

Residential Credit Subcommittee Report – August 12, 2011

Members: Andrew McDirmid, Tim Eastman, Kristie Dimak, Gary Bashor, Kevin Callaghan, Angela Gerbracht

DSHS Leader: George Smylie

Subcommittee's Recommendations:

- **Written Plan:** A written plan needs to be in place before the Residential Credit (RC) is applied. A written plan can be in the form of a written order or a written agreement between parents.

- **Residential Credit Formula:** The Subcommittee reviewed Residential Credit Calculations detailed in attached tables and bar graphs:
 - The Subcommittee is recommending the application of the Indiana Residential Credit formula. The Indiana Credit allocates Duplicated expenses at 50%, Transferred expenses at 35% and Controlled expenses at 15%. The credit is a 9 line calculation requiring the Table PT. The Indiana Credit Worksheet, Table PT, and an example of the calculation are attached.
 - The Subcommittee recommends this credit be added to the WA States website as an addition/supplement to the WA Child Support Work Sheet. This will allow users to have the Residential Credit calculated for them once the appropriate assumptions are input.
 - The Subcommittee agrees we are trying to provide a guideline calculation (recommendation) but not a rigid formula. We would prefer allowing the judge or commissioner's discretion, when needed, to confirm there is adequate money in each household to care for the child/ren. The credit may not be awarded if it will result in insufficient funds in the household receiving the support to meet the basic needs of the child or, as a matter of public policy, if the child is receiving temporary assistance for needy families.

- **Threshold:** The majority of the Subcommittee agrees if the economic table is not going to have a built in assumption of a residential credit then no, or a very low, threshold should apply. The Indiana Residential Credit begins to apply at Non Custodial Parent shared time of 14%. The majority of the subcommittee agrees using the Indiana Residential Credit in its current form, or having no threshold, is acceptable. There is a minority in the Subcommittee who feel a threshold of 25% or greater should be required before the Residential Credit should be applied.

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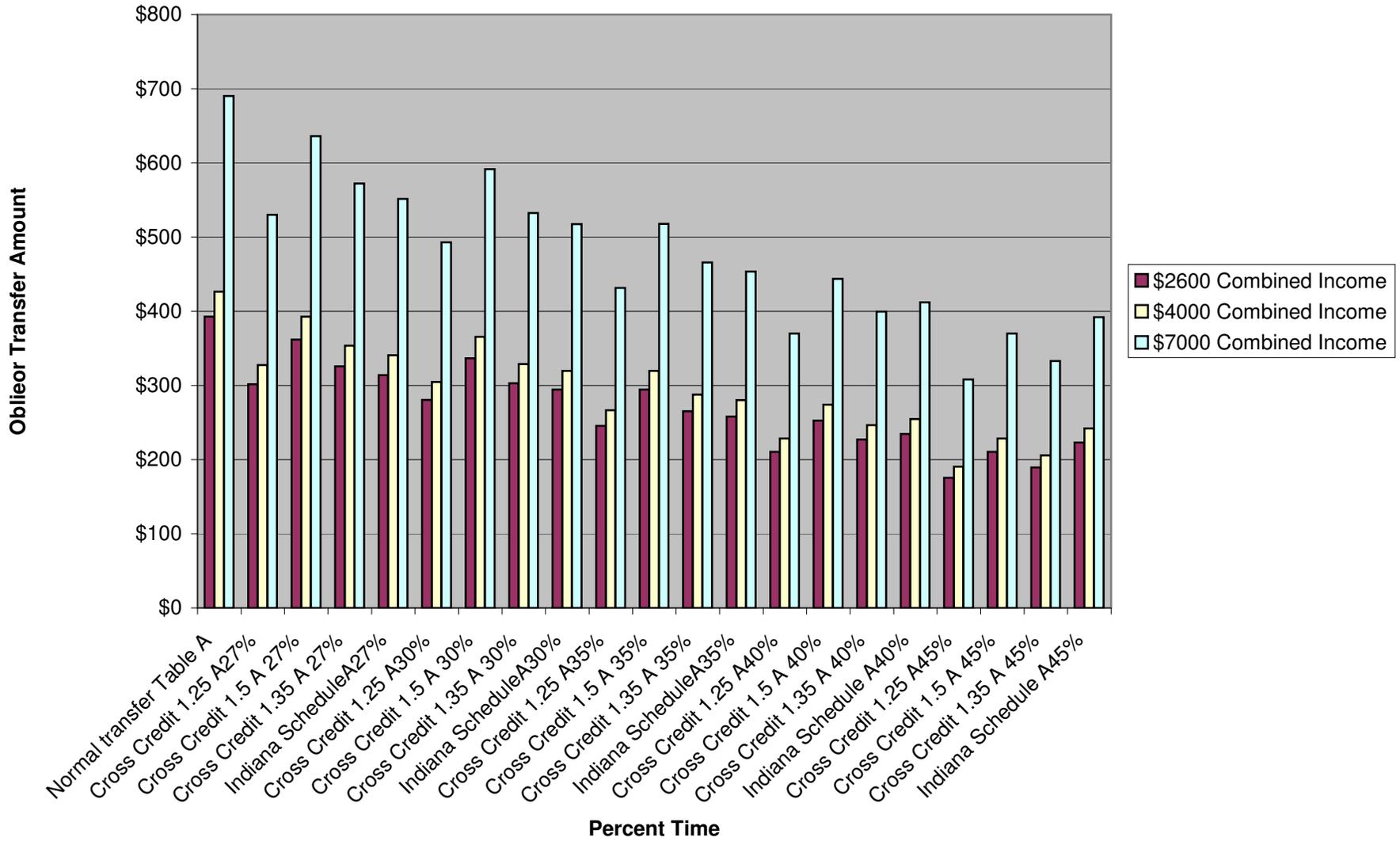
DSHS Leader: George Smylie

