

Alimony Calculator[™]

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1. *Installation*

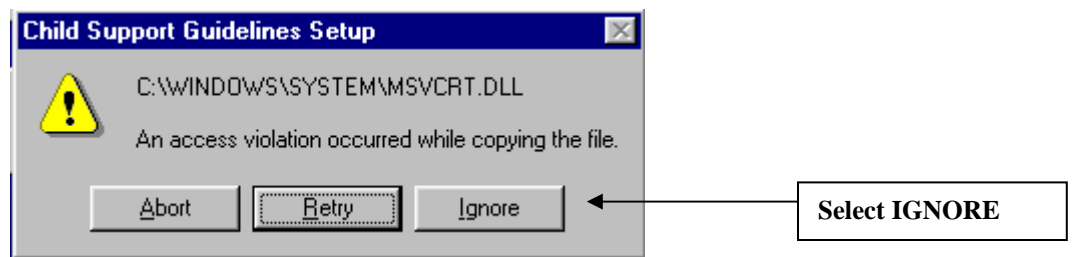
To install this program, put the CDROM into the CDROM drive and click *Start*. Then click *Run* and type in the letter of your CDROM drive and *\setup* (e.g., D:\setup) and then click *OK*.¹

¹ Alternatively, click *Start · Settings · Control Panel · Add/Remove Programs* and then follow the instructions.

The installation program will probably require you to reboot your computer in order to install certain components that Windows will require to run the program. After the reboot, go through the same installation program, except this time you should not have to reboot.

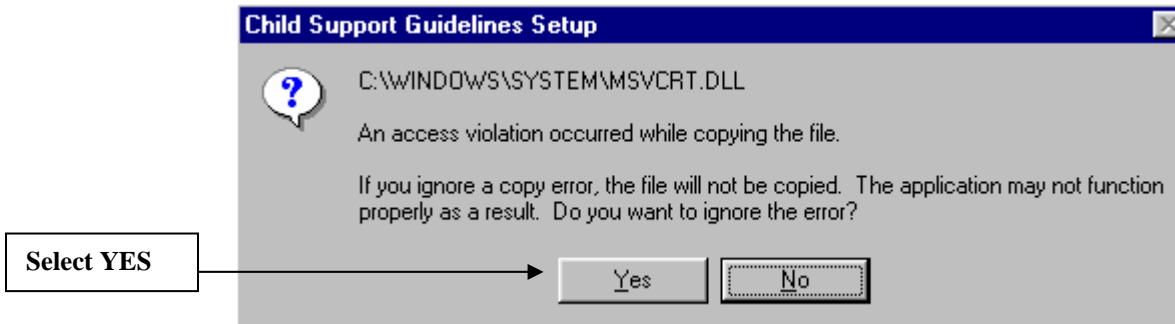
IMPORTANT: There is a file called *TaxRates* that is installed during the installation process into the same directory as the *Alimony Calculator*™. Do not later move this file from that directory. Otherwise, the program will not accurately calculate the taxes.

If you get the following error message during installation that says:



select **IGNORE**:

The next screen you would then get will probably say:



Select **YES**.

If you are asked during the installation whether you should keep some files or overwrite or replace those files, follow the recommendations of the Setup program.

The program will read your screen resolution when you start the program and will adjust the form to fit your screen. Therefore, you may see slightly different screens or layouts depending on your screen resolution. The layout for a 640x480 screen may be a little different than the layout for a 800x600 screen or for a 1024x768 screen. The program will otherwise function the same.

2. *General Operation*

When you enter numbers, use whole numbers and do not use commas or dollar signs. For example, \$12,332 should be entered as 12332.

Use TAB or the Mouse to Navigate: When you enter numbers in the boxes, simply type the number in and then use the mouse/touchpad or TAB key to move to the next box. Do not use the ENTER key since that will probably cause the program to run the program. The ENTER key clicks whichever button is highlighted. Generally, that will be the CALCULATE button, but not always.

When the CALCULATE Button is Yellow: Whenever you change an entry somewhere in the program, the background color of the CALCULATE button will turn yellow. If you see the yellow background color on the CALCULATE button, you need to click it to calculate the results. You do not have to click it as soon as you see the yellow background, but you will need to click it eventually to see the correct results. In other words, the yellow background simply tells you that an entry has been changed and that you will eventually need to click CALCULATE to recalculate.

