

Review of the Connecticut Child Support Guidelines

Presentation to Commission for Child Support Guidelines

(Sept. 7, 2023)

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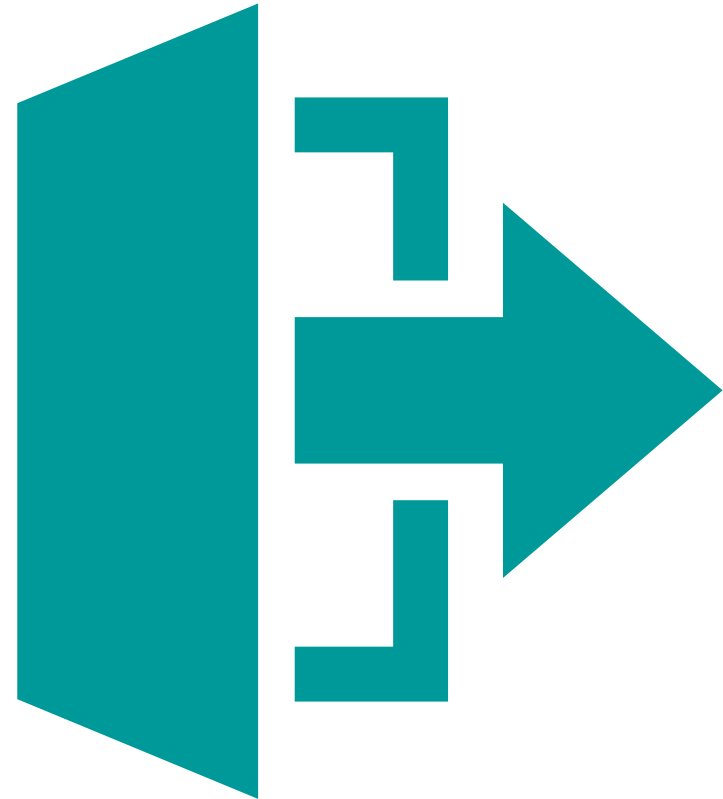
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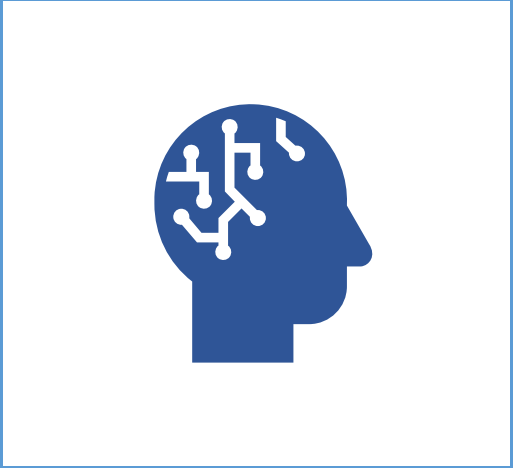
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Outline

- Recap of February meeting
 - Federal requirements
 - Update of economic schedule
 - Updated to July 2023 price levels
- Findings from the analyses of case file data and labor market data
 - Income imputation at f-t, minimum wage
 - Low-income adjustment
- Next steps





Recap

Recap of Feb. Meeting

- Federal requirements of state child support guidelines
 - 2016-added requirements of state guidelines
 - Requirements of the review process
- Economic data on the cost of children and child support schedule
 - Existing schedule is based on economic data from 2012



CT's Compliance with Federal Requirements of Guidelines (red font: added in 2016)

This slide appeared in the Feb. Materials

Requirements	CT Complies
Provide one guideline, used statewide	<input checked="" type="checkbox"/>
Consider all earnings and income	<input checked="" type="checkbox"/>
Be specific and numeric	<input checked="" type="checkbox"/>
Provide deviation criteria & finding on record	<input checked="" type="checkbox"/>
Consider specific circumstances when imputing income (e.g., literacy, age, criminal record)	<input checked="" type="checkbox"/> tweak
Consider other evidence of ability to pay (e.g., verbal testimony, dept. of labor data)	<input checked="" type="checkbox"/> tweak?
Consider parent's basic subsistence need	<input checked="" type="checkbox"/> update?
Do not treat incarceration as voluntary unemployment	<input checked="" type="checkbox"/> tweak?
Provide for child's healthcare needs	<input checked="" type="checkbox"/> Opportunity to review?

Fulfilling Federal Requirements of Reviews *This slide appeared in the Feb. Materials*

Continued Requirement		New Requirement		
Consider economic data on the cost of raising children	CPR prepared in Feb and updated to July 2023 price levels	Consider labor market data	CPR	
Consider case file data on application of and deviation from the guidelines	CPR: This presentation	Impact of guidelines policies on parents with low income	CPR in progress	
Review, and revise, if appropriate, the child support guidelines	Commission and Legislative Regulation Review Committee	Factors that influence employment rates and compliance	CPR from case file data	
Consider case file data on application of and deviation from the guidelines	CPR: This presentation	Rates of default, imputation, and application of low-income adjustment		
		Comparison of payments by case characteristics including default, imputation, and application of the low-income adjustment		
Review, and revise, if appropriate, the child support guidelines	Commission and Legislative Regulation Review Committee	Provide meaningful opportunity for public input, including input from low-income parties	Representation on Commission and Regulation Process	
		Obtain the views and advice of the IV-D agency	Representatives on Commission	
		Publish report on internet, membership of reviewing body, and effective date of the guidelines and next review	Updated Child Support and Arrearage Guidelines if Changes	

Child Support Schedule: Part Economic Data and Part Policy

This slide appeared in the Feb. Materials

Example with no income deductions or adjustments

1 Child
 Parent A: \$1,000
 Parent B: \$ 500
 Combined = \$1,500

Basic obligation from schedule = \$278

Parent A Income/Combined Income = 67%

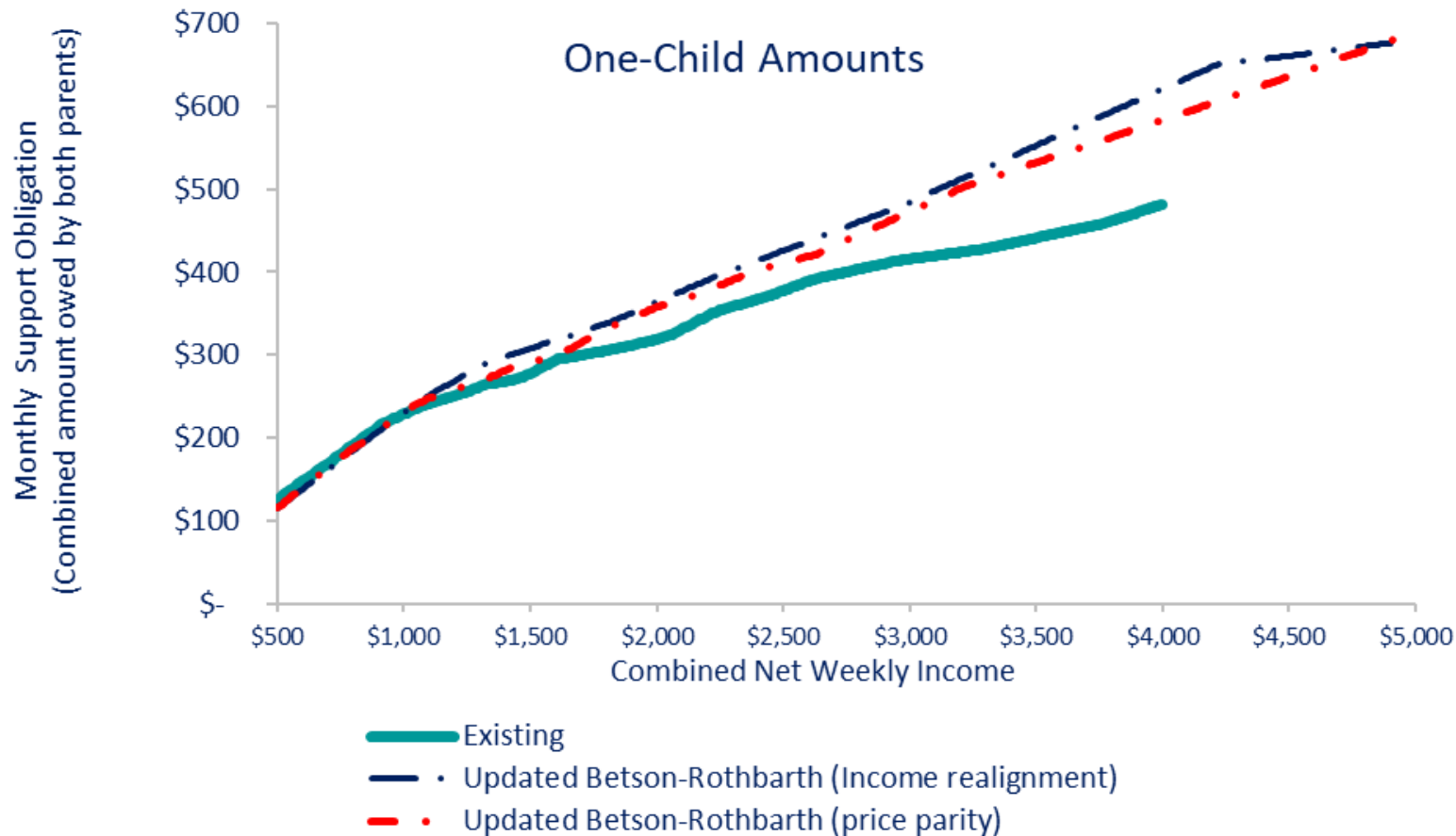
Order = \$278 X 67% = \$186 per week

Combined Net Weekly Income	One Child	Two Children	Three Children
1500	18.51% 278	27.61% 414	32.62% 489
1510	18.50% 279	27.59% 417	32.58% 492
1520	18.48% 281	27.56% 419	32.54% 495
1530	18.47% 283	27.54% 421	32.51% 497
1540	18.45% 284	27.51% 424	32.47% 500
1550	18.44% 286	27.49% 426	32.44% 503
1560	18.43% 287	27.46% 428	32.40% 506
1570	18.41% 289	27.44% 431	32.37% 508

