

## **Computation of Basic Child Support Obligation**

**By Margaret Bennett**

**Section 1.5 of 750/ILCS 5/505 will state:** *Calculate each parent's combined net monthly income. Add the parents' monthly net income to determine the combined monthly net income of the parents. Select the appropriate amount from the Schedule of Basic Child Support Obligation based on the parties' combined monthly net income and number of children of the parties. Calculate each parent's percentage share of the basic child support obligation. Although a monetary obligation is computed for each parent as child support, the receiving parent's share is not payable to the other parent and is presumed to be spent directly on the child.*

**1. Calculate Each Parent's Combined Net Monthly Income.** Calculate each parent's income by including income from all sources and properly calculating federal, state, FICA or self-employment tax, and Medicare tax. Include in the recipient's gross income any maintenance payments received, and subtract from the gross income any maintenance payments paid pursuant to court order. Union dues, student loans, mandatory retirement contributions, the cost of family health insurance, and the cost of the obligor's life insurance are no longer relevant to the computation of net income. In the event a party pays into a parallel system in lieu of FICA as a mandatory condition of

employment, i.e. the railroad retirement system, exclude the amount paid into the parallel system from gross income.

**A. Two Formulas to Determine Net Income.** The statute sets forth two formulas to calculate net income. The statute provides that the parties can either use the "standardized tax amount formula" which is a simplified formula, or "the individualized tax amount formula." The standardized tax amount formula assumes that both parties are single and using the standard deduction with one dependency exemption. Dependency exemptions for the parties' children are allocated as the parents agree or as the court determines. The individualized tax amount formula takes into consideration the filing status of the parties, the allocation of dependency exemptions, itemized deductions, tax credits and other tax variables found on tax returns. The parties may agree to use another formula to determine net income provided the court finds the formula conscionable.

**B. Multiple Family Adjustment.** When computing net income, if a parent supports other children either pursuant to a court order or without a court order, the multiple family adjustment is applicable. In the event the parent pays support pursuant to a prior court order, subtract that amount from the net income of the payor parent. In the event a parent pays support for a child without a court order, determine the multiple family adjustment by using the lesser of the actual amount being paid for support of the other child, or 75% of the amount of basic child support obligation (using

that parent's income alone) whichever is less. However, the court has discretion to disregard the multiple family adjustment if the court finds that the amount would cause economic hardship to the child.

**2. Add the Parents' Monthly Net Income.** Add the monthly net income of both parents to arrive at the **total combined monthly net income of the parents**.

**3. Select the Appropriate Amount from the Schedule of Basic Child Support Obligation.** Based on the parents' total combined monthly net income and the number of minor children the parents have together, select the corresponding entry on the Schedule of Basic Child Support Obligation to determine the basic child support obligations of the parties.

**4. Calculate Each Parent's Percentage Share of the Basic Child Support Obligation.** Divide each parent's monthly net income by the total combined net income of the parents to determine:

- A. The percent of each parent's income to the total combined monthly net income; and
- B. What percent each parent is responsible to pay.

For example, if the mother's net income is \$2,500 per month, and the total combined net income of the parents is \$10,000 per month, \$2,500 divided by \$10,000 is .25, which is 25%. Therefore the mother would be responsible for 25%, and the father 75% of the basic child support obligation.

**5. Determine Each Parent's Share of the Basic Child Support Obligation.** Determine each parent's share of the basic monthly child support obligation based upon their percentage share of the combined monthly net income. The statute assumes that the parent with the majority of parenting time will use the amount of their basic child support obligation for the child. Unless the shared physical care formula applies, the parent who does not have the majority of parenting time will pay his or her share of support to the parent with the majority of parenting time. The shared physical care formula applies in cases where the parent who does not have the majority of parenting time has 146 parenting time overnights per year which represents 40% of nights in a calendar year.