- **Clarification of When Residential Credit Applies:** The Subcommittee agrees the wording in the current Statute needs to be changed to better clarify when the residential credit will apply. Currently the Statute indicates if the NCP has a “significant amount of time” the residential credit is applicable. The subcommittee agrees the language should be changed to indicate; The Indiana Residential Credit will be applied to each Child Support Worksheet. The credit may not be awarded if it will result in insufficient funds in the household receiving the support to meet the basic needs of the child or, as a matter of public policy, if the child is receiving temporary assistance for needy families.

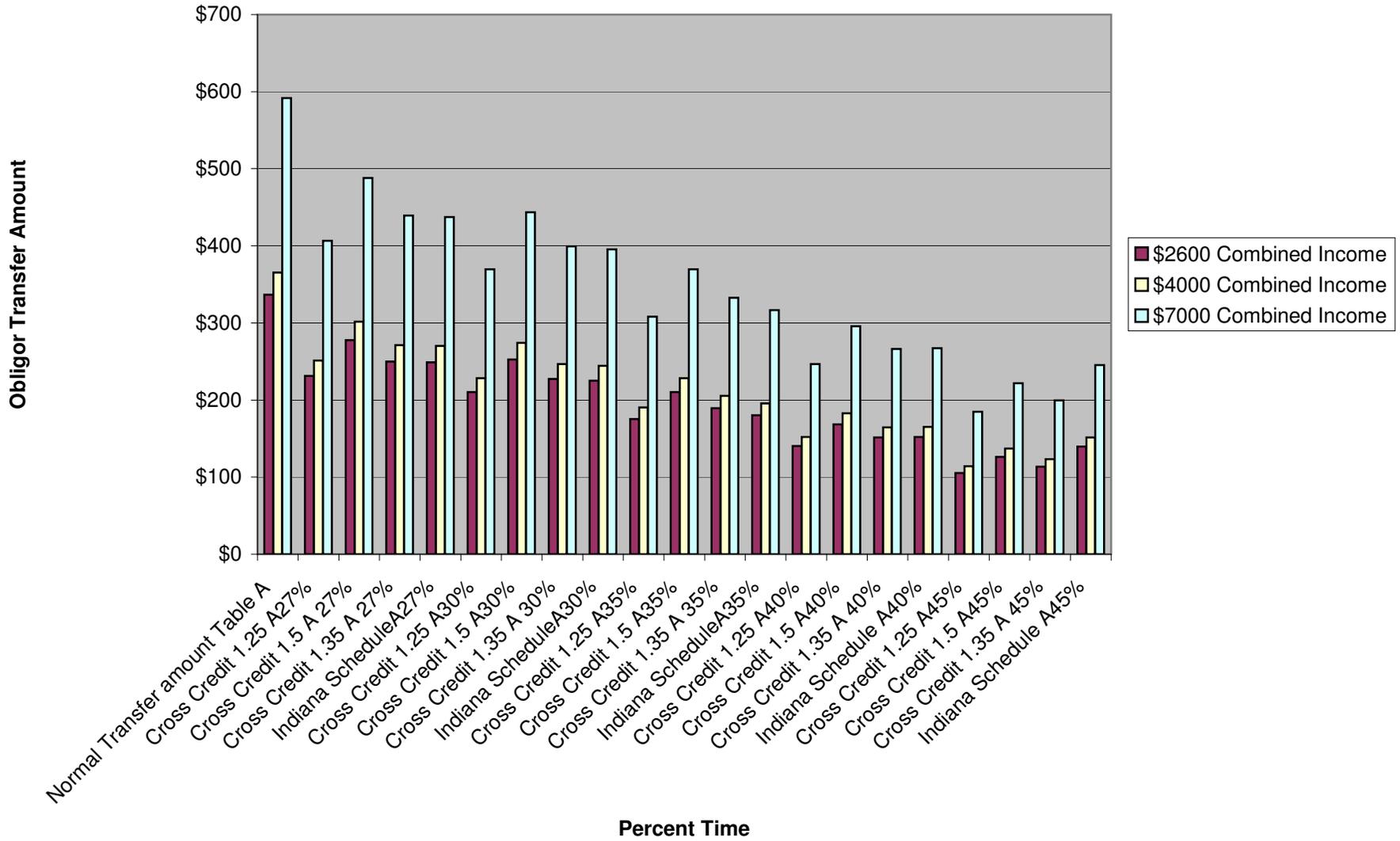
- **Adjustment/s to Residential Credit:**
 - If the obligor who has been granted a residential credit fails to exercise the number of overnights with the child/ren that were used to calculate the credit for more than 6 consecutive months without reasonable justification, the obligee shall be entitled to move to terminate or reduce the credit by motion or by making a request for a review of the administrative order which established the credit
If the child/ren spends a greater number of overnights with the obligor that were used to calculate the residential credit for at least 6 consecutive months without reasonable justification, the obligor shall be entitled to move to increase the credit by making a motion to the court for an adjustment or by making a request for a review of the administrative order which established the credit.