Assumptions and Data Underlying Existing Schedule & What Could Be Updated (*updated from Feb presentation*)

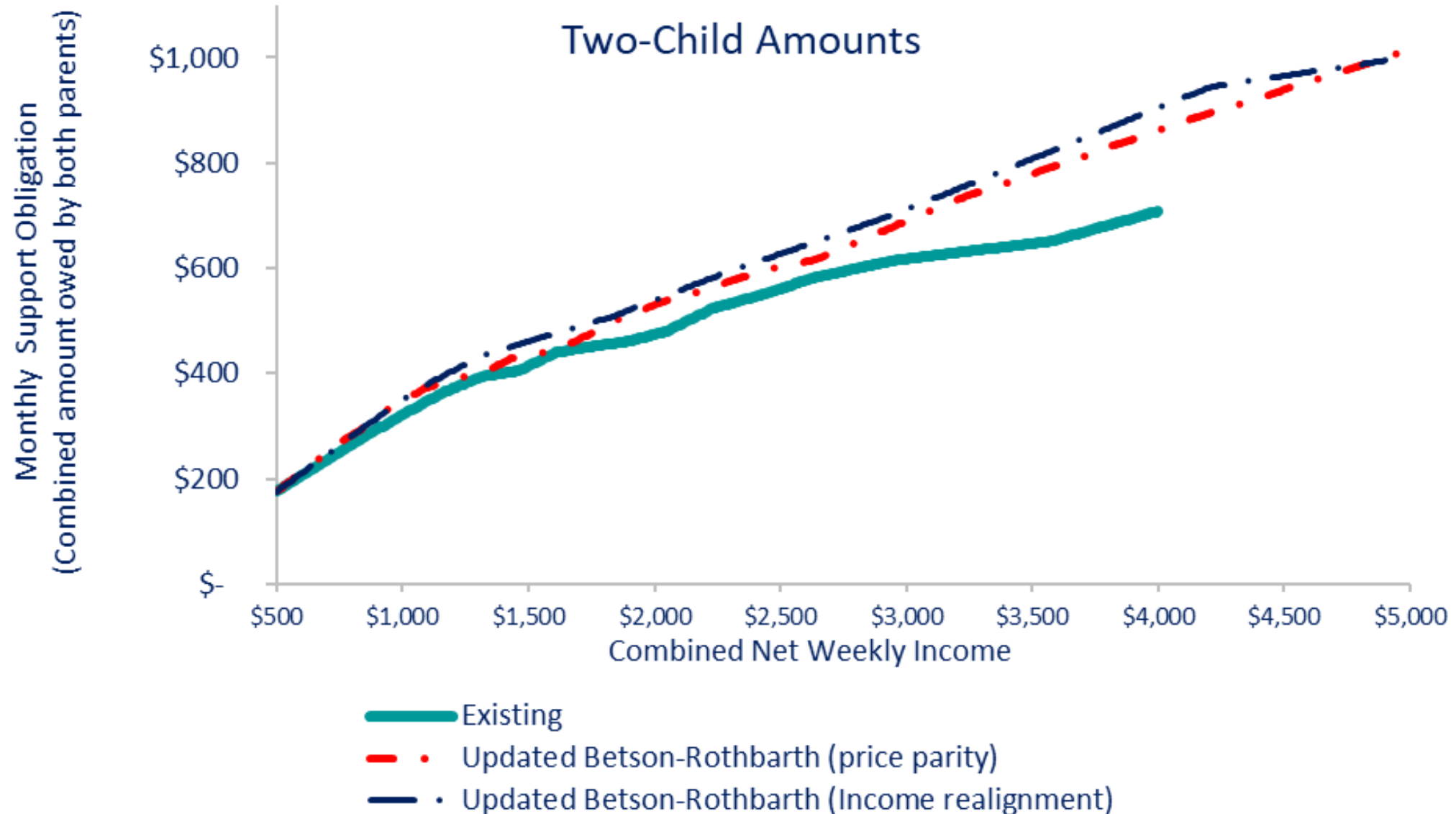
	Basis of Existing Schedule	Update Alternatives
1. Guidelines model	Income Shares (used by 41 states)	Other models
2. Price levels	March 2012 price levels	Dec. 2022 (29.4% increase) July 2023 (33.3% increase)
3. Measurement of child-rearing expenditures	4 th Betson-Rothbarth study (BR4) from expenditure data collected in 2004-09	BR5 (2013-2019 expenditure data), USDA, and other studies
4. Adjustments for CT higher income/cost of living	<ul style="list-style-type: none"> Income realignment (CT 3rd highest state in 2010) 	<ul style="list-style-type: none"> Income realignment (CT is 6th highest state in 2021) Price parity (102.6) CT ranks 13th in 2021 median gross rent
5. Adjusted so no decrease	Higher of existing (2005 schedule) and BR4 income aligned: 2005 schedule applies to net weekly incomes below \$1,250 for 1child; \$920 for 2 children; and about \$600 for 3 or more children	Policy decision
6. Lowest and highest income to be considered	Combined net incomes of \$50 - \$4,000 per week	Depends on economic basis and adjustment for CT incomes (e.g., BR study allows for up to about \$5,000 per week)
7. Spending more/less of after-tax income	Use actual ratios with cap	District of Columbia approach (after-tax income = expenditures, which would increase schedule amounts)
8. Highly variable child-rearing expenses excluded from schedule	Childcare & healthcare expenses excluded from schedule	Various options
9. Low-income adjustment & minimum order	2012 federal poverty guidelines for 1 person = \$215 per week and 10-12% minimum order at net income of \$50 per month	2023 FPG: \$280 per week

Comparisons: 1 Child (*updated to July 2022 price levels*)

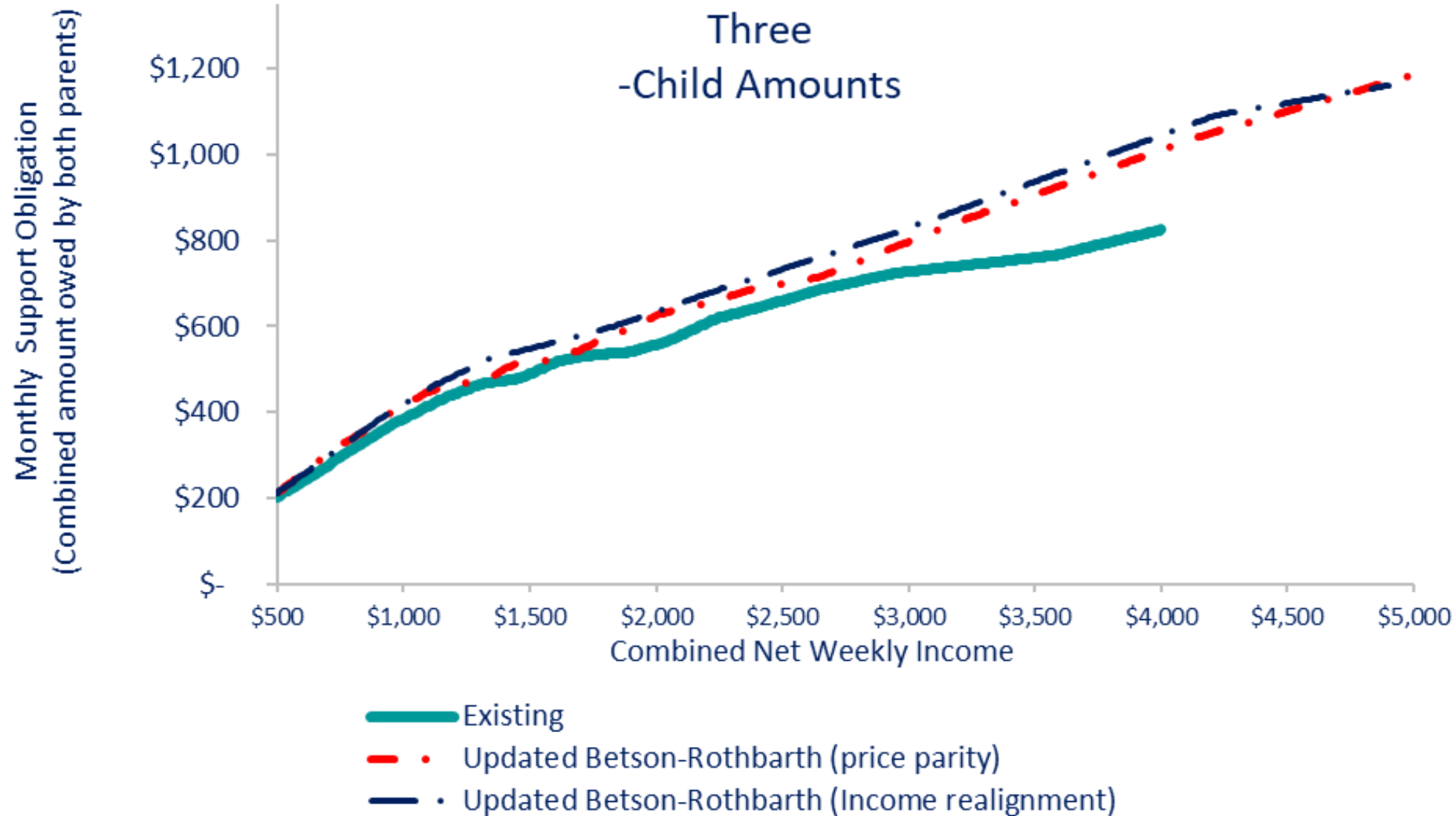


- Comparisons start at combined net incomes of \$500 per week (lower incomes may be eligible for low-income adjustment).
- Updated BR (price parity and income realignment) generally track closely except at higher incomes
- Updated BR (income realignment) slightly more than BR (price parity)
- Updated BR (income realignments bows from lowest and highest of incomes.
- Gap between existing and BR widens with more income

