD'S NAME	RETROACTIVE BENEFIT AMOUNT	DATE PAID	MONTHLY BENEFIT AMOUNT	DATE PAID
<u>N/A</u>				

NAME AND ADDRESS OF PARTY TO WHOM BENEFITS ARE PAID: _____

ARE ANY CHILDREN ELIGIBLE FOR BENEFITS NOT CURRENTLY BEING PAID?
 YES

NAME OF PARTY: ARMANDO PEREZ DATE: 8/26/16
 SIGNATURE: [Signature] SEX: M
 TITLE OF PREPARER: _____ WIFE OF PREPARER: _____

Return Information to: MONTREY COUNTY DEPARTMENT OF CHILD SUPPORT SERVICES
 PO BOX 3599
 SALINAS CA 93903-0599

SOCIAL SECURITY ADMINISTRATION BENEFITS VERIFICATION REQUEST
 05/18/2016 053003031-01

STATE OF CALIFORNIA - HEALTH AND HUMAN SERVICES AGENCY
 CASE VISIT
 EXHIBIT **2**

This is Social Security Disability (SSDI) income. Children of a parent who gets SSDI or retirement benefits may be entitled to what are called “derivative benefits.” Brief explanation: Their child gets an income (derivative benefit) because the parent is disabled or retired. The amount the child gets may be off-set against current and/or past due child support. There are a bunch of rules about how this works. See Family Code §4504.

OFT TOLD TALES IN CHILD SUPPORT

But I won't be able to support my (new) family!



He does side-jobs and makes a lot more money.

She has rental income.



Types of Deductions

FC §4059

- (a) Income taxes
- (b) Federal Insurance Contribution Act (F.I.C.A)
- (c) Mandatory union dues and retirement
- (d) Health insurance for parent and any child
State disability insurance (S.D.I.)
- (e) Child and spousal support paid in another case.
- (f) Job related expenses
- (g) Hardship (*Not our job description*)

FC §4059(a), (b), (c), (d) Deductions

Federal Taxes:

- ❖ Income Tax
- ❖ Medicare
 - (1.45% up to \$200,000; 2.35% over \$200,000)
- ❖ F.I.C.A. = Social Security
 - (6.2% of gross earnings up to \$127,200 in 2017)



State Taxes:

- Income Tax

- CA State Disability Insurance (SDI)

