



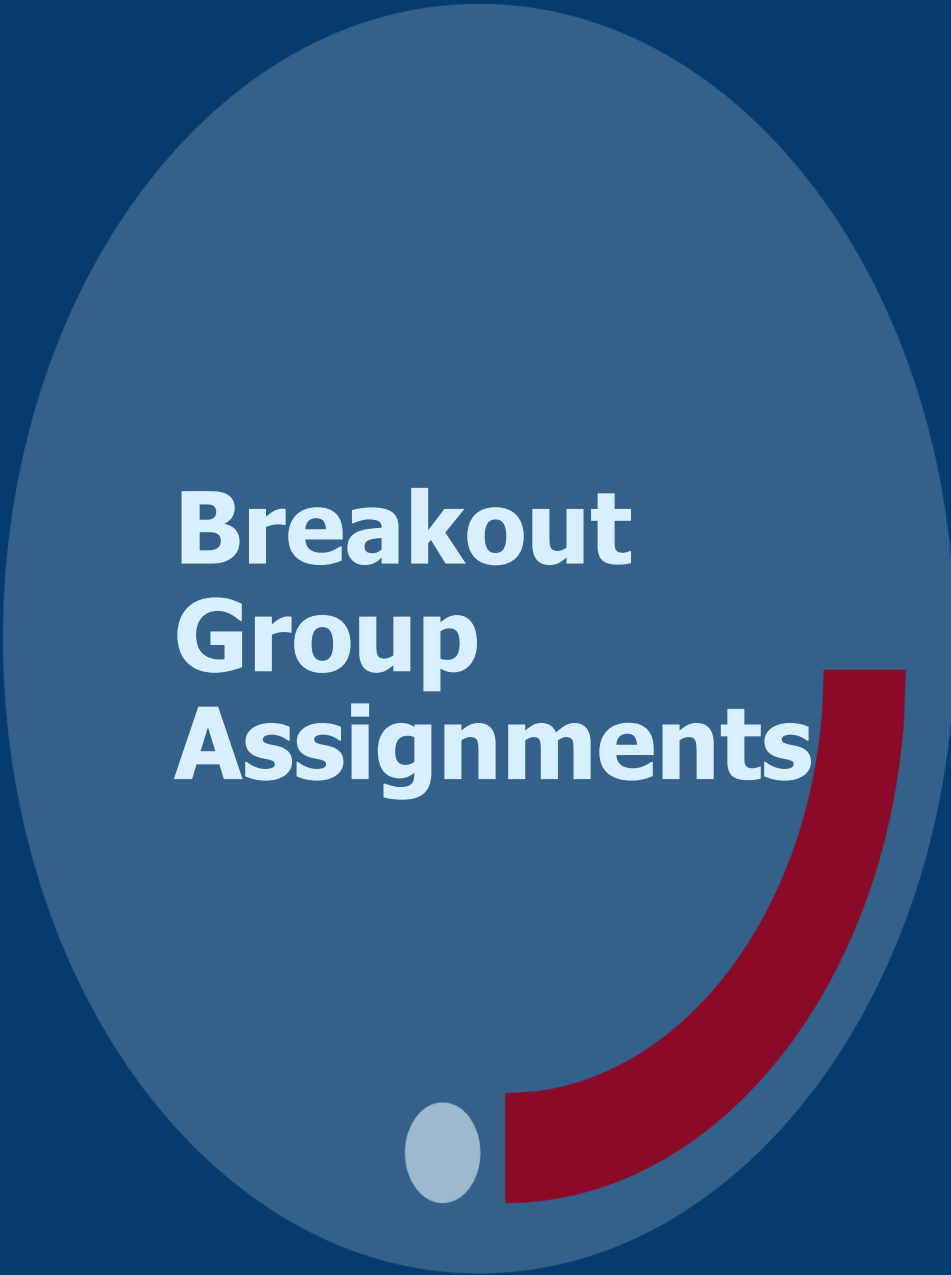
Income Determination Advanced

**26th Annual AB1058 Child Support
Training Conference
October 12, 2022**

Breakout Sessions

- ❖ 20-minute Breakout Session
- ❖ Links to the hypos will be in the chat
- ❖ Work through ALL hypos as a group
- ❖ Pick a spokesperson for your group
- ❖ Be prepared to discuss assigned hypo with larger group

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



Breakout Group Assignments

Hypothetical #1

- ❖ Ann and Leslie are married and decide that Leslie will be impregnated by Joe so they can have a child. The donation of the sperm was done in the old fashion way, not through a sperm bank, and little Sam was the product of that process. Joe has had regular and continuing contact with Carolyn, including weekends at least once a month until Sam was found by Child Protective services to be at risk as all three adults were abusing substances. He is now in foster care and the matter was referred to DCSS for establishment of child support.
- ❖ Who are the parents and how do you calculate child support?

Hypothetical #2

- ❖ Franklin and Eleanor have a child together, Anna, who is living primarily with Eleanor, but spends 25% of the time with Franklin. Franklin is disabled and receiving Social Security Disability benefits of \$1,400 per month and Eleanor receives derivative (auxiliary) benefits from Social Security on behalf of Anna of \$700 per month. Guideline child support is \$535 payable by Franklin.
- ❖ What do you order for child support?
- ❖ Would it make a difference if the custodial parent were the person receiving SSDI if Eleanor is the disabled parent?

Hypothetical #3

- ❖ Roy and Minnie have one child, Bambi, and share equal custody (50/50). Roy is unemployed and has won the race to the welfare office and is receiving cash aid of \$600 per month and Cal Fresh (food stamps) of \$350 per month. Minnie is a part-time house cleaner and is paid \$900 per month in cash.
- ❖ What factors do you consider in ordering child support?

Hypothetical #4

- ❖ James and Julie divorced with two minor children they share equally. James works for a tech company and his income is \$11,000 per month base salary and commissions earned on a monthly basis for performance. In addition, in order to encourage him to stay with the company, James has been given a loan of \$50,000, 20% of which is forgiven at the end of each year of employment. Julie is a state employee with a salary of \$65,000.
- ❖ How do you deal with James's income in the support calculation?
- ❖ Would the result be different if the commissions were paid quarterly?
- ❖ Annually?

Hypothetical #5

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

Hypothetical #6

- ❖ Tom and Jane divorce after 15 years of marriage with a child, Trevor. They share equal custody of the child and Jane, who is a registered nurse, earns \$7800 per month and Tom is a general contractor, self-employed who reports \$60,000 annual income on his Schedule C, which shows \$700,000 gross income to the business, \$150,000 materials, \$60,000 car and truck expenses, \$250,000 labor, \$12,000 meals and entertainment, \$60,000 for use of a home office and \$25,000 in depreciation.
- ❖ How do you deal with the Schedule C deductions?
- ❖ What, if anything, would you want to do to finalize a determination of his income?

Hypothetical #7

- ❖ Yolanda and Michael marry and have a child, Ivan. They divorce and Michael is ordered to pay child support of \$539 per month. Subsequently, Michael applied for Social Security disability benefits. Pending the outcome of his application, which took several years, Michael paid the court-ordered child support. Finally, Michael was successful and was awarded ongoing benefits of \$1,100 per month and back benefits of \$80,000 and, Yolanda having been determined to be the primary caretaker of Ivan, was awarded derivative benefits for Ivan of \$550 and back benefits of \$40,000.
- ❖ What is the effect of the award, both as to ongoing support and back support?
- ❖ What if the benefits were from a private disability policy?

**Thank
you for
joining
us!**

Hon. Scott Harman

HarmanS@saccourt.ca.gov