Comparisons: 2 Children (*updated to July 2022 price levels*)



Comparisons: 3 Children (*updated to July 2022 price levels*)



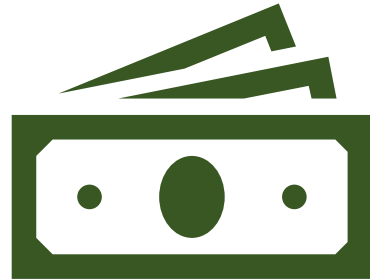
Findings about BR5 Updates (*updated to July 2023 price levels from Dec. 2022 price levels in Feb. presentation*)

Mostly Increases for combined net incomes of \$500 - \$4,000 per week

	1 Child		2 Children		3 Children	
	Realign.	Price Parity	Realign.	Price Parity	Realign.	Price Parity
Average Increase	\$59 (15%) <u>\$62 (16%)</u>	\$43 (11%) <u>\$45 (12%)</u>	\$74 (13%) <u>\$78 (14%)</u>	\$54 (9%) <u>\$58 (10%)</u>	\$84 (13%) <u>\$89 (14%)</u>	\$60 (9%) <u>\$65 (10%)</u>
Median Increase	\$44 (12%) <u>\$48 (13%)</u>	\$31 (9%) <u>\$35 (10%)</u>	\$59 (11%) <u>\$64 (12%)</u>	\$37 (7%) <u>\$43 (8%)</u>	\$65 (10%) <u>\$73 (12%)</u>	\$39 (8%) <u>\$45 (8%)</u>
Maximum	\$137 (28%) <u>\$139 (29%)</u>	\$96 (21%) <u>\$101 (22%)</u>	\$192 (27%) <u>\$196 (28%)</u>	\$147 (21%) <u>\$153 (22%)</u>	\$215 (26%) <u>\$220 (27%)</u>	\$180 (22%) <u>\$185 (22%)</u>
Weekly Combined Incomes with Increases More than 15%	➤ -\$2,930 ➤ <u>\$2,900</u>	➤ -\$3,050 ➤ <u>\$3,060</u>	➤ -\$3,000 ➤ <u>\$3,000</u>	➤ -\$3,170 ➤ <u>\$3,160</u>	➤ -\$3,070 ➤ <u>\$3,060</u>	➤ -\$3,270 ➤ <u>\$3,260</u>

SOME DECREASES for BOTH BR UPDATES

- 1 child: decrease of \$1 to \$10 per week for combined net incomes up to ~~\$980~~ 950 per week)
 - Decreases are closest to \$10 at lower incomes (i.e., about \$500 per week) and become smaller with more income
 - All decreases less than 8%
- No decreases for 2+ children



Findings from the Analysis of Case File Data and Labor Market Data

Federal Requirements for Analysis of Case File Data

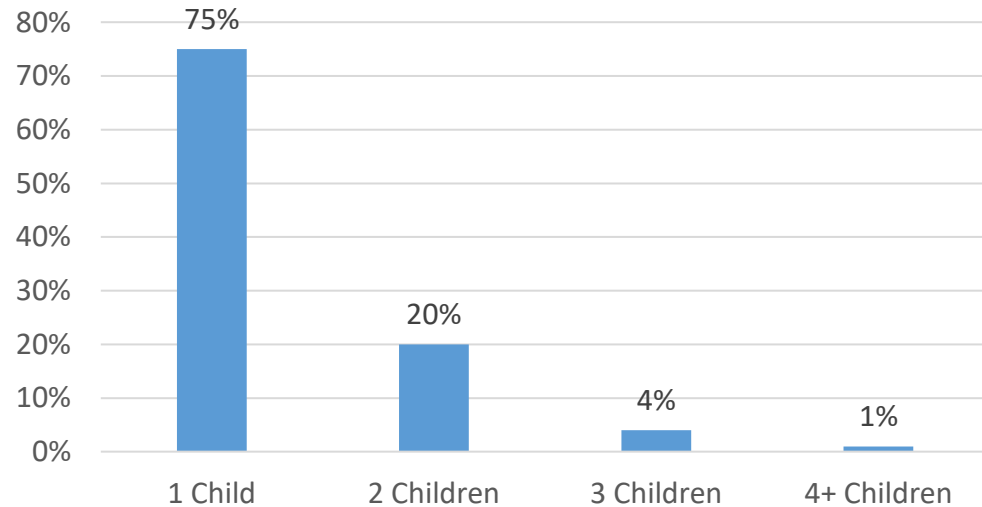
Federal Requirements for Analysis of Case File Data

- Application of the guidelines and deviations from the guidelines
- Rates of:
 - Income imputation
 - Application of the low-income adjustment
 - Defaults
- Analysis of payments

1,859 Orders Extracted for Analysis

- Case file data from the automated system supporting Connecticut Department of Social Services (DSS) Office of Child Support Services (OCSS)
 - Does not include non-OCSS cases
- Cases with current support orders established during Federal Fiscal Year 2021-2022 (Oct. 1, 2021 – Sept. 30, 2022)
 - Payment data from the following 5 months (Oct. 2022 – Feb. 2023)

Overview of Case File Data

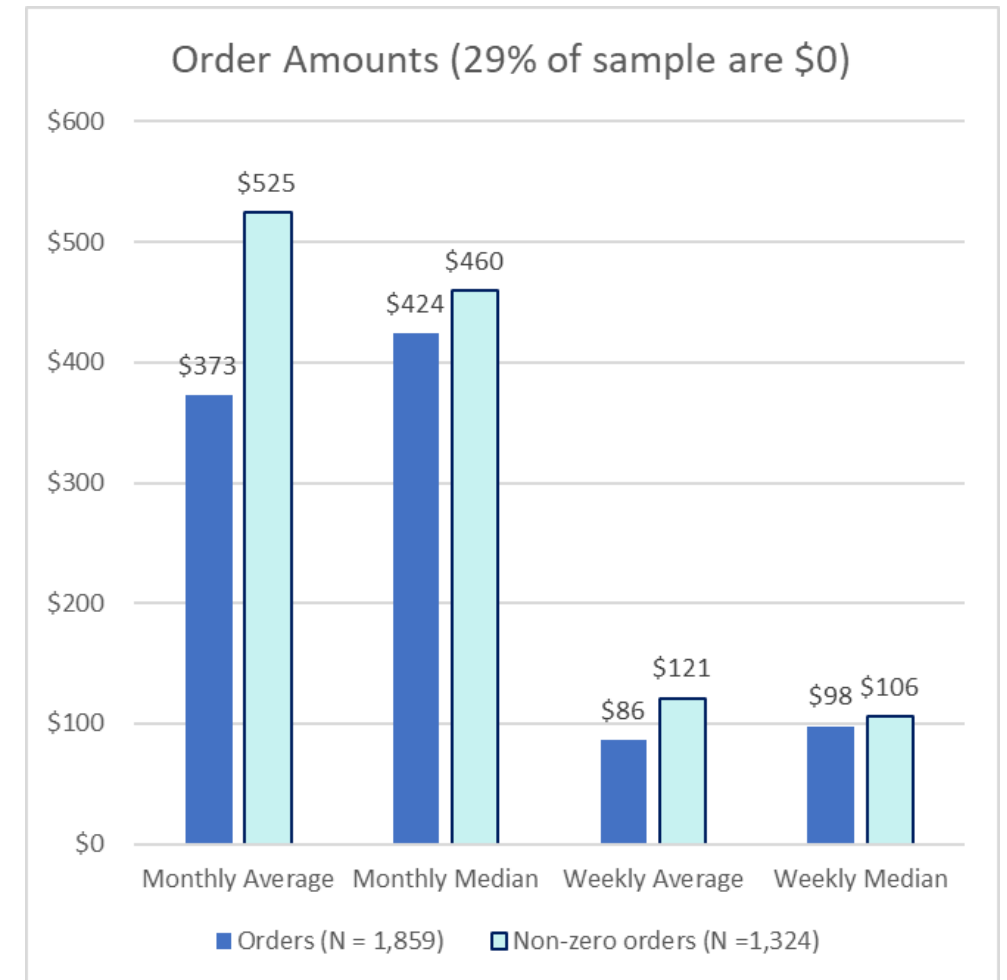


Each of these DSS offices had at least 10% of orders

- Bridgeport (12%)
- Danbury 10%
- Hartford (22%)
- Middletown (14%)