The Front Page is Not Automatically Calculating: Some of the pages are automatically calculating, which means that it automatically calculates the numbers on that page as you type them in and then leave that cell. The Income Page, Itemized Deductions Page, and Self-Employment Page, for example, do this.

IT IS VERY IMPORTANT TO REMEMBER THAT THE FRONT PAGE IS NOT AUTOMATICALLY CALCULATING, AND JUST BECAUSE YOU ENTER OR CHANGE NUMBERS ON OTHER PAGES, YOU WILL STILL NEED TO CLICK THE CALCULATE BUTTON ON THE FRONT PAGE TO ACTUALLY RUN THE FRONT PAGE NUMBERS. IT SHOULD NOT HARM ANYTHING TO CLICK THAT BUTTON EVEN IF YOU DO NOT NEED TO. THEREFORE, WHEN IN DOUBT, CLICK CALCULATE.

IF YOU DO NOT CLICK THE CALCULATE BUTTON ON THE FRONT PAGE, THE CORRECT RESULTS WILL NOT BE SHOWN.

Enter the Income Before Deductions: Since the amount of allowable Itemized Deductions depends on the amount of income a taxpayer has, you should enter the Income figures before you do the Itemized Deductions.

ESC Closes the Program: The ESC key will close the program.

Popup Calculator: If you double-click some of the cells (e.g., a party's Monthly Income (gross) on the Front Page), a Calculator will popup, and you can then calculate a number and paste it into that cell. For example, if you know that the Husband makes \$75,000 a year, you can divide that by 12 on the Calculator and then paste that result into the cell without having to retype it.

Tool Tips: Most of the boxes or buttons have a Tool Tip that explains the button, box or number. Use the mouse/touchpad to place the pointer over the item and the Tool Tip will appear. If the number or box is self-explanatory, there is not a Tool Tip.

Hyperlinks: When the pointer (generally, an arrow) passes over some text and changes to a hand, you can click on that text, and you will then be taken to an explanation of that text. For example, the pointer will change to a hand when it passes over some of the text in the Child Support Factors frame on the Front Page. If you click on that text, the South Carolina Child Support Guidelines Instructions about that item (e.g., extraordinary medical expenses) will be shown.

The same thing can happen with some of the calculated numbers. If you see a number in red or burgundy, the pointer will change to a hand when it passes over that number, and you can click on that number. You will then be shown a screen that shows where that number came from. For example, run a calculation and then go to the Disposable Income Page and click on the FICA, etc. number. You will be shown a screen that explains how the FICA, Medicare, and Self-Employment Taxes were calculated.

Click on a number in the Results box on the Front Page, and you will automatically be taken to the page where that a number was calculated. These are the same pages that the Tax Calculations, Disposable Income, Child Support, and Net Alimony buttons open.

When the page or screen pops up, you will see that number flashing.

3. *Income*

Enter The Income on the Front Page or the Income Page?: The Alimony Calculator is designed to allow you to enter a gross monthly income figure on the Front Page or to itemize the income amounts on the Income Page. The line items on the Income Page are intended to track the income lines of IRS Form 1040. I did not include all of the income items that you see on Form 1040, such as tax refund, capital gains, and the like, since they typically are not recurring income items. If you find that you should include such items, insert them in the Other Income line on the Income Page.

The Advantages of Entering the Income on the Front Page: The advantage to simply entering the gross monthly income figure on the Front Page is that it is easier and faster.

The Disadvantages of Entering the Income on the Front Page: The disadvantages to simply entering the gross monthly income figure on the Front Page are:

- **The program will treat the Front Page monthly income figure as all earned income, which means that FICA and Medicare taxes are calculated on all of this income.** If some of the income is unearned (dividends, interest, etc.), then the Income Page should be used so that the unearned income escapes the FICA/Medicare taxes.
- **All of the income entered on the Front Page is treated as taxable income.** The Income Page allows you to enter nontaxable income.
- **If a party has adjustments to income** that reduce that party's Adjusted Gross Income and consequently the Taxable Income (alimony paid from prior marriage, IRA contributions, etc.), the Income Page should be used so that those reductions to income that is taxed can be protected.

