

California Child Support Audit Trail

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Here is the statutory formula. You may refer to this as you follow the calculation below.

Sec 4055. (a) The statewide uniform guideline for determining child support orders is as follows: $CS = K * (HN - (H\%)(TN))$.

(b) (1) The components of the formula are as follows:

(A) CS = child support amount.

(B) K = amount of both parents' income to be allocated for child support as set forth in paragraph (3).

(C) HN = high earner's net monthly disposable income.

(D) H% = approximate percentage of time that the high earner has or will have primary physical responsibility for the children compared to the other parent. In cases in which parents have different time-sharing arrangements for different children, H% equals the average of the approximate percentages of time the high earner parent spends with each child.

(E) TN = total net monthly disposable income of both parties.

(2) To compute net disposable income, see Section 4059.

(3) K (amount of both parents' income allocated for child support) equals one plus H% (if H% is less than or equal to 50 percent) or two minus H% (if H% is greater than 50 percent) times the following fraction:

| Total Net Disposable Income Per Month | K |
|---------------------------------------|--------------------|
| \$0-800 | $0.20 + TN/16,000$ |
| \$801-6,666 | 0.25 |
| \$6,667-10,000 | $0.10 + 1,000/TN$ |
| Over \$10,000 | $0.12 + 800/TN$ |

For example, if H% equals 20 percent and the total monthly net disposable income of the parents is \$1,000, $K = (1 + 0.20) \times 0.25$, or 0.30. If H% equals 80 percent and the total monthly net disposable income of the parents is \$1,000, $K = (2 - 0.80) \times 0.25$, or 0.30.

(4) For more than one child, multiply CS by:

| | |
|-------------|-------|
| 2 children | 1.6 |
| 3 children | 2 |
| 4 children | 2.3 |
| 5 children | 2.5 |
| 6 children | 2.625 |
| 7 children | 2.75 |
| 8 children | 2.813 |
| 9 children | 2.844 |
| 10 children | 2.86 |

Beginning calculation of California child support in this case.

In this case, there are 2 children.

The average percent time spent with Gladys is 50%. The average percent time spent with Martin is 50%.

First pass at Disposable Net Income:

Disposable Net income annually for Gladys:

Gladys's Gross income:

\$35,576 Wage and salary Income
+ \$5,000 Self employment income
+ \$500 Dividends
= \$41,076.

Gladys's Deductions

+ \$-1,909 Federal income tax (without alimony of this relationship, and excluding self-employment tax)
+ \$3,428 Employment tax (FICA and self-employment)
= \$1,519.

Note: A negative federal income tax means that credits such as the earned income credit and child tax credit were more than tax due. This is not uncommon for incomes in the \$10,000 - \$40,000 range.

Gladys's Net Disposable Income annually

= (Guideline Income - Allowable Deductions)
= \$41,076 - \$1,519
= \$39,557.

Disposable Net income annually for Martin:

Martin's Gross income:

\$129,996 Wage and salary Income
+ \$500 Dividends
= \$130,496.

Martin's Deductions

+ \$24,710 Federal income tax (without alimony of this relationship, and excluding self-employment tax)
+ \$8,934 Employment tax (FICA and self-employment)
+ \$4,160 Health insurance, not self-employed
= \$37,804.

Martin's Net Disposable Income annually

= (Guideline Income - Allowable Deductions)
= \$130,496 - \$37,804
= \$92,692.

Martin's Net Disposable Income annually: \$92,692.

Gladys's Net Disposable Income annually: \$39,557.

Total (combined) Annual Net Disposable Income = \$132,249

Total Monthly Net Disposable Income = (Total Annual Net Disposable Income / 12) = \$11,021.00.

Child Support Iteration #1:

1. Percent of time High Earner Custodial parent spends with children (HPct) = 0.50.

2. HPct of 0.50 is ≤ 0.5 , so HMultiplier is $1.0 + \text{HPct} = 1.0 + 0.50 = 1.50$.

3. Total Net Disposable Income Monthly is more than \$10,000.

So KMultiplier = $0.12 + (800/\text{Total Net Disposable Income Monthly})$
= $0.12 + (800/\$11,021) = 0.1926$.