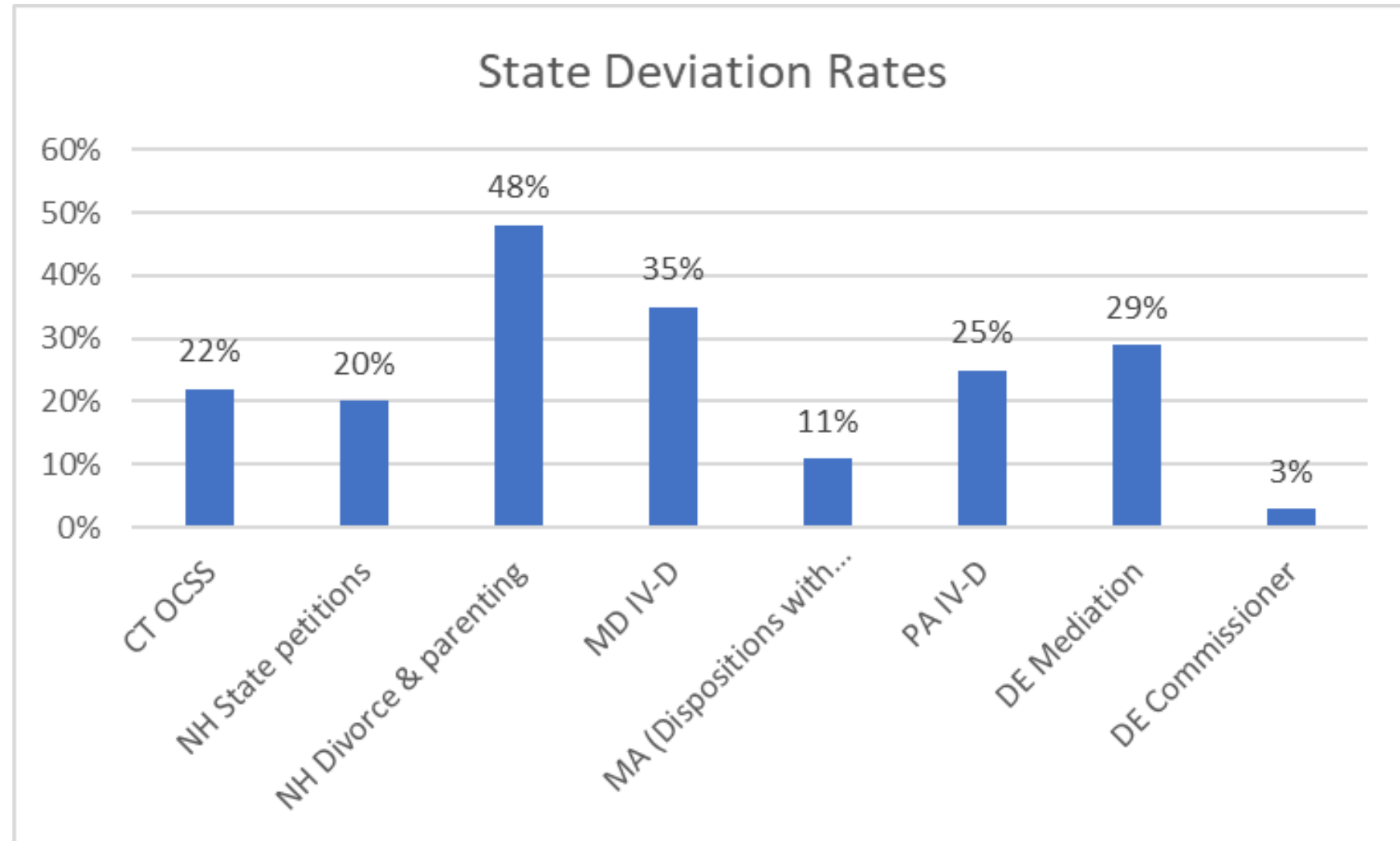
Subtotal: 58%

The combined percentage for the remaining offices was 42%



CT Deviation Rate = 22.4%

Based on data from other states, deviation rates tend to vary by data source and IV-D status. Generally, IV-D deviation rates are lower; and non-IV-D deviation rates are higher (e.g., NH divorce & parenting cases).



CT Deviation Reasons

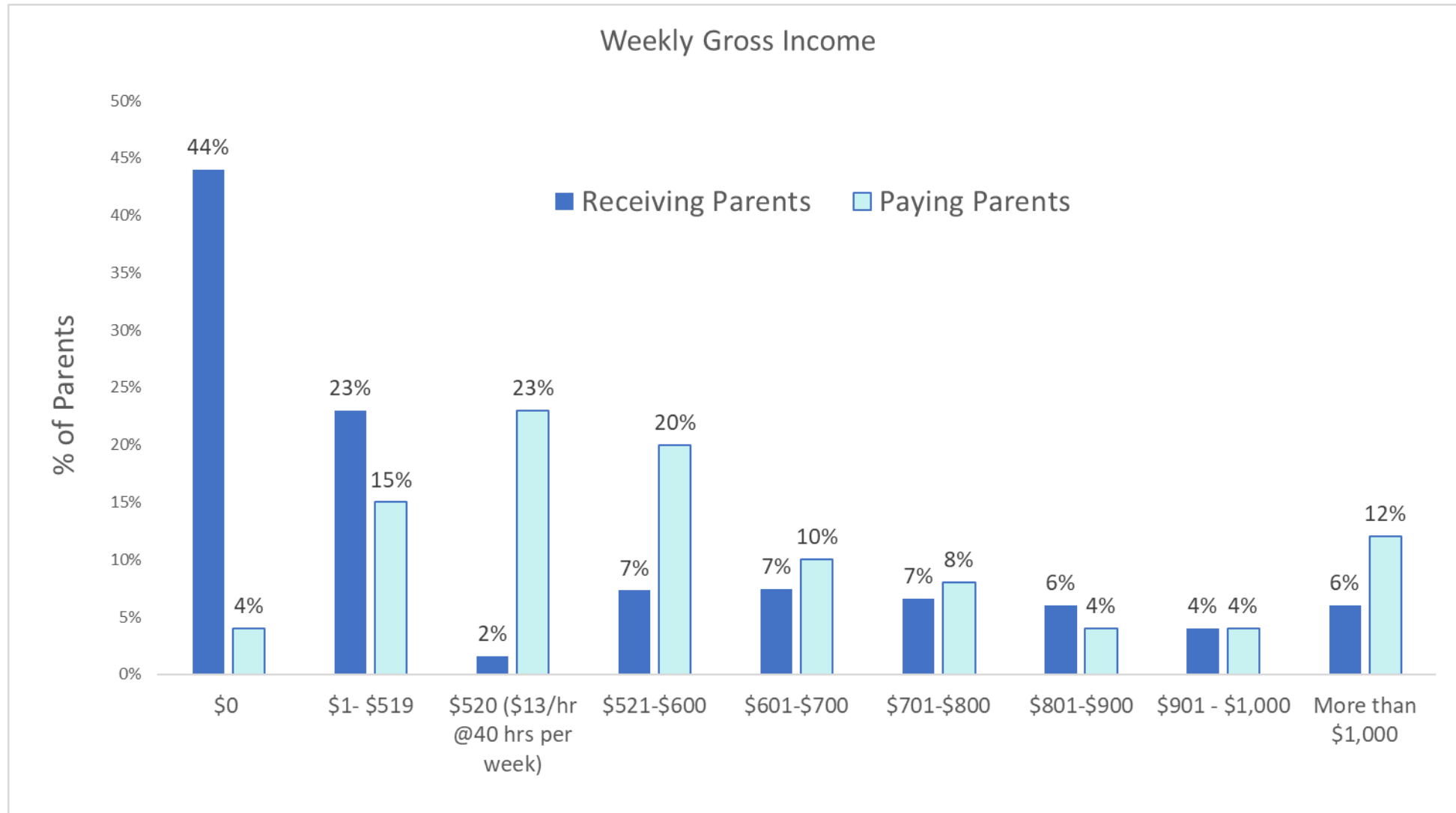
Excerpt from CT guidelines worksheet: Top 3 circled

VIII. DEVIATION CRITERIA (Attach additional sheet if necessary.)		
36. Reason(s) for deviation from presumptive support amounts: <input type="checkbox"/> check here if requesting a deviation by agreement (Check all boxes that apply.)		
Parent's other financial resources	Extraordinary parental expenses	Coordination of total family support
<input type="checkbox"/> substantial assets	<input type="checkbox"/> significant visitation expenses	<input type="checkbox"/> division of assets and liabilities
<input checked="" type="checkbox"/> parent's earning capacity	<input type="checkbox"/> unreimbursed employment expenses	<input type="checkbox"/> provision of alimony
<input type="checkbox"/> parental support provided to a minor obligor	<input type="checkbox"/> unreimbursed medical/disability expenses	<input type="checkbox"/> tax planning considerations
<input type="checkbox"/> recurring gifts of spouse or domestic partner		
<input type="checkbox"/> employment over 45 hours per week	Needs of parent's other dependents	Special circumstances
	<input type="checkbox"/> resources available to qualified child	<input type="checkbox"/> shared physical custody
Extraordinary expenses for child	<input type="checkbox"/> child care expenses for qualified child	<input type="checkbox"/> extraordinary disparity in parental income
<input type="checkbox"/> education expenses	<input type="checkbox"/> verified support for non-resident child	<input checked="" type="checkbox"/> best interests of the child
<input type="checkbox"/> unreimbursable medical expenses	<input type="checkbox"/> significant and essential needs of a spouse	<input type="checkbox"/> total award exceeds 55% of obligor's net
<input type="checkbox"/> special needs		<input checked="" type="checkbox"/> other equitable factors (explain)

Deviation reason (n = 416)

Parent's other financial resources	
Substantial assets	<0.5%
Parent's earning capacity	19%
Parental support provided to a minor child, Recurring gifts of spouse or domestic partner, Employment over 45 hours per week	
Extraordinary expenses for the child	
Education expenses	
Unreimbursable medical expenses	<0.5%
Special needs	<0.5%
Extraordinary parental expenses	
Significant visitation expense	2%
Parental spt to minor obl	<0.5%
Unreimbursed employment expenses, & Unreimbursed medical/disability expenses	
Needs of parent's other dependents	
Resources available to qualified child, child care expenses	
Significant and essential needs of a spouse	<0.5%
Verified support for non-resident child (prior order established)	1%
Coordination of total family support	
Division of assets and liabilities, provision of alimony, tax planning	
Specific circumstances	
Shared physical custody, total award exceed 55% net	
Extraordinary disparity in parental income	<0.5%
Best interest of the child	32%
Other equitable factors (explain)	11%
Magistrate gave no reason	15%
Recalculation done in court	14%

Income Distribution



23% of paying parents with \$520 per week is reflection of income imputation at state min. wage Jan – June 2021.