If you wish to enter the monthly income figure on the Front Page, the checkbox labeled "Enter Monthly Amount Here" needs to be checked, and the program will then ignore the Income Page. If the box is unchecked, either use your mouse/touchpad to click the checkbox, or use the TAB key to move to that box and then use the SPACEBAR to check it. The computer will automatically convert the monthly amount on the Front Page to an annual amount and fill in the next line for you.

If you want to use the Income Page to itemize the income items, either "uncheck" the checkbox on the Front Page or click the Income Page button or use the menu at the top (Pages > Income Page) or Ctrl-I. If you uncheck the checkbox, the Income Page button will turn green so that your attention is called to it.

The Income Page Will Override The Income on the Front Page: When you click the CALCULATE button (the one with the blue cash register icon) on the Income Page, the amounts on the Income Page will be totaled and automatically carried over to the Front Page and will override whatever income figures were on the Front Page.

Use annual pre-tax income figures on the Income Page. When you click CALCULATE and the sum is carried over to the Front Page, the computer will automatically enter the monthly amount of the Front Page, as well.

4. Exemptions

Simply enter the number of exemptions that the party will be entitled to claim on his/her tax return. **Be sure to include the party himself/herself.**

A small red box with a white "?" that pops up by the exemptions after you click CALCULATE means that the program has detected a possible error in your exemptions.

- (1) If a party is filing jointly, then (s)he must have at least 2 exemptions.
- (2) If a party is filing as head-of-household, (s)he will probably have at least 2 exemptions, but not necessarily.

(3) If your total numbers of exemptions are less than the total of the parties and the children, you will be alerted.

The program is designed to automatically calculate the phase-out of the allowable exemption amount as incomes rise above certain levels. The Taxes Page (Tax Calculations button on the Front Page) will show you the dollar amount of exemptions allowed.

5. *Filing Status*

Enter the appropriate number to indicate the filing status of the party for his/her tax return:

1. Single taxpayer
2. Married, filing jointly
3. Married, filing separately
4. Head of Household

6. *Allowable Itemized Deductions*

This is a little trickier.

The State Income Tax Will Automatically Be an Itemized Deduction: First of all, the program will first calculate the state income tax and insert them into the Itemized Deductions Page before it calculates the federal income tax since South Carolina does not allow you to use the state income tax deduction for your South Carolina tax. You will not be able to alter this particular deduction on the Itemized Deductions Page.

Standard v. Itemized Deductions: Second, the program is designed to use automatically the larger of the Standard Deduction or Itemized Deductions. If the Standard Deduction is larger than the allowable Itemized Deductions, the program will use the Standard Deduction.

To see which one the program used, go to the Taxes Page (Tax Calculations button on the Front Page) and it will show you.

The IRS Limits on Itemized Deductions: The Internal Revenue Code limits the amount of Itemized Deductions a party can have. It limits certain categories of deductions (e.g., medical expenses and employee business expenses) as well as the total amount of deductions. This program will calculate the Itemized Deductions, taking those limitations into account.

If you use the Itemized Deductions Page, the enter the gross amount of deductions for each line and the program will calculate the allowable amounts as well as the total that is allowed.

If you want to itemize the deductions on the Itemized Deductions Page, click the Itemized Deductions Page button or use the menu or press Ctrl-D at the same time.

The Effect of Alimony on Itemized Deductions: The amount of allowable Itemized Deductions can vary depending on the amount of alimony since alimony affects the adjusted gross income of the taxpayer and can also affect the phaseout of Itemized Deductions. After the calculation on the Front Page, the amounts shown on the Itemized Deductions Page will be those allowed as if there were no alimony.

The Itemized Deductions Page now has a button that will take you to the Itemized Deductions After The Alimony Adjustment Page, where you can see the same itemized deductions, but adjusted for the change in that party's Adjusted Gross Income because of the alimony. You cannot input itemized deductions on this Page; it is simply for information.

7. *Child Support Factors*

This is the area where you will need to enter the information that the Guidelines call for. If there is not to be any child support, simply leave this area alone. Make sure, though, that you are not showing any children for the Husband or the Wife. If a number other than 0 shows up under Child Support in the Results box, you need to double check your entries under Child Support Factors on the Front Page.

