Traxler's Child Support Calculator 2006

Version 1.0

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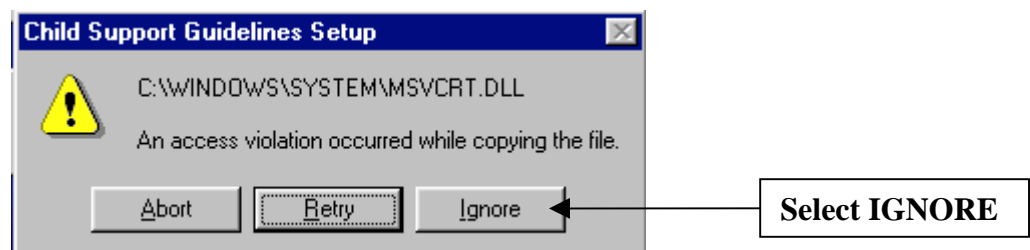
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Available through: South Carolina Bar – CLE Division
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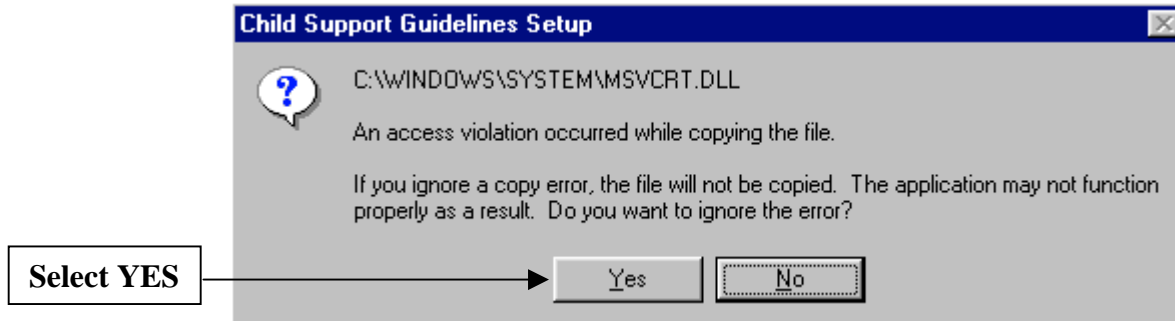*(803) 771-0333/ (800) 768-7787*

Installation

- To install this program, put the CD ROM into the CD ROM drive and click *Start.*

- Next click *Run* and type in the letter of your CD ROM drive and *\ChildSupportCalculator2006Setup.exe* (e.g., *D: \ChildSupportCalculator2006Setup.exe*) and then click *OK.*[1]

The installation program may require you to reboot your computer. Rebooting will install the components that Windows will require to run the Child Support program. After the reboot, follow the same installation process, except this time you should not have to reboot.

If you get the following error message during installation, select IGNORE:

Select IGNORE

The next screen you would then get will probably be:

Child Support Guidelines Setup

C:\WINDOWS\SYSTEM\MSVCRT.DLL

An access violation occurred while copying the file.

If you ignore a copy error, the file will not be copied. The application may not function properly as a result. Do you want to ignore the error?

Select YES ——————————————————➤ [Yes] [No]

The program will read your screen resolution when you start the program and will adjust the form to fit your screen.

Form Resizing

Version 1.0 now allows you to resize the worksheets on your screen so that they fit better. You activate this function by (1) going to the *Adjust Form Size* under the View menu or (2) clicking the **RESIZE** button on Worksheet A or (3) pressing F3 on your keyboard.

If you adjust the size, you will be asked whether you want to save the new size as your default. The program will use the default setting every time it opens. If you want to always open the program with that screen size (you will always be able to change that default later if you need to), select "YES" when you are asked if you want to save that screen size as your default.

Navigating

If you need to change the number in a particular cell, use the **TAB** key or the mouse to move the cursor to that cell, and then simply enter the number. If you hold down the **SHIFT** key while hitting the **TAB** key this will cause the cursor to move in reverse direction.

You will need to hit **ENTER** or click **CALCULATE** to run the Guidelines with any new entry(ies). Mere entry of a new number or any changes in the information will

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

not result in an automatic recalculation. You have to click **CALCULATE** or hit **ENTER**.

The background of the **CALCULATE** button will turn to yellow whenever you change an entry. This color change is a reminder to click the **CALCULATE** button to update the calculation.

Remember: Click **CALCULATE** or hit the **ENTER** button to run the child support calculations.