Imputed Income to Paying Parent and Defaults

Connecticut

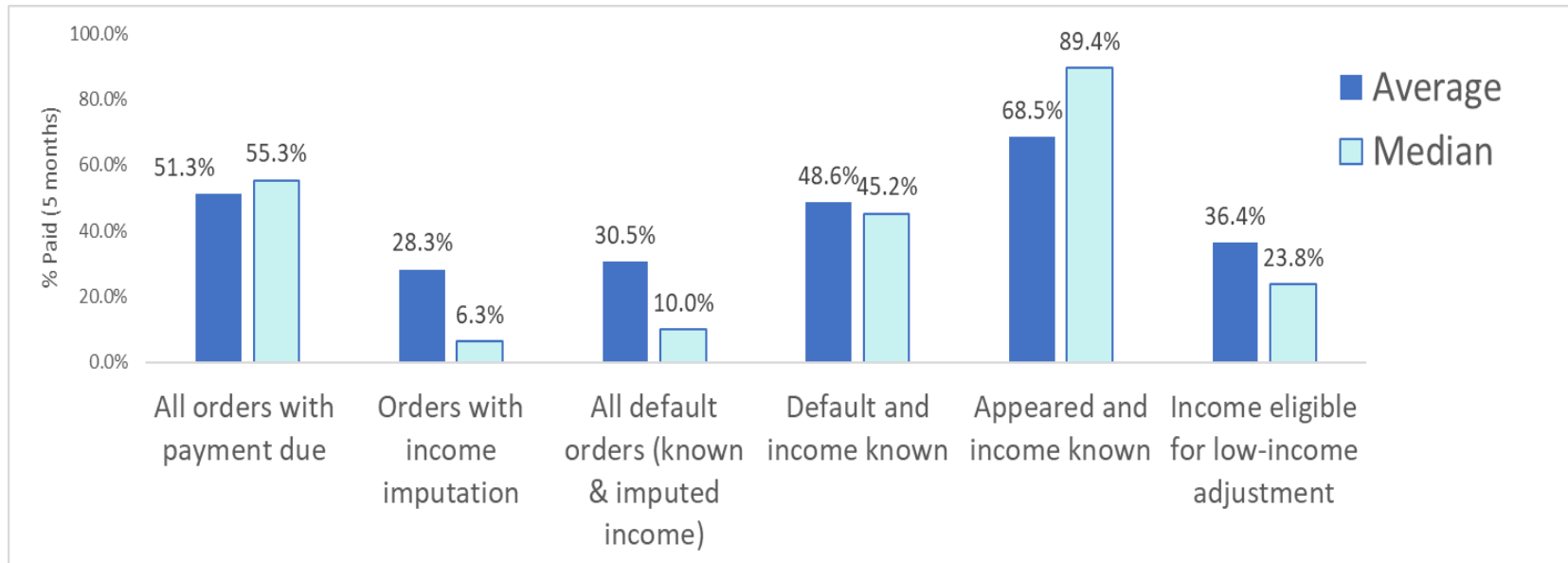
27% Income imputation rate

28% Default rate (income known or imputed)