STATE INDIVIDUAL INCOME TAXES (Tax rates for tax year 2017 - as of January 1, 2017)									
STATE	TAX RATE RANGE (% percents)		Number of Brackets	INCOME BRACKETS		PERSONAL EXEMPTIONS			FEDERAL INCOME TAX DEDUCTIBLE
	Low	High		Lowest	Highest	State	Married Deductions	Dependents	
ALABAMA	2.50	- 4.54	5	10,170 (\$)	- 152,668 (\$)	2,100	4,300	2,300	
ALASKA	No State Income Tax								
ARIZONA	0.9	- 6.0 (b)	6	4,200	- 75,100	26 (c)	52 (c)	26 (c)	
ARIZONA (a)	1.0	- 12.3 (a)	9	8,615 (\$)	- 527,456 (\$)	111 (c)	222 (c)	344 (c)	
CALIFORNIA	4.00	-	1	Flat rate		4,000 (a)	8,100 (a)	4,000 (a)	
CONNECTICUT	3.0	- 6.89	7	10,000 (\$)	- 500,000 (\$)	14,500 (b)	24,000 (b)	0	
DELAWARE	0.0	- 6.6	7	2,000	- 60,001	110 (c)	220 (c)	110 (c)	
FLORIDA	No State Income Tax								
GEORGIA	1.0	- 6.0	6	750 (\$)	- 7,001 (b)	2,700	5,400	3,000	
IDAHO	1.4	- 8.25	9	2,800 (\$)	- 48,000 (b)	1,144	2,288	1,144	
IDAHO (b)	1.6	- 7.4	7	1,434 (\$)	- 10,905 (b)	4,050 (b)	8,100 (b)	4,050 (b)	
ILLINOIS	3.75	-	1	Flat rate		2,000	4,000	2,000	
INDIANA	3.23	-	1	Flat rate		1,000	2,000	2,000 (d)	
IOWA	0.36	- 8.98	9	1,573	- 70,765	40 (a)	80 (a)	40 (a)	Yes
KANSAS	2.7	- 4.0	2	13,000 (b)	-	2,250	4,500	2,250	
KENTUCKY	2.0	- 6.0	6	3,000	- 75,001	20 (c)	40 (c)	20 (c)	
LOUISIANA	2.0	- 6.0	3	12,500 (b)	- 50,001 (b)	4,500 (b)	9,000 (b)	1,500	
MAINE	5.8	- 10.15	4	21,100 (c)	- 200,000 (c)	4,050 (c)	8,100 (c)	4,050 (c)	
MARYLAND	2.0	- 5.75	6	1,000 (a)	- 250,000 (a)	3,200	6,400	3,200	
MASSACHUSETTS	5.10	-	1	Flat rate		4,000	8,000	1,000	
MICHIGAN	4.25	-	1	Flat rate		4,000	8,000	4,000	
MICHIGAN (b)	3.55	- 9.85	4	25,200 (a)	- 150,311 (a)	4,050 (a)	8,100 (a)	4,050 (a)	
MISSISSIPPI	3.0	- 5.0	3	5,000	- 10,001	6,000	12,000	1,500	
MISSOURI	1.5	- 6.0	10	1,000	- 10,001	2,100	4,200	1,500	
MONTANA	1.0	- 6.9	7	2,000	- 17,000	2,500	5,000	2,500	Yes (d)
NEBRASKA	2.00	- 6.04	4	3,000 (b)	- 29,800 (b)	132 (a)	264 (a)	132 (a)	
NEBRASKA	No State Income Tax								
NEW HAMPSHIRE	State Income Tax of 5% on Dividends and Interest Income Only								
NEW JERSEY	1.4	- 8.97	6	20,000 (b)	- 500,000 (b)	1,000	2,000	1,500	
NEW MEXICO	1.7	- 4.9	2	5,500 (b)	- 10,001 (b)	4,050 (b)	8,100 (b)	4,050 (b)	
NEW YORK	4.0	- 8.82	8	8,500 (b)	- 1,077,500 (b)	0	0	1,000	
NORTH CAROLINA	5.499	-	1	Flat rate		None	None	None	
NORTH DAKOTA	1.10	- 2.98	5	37,950 (a)	- 416,700 (a)	4,050 (a)	8,100 (a)	4,050 (a)	
OHIO	0.495	- 4.997	9	3,250	- 210,000	2,250 (a)	4,500 (a)	2,250 (a)	
OKLAHOMA	0.5	- 5.0	6	1,000 (b)	- 7,000 (b)	1,000	2,000	1,000	
OREGON	2.0	- 9.9	4	3,400 (b)	- 122,000 (b)	197 (c)	394 (c)	197 (c)	Yes (e)
OREGON (b)	3.75	- 5.99	3	81,300	- 139,400	3,900	7,800	3,900	
RHODE ISLAND	0.9	- 7.0	6	2,000	- 14,000	4,000 (b)	8,100 (b)	4,000 (b)	
SOUTH CAROLINA	3.00	-	1	Flat rate		None	None	None	
SOUTH CAROLINA (a)	3.75	- 5.99	3	81,300	- 139,400	3,900	7,800	3,900	
SOUTH CAROLINA (b)	0.9	- 7.0	6	2,000	- 14,000	4,000 (b)	8,100 (b)	4,000 (b)	
SOUTH DAKOTA	No State Income Tax								
TENNESSEE	State Income Tax of 5% on Dividends and Interest Income Only								
TENNESSEE	No State Income Tax								
TEXAS	No State Income Tax								
UTAH	5.0	-	1	Flat rate		0	0	0	
VIRGINIA	3.05	- 8.05	5	37,950 (a)	- 416,700 (a)	4,050 (a)	8,100 (a)	4,050 (a)	
WISCONSIN	2.0	- 9.75	2	3,000	- 17,001	300	1,800	300	
WISCONSIN	No State Income Tax								
WEST VIRGINIA	3.0	- 6.5	5	10,000	- 40,000	2,000	4,000	2,000	
WISCONSIN (a)	4.0	- 7.05	4	13,200 (a)	- 247,300 (a)	700	1,400	700	
WYOMING	No State Income Tax								
DIST. OF COLUMBIA	4.0	- 8.95	5	10,000	- 1,000,000	1,675	3,350	1,675	

Commissioner Baker may use another state's tax rate if there is no tax or a flat tax rate. If the other state has a graduated tax rate, she will default to California. There are too many variables to try to figure out a person's taxes unless the other state has no tax or has a flat tax rate.

TAXES – Who pays what?

Earned income:

- Federal & state income tax, FICA, Medicare, SDI
- Except –
 - In Home Supportive Services (IHSS) - NO FICA
 - State correctional officers – NO FICA or SDI

Unearned income (Pensions, trust income, interest received, dividends, net rents, royalties, annuities):

- Federal & state income tax but NO FICA or SDI
- Except –
 - Unemployment Insurance Benefits (UIB) – Federal but NO state tax

See class handout – second to last slide.