Do not use the **ENTER** key to "enter" a number in a particular cell because that will cause the program to calculate the Guidelines.

To exit the program, click **EXIT** or hit the **ESC** key on your keyboard.

Worksheet A (Basic Support Calculation)

There are several important features to the first Worksheet (Worksheet A). For example, some of the cells require a numerical entry. In these cells, the computer will not accept a blank entry, a letter or any type of character other than a number. The computer will prompt you for a numerical value if it finds an incorrect entry or character. Even if no amount is to be entered in that cell, put 0 (zero) when prompted. If you are not told that you have an incorrect entry, do not worry about it.

I have tried to put all of the possible calculations on Worksheet A to make the program easier to use. Therefore, you can input the information for sole custody, split custody and shared custody all on Worksheet A to get the resulting child support. Only use Worksheet B to view the Split Custody page and determine how the split custody child support was calculated. Only use Worksheet C to view the Shared Custody page and determine how shared custody child support was calculated.

It is important to make sure that you have selected the proper custodial parent because:

(1) A parent is not entitled to a tax credit for child care expenses unless that parent has custody.

(2) Custody is important for calculating a self-support reserve (low income) case where the Guidelines use only the noncustodial parent's income. If the proper selection is not made, a self-support reserve case is not properly calculated.

(3) A Shared Custody calculation depends on who has custody.

Child Care Tax Credit Calculations: This program allows you to calculate the child care tax credit by using either (1) a flat 25% tax credit now allowed by the Guidelines' Instructions or (2) the estimated actual child care tax credit.

THE FLAT 25% METHOD

Using the flat 25% rate is easy, but the official Guidelines' Instructions create two problems now:

(1) The Instructions say, "In cases where the custodial parent's *gross income* exceeds the thresholds listed below...". Presumably this means the gross income shown on line 1 of Worksheet A. If that is the case, this ignores the payment or receipt of alimony.

What my program does: My program adjusts the line 1 (gross income) for the alimony paid or received (line 2).

(2) The Internal Revenue Code places several limits on the amount of tax credit that a parent may be entitled to, and this program tries to recognize those. If the child care expenses are for 1 child, the child care tax credit can be calculated only on the first $250 of child care expenses; if the expenses are for 2 or more children, the child care tax credit can be calculated only on the first $500 of child care expenses. THE GUIDELINES' INSTRUCTIONS IGNORE THESE LIMITS ON THE CHILD CARE TAX CREDIT. If the pre-tax child care expenses significantly exceed these thresholds (which they frequently do), this can make a material difference in the child support calculation.

What my program does: THIS PROGRAM FOLLOWS THE GUIDELINES' INSTRUCTIONS AND ALLOWS YOU TO CALCULATE THE CHILD CARE TAX CREDIT BY USING THE FLAT 25% RATE WITHOUT REGARD TO THE IRS LIMITS.

THE ACTUAL CHILD CARE TAX CREDIT METHOD

This still is not as easy as it would appear from the Guidelines. The Instructions say, "The other method would be to take the actual costs and subtract the actual value of the federal tax credit such as determined by the last filed IRS Form 2441. This adjusted amount would then be entered on line 6.c."

The problem with this wording is that *last* year's income could be dramatically different from the custodial parent's current income, especially if the *noncustodial* parent's income was used on the IRS Form 2441, plus last year's child care expenses could be significantly different in the current year.

What my program does: Presumably the intent of the Guidelines in suggesting that an alternative method could be "to take the actual costs" would be to measure the current actual costs and to use "the last filed IRS Form 2441" as a guide. Therefore, my program estimates the actual current child care tax credit using the 2006 Federal tax rates, exemptions, standard deductions and the head of household filing status. It also assumes that the parent with any additional children in the home (line 3(b) on Worksheet A) will be able to use those children's exemptions in estimating the parent's taxes.

If the pre-tax (gross) child care expenses exceed the IRS thresholds ($250 for 1 child, $500 for 2 or more children) or if you have the noncustodial parent paying the child care expenses (which do not qualify for the credit), a red exclamation point will appear to the right of the Net child care cost. A message alerting you to this IRS limit will pop up if you click the red exclamation point.

In a <u>split</u> custody case, the program calculates the tax credit limit based upon the number of children that each parent will have.

In a <u>shared</u> custody case, the calculations are the same as in a sole custody case since it is not certain that the "noncustodial parent" will be entitled to any tax credit for child care expense under the Internal Revenue Code. The Guidelines still refer to a "custodial parent" and speak in terms of shared "physical" custody, which may not be enough for claiming a child care tax credit by the "noncustodial parent."