- Default & income known: 10%
- Default & income imputed: 18%

39% Appeared & income known

Percentage of Support Paid



Other States

DE: 33% income imputation

MA: 11% combined default & income imputation

MD: 23% income imputation rate

PA: 11% income imputation rate

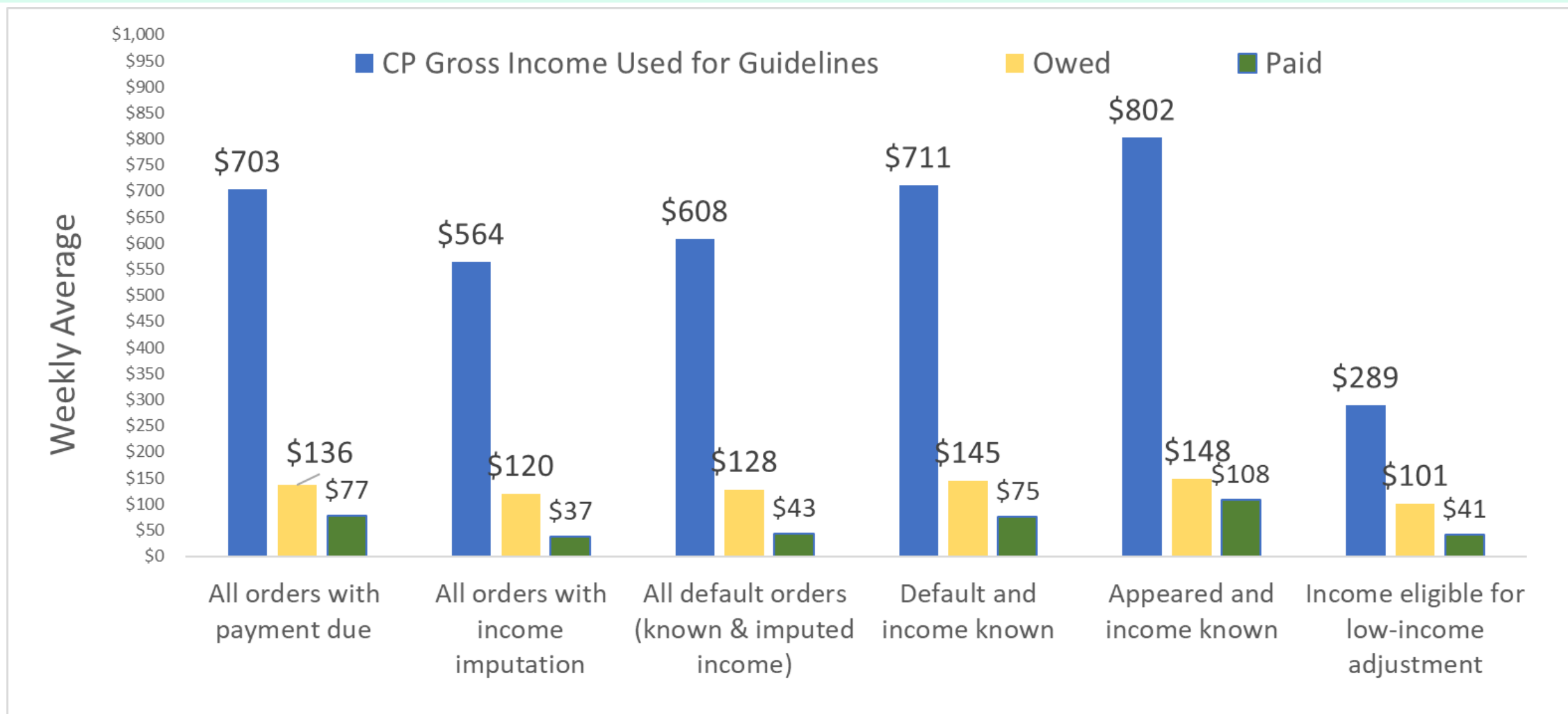
NH state petitions: 49% default rate

NH divorces and parenting: 8% default rate

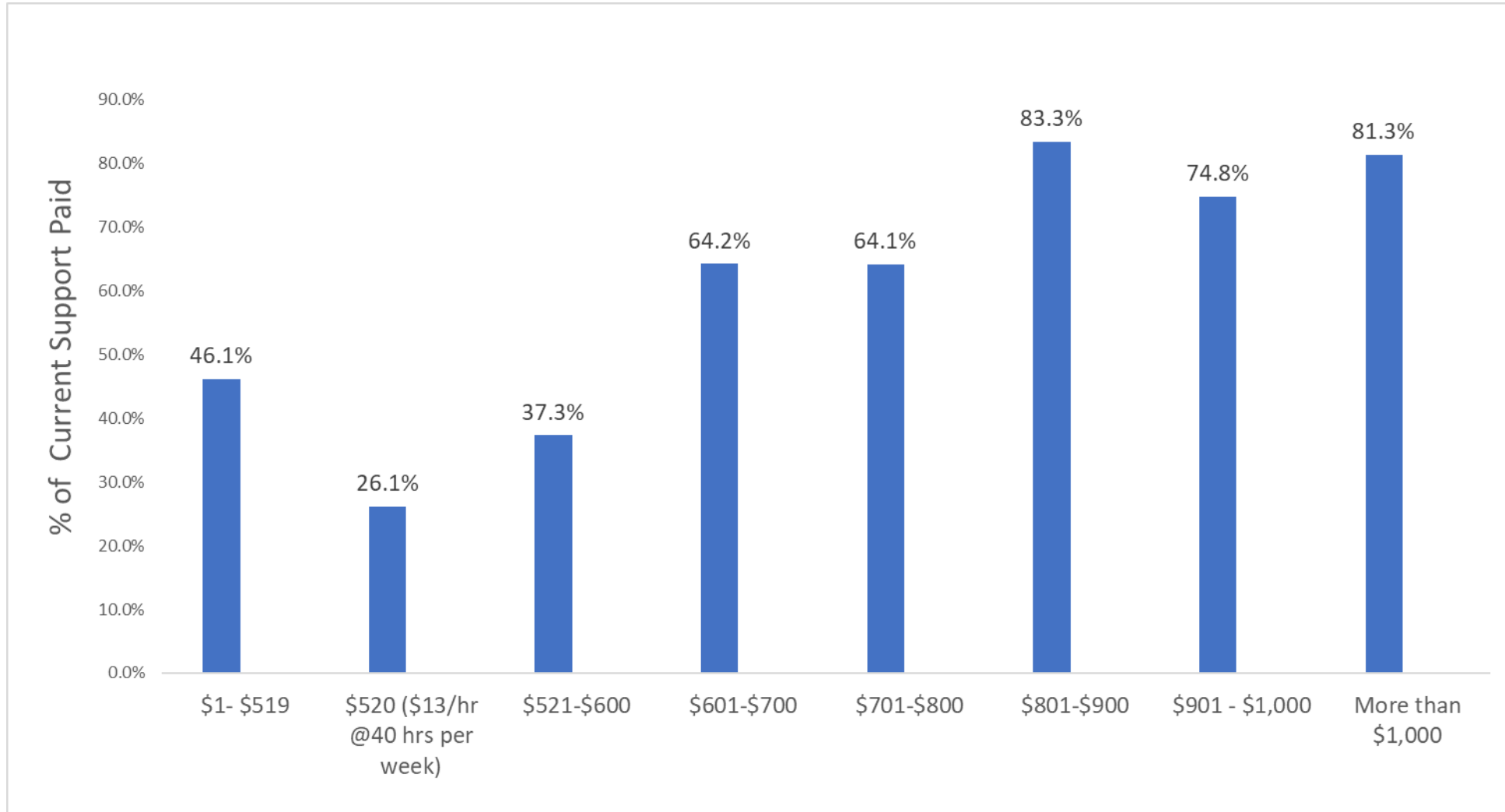
NH state petitions: 38% income imputation rate

NH divorces and parenting: 3% income imputation rate

Weekly Averages: Income, Order Amount, & Dollar Paid (n = 1,389)



Percentage of Current Support Paid by Noncustodial Parent's Gross Weekly Income



The lowest percentage paid occurs at common imputed income amounts: \$520 is 2021 min. wage; \$560 is 2022 min. wage; and \$600 is 2023 min wage.

Labor Market Analysis

2023 State minimum wage = \$15/hr

- 40-hour workweek = \$600 gross per week,
 - About \$480 net per week

Findings from CT Labor Market Analysis (July 2023)

- Unemployment rate 3.6% (U.S. 3.5%)
- Ranges from 2.2% in North Canaan and Deep River to 6.4% in Hartford
- Labor force participation rate: 64.1%
- Average hours for CT private industry Jul. 2023): 33.4 hours per week
- Average hours for CT leisure and hospitality: (25.3 hrs)
- Small decreases in construction and manufacturing from Jan. 1, tourism up

National data:

- 55% of all workers work at hourly wage
- 35% of nonresidential parents had incomes below 200% poverty
 - Less likely to work f-t, year round
 - Lower levels of highest educational attainment
- Few low-wage earners have paid sick and vacation time
- Low-paying jobs often don't offer 40-hour workweeks

Employment Projections: Top 10 Occupations Requiring less than 1 Month of Training & Earnings

- Cashiers: \$15.31/hr
- Fast food and counter workers: \$15.47/hr
- Waiters and waitresses: \$20.30/hr
- Retail salesperson: \$18.77/hr
- Laborers and freight, stock, and material movers: \$19.06/hr
- Janitors and cleaners: \$19.04/hr
- Stockers and order filers: \$18.56/hr
- Customer service representatives: \$23.15/hr
- Office clerks: \$21.73/hr
- Secretaries and administrative assistants: \$26.36/hr

Examples from Other States: Limiting Income Imputation

- Adopt federal language and apply
- 45 C.F.R 302.56(c)(1)(iii) If imputation of income is authorized, takes into consideration the specific circumstances of the noncustodial parent (and at the State's discretion, the custodial parent) to the extent known, including such factors as the noncustodial parent's assets, residence, employment and earnings history, job skills, educational attainment, literacy, age, health, criminal record and other employment barriers, and record of seeking work, as well as the local job market, the availability of employers willing to hire the noncustodial parent, prevailing earnings level in the local community, and other relevant background factors in the case.
- Encourage verbal testimony & review of all sources of income (see DC in attachment)
- Treat income imputation like deviation (e.g., DC requires a finding that parent can earn more/shirking responsibility and documentation)
- As last resort impute income at something less than 40 hours/52 weeks per year (e.g., See CO, which uses 32 hrs/50 weeks, in attachment)
- Apply low-income adjustment at common income imputation amounts
- Training of agency staff and courts
- Encourage appearance and communication with child support agency
 - E.g., simplified forms and notices in plain speak and text and refrigerator magnet reminders
 - See findings and resources from federal Office of Child Support Services Behavioral Economics Demonstration projects <https://www.acf.hhs.gov/css/grants/current-grants/bics>
- Other?

Low-Income Adjustment

- Low-income adjustment is shown by shaded area (based on 2012 Federal Poverty Guidelines for 1 person) = \$215 per week
- 2023 FPG = \$280 per week
- Findings from Case file Data
 - 13.5% of paying parents had incomes eligible for the low-income adjustment
 - Median order = \$190 per week
 - Median gross income = \$234 per week
 - Median order amount as % of gross income = 14.3%
 - Median percentage of current support paid = 23.7%, average = 36.4%
- Best practices:
 - Use state minimum wage (e.g., AZ uses 80% of FT earnings at state min wage) or more than 100% FPG (e.g., NJ uses 150% of FPG)
 - Index and put in worksheet so can be updated annually and administratively without technical assistance

Combined Net Weekly Income	One Child		Two Children		Three Children		Four Children		Five Children		Six Children	
50	10.00%	5	10.40%	5	10.80%	5	11.20%	6	11.60%	6	12.00%	6
60	10.00%	6	10.54%	6	11.08%	7	11.62%	7	12.16%	7	12.70%	8
70	10.00%	7	10.68%	7	11.36%	7	12.04%	8	12.72%	8	13.40%	9
80	10.00%	8	10.82%	9	11.64%	9	12.46%	10	13.28%	11	14.10%	11
90	10.00%	9	10.96%	10	11.92%	11	12.88%	12	13.84%	12	14.80%	13
100	10.00%	10	11.10%	11	12.20%	12	13.30%	13	14.40%	14	15.50%	16
110	10.00%	11	11.24%	12	12.48%	14	13.72%	15	14.96%	16	16.20%	18
120	10.00%	12	11.38%	14	12.76%	15	14.14%	17	15.52%	19	16.90%	20
130	10.00%	13	11.52%	15	13.04%	17	14.56%	19	16.08%	21	17.60%	23
140	10.00%	14	11.66%	16	13.32%	19	14.98%	21	16.64%	23	18.30%	26
150	10.00%	15	11.80%	18	13.60%	20	15.40%	23	17.20%	26	19.00%	29
160	10.00%	16	14.62%	23	16.78%	27	18.70%	30	20.57%	33	22.46%	36
170	12.29%	21	17.10%	29	19.59%	33	21.62%	37	23.55%	40	25.50%	43
180	14.32%	26	19.31%	35	22.08%	40	24.21%	44	26.19%	47	28.21%	51
190	16.14%	31	21.29%	40	24.32%	46	26.53%	50	28.56%	54	30.64%	58
200	17.78%	36	23.07%	46	26.33%	53	28.62%	57	30.69%	61	32.82%	66
210	19.26%	40	24.68%	52	28.14%	59	30.50%	64	32.62%	68	34.80%	73
220	20.61%	45	26.14%	58	29.80%	66	32.22%	71	34.37%	76	36.59%	81
230	21.84%	50	27.48%	63	31.30%	72	33.79%	78	35.97%	83	38.23%	88
240	22.96%	55	28.70%	69	32.69%	78	35.22%	85	37.43%	90	39.73%	95
250	23.46%	59	29.83%	75	33.96%	85	36.54%	91	38.78%	97	41.11%	103
260	23.97%	62	30.87%	80	35.13%	91	37.76%	98	40.03%	104	42.39%	110
270	24.47%	66	31.83%	86	36.22%	98	38.89%	105	41.18%	111	43.57%	118
280	24.97%	70	32.73%	92	37.23%	104	39.94%	112	42.25%	118	44.67%	125
290	25.47%	74	33.56%	97	38.17%	111	40.92%	119	43.25%	125	45.69%	133
300	25.48%	78	35.00%	105	39.05%	117	41.83%	125	44.18%	133	46.64%	140
310	25.45%	79	35.24%	109	39.87%	124	42.68%	132	45.05%	140	47.53%	147
320	25.44%	81	35.48%	114	40.64%	130	43.48%	139	45.86%	147	48.37%	155
330	25.43%	84	35.71%	118	41.36%	137	44.23%	146	46.63%	154	49.16%	162
340	25.41%	86	35.95%	122	41.39%	141	44.94%	153	47.35%	161	49.89%	170
350	25.40%	89	35.91%	126	41.42%	145	45.61%	160	48.03%	168	50.59%	177
360	25.38%	91	35.88%	129	41.45%	149	45.68%	164	48.67%	175	51.25%	185
370	25.37%	94	35.84%	133	41.48%	153	45.76%	169	49.28%	182	51.87%	192
380	25.36%	98	35.81%	136	41.51%	158	45.84%	174	49.86%	189	52.46%	199
390	25.34%	99	35.78%	140	41.48%	162	45.92%	179	50.40%	197	53.02%	207
400	25.33%	101	35.75%	143	41.45%	168	46.00%	184	50.42%	202	53.55%	214
410	25.32%	104	35.72%	146	41.43%	170	46.08%	189	50.45%	207	54.06%	222
420	25.31%	108	35.70%	150	41.40%	174	46.16%	194	50.47%	212	54.11%	227
430	25.30%	109	35.67%	153	41.38%	178	46.13%	198	50.49%	217	54.17%	233
440	25.27%	111	35.62%	157	41.29%	182	46.04%	203	50.51%	222	54.22%	239
450	25.25%	114	35.55%	160	41.20%	185	45.93%	207	50.53%	227	54.28%	244
460	25.22%	116	35.48%	163	41.10%	189	45.83%	211	50.41%	232	54.33%	250
470	25.20%	118	35.42%	168	41.01%	193	45.73%	215	50.30%	236	54.39%	256
480	25.18%	121	35.36%	170	40.92%	198	45.63%	219	50.19%	241	54.44%	261
490	25.16%	123	35.30%	173	40.84%	200	45.54%	223	50.09%	245	54.50%	267