Hyperlinks to the Guidelines Instructions: If you click on a label (not the box where you enter the numbers) in the Child Support Factors, such as the Gross Child Care Cost, the program will show you an excerpt from the South Carolina Child Support Guidelines instructions on that topic.

In the first line, enter the number of children that will be with each parent. This applies only to the children of this action, not to Additional Dependents in the home.

Split Custody: Simply enter the number of children that will be with each parent, and the program will automatically recognize a split custody arrangement if there are one or more children with each parent. If there is a split custody arrangement, the program will show "Split Custody Calculation" in red across the bottom of the Results box when the results are calculated.

Shared Custody: Insert the number of children with the custodial parent. Check the checkbox for Shared Custody to the left, and the box will show up to the right of the screen where you will need to enter the number of overnight visitations with the noncustodial parent. That box is normally invisible unless the Shared Custody box is checked or highlighted. The program will show "Shared Custody Calculation" in red across the bottom of the Results box when the Results are calculated.

If you want to see the Guidelines Worksheets, click the Child Support button at the top right and you can then go to the Worksheets A, B and C. You cannot enter any information directly on these Worksheets, except for the name of the case at the top of Worksheet A and the names of the children on Worksheet B. All other information for child support must be entered on the Front Page.

8. *Other Mandatory Obligations*

Since the purpose of this program is to calculate the net disposable income that each party will have after payment of alimony and child support, as well as taxes and FICA, Other Mandatory Obligations gives you an opportunity to enter other obligations for the parties, such as mandatory payroll deductions (e.g., union dues, etc.) or other obligations, such as maintenance of life insurance or health insurance for the other spouse. This is a kind of catch-all category for you.

9. *Alimony*

- (1) Enter in the Alimony box the gross monthly amount of alimony that the payor will pay.
- (2) Check either the Husband or the Wife in the **Who Pays?** box below.
- (3) If you want to make the alimony nontaxable/nondeductible, check the **Nontaxable?** checkbox.

10. *Results*

This gets to the heart and guts of the program.

Net Alimony Cost/Benefit: The Net Alimony Cost shows the net monthly cost of the alimony to the payor after the tax savings and child support savings are subtracted from the gross alimony amount. In other words, if the payor Husband pays \$1000 a month in gross alimony, but saves \$250 a month in taxes because he can deduct the alimony and his child support obligation under the Guidelines drops by \$150, the net monthly cost to him will be shown as \$600 in the Net Alimony Cost amount. In other words, that shows how much the proposed alimony will change his monthly Disposable Income, as opposed to no alimony being awarded.

Similarly, the Net Alimony Benefit shows the net amount of monthly alimony that the recipient will receive each month after the tax costs and child support reduction are subtracted from the gross alimony amount. For example, if the recipient Wife has to pay \$150 in taxes a month out of the \$1,000 alimony that she is receiving and she will receive \$150 less in child support, she is netting out only \$700 a month, and that amount is shown as the Net Alimony Benefit.

In other words, an award of alimony will generally affect a party's monthly disposable or spendable income in two ways: (1) tax savings or costs, and (2) the resulting decrease in child support because of the income shift caused by the alimony. The Net Alimony Cost or Benefit subtracts both from the gross alimony to get the net figure.

The Net Alimony Page shows the calculations, or you can simply click on the Net Alimony Cost figure or on the Net Alimony Benefit figure.

How are the taxes figured? If you click the Tax Calculations button at the top right of the Front Page or use the menu or press Ctrl-T, it will take you to the Taxes Page where the calculations are shown. The taxes are first calculated without any regard to alimony, and the resulting taxes are shown about half way down the page where the taxes are shown "w/ no alimony."

Then the taxes are calculated with the alimony factored in and those resulting taxes are shown "w/ alimony."

The program then subtracts the two sets of taxes and divides by 12 months to get a net monthly alimony tax cost/benefit. The program does not simply use marginal tax rates since the alimony adjustment can result in a party straddling tax brackets, although the marginal tax brackets are shown on the Taxes Page for your information. Also, using marginal tax rates is risky because alimony can affect Itemized Deductions and exemptions (see Paragraph 6, Itemized Deductions above).