TAXES – Who pays what? - continued

Tax Free:

- Workers' compensation
- Disability benefits
 - Social Security Disability (SSDI)
 - State Disability Insurance (SDI)

Military:

- Base pay Taxable
- BAS (Basic allowance for sustenance) Tax free
- BAH (Basic allowance for housing) Tax free
- CONUS COLA Taxable
(Continental US Cost of Living Adjustment)
- COLA (outside CONUS) Tax free
- Flight pay, hazardous duty pay, etc. Taxable
- VHA (Variable housing allowance) Not included

Note: Ask service member in which state he/she files taxes.



Retirement Plans:

- ❖ CA Public Employee Retirement System (PERS)
- ❖ CA State Teachers Retirement System (STRS)
- ❖ CA Public Employees' Pension Reform Act (PEPRA)
01/01/13 – Generally new employees
- ❖ Other mandatory retirement programs

The mandatory retirement deduction will generally apply to someone who works for the government. There is no deduction for a *voluntary* retirement plan like a 401(k) plan.

FC §4059 (c), (d), (e), (f), (g) Deductions

- Mandatory union dues
- Health insurance for self and/or child
- *Court ordered* child and spousal support *actually paid* in other case. If voluntary payment, child support up to GL amount.
- Job related expenses

1. Union dues. The deduction is generally the monthly amount – not for joining (although that is arguable).

2. Health insurance. Paid for the party or a child

Check to see if the health insurance is pre-tax or post-tax. If it is a deduction on the paycheck it is probably pre-tax. If it is paid directly to the insurance company, it is post-tax.

Deductions that go to a savings account to cover *out-of-pocket expenses* are not deductible. These will have various names like “Health Savings Account,” Family Savings Account,” etc.

Military health insurance is called “Tri-Care.”


3. Other support paid. This is for *current* child support actually paid. There is no deduction for payments on arrears.

4. Job related expenses. This is a deduction for things people have to buy to do their job – like uniforms, steel-toed boots, etc. We give credit for replacing tools that break down and have to be replaced but not the cost of buying all new tools to go into a particular occupation.

For You: Deductions?

The Banker



Earnings Statement 

Period Beginning: 03/03/2017
 Period Ending: 03/16/2017
 Pay Date: 03/24/2017

COMERICA **COMERICA MGMT CO**
 DALLAS, TX 75201

Taxable Marital Status: Single
 Exemption/Allowances:
 Federal: 2
 CA: 2

Social Security Number: _____

MONTEREY CA 93940

Earnings	rate	hours	this period	year to date
Reg Regular	19.7100	80.00	1,675.60	5,641.86
Lds Lds			4.57	18.28
Ov Overtime				141.03
Hol Holiday				473.04
Sck Sick				292.30
Gross Pay			\$1,981.31	6,466.51

Deductions

Statutory	this period	year to date
Federal Income Tax	-131.37	545.81
Social Security Tax	-90.42	370.44
Medicare Tax	-21.15	86.84
CA State Income Tax	-27.37	118.41
CA SUIBIDI Tax	-13.12	53.77
Other		
Dnt Dental	-8.00*	35.20
Lds Lds	-4.57	18.28
M22 Medical	-102.30*	409.55
Vst Vision	-11.71*	46.84
401 K	-63.07*	257.92
75 SupAgmt	-125.53	502.12
Uwa Unld Wvy		30.00
Net Pay		
	1,981.31	1,981.31
Cha Checking 1	-581.47	
Svs Savings 1	-100.00	
Net Check		
	500.00	

*** Excluded from federal taxable wages**
 Your federal taxable wages this period are
\$1,306.40

Other Benefits and Information

this period	total to date
Sick Available	41.17
Time worked	80.00
401 401K Er Mtd	63.07
Employee id	0000922

Important Notes
 YOUR COMPANY PHONE NUMBER IS 214-452-4177
 THE TWO - WEEK PAY PERIOD EXTENDS FRIDAY 8:00 AM THROUGH FRIDAY 5:59 AM


When it comes to monthly deductions like union dues and health insurance, do not use YTD. First, these types of deductions are not pro-rated so the YTD number is not an accurate reflection of what is paid each month. Second, deductions like health insurance go up. Use the current amount the person pays, not an average of what was paid in the past.

