Appendix VI
Proposals re Residential Credit Formula

The Workgroup discussed three proposals for the residential credit formula:

1. Cross-credit with a 1.5 multiplier, proposed by Kathleen Schmidt and the WSBA Family Law Executive Committee
2. Per day formula (with no multiplier), proposed by David Spring
3. Variable multiplier, proposed by Dr. David Betson

The Cross-Credit With a 1.5 Multiplier is set forth in draft statutory language and uses a Residential Schedule Cross Credit Worksheet:

New Section: Adjustments to the standard calculation.
(1) Reasons for adjustments to the standard calculation include but are not limited to the following:
 (a)**Shared Residential schedule 33% or more.** The court may adjust the standard calculation if there is a written parenting plan or court order that the child or children spend 33% (120) or more overnights in a calendar year with the parent who is obligated to make a support transfer payment. The residential schedule adjustment shall be determined by a cross credit method after application of a 1.5 multiplier as set forth below:
   (1) determination of the basic child support obligation based on the combined net income of both parents line 5 of worksheet which is then multiplied by 1.5;
   (2) application of the proportional share of net income of each parent line 6 of worksheet to the basic child support obligation after it has been multiplied by 1.5;
   (3) determination of the percentage of overnights spent with the obligated parent in order to determine the percentage of time spent with each parent;
   (4) multiply the percentage of the time spent with the other parent by the obligation of each parent as determined in step (2);
   (5) subtract lesser amount from greater amount in step (4) to determine the adjusted amount of child support to be paid by the obligor.
For example: father's net income is $3,000 per month (60%); mother's net income is $2,000 per month (40%); father spends 35% of overnights with two children of the parties; mother has the children in her care 65% of the time. The basic child support obligation for the two children is $1526 times 1.5 multiplier would be $2289. The father's share of child support after multiplier has been applied is $1373.40; the mother's share of child support after multiplier has been applied is $915.60. The father's share of $1373.40 is multiplied by the amount of time the children spend with the mother 65% or $892.71 and the mother's share of $915.60 is multiplied by the amount of time the children spend with the father 35% or $320.46. The

lesser amount is deducted from the greater amount: $892.71-$320.46
=$572.25 the obligor's adjusted child support based on residential
schedule. Without a residential schedule credit the amount of support due
from the obligor would have been $915.60
The court may not adjust the standard calculation on the basis of the
residential schedule if the adjustment will result in insufficient funds in the
household receiving the support to meet the basic needs of the child or if
the child is receiving temporary assistance for needy families.
If the obligor who has been granted an adjustment fails to exercise 33% or
more of the overnights that were used to calculate the child support
adjustment for more than 6 months without reasonable justification for the
failure to exercise the time the obligee shall be entitled to move to
terminate the adjustment by motion to the Court or by making a request
for a review of the administrative order which established the adjustment.

RESIDENTIAL SCHEDULE
CROSS CREDIT WORKSHEET

		Father		Mother	
A	Net Income (line 3 from Child Support Worksheet)	$		$	
B	Combined Net Income (line 4 from Child Support Worksheet)		$		
C	Basic Child Support (line 5 from Child Support Worksheet)		$		
D	Proportional Share A divided by B		%		%
E	Basic Child Support C x 1.5		$		
F	Proportional Share E x D		%		%
G	Each parents' number of overnights per year				
H	Each parents' percent of overnights per year		%		%
I	Each parents' percent per H x the other parent's obligation per E	$		$	
J	Subtract lesser amount from greater amount in I = adjusted amount paid by Obligor		$		

The Per-Day Formula is set out in draft statutory language as follows:

New Section: Adjustments to the standard calculation.
   (1) Reasons for adjustments to the standard calculation include but are
not limited to the following:
   (a)**Shared Residential schedule 20% or more.** The court shall adjust
the standard calculation if there is a written parenting plan or court order
that the child or children spend 20% (71) or more overnights in a calendar
year with the parent who is obligated to make a support transfer payment.