4. KFactor = HMultiplier * KMultiplier = $1.5000 * 0.1926 = 0.2889$

5. High Earner Net Disposable Income Monthly = $(\$92,692 / 12) = \$7,724$.

6. Low Earner Net Disposable Income Monthly = $(\$39,557 / 12) = \$3,296$.

7. Total Net Disposable Income Monthly = $\$7,724 + \$3,296 = \$11,021$.

8. Base Child Support Amount Monthly

= $\text{KFactor} * (\text{HighEarnerNetDisposableIncomeMonthly} - (\text{HPct} * \text{TotalNetDisposableIncome}))$

$$= 0.2889 * (\$7,724 - (0.50 * \$11,021))$$

$$= \$640 \text{ per month.}$$

9. Child Multiplier, based on 2 children = 1.600.

$$10. \text{ Child Support Amount Monthly} = \text{Base Child Support Amount Monthly} * \text{ChildMultiplier}$$

$$= \$640 * 1.600$$

$$= \$1,023.33.$$

11. Child Support Amount Annual

$$= 12 * \text{Child Support Amount Monthly}$$

$$= 12 * \$1,023.33$$

$$= \$12,280.$$

Iterations for other children living with a party:

The way this works is that there is a deduction from Net Disposable Income for each additional child.

This deduction is known colloquially as the "hardship deduction."

This deduction is equal to the child support amount for that child.

But counting the deduction reduces the child support amount.

So the statute is a bit circular, but the circularity can be resolved.

First, we do an initial calculation of the child support amount to be deducted (the "hardship deduction").

Then, we repeat the calculation of child support, this time including this deduction.

This gives us a new child support amount.

Then we put the new child support amount as the new hardship deduction and repeat the calculation again.

Each time we repeat the calculation, we get a smaller change in the resulting child support amount compared with the previous round.

Eventually, we get a child support amount and hardship deduction that are in sync:

that is, subtracting the child support amount from Net Disposable Income and recalculating child support gives us the same child support amount we subtracted.

For the next trial run, set per-child hardship deduction to be the per-child child support amount.

Total hardship deduction is (child support / # children of the marriage) * # hardship children.

Gladys's total hardship deduction is $(\$12,280 / 2) * 1 = \$6,140$.

Now adjust Total Net Disposable Income and High Earner Net Disposable Income, for the new trial run hardship deduction.

Net Disposable Income With Hardship - Hardship Deduction = Net Disposable Income.

For Gladys, $\$39,557 - \$6,140 = \$33,417$.

Now we call the child support calculation with these new values.

Child Support Iteration #2:

1. Percent of time High Earner Custodial parent spends with children (HPct) = 0.50.

2. HPct of 0.50 is ≤ 0.5 , so HMultiplier is $1.0 + \text{HPct} = 1.0 + 0.50 = 1.50$.

3. Total Net Disposable Income Monthly is more than \$10,000.

$$\text{So KMultiplier} = 0.12 + (800 / \text{Total Net Disposable Income Monthly})$$

$$= 0.12 + (800 / \$10,509) = 0.1961.$$

4. KFactor = HMultiplier * KMultiplier = $1.5000 * 0.1961 = 0.2942$

5. High Earner Net Disposable Income Monthly = $(\$92,692 / 12) = \$7,724$.

6. Low Earner Net Disposable Income Monthly = $(\$33,417 / 12) = \$2,785$.

7. Total Net Disposable Income Monthly = $\$7,724 + \$2,785 = \$10,509$.

8. Base Child Support Amount Monthly

$$= \text{KFactor} * (\text{HighEarnerNetDisposableIncomeMonthly} - (\text{HPct} * \text{TotalNetDisposableIncome}))$$

$$= 0.2942 * (\$7,724 - (0.50 * \$10,509))$$

$$= \$727 \text{ per month.}$$

9. Child Multiplier, based on 2 children = 1.600.

$$10. \text{ Child Support Amount Monthly} = \text{Base Child Support Amount Monthly} * \text{ChildMultiplier}$$

$$= \$727 * 1.600$$

$$= \$1,162.53.$$

11. Child Support Amount Annual

$$= 12 * \text{Child Support Amount Monthly}$$

$$= 12 * \$1,162.53$$

$$= \$13,950.$$

For the next trial run, set per-child hardship deduction to be the per-child child support amount.