 - If the motion to adjust the residential credit is granted, the court should adjust, if necessary, the Residential Schedule/Parenting Plan at the same time or, if the request for a review is granted, the administrative tribunal should encourage the parents to adjust their written agreed plan.

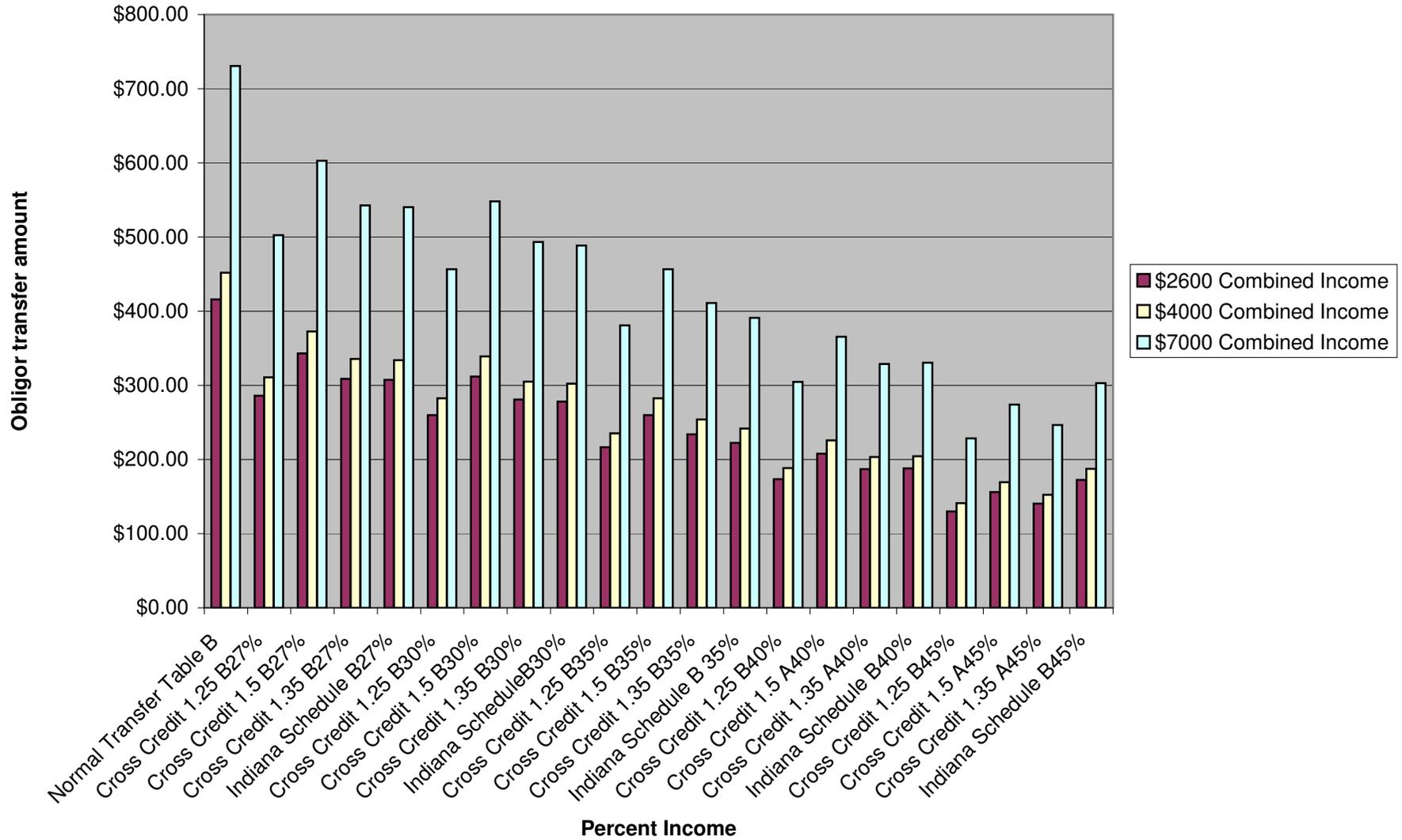
Residential Credit Table A 70/30 IS



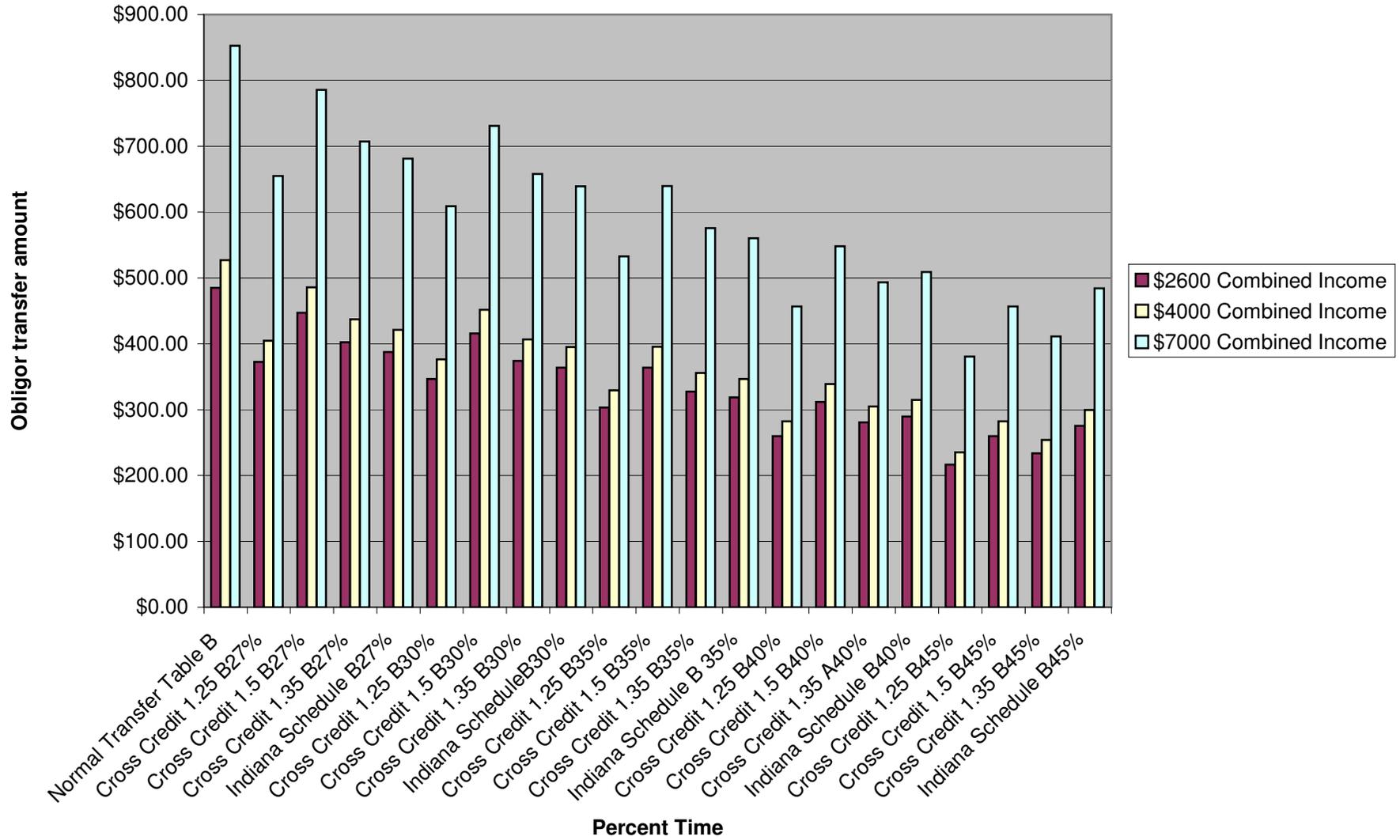
Residential Credit Table A 60/40



Residential Credit Based on 60/40 IS



Residential Credit Based on 70/30 IS



Worksheet – Child Support Obligation

IN RE:	CASE NO:		
	FATHER:		
	MOTHER:		
PARENTING TIME CREDIT WORKSHEET			
Children	DOB	Children	DOB

Line:		
1PT	Enter Annual Number of Overnights	
2PT	Enter Weekly Basic Child Support Obligation – BCSO (Enter Line 4 from Child Support Worksheet)	
3PT	Enter Total Parenting Time Expenses as a Percentage of the BCSO (Enter Appropriate TOTAL Entry from Table PT)	