No tax credit is allowed unless a parent has enough income to even have any taxes. This program estimates a parent's taxes by assuming that the parent will have his/her own exemption, plus one for each child that he/she has custody of, and that the parent will use the standard deduction and files as head-of-household. It uses a 15% tax rate. If a parent will have <u>some</u> taxes, but not enough to use the full tax credit, the tax credit is limited to the amount of the estimated actual taxes.

This program does not make any calculation for <u>state</u> tax credit since the Guidelines do not provide for it.

You may find that the program does not calculate the child care tax credit the same as you or other child support programs. This might be due to one of several reasons:

(1)   A *noncustodial* parent cannot claim the tax credit;
(2)   The tax code limits your tax credit: for one (1) child, it is calculated only on $3,000 a year ($250 a month), or $6,000 a year ($500 a month) for 2 or more children;
(3)   The custodial parent does not have enough income to have any taxes (therefore, no tax credit); or

(4)   I have not included that in a self-support reserve (low income) case.

Whenever you change any entry or selection that might possibly change the result, the background color of the **CALCULATE** button will turn yellow to alert you that you need to click that button to update the calculations.

The result will show up at the bottom, and the amount payable by the payor parent will be shown in blue.

Split Custody

To calculate a Split Custody case, do all of the following on Worksheet A:

1.   Type in all of the incomes, etc.

2.   Put the number of children with each parent in the middle of Worksheet A (the main page). If you show some children with the Father and some with the Mother, the program will automatically make a split custody calculation and tell you.

3.   Click **CALCULATE**.

The resulting child support will be shown on Worksheet A with a red notation at the bottom that it is a split custody calculation.

Click on the red label at the bottom of the screen to go to Worksheet B (or use the menu bar at the top or press CTRL-B). That red label will first appear after you have made a split custody calculation. It will not appear before a split custody calculation is made.

The only "action" you can take on Worksheet B is to (1) type in the names and birthdates of the children with each parent or (2) call up a Calculator or (3) Print that sheet or (4) Go Back to Worksheet A or (5) Exit the program. You cannot change any of the numbers or calculations on Worksheet B. It all has to be done on Worksheet A.

Shared Custody

To calculate a Shared Custody case, do all of the following on Worksheet A:

1.   Type in all of the incomes, etc.

2.   Put the number of children in either the Mother or Father box.

3. Click the "Yes" under the "**Shared Custody?**"[2] **box** in the upper right hand corner of the Worksheet.

4. Type in the number of overnights that the children will have with the noncustodial parent.

5. Click **CALCULATE**.

The resulting child support will be shown on Worksheet A with a red notation at the bottom that it is a shared custody calculation.

Click on the red label at the bottom of the screen to go to Worksheet C. That red label will first appear after you have made a shared custody calculation.

The only "action" you can take on Worksheet C is to (1) call up a Calculator or (2) Print that sheet or (3) Go Back to Worksheet A or (4) Exit the program. You cannot change any of the numbers or calculations on Worksheet C. It all has to be done on Worksheet A.

If you have checked the "Yes" boxes in both Shared Custody and Split Custody, you will receive an error message. The Guidelines' Instructions do not tell us what to do if there is a shared custody arrangement with split custody.

Self-Support Reserve Cases
(Shaded Area Cases)

Self-support reserve cases are those cases where the noncustodial parent's income falls within the shaded area of the tables, depending on the number of children. The Guidelines are very poor in telling us exactly what to do in self-support cases, but here is an explanation of what I have done with this program and why.

(1) This program uses only the noncustodial parent's income in calculating the support, which is what the Guidelines' instructions say to do. Therefore, the program assumes that the noncustodial parent has 100% of the income. (The Guidelines do not explicitly tell us that.)

The Guidelines do not tell us how to handle additional support items like child care and health insurance. This program uses the items paid by the noncustodial parent and gives him/her credit for these items since the Guidelines try to leave the noncustodial parent with $748 a month for his/her own support. In that case the additional support items paid by the noncustodial parent are shown in **purple.**

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[2] Actually, you do not need to check the "Yes" box. Once you type in more than 109 overnights in the box, the computer will automatically check the "Yes" box for you, and it will "uncheck" it if the number you type in is less than 110.