Total hardship deduction is (child support / # children of the marriage) * # hardship children.

Gladys's total hardship deduction is $(\$13,950 / 2) * 1 = \$6,975$.

Now adjust Total Net Disposable Income and High Earner Net Disposable Income,
for the new trial run hardship deduction.

Net Disposable Income With Hardship - Hardship Deduction = Net Disposable Income.

For Gladys, $\$39,557 - \$6,975 = \$32,582$.

Now we call the child support calculation with these new values.

Child Support Iteration #3:

1. Percent of time High Earner Custodial parent spends with children (HPct) = 0.50.
2. HPct of 0.50 is ≤ 0.5 , so HMultiplier is $1.0 + \text{HPct} = 1.0 + 0.50 = 1.50$.
3. Total Net Disposable Income Monthly is more than \$10,000.
So KMultiplier = $0.12 + (800/\text{Total Net Disposable Income Monthly})$
 $= 0.12 + (800/\$10,439) = 0.1966$.
4. KFactor = HMultiplier * KMultiplier = $1.5000 * 0.1966 = 0.2949$
5. High Earner Net Disposable Income Monthly = $(\$92,692 / 12) = \$7,724$.
6. Low Earner Net Disposable Income Monthly = $(\$32,582 / 12) = \$2,715$.
7. Total Net Disposable Income Monthly = $\$7,724 + \$2,715 = \$10,439$.
8. Base Child Support Amount Monthly
 $= \text{KFactor} * (\text{HighEarnerNetDisposableIncomeMonthly} - (\text{HPct} * \text{TotalNetDisposableIncome}))$
 $= 0.2949 * (\$7,724 - (0.50 * \$10,439))$
 $= \$739$ per month.
9. Child Multiplier, based on 2 children = 1.600.
10. Child Support Amount Monthly = Base Child Support Amount Monthly * ChildMultiplier
 $= \$739 * 1.600$
 $= \$1,181.96$.
11. Child Support Amount Annual
 $= 12 * \text{Child Support Amount Monthly}$
 $= 12 * \$1,181.96$
 $= \$14,184$.

For the next trial run, set per-child hardship deduction to be the per-child child support amount.

Total hardship deduction is (child support / # children of the marriage) * # hardship children.

Gladys's total hardship deduction is $(\$14,184 / 2) * 1 = \$7,092$.

Now adjust Total Net Disposable Income and High Earner Net Disposable Income,
for the new trial run hardship deduction.

Net Disposable Income With Hardship - Hardship Deduction = Net Disposable Income.

For Gladys, $\$39,557 - \$7,092 = \$32,465$.

Now we call the child support calculation with these new values.

Child Support Iteration #4:

1. Percent of time High Earner Custodial parent spends with children (HPct) = 0.50.
2. HPct of 0.50 is ≤ 0.5 , so HMultiplier is $1.0 + \text{HPct} = 1.0 + 0.50 = 1.50$.
3. Total Net Disposable Income Monthly is more than \$10,000.
So KMultiplier = $0.12 + (800/\text{Total Net Disposable Income Monthly})$
 $= 0.12 + (800/\$10,430) = 0.1967$.
4. KFactor = HMultiplier * KMultiplier = $1.5000 * 0.1967 = 0.2951$
5. High Earner Net Disposable Income Monthly = $(\$92,692 / 12) = \$7,724$.
6. Low Earner Net Disposable Income Monthly = $(\$32,465 / 12) = \$2,705$.
7. Total Net Disposable Income Monthly = $\$7,724 + \$2,705 = \$10,430$.
8. Base Child Support Amount Monthly
 $= \text{KFactor} * (\text{HighEarnerNetDisposableIncomeMonthly} - (\text{HPct} * \text{TotalNetDisposableIncome}))$