Child Support Calculations: The Child Support figure shown in the Results box on the Front Page is simply the amount of child support payable by the noncustodial parent and is carried over from the Child Support Page (Worksheet A). As you input the Alimony amount, that it is automatically figured in the Child Support calculation. Click on the Child Support figure to go to the Guidelines page or click the Child Support button at the top right.

While it should be self-evident in most cases who the payor of the child support is, this program will show which party is to pay the child support. This can be particularly helpful in split custody cases.

If you get a result that is slightly different from the All-In-One Child Support Calculator, it is because the Alimony Calculator is more accurately estimating the actual child care tax credit since it has more complete tax information.

Monthly Disposable Incomes: The Husband's Net amount is actually the Husband's net disposable amount that he has to live off of each month after his gross monthly income is adjusted for taxes, FICA/Medicare, child support, after-tax alimony and other mandatory obligations. The Wife's Net is the same for the Wife.

If you want to see the actual calculations for these amounts, click the Disposable Income button on the Front Page, and it will take you to the Disposable Monthly Income Calculations Page. The taxes on that page are those shown on the Taxes Page ("w/o alimony"), but divided by 12 months. The FICA/Medicare taxes are calculated based on the incomes shown on the Front Page (or Income Page, as the case may be). The other mandatory obligation items are carried over from the Front Page.

Wife's Net of Children Support: Below the Husband's Net and the Wife's Net is a figure labeled Wife's Net of Children Support (or Husband's Net of Children's Support, as the case may be). This figure is that parent's net disposable income, less the total combined support that the Guidelines say would be spent on the child(ren) from the Guidelines Tables. This is the total sum from the Tables without proration between the parents, since this is the amount the law theoretically assumes would be spent on the support of the child(ren) from the total gross incomes of the parents. Also, subtracted from that spouse's net disposable income are the extra support items (e.g., health insurance for the children, extraordinary medical expenses, and net, after-tax child care) that the custodial parent will also be paying.

The effect is to back money to be spent on the child(ren) out of the custodial parent's income so that the money left over for the custodial parent alone can be compared the net disposable income of the noncustodial party. It is certainly debatable whether this is a true apples-to-apples method of comparison, but it is the best approach I could find.

Click on that number if you want to see the calculation.

FICA/Medicare & Self-Employment Tax Calculations: If you want to see the calculations of each party's FICA, Medicare and Self-Employment Taxes, simply click on that party's number on the Disposable Incomes Page.

11. Calculating A Range of Alimony Page

The Alimony Calculator™ also gives you the ability to calculate a range of alimony amounts at one time so that you can compare the resulting child support and disposable income amounts for each party.

You can access this page only from the Front Page, but you can then click either the green Alimony Range button at the bottom left corner, or you can click the Calculate Alimony Range in the menu at the top under Pages. The green Alimony Range button and the Calculate Alimony Range menu item are not visible or enabled unless there is some income shown for at least one of the parties and the Calculate button has been clicked.

Make sure that all of the tax, child support and mandatory obligations information has been typed in; otherwise, the Alimony Range calculations will not be accurate.

The Alimony Range calculations will use the information from the Front Page but it will not change the Front Page information, nor will it change the Results shown on the Front Page. The alimony amount inserted on the Front Page will not change either.

12. South Carolina Income Adjustments (Income Page)

South Carolina generally uses the Federal Taxable Income amount for the computation of South Carolina taxes, but there are several special adjustments that must be made. A more

complete listing and explanation are on the back of South Carolina Form SC 1040 and its instructions. Here is a partial listing:

Add To Federal Taxable Income:

Expenses Related To Reserve/National Guard Income
Interest Income of Other States

Subtract From Federal Taxable Income:

Interest Income From Obligations of U.S. Government
National Guard/Reserve Pay
Permanent Disability Retirement Income (if taxed on the Federal return)
Social Security and/or Railroad Retirement (if taxed on the Federal return)
Age 65 or Older Deduction (see SC Form 1040 Instructions)
Out-of-State Income/Gain

13. *When The Incomes Exceed The Guidelines*

When the parties' combined gross incomes exceed \$15,000 a month (\$180,000 a year), the Guidelines no longer apply. In that event, the program will show "0" under Child Support and will display a red message across the bottom right of the program alerting you that the incomes exceed the Guidelines.

