

INSTRUCTIONS FOR COMPLETING CHILD SUPPORT WORKSHEETS:

You will need the following documents or information for each parent:

- a child support guidelines financial affidavit
- tax returns, W-2 and 1099 forms for the last two years
- current pay stubs
- child care expense for children in the calculation and other children in the household
- health insurance premiums for children in the calculation and other children if the parent is ordered to pay premiums for the other children
- mandatory retirement contributions
- alimony ordered by court or administrative order
- child support ordered by court or administrative order for other children
- required employment expenses

You may also need copies of blank IRS tax forms or instructions, in some cases. The form numbers are identified below in the line-by-line instructions. Some computer programs used to calculate child support will calculate income taxes, social security contributions and tax credits automatically if you enter the number of exemptions, children eligible for credit, etc.

Definitions: (See Rule 3 on page 1)

“Children in the calculation” means those children for whom the calculation is being prepared and whose parents are both shown on worksheet A, page 1.

“Other children” means children who are not the subject of the calculation and who are the children of only one of the parents shown on worksheet A, page 1.

Worksheet A line instructions:

At the top of worksheet A, page 1, enter the cause or case number assigned by the court or the Child Support Enforcement Division (CSED). Enter the name of each parent. Enter the name of each child whose support is to be calculated on the worksheet. All children on the worksheet must have the same parents as those shown on page 1.

Line #1 Income (See Rule 4 on page 2 and Rule 5 on page 3)

ALL AMOUNTS ARE ANNUAL

a. wages, salaries, commissions - enter the gross (largest) amount shown on the parent’s most recent W-2 form (add amounts together if more than one W-2 for the year); or, average these amounts from more than one year’s W-2 form; or, project the annual amount based on the parent’s current rate of pay. To average, add together each year’s amount and divide the total by the number of years. To project, multiply the current hourly rate of pay by 2080 hours (40 hours a week for 52 weeks a year).

b. self-employment net earnings - usually this will be at least a three year average of the net earnings shown on Schedule C of the federal tax return or the ordinary income line on a K-1 form provided by a partnership or subchapter S corporation.

c. pensions, social security - enter the gross amount from the year-end form provided by the Social Security Administration, business, or organization that pays the benefits. Do not include the amount of children’s benefits.

d. unearned income - enter the total amount of interest, dividends, royalties and similar items from the year-end form provided by the person or organization that pays the income.

e. imputed income - enter the gross amount of income the parent could be earning if employed full-time at the highest rate of pay the parent can earn. Consider the jobs available in the area where the parent lives.

f. earned income credit - enter the amount of the tax credit from the federal tax return or enter the amount the parent is eligible to receive according to IRS Schedule EIC and the EIC Table (IRS Publication 596).

DO NOT ENTER THE EARNED INCOME

CREDIT BASED ON INCOME IMPUTED TO A PARENT OR IF A PARENT DOES NOT HAVE EARNED INCOME.

g. other taxable income - enter the gross amount of any taxable income not already entered.

h. other non-taxable income - enter the amount of income received which is not taxable.

i. add lines 1a through 1h.

Line #2 Allowable deductions (See Rule 6 and Rule 7 on page 4)

ALL AMOUNTS ARE ANNUAL

a. ordered child support (for other children) - enter the amount of child support required by a court or administrative order for a parent's children who are not in the calculation.

b. allowance for other children - go to Table 2. Determine the number of a parent's children who are not in the calculation and for whom the parent is not ordered to pay child support. Find that number in the first column. Follow the line for that number of children to the third column and enter that amount on line 2b.

c. ordered alimony/spousal support - enter the amount of alimony or spousal support required by a court order.

d. ordered health insurance premium (for other children) - enter the amount of health insurance premiums required by a court or administrative order for children who are not in the calculation.

e. federal income taxes - enter the amount of total tax due from the federal income tax return or the average federal tax if income has been averaged. If tax returns are not available, calculate the amount of federal tax according to IRS Circular E.

f. state income taxes - enter the amount of total tax due from the state income tax return or the average state tax if income has been averaged. If tax returns are not available, calculate the amount of state tax according to the Montana State Withholding Tax Guide.

g. social security (FICA plus Medicare) - enter the amount of social security/medicare contributions withheld from gross pay according to the W-2 form. If W-2 forms are not available, calculate the amount according to IRS Circular E.

h. mandatory retirement contributions -

enter the amount of mandatory (required by the employer) contributions from the W-2 form or the statement provided by the employer.

i. required employment expense - enter the cost of items provided by the parent in order to do the job that are not reimbursed by the employer. Such items include safety glasses, work gloves, uniforms, mileage (multiplied by the IRS business mileage rate found in the Form 1040 instructions) if personal car is used, and similar items. Union dues are also an allowable expense.

j. dependent care expense for other children, less dependent care tax credit. (NOTE: if a parent pays child care expense for children in the calculation and other children, too, the amount for each group of children must be calculated separately; only one-half the expense for other children is allowed and is entered here.) If tax returns are available, subtract the tax credit amount shown on form 2441, for other children, from the total amount of child care expense for those children shown on the same form. Enter one-half the difference on line 2j. If tax returns are not available, determine the amount of child care expense for children in the parent's household who are not in the calculation. Calculate the tax credit amount according to IRS form 2441 and subtract from the total child care expense for this group of children. Enter one-half the difference on line 2j. (The amount of child care expense for children in the calculation will be entered on line 12a.)

k. other - enter the amount of any other expense which is an allowable deduction according to Rules 6 and 7.

l. total allowable deductions - add lines 2a through 2k.