Simplified Example of Low-Income Adjustment in Worksheet

Major Strength: Can be updated annually for changes in poverty or state minimum wage

Major Weakness: Big change

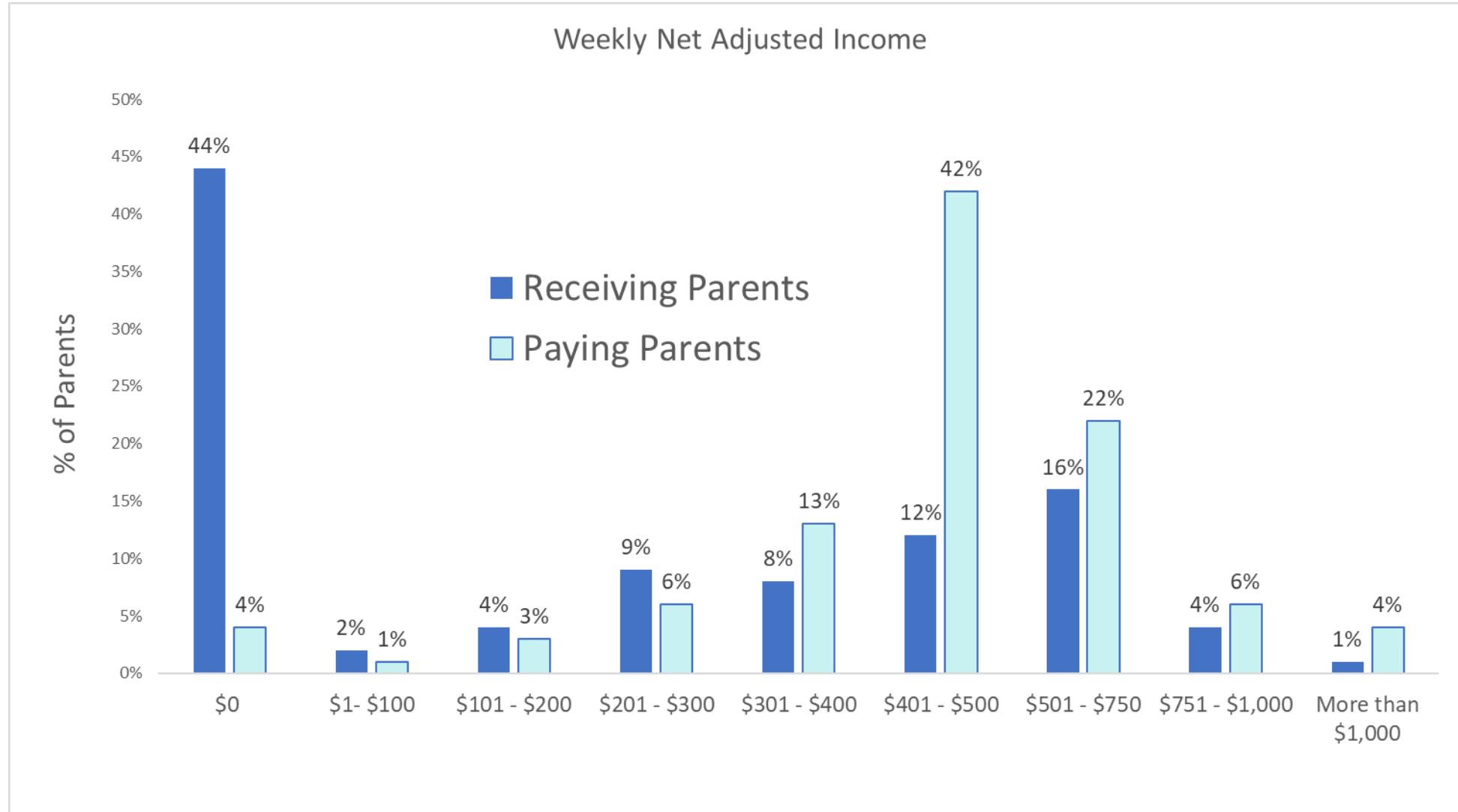
	Parent A	Parent B
Line 14. Net Weekly Income	\$400	\$600
II. CURRENT SUPPORT		
Line 15 Combined net weekly income	\$1,000	
Line 16. Basic child support obligation (from Schedule of Basic Child Support Obligation) for 6 children	\$514	
Line 17. Each parent's percentage share of Line 15	40%	60%
Line. 18 Each parent's share of the basic child support obligation	\$205	\$308
Line 20/Line 30 Preliminary presumptive current support amount for noncustodial parent		\$308
NEW SECTION: ABILITY TO PAY/SELF-SUPPORT RESERVE		
Line X: Self-Support Reserve (130% of poverty = $130\% \times \$280 = \364 per week)		\$364
Line Y: Income available for current support (Line 18 minus Line X)		\$236
Line Z: Current support amount after consideration of ability to pay/self-support reserve (Lower of Line 20/Line 30 and Line Y)		\$236

Amount of SSR is a policy decision, worksheet can be designed to have minimum order and other attributes

Other Findings from Case File Data

	All Orders (N = 1,859)		Orders Established by Appearance and Known Income (n = 706)	
	Receiving Parent	Paying Parent	Receiving Parent	Paying Parent
Income deduction for medical/hospital/dental insurance (Line 6 on worksheet)	19% Average = \$22/wk	36% Average = \$21/wk	24% Average = \$27/wk	45% Average = \$30/wk
Income deduction for non-arrearage payments on court ordered alimony and child support (Line 11 on worksheet)	<0.5%	16%	None	16%
Income deduction to support qualified children (Line 12 on worksheet)	14%	7%	25%	10%
Social security dependency benefits adjustment (Line 19 on worksheet)	None	<0.5%	None	<0.5%