The program will also display a box to the bottom right of the screen where you can enter the amount of child support that you consider to be appropriate. If you will then click CALCULATE, the program will display that child support in the Results box and will adjust the parties' Net figures accordingly.

In other words, you will need to input the amount of child support manually.

If you would like to see the amount that the Guidelines Tables call for at \$15,000 a month, the maximum under the Tables, click Help on the Child Support Page and the Tables are at the end.

Since the Guidelines will not apply, the Results box labeled "Wife's \$ Net of Children's Support" (or "Husband's \$ Net of Children's Support", as the case may be) will not appear. It is impossible to measure how much total money will be spent on the children since it cannot calculate what the custodial parent will spend of his/her money.

14. *Taxes Page*

The Taxes Page shows you how the income taxes for the parties are calculated. The program calculates the tax costs/benefits of alimony by first figuring the taxes as if no alimony

were paid, and then figures the taxes by adjusting the taxable incomes for the alimony paid and received. The difference between the two sets of taxes are the tax costs/benefits of the alimony.

The program does not simply use a combined marginal tax rate since the income shift of alimony can cause a party to "straddle" tax brackets. The Taxes Page shows you which year's tax rates are being used. Since the IRS releases the tax rates at the outset of each tax year and the South Carolina Department of Revenue releases theirs at the end of the year, the South Carolina tax rates will always be a year "behind." The difference in South Carolina taxes from one year to the next should be immaterial though.

The tax code starts to cut back or phase out the amount of allowable itemized deductions and exemptions as incomes exceed a certain threshold. This program makes those adjustments.

The amount of exemptions and itemized deductions that are shown on the Taxes Page are those amounts based on the incomes without regard to payment of alimony, but, in calculating the taxes after payment of alimony, the program will actually adjust internally the allowable deductions and exemptions. It is simply not shown on the screen. If you click on the burgundy Taxable Income (w/ alimony) number, you will see a screen that shows how that taxable income was calculated.

If you compare the taxes that are calculated by the Alimony Calculator™ with the taxes shown by tax return software, such as TurboTax or TaxCut, or with an actual tax return, you may find the taxes to be \$1 to \$10 or so different. This is because the Alimony Calculator™ uses the tax rate schedule, whereas these programs may use the Tax Tables.

One other thing: Since the Alimony Calculator™ uses the child care tax credit on the Taxes Page, the Disposable Monthly Income Calculations Page uses a gross (pre-tax credit) amount of child care on the line labeled "Additional Child Support Items". To use the net child care figure on the Disposable Monthly Income Calculations Page would result in "double-dipping" the child care tax credit.

The Alimony Calculator™ does not calculate the Alternative Minimum Tax or the Earned Income Credit, yet. I hope to provide them in a future release. The Alternative Minimum Tax can be a significant item in some cases, and the Earned Income Credit can be important in lower income cases.

If you want to double-check the federal tax calculations or just run some taxes yourself, TurboTax has a great Web site with a simplified tax program that will quickly and easily calculate taxes online. The Web address is:

<http://www.quicken.com/taxes/estimator/>

The Taxable Income amounts shown (both with and without alimony) are the Federal Taxable Incomes. South Carolina requires certain adjustments to the Federal Taxable Income, such as adding back in itemized state income taxes. Also, the Income Page has a place where you can enter certain South Carolina income adjustments, such as National Guard pay. The program

makes those adjustments internally, but will not actually show the South Carolina taxable income on the screen anywhere. There simply was not room.

Also, the South Carolina taxes may be a little imprecise, but the difference should not be material at all in ultimately calculating the net disposable monthly income that each party will have. The South Carolina Department of Revenue requires that the state income taxes that are itemized on the federal return must be added back to taxable income for state tax purposes, and the Alimony Calculator™ does that, but even that number may be adjusted somewhat depending on the amount of casualty losses and some other itemized deductions and phaseout of federal deductions. Those adjustments would require that the Itemized Deductions Page be much more detailed than I felt was wise or warranted, especially since I tried to design the program to make it as user-friendly and simple as possible, but still be able to run the appropriate calculations. If you really get excited about this stuff, then get a copy of the Instructions to the South Carolina Form 1040 and the worksheets are there. You might also want to get a life while you are at it. You can enter any adjustment at the bottom of the Income Page.