The residential schedule adjustment shall be determined by a simple ratio of the amount of time each parent cares for the child as set forth below:
(1) determination of the basic child support obligation based on the combined net income of both parents line 5 of worksheet. (deleted: which is then multiplied by 1.5);
(2) application of the proportional share of net income of each parent line 6 of worksheet to the basic child support obligation. (deleted: after it has been multiplied by 1.5);
(3) determination of the percentage of overnights spent with the obligated parent in order to determine the percentage of time spent with each parent;
(4) multiply the percentage of the time spent with each parent by the obligation of each parent as determined in step (2);
(5) subtract lesser amount from greater amount in step (4) to determine the adjusted amount of child support to be paid by the obligor.
For example: father's net income is $3,000 per month (60%); mother's net income is $2,000 per month (40%); father spends 20% of overnights with the child of the parties; mother cares for the child 80% of the time. Assume the total child support obligation as determined by the Economic Table is $900. Thus, the per day cost for the child is $30 per day. The father's share of the total obligation, based on his ratio of income is $540 and the mother's share of the total obligation is $360. The father's monthly residential credit is the total obligation ($900) times the ratio of time spent caring for the child (20%) or 6 days per month equals $30 per day times 6 days equals $180. The mother's monthly residential credit is also the total obligation ($900) times the ratio of time she spends caring for the child (80%) or 24 days times $30 per day equals $720 per month. The transfer payment is the lower time parent's share of the total obligation minus the lower time parent's residential credit. In this case, the transfer payment is the father's share of the total obligation $540 minus the father's residential credit $180 equals $360. This results in a total payment to the mother of her own share of the total obligation ($360) plus the transfer payment of $360 equals $720. Thus both parents receive $30 per day for each day they care for the child.
The court may not adjust the standard calculation on the basis of the residential schedule if the adjustment will result in insufficient funds in the household receiving the support to meet the basic needs of the child or if the child is receiving temporary assistance for needy families.
Adjustments to the residential credit based on a substantial change in circumstances:
     Either parent may seek an adjustment to increase or decrease the residential credit based upon providing evidence of a substantial change in circumstances to the court. The court shall make a written finding as to which parent was primarily responsible for the change in circumstances. If the court finds that the obligor parent failed to take full advantage of their residential time with the child, the court shall reduce the residential credit to the credit the parent would have received based upon the time actually

spent caring for the child. However, if the court finds that actions of the higher time parent was responsible for the reduction in the lower time parent's residential time with the child , such as voluntarily relocating the child so far away from the lower time parent as to make the prior residential schedule impractical, then the prior residential credit shall be retained. In cases where both parents or neither parent was primarily responsible for the change in residential schedule, the court will make an equitable determination on a case by case basis.

RESIDENTIAL SCHEDULE
PER DAY CREDIT WORKSHEET

		Father	Mother	
A	Net Income (line 3 from Child Support Worksheet)	$	$	
B	Combined Net Income (line 4 from Child Support Worksheet)		$	
C	Basic Child Support Total Obligation (from the Economic Table)		$	
D	Proportional Share of total income A divided by B		%	%
E	Individual Share of total obligation C x D		$	
G	Each parents' number of overnights per year			
H	Each parents' percent of overnights per year		%	%
I	Each parents' percent of time (H) x the total obligation (C) = Each parent's credit of total obligation.	$	$	
J	Transfer payment from lower time parent to higher time parent = Amount of Lower time parent's share of the total obligation (E) minus the lower time parent's residential credit (I).	$	$	$

The variable multiplier is described by Dr. Betson, its creator, as follows:

> My Proposed Residential Credit:
> Assuming the NCP has incurred duplicated expenses in their household, the residential credit needs to account for both transferred and duplicated expenses, consequently the credit should be equal to
> Proposed Residential Credit = R x T x BCSO + (1-S) x D x BCSO.
> The net child support obligation for the NCP would then equal
> NCP Obligation = S x BCSO – {R x T x BCSO + (1-S) x D x BCSO}
> Or S x (1 + D) x BCSO – R x T x BCSO – D x BCSO
> In words, the net obligation (after residential credit is applied) of the NCP to the CP

should be equal to the NCP's share of total spending on the child ((1+D) x BCSO) minus the expenses they have incurred during the time the child has resided with them (transferred expenses (RxTxBCSO) plus any duplicated expenses (DxBCSO)).