4PT	Enter Duplicated Expenses as a Percentage of the BCSO (Enter Appropriate DUPLICATED Entry from Table PT)	
5PT	Parent’s Share of Combined Weekly Income (Enter Line 2 from Child Support Worksheet)	
6PT	Average Weekly Total Expenses during Parenting Time (Multiply Line 2PT times Line 3PT)	
7PT	Average Weekly Duplicated Expenses (Multiply Line 2PT times Line 4PT)	
8PT	Parent’s Share of Duplicated Expenses (Multiply Line 5PT times Line 7PT)	
9PT	Allowable Expenses during Parenting Time (Line 6PT – Line 8PT)	
	Enter Line 9PT on Line 7 of the Child Support Worksheet as the Parenting Time Credit	

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Indiana RC Example –Time split: CP 55%/NCP 45%, Income split: CP 30%/NCP70%

NCP's time with child	45%	
	CP	NCP
	164	201
	Weekly	Monthly
1PT Annual Number of Overnights	164	
2PT Enter BCSO from table	227.54	986.01
3PT Enter total % Time Exp as a % of BCSO	0.644	
4PT Enter Duplicated Exp as % of BCSO	0.488	
5PT Parents Share of Combined NI		70%
6PT Ave weekly total exp during parenting time (mult line 2PT times 3PT)	146.54	634.99