15. Deviating From The Guidelines

If you want to deviate from the Guidelines and manually enter a child support figure, click on the checkbox in the Guidelines Deviation frame. The checkbox is labeled "Deviate From The Guidelines" (logical, eh?).

The same box in red will pop up at the bottom right as when the incomes exceed the Guidelines. Manually enter the amount of child support payable and select who the payor will be.

Since the Guidelines will not apply, the Results box labeled "Wife's \$ Net of Children's Support" (or "Husband's \$ Net of Children's Support", as the case may be) will not appear. It is impossible to measure how much total money will be spent on the children since it cannot calculate what the custodial parent will spend of his/her money.

16. Saving and Opening Files

Saving a File: You can save a set of calculations and results by using the menu (File>Save As) or *CTRL-S* or by clicking the Save command button. Be sure to save it under a unique file name, such as your client's name.

Opening a File: Likewise, you can open a saved file by using the menu (File>Open) or by *CTRL-O* or by clicking the File Open command button.

CAUTION: The program's Save As (Save) function simply saves the data that you have entered and not the Results. When you reopen that file, it will automatically recalculate the numbers. Therefore, the Results may change from what you saw earlier if the tax rates, etc. in the meantime have changed. To preserve the Results for posterity,

print out the Results and stick them in the client's file. The PRINT function automatically prints the date on the printout.

17. *What's New in Version 2.02.x ?*

Goal Seek: Version 2.02.x has a new feature called Goal Seek, which reverses the normal process of using the Alimony Calculator. Normally, you enter a proposed amount of alimony, and the Alimony Calculator tells you what each party's disposable income will be at that level of alimony.

(1) Goal Seek allows you to tell the program what you want the disposable income to be, and the Alimony Calculator will tell you how much alimony it will take to reach that goal. For example, if the Wife's budget shows that she needs \$4,325 each month, Goal Seek will automatically calculate the alimony you need to reach that disposable monthly income for the Wife. Of course, you can do the same for the Husband, but, obviously you cannot set both the Husband's and Wife's budgets as a goal at the same time; you must shoot for one or the other.

If you enter a target amount of disposable income that is not possible to reach, you will get an error message to that effect. This will happen, for example, if you set a goal that cannot be reached even if the payor paid all of the payor's income to the payee as alimony. If you get this error message, the Alimony Calculator will show you how close it could get.

(2) Goal Seek is also tell you how much alimony it will take to *equalize* the disposable incomes of each party. If you want the Husband and Wife to have the same amount of monthly disposable income, Goal Seek will tell you how much alimony that will take.

To use Goal Seek, click on the green Seek button that shows up at the bottom of the Front Page screen. It will first appear only after you have run a calculation, and it will be next to the green Range button. (I had to change the Alimony Range button to just "Range," in order to squeeze the Seek button in).

Or, you can go to the Action menu on the Front Page or you can simply use CTRL-G.

Value of an Exemption: The other important enhancement to Version 2.02.x is the Value of an Exemption function.

This function tells you how much tax savings each party gets from a child's exemption. With this information, you can see which parent gets the most economic tax benefit from the exemption.

The savings are realized in two ways: first, there are obvious tax savings that result when the exemption amount reduces a party's taxable income; second, the parent who gets the tax exemption will also get that child's *tax credit*, which will be \$600 for 2002 and eventually increases to \$1,000.

The Value of an Exemption can be reached by (1) clicking on the blue label "Numbers of Exemptions" on the Front Page, (2) double-clicking the cells where you enter each party's exemptions on the Front Page, (3) using the Action menu on the Front Page, or (4) pressing CTRL-V when you are on the Front Page.

You will be asked whether you are shifting an exemption from the Wife to the Husband, or from the Husband to the Wife. The difference in results can be different, although probably not materially. The difference would result only when the shift of an exemption puts a parent in a higher or lower marginal tax bracket.

Tax Rates Chart: The Alimony CalculatorTM now shows you the tax rates schedules along with other pertinent tax information. Go to the Taxes Page and click on the blue Tax Year Rates in the upper right hand corner. The tax rates page is simply for information and does not have any other function.