$$= 0.2951 * (\$7,724 - (0.50 * \$10,430))$$

$$= \$740 \text{ per month.}$$

9. Child Multiplier, based on 2 children = 1.600.

$$10. \text{ Child Support Amount Monthly} = \text{Base Child Support Amount Monthly} * \text{ChildMultiplier}$$

$$= \$740 * 1.600$$

$$= \$1,184.68.$$

11. Child Support Amount Annual

$$= 12 * \text{Child Support Amount Monthly}$$

$$= 12 * \$1,184.68$$

$$= \$14,216.$$

For the next trial run, set per-child hardship deduction to be the per-child child support amount.

Total hardship deduction is (child support / # children of the marriage) * # hardship children.

Gladys's total hardship deduction is $(\$14,216 / 2) * 1 = \$7,108$.

Now adjust Total Net Disposable Income and High Earner Net Disposable Income,
for the new trial run hardship deduction.

Net Disposable Income With Hardship - Hardship Deduction = Net Disposable Income.

For Gladys, $\$39,557 - \$7,108 = \$32,449$.

Now we call the child support calculation with these new values.

Child Support Iteration #5:

1. Percent of time High Earner Custodial parent spends with children (HPct) = 0.50.

2. HPct of 0.50 is ≤ 0.5 , so HMultiplier is $1.0 + \text{HPct} = 1.0 + 0.50 = 1.50$.

3. Total Net Disposable Income Monthly is more than \$10,000.

$$\text{So KMultiplier} = 0.12 + (800 / \text{Total Net Disposable Income Monthly})$$

$$= 0.12 + (800 / \$10,428) = 0.1967.$$

4. KFactor = HMultiplier * KMultiplier = $1.5000 * 0.1967 = 0.2951$

5. High Earner Net Disposable Income Monthly = $(\$92,692 / 12) = \$7,724$.

6. Low Earner Net Disposable Income Monthly = $(\$32,449 / 12) = \$2,704$.

7. Total Net Disposable Income Monthly = $\$7,724 + \$2,704 = \$10,428$.

8. Base Child Support Amount Monthly

$$= \text{KFactor} * (\text{HighEarnerNetDisposableIncomeMonthly} - (\text{HPct} * \text{TotalNetDisposableIncome}))$$

$$= 0.2951 * (\$7,724 - (0.50 * \$10,428))$$

$$= \$741 \text{ per month.}$$

9. Child Multiplier, based on 2 children = 1.600.

$$10. \text{ Child Support Amount Monthly} = \text{Base Child Support Amount Monthly} * \text{ChildMultiplier}$$

$$= \$741 * 1.600$$

$$= \$1,185.06.$$

11. Child Support Amount Annual

$$= 12 * \text{Child Support Amount Monthly}$$

$$= 12 * \$1,185.06$$

$$= \$14,221.$$

For the next trial run, set per-child hardship deduction to be the per-child child support amount.

Total hardship deduction is (child support / # children of the marriage) * # hardship children.

Gladys's total hardship deduction is $(\$14,221 / 2) * 1 = \$7,110$.

Now adjust Total Net Disposable Income and High Earner Net Disposable Income,
for the new trial run hardship deduction.

Net Disposable Income With Hardship - Hardship Deduction = Net Disposable Income.

For Gladys, $\$39,557 - \$7,110 = \$32,447$.

Now we call the child support calculation with these new values.