00 PRE -SEPT- CLOCK FOR NO. 11
 902 190322 0000000000 1

Comerica
COMERICA MGMT CO
 DALLAS, TX 75201

Taxable Marital Status: Single
 Exemption/Allowances:
 Federal: 2
 CA: 2

Social Security Number: _____

Earnings Statement 

Period Beginning: 02/03/2017
 Period Ending: 02/16/2017
 Pay Date: 02/24/2017

MONTEREY CA 93940

* Excluded from federal taxable wages
 Your federal taxable wages this period are
 \$1,395.40

Earnings	rate	hours	this period	year to date
Reg Regular	19.7100	80.00	1,678.80	5,541.05
Lds Lds			4.57	18.28
Ot Overtime				141.03
Hol Holiday				473.04
Sck Sick				292.30
Gross Pay			\$1,581.37	6,466.51

Deductions	Statutory	this period	year to date
Federal Income Tax		-131.37	545.81
Social Security Tax		-90.42	370.44
Medicare Tax		-21.15	86.64
CA State Income Tax		-27.37	118.41
CA SUIVEDI Tax		-13.12	53.77
Other			
Dnt1 Dental		-8.60*	35.20
Lds Lds		-4.57	18.28
MC2 Medical		-102.39*	409.56
Vst1 Vision		-11.73*	46.84
401 K		-83.67*	257.92
75 SuiAgmt		-125.53	502.12
Una Untd Wgy			30.00
Net Pay		\$951.87	
Cha Checking 1		-881.87	
Sva Savings 1		-100.00	
Net Check		50.00	

Other Benefits and Information

	this period	total to date
Sick Available	41.17	
Tlrsworked	80.00	
401 401K Er Mat	63.07	257.92
Employee Id		0050022

Important Notes
 YOUR COMPANY PHONE NUMBER IS 214-482-4177

THE TWO - WEEK PAY PERIOD EXTENDS FRIDAY 6:00 AM THROUGH FRIDAY 6:59 AM

Answer:

Health Ins = 266
 Dental = 9
 Medical = 102
 Vision = 12
 123

X 26 wks. in yr. /by
 12 mos.
 OR /by 2 wks. X
 4.33 wks. in mo.

The Banker



For You:
Income and
Deductions?

Correctional
Supervising Cook



STATE OF CALIFORNIA STATEMENT OF EARNINGS AND DEDUCTIONS OFFICE OF STATE COLLECTOR 7014

ADY/UNIT 101-211 PAY PERIOD 06/17 WARRANT NO 02-137718
 TAX YEAR 17 ISSUE DATE 07/01/17
 TAX STATUS FED EXMP STATE EXMP

CURRENT YEAR-TO-DATE ¹	GROSS PAY	TAXABLE GROSS	DEDUCTIONS	NET PAY
3340.11	3340.11	2704.05	1429.15	1910.96

EARNINGS	DAYS	HOURS	GROSS	DEDUCTIONS	AMOUNT
REGULAR	17	4.00	3340.11	RETIREMENT	315.04
				MEDICARE	45.78
				CASDI	27.19
				MPERSELECT	288.45
				MF DLTADNTL	32.57
				VISION-VSP	0.00
				SUPPORT	600.00
				PERS SURV	2.00
				SUP ADM CHG	5.00
				SUPPORT	51.00
				SEI10000	62.99
				PERS SUR AD	5.15

EMPLOYER CONTRIBUTIONS (current and adjustments)			
RETIREMENT	634.14	1559.72	43.78
VISION			8.64

5/17 BEGIN BAL	CREDIT	USED	MISC	6/17 BEGIN
VACATION	52.75	10.00	38.50	0.00
SICK LV	9.00	0.00	2.00	0.00
PH	0.00	0.00	0.00	0.00
HOL ITO	4.00	0.00	0.00	0.00
TRNG/DEV	16.00	0.00	0.00	0.00
				UNITS
				4.00
				16.00

1 AUGUST IS BREASTFEEDING MONTH. LET'S SUPPORT BREASTFEEDING WORKING MOTHERS. THEY'RE PRODUCTIVE AND THEIR CHILDREN THRIVE. FOR MORE INFORMATION, GO TO WWW.CDPH.CA.GOV/BREASTFEEDING. 2 FOR A LIMITED TIME SAVING PLUS WILL LOWER THE MINIMUM CONTRIBUTION IN THE 401K AND 457B PLANS TO \$25 PER MONTH STARTING JULY 1. TAKE ADVANTAGE AND ENROLL NOW.