7PT Ave weekly Duplicated expenses (mult line 2PTX line 4PT)	111.04	481.17
8PT Parent's Share of Duplicated Exp (mult line 5PT times 7PT)	77.73	336.82
9PT Allowable Expenses during Parenting time (Line 6PT - Line 8PT)	68.81	298.17
Transfer Pmt before Residential Credit		690.20
Residential Credit (Line 9PT)		298.17
Transfer Pmt after Credit		\$ 392.04

Table PT

ANNUAL OVERNIGHTS			
FROM	TO	TOTAL	DUPLICATED
1	51	0.000	0.000
52	55	0.062	0.011
56	60	0.070	0.014
61	65	0.080	0.020
66	70	0.093	0.028
71	75	0.108	0.038
76	80	0.127	0.052
81	85	0.150	0.070
86	90	0.178	0.093
91	95	0.211	0.122
96	100	0.250	0.156
101	105	0.294	0.195
106	110	0.341	0.237
111	115	0.388	0.280
116	120	0.434	0.321
121	125	0.476	0.358
126	130	0.513	0.390
131	135	0.544	0.417
136	140	0.570	0.438
141	145	0.591	0.454
146	150	0.609	0.467
151	155	0.623	0.476
156	160	0.634	0.483
161	165	0.644	0.488
166	170	0.652	0.491
171	175	0.660	0.494
176	180	0.666	0.495
181	183	0.675	0.500