Child Support Iteration #6:

1. Percent of time High Earner Custodial parent spends with children (HPct) = 0.50.

2. HPct of 0.50 is ≤ 0.5 , so HMultiplier is $1.0 + \text{HPct} = 1.0 + 0.50 = 1.50$.

3. Total Net Disposable Income Monthly is more than \$10,000.

- So KMultiplier = $0.12 + (800/\text{Total Net Disposable Income Monthly})$
 $= 0.12 + (800/\$10,428) = 0.1967$.
4. KFactor = HMultiplier * KMultiplier = $1.5000 * 0.1967 = 0.2951$
 5. High Earner Net Disposable Income Monthly = $(\$92,692 / 12) = \$7,724$.
 6. Low Earner Net Disposable Income Monthly = $(\$32,447 / 12) = \$2,704$.
 7. Total Net Disposable Income Monthly = $\$7,724 + \$2,704 = \$10,428$.
 8. Base Child Support Amount Monthly
 $= \text{KFactor} * (\text{HighEarnerNetDisposableIncomeMonthly} - (\text{HPct} * \text{TotalNetDisposableIncome}))$
 $= 0.2951 * (\$7,724 - (0.50 * \$10,428))$
 $= \$741 \text{ per month.}$
 9. Child Multiplier, based on 2 children = 1.600.
 10. Child Support Amount Monthly = Base Child Support Amount Monthly * ChildMultiplier
 $= \$741 * 1.600$
 $= \$1,185.12$.
 11. Child Support Amount Annual
 $= 12 * \text{Child Support Amount Monthly}$
 $= 12 * \$1,185.12$
 $= \$14,221$.

For the next trial run, set per-child hardship deduction to be the per-child child support amount.
 Total hardship deduction is (child support / # children of the marriage) * # hardship children.
 Gladys's total hardship deduction is $(\$14,221 / 2) * 1 = \$7,111$.
 Now adjust Total Net Disposable Income and High Earner Net Disposable Income,
 for the new trial run hardship deduction.
 Net Disposable Income With Hardship - Hardship Deduction = Net Disposable Income.
 For Gladys, $\$39,557 - \$7,111 = \$32,446$.
 Now we call the child support calculation with these new values.

Child Support Iteration #7:

1. Percent of time High Earner Custodial parent spends with children (HPct) = 0.50.
2. HPct of 0.50 is ≤ 0.5 , so HMultiplier is $1.0 + \text{HPct} = 1.0 + 0.50 = 1.50$.
3. Total Net Disposable Income Monthly is more than \$10,000.
 So KMultiplier = $0.12 + (800/\text{Total Net Disposable Income Monthly})$
 $= 0.12 + (800/\$10,428) = 0.1967$.
4. KFactor = HMultiplier * KMultiplier = $1.5000 * 0.1967 = 0.2951$
5. High Earner Net Disposable Income Monthly = $(\$92,692 / 12) = \$7,724$.
6. Low Earner Net Disposable Income Monthly = $(\$32,446 / 12) = \$2,704$.
7. Total Net Disposable Income Monthly = $\$7,724 + \$2,704 = \$10,428$.
8. Base Child Support Amount Monthly
 $= \text{KFactor} * (\text{HighEarnerNetDisposableIncomeMonthly} - (\text{HPct} * \text{TotalNetDisposableIncome}))$
 $= 0.2951 * (\$7,724 - (0.50 * \$10,428))$
 $= \$741 \text{ per month.}$
9. Child Multiplier, based on 2 children = 1.600.
10. Child Support Amount Monthly = Base Child Support Amount Monthly * ChildMultiplier
 $= \$741 * 1.600$
 $= \$1,185.12$.
11. Child Support Amount Annual
 $= 12 * \text{Child Support Amount Monthly}$
 $= 12 * \$1,185.12$
 $= \$14,221$.

Success!

We have completed determining the Hardship Deduction, because the child support amount came out the same in the last 2 iterations.

For Gladys, hardship deduction = \$7,111

Child support amount, per year, before any low-income adjustment, is calculated as: \$14,221

Because Martin's monthly income is not less than \$1,000, no low-income adjustment applies.
The calculated child support amount (before any "Additional Support") is \$14,221 per year.