CD 38 (Rev. 08/00) ¹ Year-to-date gross on final earnings statement may not agree with YTD. ² Amounts which affect taxable gross

STATE OF CALIFORNIA STATE DEPARTMENT OF REVENUE AND EMPLOYERS OFFICE OF STATE CONTROLLER

AGY/UNIT 101-211 PAY PERIOD 06/17 7014
 TAX YEAR 17 ISSUE DATE 07/01/17 WARRANT NO 02-137718

TAX STATUS FED EXMP STATE EXMP

CURRENT	GROSS PAY	TAXABLE GROSS	DEDUCTIONS	NET PAY
3340.11	2704.05	1429.15	1910.96	
YEAR-TO-DATE ¹	30547.67			

EARNINGS	UNITS	RATES	GROSS	DEDUCTIONS	AMOUNT
REGULAR	17	4.00	3340.11	*RETIREMENT	315.04
				HEALTHCARE	43.78
				AGSDI	21.17
				*PERSSELECT	288.45
				WF DLTADNTL	32.57
				VISION-VSP	8.64
				SUPPORT	600.00
				PERS SURV	2.00
				SUP ADM CHG	1.00
				SUPPORT	51.00
				SEIU1000D	62.99
				PERS SUR AD	3.15

EMPLOYER CONTRIBUTIONS (Current and arrears)

RETIREMENT	HLTH/FLEX	HEDICARE
634.14	1559.72	43.78
VISION		
8.64		

5/17 BEGIN BAL	CREDIT	USED	MISC	6/17 BEGIN
VACATION	52.75	10.00	38.50	0.00
SICK LV	9.00	8.00	2.00	0.00
PH	0.00	0.00	0.00	0.00
HOL ITD	4.00	0.00	0.00	0.00
TRNG/DEV	16.00	0.00	0.00	0.00
				UNITS
				16.00

1 AUGUST IS BREASTFEEDING MONTH. LET'S SUPPORT BREASTFEEDING WORKING MOTHERS. THEY'RE PRODUCTIVE AND THEIR CHILDREN THRIVE. FOR MORE INFORMATION, GO TO WWW.CDPH.CA.GOV/BREASTFEEDING. BEFORE A LIMITED TIME SAVING PLUS WILL LOWER THE PREMIUM CONTRIBUTION IN THE 401K AND 457B PLANS TO \$25 PER MONTH STARTING JULY 1. TAKE ADVANTAGE AND ENROLL NOW.

CD 38 (Rev 08/00) ¹ Year-to-date gross on final earnings statement may not agree with W-2.
 * Amounts which affect taxable gross


Answer:

Income = 4,364

Deductions:

- Retirement = 315
- Health = 321
- Other sup. pd = 600
- If not arrears + 51
- Union dues = 63

**Correctional
Supervising Cook**



In this example, there are two deductions labeled "Support." If they are both for current support, he should get a deduction for both. He should not get a deduction for the \$51 if it is for payment on arrears.

Resources:

1. Guideline Calculator – User Guide

<http://www.childsup.ca.gov/portals/0/resources/docs/gdlncalculator.pdf>

2. State Tax Chart –

www.taxadmin.org/assets/docs/Research/Rates/ind_inc.pdf

3. How to read an Army Leave and Earnings Statement (LES)

<https://www.dfas.mil/civilianemployees/understandingyourcivilianpay/LES.html>

Note: There is a separate one for Army/Air Force, Navy, and Reserve/National Guard

4. Detailed List of Income Used, Tax, etc. for Commissioners:

California Judges Benchguide 203, AB 1058 Child Support Proceedings: Establishing Support, Appendix B

TAXES – Who pays what?

Earned income:

- Federal & state income tax, FICA, Medicare, SDI
- Except –
 - In Home Supportive Services (IHSS) - NO FICA
 - State correctional officers – NO FICA or SDI

Unearned income (Pensions, trust income, interest received, dividends, net rents, royalties, annuities):

- Federal & state income tax but NO FICA or SDI
- Except –
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Tax Free:

- Workers' compensation
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 - State Disability Insurance (SDI)

Military:

- Base pay Taxable
- BAS (Basic allowance for sustenance) Tax free
- BAH (Basic allowance for housing) Tax free
- CONUS COLA Taxable
 - (Continental US Cost of Living Adjustment)
- COLA (outside CONUS) Tax free
- Flight pay, hazardous duty pay, etc. Taxable
- VHA (Variable housing allowance) Not included

Note: Ask service member in which state he/she files taxes.

(Commissioners can find a detailed list of income used, tax, etc., in California Judges Benchguide 203, AB 1058 Child Support Proceedings: Establishing Support, Appendix B)

Class Handout

OFT TOLD TALES IN CHILD SUPPORT

I have no evidence of disability but I can't work.



I can't work because my kids are little.



I am never going to have overtime (and/or bonuses) again.