Line #3(and 3a) Income After Deductions - follow worksheet line instructions

Line #4 Personal Allowance (See Rule 8 on page 5) - Enter the amount from Table 1 for each parent.

Line #5 Income available for child support (See Rule 9 on page 5) - follow worksheet line instructions

Line #6 Minimum Contribution (See Rule 13 on page 5) - if line 5 is zero, follow the directions on worksheet C. If line 5 is greater than zero, follow the worksheet line #6 instructions.

Line #7 - follow worksheet line instructions

Line #8 - follow worksheet line instructions

Line #9 (See Rule 10 on page 5) - follow worksheet line instructions

Line #10 - follow worksheet line instructions

Line #11 (See Rule 11 on page 5) - Primary child support allowance - go to Table 2. Find the number of children from line 10 in the first column. Follow the line for that number of children to the second column and enter that amount on line 11.

Line #12 - Supplement to primary allowance (See Rule 12 on page 5)

ALL AMOUNTS ARE ANNUAL

If any of the children of the calculation live with a third party, such as a relative, include supplemental expenses for the children which are paid by the third party.

a. child day care costs less dependent care tax credit - see the instructions for line 2j, above, and repeat the process for only the children who are in the calculation.

b. child health insurance premium - enter the total amount of health insurance premiums paid by the parent for the children in the calculation.

c. child extraordinary medical expenses - enter the total amount of extraordinary medical expenses for the children in the calculation that are not paid by insurance.

d. other - enter the total amount of other expenses of the children in the calculation that are not reimbursed.

e. total supplement - add line 12a through line 12d.

Line #13 - follow worksheet line instructions

Line #14 - follow worksheet line instructions

Line #15 - follow worksheet line instructions

Line #16 - follow worksheet line instructions

Line #17 (See Rule 14 on page 6) - follow worksheet line instructions

Line #18 Adjustments to income available for SOLA (See Rule 15 on page 6)

a. go to worksheet D. Complete one worksheet D for each parent if each parent has

transportation expenses to visit the children in the calculation. Enter on line 1 only the number of miles actually driven. Enter on line 4 the cost of other transportation (airplane, train, bus, etc.). DO NOT ENTER OTHER EXPENSES SUCH AS LODGING, MEALS, ETC. Follow line instructions for other lines on worksheet D.

b. Other - amounts entered here will decrease the amount of child support due from the parent for whom they are entered and usually create a variance to the child support obligation. Any variance must be explained in the child support order. (See Rule 2 on page 1)

Line #19 - follow worksheet line instructions

Line #20 (See Rule 14 on page 6) - go to worksheet E. Complete one worksheet E for each parent who has an entry on line 19 of worksheet A. Find the number of children in the first column of worksheet E which is the same as the number of children on line 10 of worksheet A. In the second column of worksheet E, enter the parent's amount from line 19 and multiply by the SOLA factor in the third column. Enter the result in the fourth column and on line 20 of worksheet A.

Line #21 - follow worksheet line instructions

Line #22 (See Rule 16 on page 7) - follow worksheet line instructions

Line #23 Credit for payment of expenses (See Rule 12 on page 5) - enter the amount of line 12e expenses that each parent actually pays. If all the children in the calculation live with one or the other of the parents, the total of line 23 for both parents should equal the amount on line 12e. If any of the children in the calculation live with a third party, such as a relative, and the third party pays some or all of the expenses on line 12, enter only the amount of expenses on line 23 paid by the parents.

Line #24 - follow worksheet line instructions

Line #25 - follow worksheet line instructions; if directed to complete worksheet B, see instructions below.

Line #26 - follow worksheet line instructions

Line #27 (See Rule 17 on page 7) - follow worksheet line instructions

Worksheet B Instructions (See Rule 18 on page 7):

The instructions on worksheet A, line 25 will direct you to worksheet B, if it is required, based

on the number of days the children spend with each parent. Worksheet B uses only information already entered on worksheet A or amounts previously calculated on worksheet B. Line 3 of worksheet B, part I is explained below. For all other lines of part I, follow worksheet line instructions.

Part I, Line 3 - enter here the same information entered on line 12 of worksheet A but separated by child. EXAMPLE: the amount of child day care expense shown on line 12a for two children is \$2000; one child has a day care expense of \$800 and the second child has a day care expense of \$1200. On worksheet B, part 1, enter \$800 on line 3 of the column under the first child's name and enter \$1200 on line 3 of the column under the second child's name. Even if each child has the same expense, the amount must be entered separately in each child's column. Repeat the process for each of the expenses shown on lines 12b, 12c and 12d of worksheet A.

Part 2 - complete a separate part 2 for each child in the calculation by following the worksheet line instructions. The result of each part 2 will be entered on worksheet A, line 25, according to the instructions on line 12 of worksheet B, part 2.

Summary and Analysis

The purpose of the summary and analysis is to determine the amount of the monthly transfer payment from worksheet A that is due for each child. If all the children live primarily with one parent and spend less than 110 days per year with the other parent, the amount due will be the same for each child and will be paid by the parent with less than 110 days. If some or all the children spend more than 110 days per year with the other parent or if some children live primarily with one parent and some with the other parent, the amount due for each child will usually be different and each parent may owe the other. When each parent owes the other, the monthly transfer payment due is the difference between the amounts owed by each parent and is paid by the parent with the higher obligation.

After completing worksheet A and worksheet B (if necessary), follow the instructions for Section 1 on the Summary and Analysis page. When columns #1 through #5 are completed, choose A, B or C according to where the entries are located in the columns and follow the instructions for filling in the blanks.

Section 2 of the Summary and Analysis is a record of some of the information used to complete the worksheets. The information will be found on the tax returns or IRS forms used in the calculation.