The program ignores the additional items paid by the custodial parent. Otherwise, the noncustodial parent could be left with no money to live on. To alert you to this, the program will display the custodial parent's additional support items in red, and a tool tip will pop up warning you that those additional support items are not included in the calculations. That part of the screen will look like this:

		Father		*Mother*			
Additional Support	Gross	Net		Gross	Net		
Health Ins. Premium:		123			100		
Extraordinary Medical Exp.:		0			0		
Child Care Cost (choose credit)	0	0		450	391	!	
○ 25% ⊙ Actual (est.)			This Is Not Included In The Child Support Calculation Since This Is A Self-Support Reserve Case !!				
Total:		123	+		491	=	**483**
		Total Combined Child Support:					**100**

(2)   In a *split* custody case, there is not a "noncustodial parent," but the Guidelines do not address this issue. Since there is not a "noncustodial" parent in a split custody case, my program ignores the self-support reserve. However, in such cases, the program does give you a warning in red at the bottom of the Worksheet in case you want to make adjustment.

(3)   In a *shared* custody case, the Guidelines are again silent. Frequently, running the calculations straight through will result in the noncustodial parent actually paying *more* than he/she would without the sharing of custody. My program ignores that and simply assesses the lesser of full child support (based on self-support reserve) and the resulting shared custody calculation.

The best approach for any calculation is to remember that the goal of the Guidelines in a self-support reserve case is to leave the noncustodial parent with at least $748 a month to live on. Any result that you may get in your calculations should be compared to this goal.

"Save As" and "File Open"

To save your calculations, click the "**SAVE AS**" icon and enter the name that you want to save the file under. You can use a case name or any other name that you would like. The program should automatically save it in the **My Documents** directory, but you can change the directory the same as you would for any other program.

To retrieve the file, simply click the **OPEN** icon and then (1) type the name of the file in, or (2) double-click the file name in the list of files, or (3) click the file name (highlights it) and then hit **ENTER** or (4) click **OPEN** on the File Open dialog box.

There is a peculiarity here: The program recalculates the results each time it opens a file. Therefore, if you open a file saved and calculated under the 1999 Guidelines, using the *All-In-One Child Support Calculator*, the results will be automatically recalculated when you open it with the 2006 version of *Traxler's Child Support Calculator*.

Export To Word

The program allows you to create a Microsoft Word document with your calculations. This is really powerful since it allows you to cut and paste the calculations into orders, affidavits, briefs, and the like. Quite frankly, the printing of the Word document looks better than the default printing of the program.

The calculations are saved in a table created by Word. Therefore, you will need to work with a table and not just normal text.

You can create the Word document by (1) selecting the *Export To Word* function under the File menu, (2) pressing CTRL-W, or (3) by clicking the **EXPORT** button on Worksheet A.

Links To Guidelines' Instructions

If you need to consult the Guidelines and their Instructions on a particular topic, such as Child Care Cost, you can simply click on that label (dark blue), and the text of the Guidelines' Instructions will pop up for you. The labels that serve as links to the Instructions are shown in dark blue on Worksheet A. The cursor will change from an arrow to a hand and finger when it passes over such a link.

The Sole Custody example below shows you what I am talking about.

Sole Custody Example

Worksheet A	(c) Tom Traxler 2006						

File Action Utilities Worksheets View Help

Case Name: **Smith v. Smith**   2005   _-DR-_   23 . 1234

Father		**Mother**			**Shared Custody?**
Gross Monthly Income:	12,332	Gross Monthly Income:	2,000		☐ Yes
☐ Imputed		☐ Imputed			[0] # Overnights with noncustodial parent
Alimony ⦿ Paid ○ Received	-2,500	Alimony ○ Paid ⦿ Received	2,500		
Other Support Obligations	0	Other Support Obligations	0		
Additional Dependents: [1]	-782	Additional Dependents: [0]	0		
Net Monthly Income:	9,050	Net Monthly Income:	4,500		
		Adjusted Gross Monthly Income:	13,550		

No. of Children: [0] Father   [2] Mother   Basic Child Support Obligation: 1,703

Additional Support Items	**Father** Gross	Net	**Mother** Gross	Net	Prepared By:
Health Ins. Premium:		123		0	**Thomas W. Traxler**
Extraordinary Medical Exp.:		0		0	
Child Care Cost ○ 25% ⦿ Actual (est.)	0	0	450	360	Attorney For:
Total:		123	+	360 =	483
			Total Combined Child Support:		2,186

Add % Costs	**66.8 %** Father	**33.2 %** Mother	
Proportionate Share:	1,460	726	**Mother**
Adjustments:	-123	-360	Date:
Monthly Child Support:	**1,337**	366	May 28, 2006
Twice a month:	668	183	
Every 2 weeks:	617	169	
Weekly:	309	84	

Open   Save As   Print   Export   Clear   Calculator   Resize   Guidelines   STOP   Calculate

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Result

You Can Now Create A Word Document With Your Calculations.

