

APPENDIX IX-A

CONSIDERATIONS IN THE USE OF CHILD SUPPORT GUIDELINES

(Includes Amendments Through Those Effective March 14, 2005 [March 15, 2004])

1. **Philosophy of the Child Support Guidelines** - ... no change
2. **Use of the Child Support Guidelines As a Rebuttable Presumption** - ... no change
3. **Deviating from the Child Support Guidelines** - ... no change
4. **The Income Shares Approach to Sharing Child-Rearing Expenses** - ... no change
5. **Economic Basis for the Child Support Guidelines** - ... no change
6. **Economic Principles Included in the Child Support Guidelines** - ... no change
7. **Assumptions Included in the Child Support Guidelines**
 - a. *Intact Family Spending Patterns as the Standard for Support Orders* - ... no change
 - b. *Standard of Living* - ... no change
 - c. *Marginal-Cost Estimation* - ... no change
 - d. *The Rothbarth Marginal Cost Estimator* - ... no change
 - e. *National versus New Jersey Spending on Children* - ... no change
 - f. *Visitation and Shared Parenting* - ... no change
 - g. *Effect of a Child's Age* - ... no change
 - h. *Self-Support Reserve* - The self-support reserve is a factor in calculating a child support award only when one or both of the parents have income at or near the poverty level. The self-support reserve is 105% of the U.S. poverty guideline for one person. It attempts to ensure that the obligor has sufficient income to maintain a basic subsistence level and the incentive to work so that child support can be paid. A child support award is adjusted to reflect the self-support reserve only if its payment would reduce the obligor's net income below the reserve *and* the custodial parent's (or the Parent of the Primary Residence's) net income is greater than 105% of the poverty guideline. The latter condition is necessary to ensure that custodial parents can meet their basic needs so that they can care for the children. As of February 18, 2005 [February 13, 2004], the self-support reserve is \$193.00 [\$188.00] (this amount is 105% of the poverty guideline for one person).
 - i. *Income Tax Withholding* - ... no change

- j. *Spending of Child Support Order* - ... no change
- k. *Sharing of Child-Rearing Expenses* - ... no change

8. Expenses Included in the Child Support Schedules - ... no change

9. Expenses That May Be Added to the Basic Child Support Obligation - ... no change

10. Adjustments to the Support Obligation - ... no change

11. Defining Income - ... no change

12. Imputing Income to Parents. ... no change

13. Adjustments for Visitation Time - ... no change

14. Shared-Parenting Arrangements

- a. *The Support Guidelines and Shared Parenting* -... no change
- b. *Parties Defined.* ... no change
- c. *Criteria for Determining a Shared-Parenting Award* - ... no change
- d. ... no change
- e. If a shared-parenting award is inappropriate due to the PPR's limited household income, a sole-custody award shall be calculated.

Shared-Parenting Primary Household Net Income Thresholds (2.0 x <u>2005</u> [2004] Poverty Guideline)		
Total Persons in Household	Weekly Net Income	Annual Net Income
2	<u>\$493</u> [\$480]	<u>\$25,660</u> [\$24,980]
3	<u>\$619</u> [\$603]	<u>\$32,180</u> [\$31,340]
4	<u>\$744</u> [\$725]	<u>\$38,700</u> [\$37,700]
5	<u>\$870</u> [\$847]	<u>\$45,220</u> [\$44,060]
6	<u>\$995</u> [\$970]	<u>\$51,740</u> [\$50,420]
7	<u>\$1,120</u> [\$1,092]	<u>\$58,260</u> [\$56,780]
8	<u>\$1,246</u> [\$1,214]	<u>\$64,780</u> [\$63,140]

- f. *Relative Spending on Children and Shared-Parenting Situations* - ... no change

- g. *Assumptions of the Shared-Parenting Adjustment* - ... no change
- h. *Calculating the Shared-Parenting Adjustment* - ... no change
- i. *Note on Controlled Expenses* - ... no change
- j. *Non-Compliance with Parenting Plan* - ... no change

15. Split-Parenting Arrangements - ... no change

16. Child in the Custody of a Third Party - ... no change

17. Adjustments for the Age of the Children - ... no change

18. College or Other Post-Secondary Education Expenses - ... no change

19. Determining Child Support and Alimony or Spousal Support Simultaneously - ... no change

20. Extreme Parental Income Situations - Although these guidelines apply to all actions to establish and modify child support awards, extremely low or high parental income situations make the Appendix IX-F awards inappropriate due to the limitations of the economic data. The guidelines listed below apply to extreme parental income situations.

- a. *Obligors With Net Income Less Than the U.S. Poverty Guideline.* If an obligor's net income, after deducting that person's share of the total support award, is less than 105% of the U.S. poverty guideline for one person (net income of \$193 [\$188] per week as of February 18, 2005 [February 13, 2004] or as published annually in the Federal Register), the court shall carefully review the obligor's income and living expenses to determine the maximum amount of child support that can reasonably be ordered without denying the obligor the means of self-support at a minimum subsistence level. If an obligee's income is less than 105% of the poverty guideline, no self-support reserve adjustment shall be made regardless of the obligor's income. When assessing whether an obligee has sufficient net income to permit the application of the self-support reserve for an obligor, the court may consider the effect of the obligee's share of the child support obligation (note that this amount is not calculated on either worksheet). Thus, at the court's discretion, the obligor self-support reserve may not be applied if obligee's net income minus the obligee's child support obligation is less than 105% of the poverty guideline for one person. In all cases, a fixed dollar amount shall be ordered to establish the principle of the parent's support obligation and to provide a basis for an upward modification should the obligor's income increase in the future. In these circumstances, the support award should be between \$5.00 per week and the support amount at \$170 combined net weekly income for the appropriate number of children.
- b. *Parents with a Combined Net Annual Income In Excess of \$150,800.* ... no change

21. Other Factors that May Require an Adjustment to a Guidelines-Based Award - ... no change

22. Stipulated Agreements. ... no change

23. Modification of Support Awards. ... no change

24. Effect of Emancipation of a Child - ... no change

25. Support for a Child Who has Reached Majority - ... no change

26. Health Insurance for Children. ... no change

27. Unpredictable, Non-Recurring Unreimbursed Health-Care In Excess of \$250 Per Child Per Year - ... no change

28. Distribution of Worksheets and Financial Affidavits - I ... no change

29. Background Reports and Publications - ... no change