Distribution of Net Incomes



On average, the paying parent's income is 55% of combined income



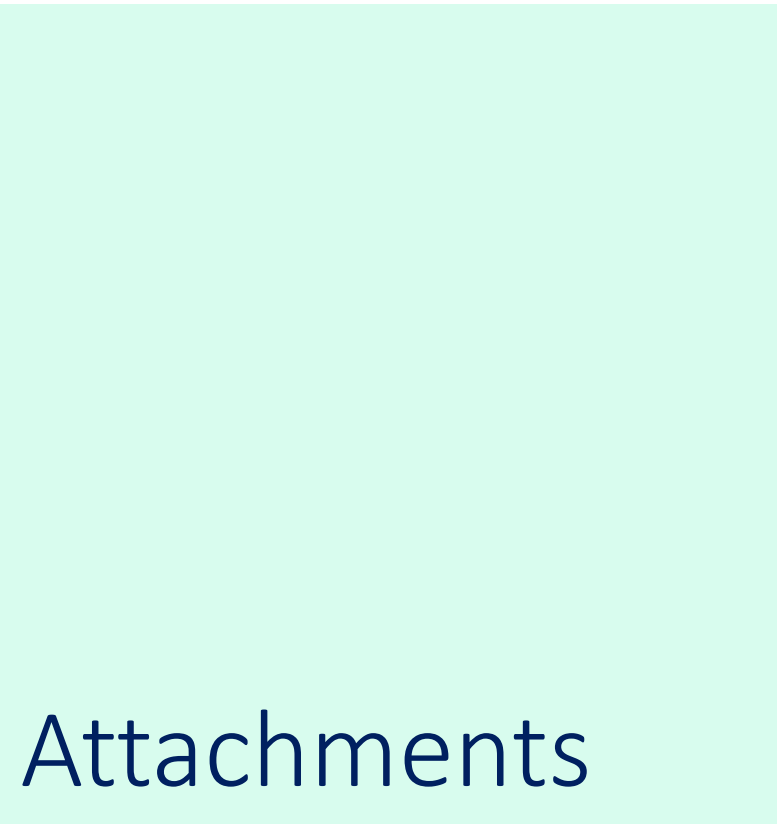
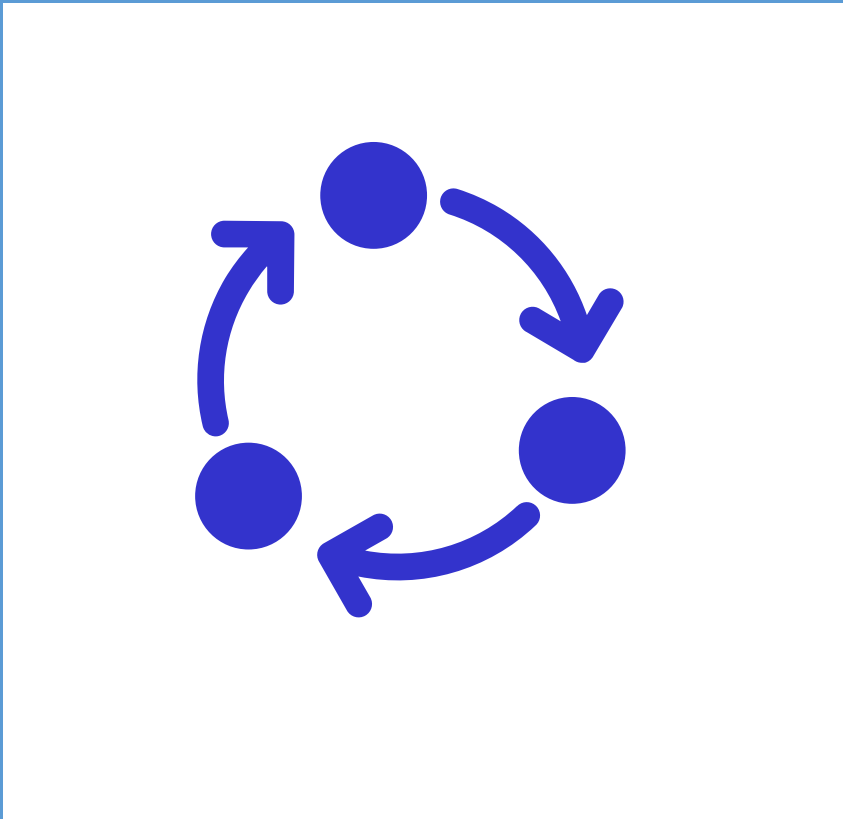
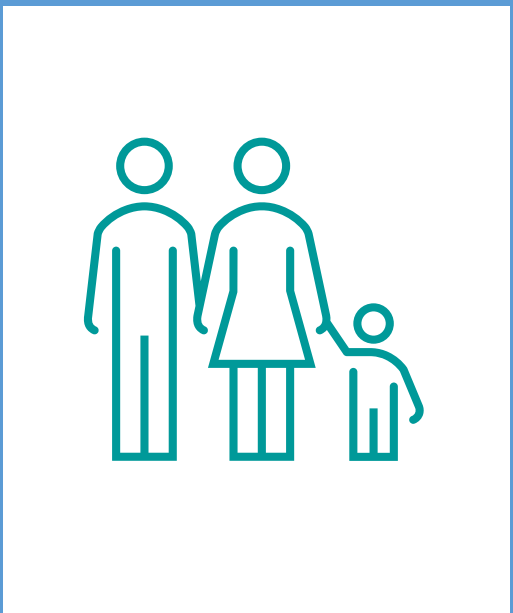
Summary, Suggested Considerations and Next Steps

Summary and Suggested Considerations

- Summary
 - There are new federal requirements of state guidelines and guidelines reviews
 - Economic: There is new economic data on the cost of raising children; the existing schedule is based on 2012 data
 - Income imputation at 40 hr per week at minimum wage is common
 - Many low-paying jobs offer less than 40-hour per week and often less than 52 weeks per year are paid
- Economic Considerations:
 - Should the schedule be updated using updated BR? If so, should it account for Connecticut's income using income realignment or price parity?
 - Be extended from maximum combined income of \$4,000 per week to \$5,000 per week?
 - Should the amount of the low-income adjustment be increased and expanded to higher incomes?
 - Should the low-income adjustment approach be modified (e.g., put in worksheet)?
- Non-economic Considerations
 - Tweak income imputation considerations to lessen income imputation at f-t, state minimum wage
 - Other tweaks (see slide 5 from Feb. presentation)

Examples from Other States: Income Imputation

- CPR
 - What additional information is needed for decision making?
 - Updating low-income adjustment in schedule requires decision to use price parity or income realignment
- Commission
- Timelines



Attachments

Examples from Other States: Income Imputation

<p>MA</p>	<p>D. Imputation of income When the Court finds that a parent has, in whole or in part, undocumented or unreported income, the Court may reasonably impute income to the parent based on all the evidence submitted, including, but not limited to, evidence of the parent’s ownership and maintenance of assets, and the parent’s lifestyle, expenses and spending patterns. Expense reimbursements, in-kind payments or benefits received by a parent, personal use of business property, and payment of personal expenses by a business in the course of employment, self-employment, or operation of a business may be included as income if such payments are significant and reduce personal living expenses. In circumstances where the Court finds that a parent has unreported income, the Court may adjust the amount of income upward by a reasonable percentage to take into account the absence of income taxes that normally would be due and payable on the unreported income.</p> <p>E. Attribution of income Income may be attributed where a finding has been made that either parent is capable of working and is unemployed or underemployed. If the Court makes a determination that either parent is earning less than he or she could earn through reasonable effort, the Court should consider potential earning capacity rather than actual earnings in making its child support order. The Court shall consider the age, number, needs and care of the children covered by the child support order. The Court shall also consider the specific circumstances of the parent, to the extent known and presented to the Court, including, but not limited to, the assets, residence, education, training, job skills, literacy, criminal record and other employment barriers, age, health, past employment and earnings history, as well as the parent’s record of seeking work, and the availability of employment at the attributed income level, the availability of employers willing to hire the parent, and the relevant prevailing earnings level in the local community.</p>
<p>PA</p>	<p>A) Earning Capacity Limitation. The trier-of-fact: (I) shall not impute to the party an earning capacity that exceeds the amount the party could earn from one full-time position; and (II) shall determine a reasonable work regimen based upon the party’s relevant circumstances, including the jobs available within a particular occupation, working hours and conditions, and whether a party has exerted substantial good faith efforts to find employment. (B) The trier-of-fact shall base the party’s earning capacity on the subdivision (d)(4)(ii) factors. (C) After assessing a party’s earning capacity, the trier-of-fact shall state the reasons for the assessment in writing or on the record. (D) When the trier-of-fact imputes an earning capacity to a party who would incur childcare expenses if the party were employed, the trier-of-fact shall consider reasonable childcare responsibilities and expenses. (ii) Factors. In determining a party’s earning capacity, the trier-of-fact shall consider the party’s: (A) child care responsibilities and expenses; (B) assets; (C) residence; (D) employment and earnings history; (E) job skills; (F) educational attainment; (G) literacy; (H) age; (I) health; (J) criminal record and other employment barriers; (K) record of seeking work; (L) local job market, including the availability of employers who are willing to hire the party; (M) local community prevailing earnings level; and (N) other relevant factors.</p>

Examples from Other States: Income Imputation

CO

(b.5) (II) In determining potential income, the court or delegate child support enforcement unit shall consider, to the extent known, the specific circumstances of the parent, including consideration of the following information, when available:

(N) Prevailing earnings level in the local community. ~~and~~ THE TYPICAL HOURS AVAILABLE TO WORKERS IN THE PARENT'S JOB SECTOR AS ESTABLISHED BY ANY RELIABLE SOURCE GENERALLY USED AND RELIED ON BY THE PUBLIC OR PERSONS IN A PARTICULAR OCCUPATION, INCLUDING, BUT NOT LIMITED TO, VERIFIED STATEMENTS, WORK HISTORY, THE UNITED STATES DEPARTMENT OF LABOR'S BUREAU OF LABOR STATISTICS OR OTHER RELIABLE COMPILATIONS, THE DEPARTMENT OF LABOR AND EMPLOYMENT, OR OTHER INFORMATION PROVIDED BY THE PARENT. IN THE ABSENCE OF ANY SUCH INFORMATION, THE COURT OR DELEGATE CHILD SUPPORT ENFORCEMENT UNIT SHALL DETERMINE THE PARENT'S INCOME BASED ON A REASONABLE RATE OF PAY FOR A THIRTY-TWO-HOUR WORKWEEK FOR FIFTY WEEKS EACH YEAR, SUBJECT TO OTHER FACTORS SET FORTH IN THIS SECTION THAT MAY AFFECT THE NUMBER OF HOURS THE PARENT IS CAPABLE OF WORKING, SUCH AS AGE, HEALTH, OR THE SPECIFIC NEEDS OF THE SUBJECT CHILD.

DC

§303.4 Establishment of support obligations.
(b) Use appropriate State statutes, procedures, and legal processes in establishing and modifying support obligations in accordance with §302.56 of this chapter, which must include, at a minimum: (1) Taking reasonable steps to develop a sufficient factual basis for the support obligation, through such means as investigations, case conferencing, interviews with both parties, appear and disclose procedures, parent questionnaires, testimony, and electronic data sources; (2) Gathering information regarding the earnings and income of the noncustodial parent and, when earnings and income information is unavailable or insufficient in a case gathering available information about the specific circumstances of the noncustodial parent, including such factors as those listed under §302.56(c)(1)(iii) of this chapter; (3) Basing the support obligation or recommended support obligation amount on the earnings and income of the noncustodial parent whenever available. If evidence of earnings and income is unavailable or insufficient to use as the measure of the noncustodial parent's ability to pay, then the support obligation or recommended support obligation amount should be based on available information about the specific circumstances of the noncustodial parent, including such factors as those listed in §302.56(c)(1)(iii) of this chapter. (4) Documenting the factual basis for the support obligation or the recommended support obligation in the case record