Click On A Blue Label To See The Guidelines' Instructions For That Topic.

Enter The Number Of Children With Each Parent And The Computer Will Recognize A Split Custody Arrangement.

Split Custody Example

Worksheet A (c) Tom Traxler 2006

File   Action   Utilities   Worksheets   View

Case Name: **Smith v. Smith**   2005   _-DR-_   23 - 1234

	Father		Mother	
Gross Monthly Income:		12,332	Gross Monthly Income:	2,000

☐ Imputed   ☐ Imputed

Alimony   ⦿ Paid   ○ Received   -2,500   Alimony   ○ Paid   ⦿ Received | 2,500 |

Other Support Obligations   0   Other Support Obligations   0
Additional Dependents: [ ]   -782   Additional Dependents: [0]   0

Net Monthly Income: 9,050   Net Monthly Income: 4,500
                                                  Adjusted Gross Monthly Income: 13,550

Shared Custody?
☐ Yes
[0] # Overnights with noncustodial parent

| No. of Children: | [2] Father | [2] Mother | Basic Child Support Obligation: | 2,113 |

	Father		**Mother**	
Additional Support Items	Gross	Net	Gross	Net
Health Ins. Premium:		123		0
Extraordinary Medical Exp.:		0		0
Child Care Cost				
○ 25% ⦿ Actual (est.)	0	0	450	360
Total:		123	+	360	=	483
			Total Combined Child Support:	2,596

Add 5% Costs	**66.8 %** Father	**33.2 %** Mother
Proportionate Share:		
Adjustments:		
Monthly Child Support:	554	0
Twice a month:	277	0
Every 2 weeks:	256	0
Weekly:	128	0

Prepared By:
Thomas W. Traxler
Attorney For:
Mother
Date:
May 28, 2006

Open   Save As
Print   Export
Clear   Calculator
Resize   Guidelines
Exit   Calculate

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Split Custody Calculation -- Click Me To See Worksheet B

Click On This Red Label To See The Calculations On Worksheet B.

Shared Custody Example

Click "Yes" for a Shared Custody calculation and fill in the number of nights with the noncustodial parent.

Make sure you select the correct custodial parent.

Worksheet A	(c) Tom Traxler 2006				

File   Action   Utilities   Worksheets   View

Case Name: **Smith v. Smith**   2005   _-DR-_   23 - 1234

	Father		**Mother**		
Gross Monthly Income:	12,332		Gross Monthly Income:		2,000

☐ ...uted   ☐ Imputed

Shared Custody?

☑ Yes

120   # Overnights with noncustodial parent

Alimony
- ⦿ Paid   ◯ Received   -2,500

Alimony
- ◯ Paid   ◯ Received   2,500

Other Support Obligations	0	Other Support Obligations	0
Additional Dependents:	1 -782	Additional Dependents:	0 0
Net Monthly Income:	9,050	Net Monthly Income:	4,500
		Adjusted Gross Monthly Income:	13,550

No. of Children: 0   **Father**   2   **Mother**

Basic Child Support Obligation: 1,703

Additional Support Items	**Father**		**Mother**	
	Gross	Net	Gross	Net
Health Ins. Premium:		123		0
Extraordinary Medical Exp.:		0		0
Child Care Cost	0	0	450	360

◯ 25%   ⦿ Actual (est.)

Total:	123	+	360	=	483
		Total Combined Child Support:			2,186

Add 5% Costs	**66.8 %** Father	**33.2 %** Mother	Prepared By:
Proportionate Share:			**Thomas W. Traxler**
Adjustments:			Attorney For:
Monthly Child Support:	1,066	0	**Mother**
Twice a month:	533	0	Date:
Every 2 weeks:	492	0	May 28, 2006
Weekly:	246	0	

Open   Save As   Print   Export   Clear   Calculator   Resize   Guidelines   STOP Exit   Calculate

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Shared Custody Calculation -- Click Me To See Worksheet C

Click On This Red Label To See The Calculations On Worksheet C.