

A close-up photograph of a young child with dark skin and hair, looking intently at an open book held in front of their face. The child's eyes are focused on the pages, and the background is softly blurred, suggesting an indoor setting with natural light.

# Wisconsin's Percentage of Income Standard



# The History of Child Support Establishment in Wisconsin

- Federal Law:
  - 42 USC 657 State Guidelines for Child Support Awards:
    - Each state, as a condition for having its State plan approved under this part, must establish guidelines for child support award amounts within the State. The guidelines may be established by law or by judicial or administrative action and shall be reviewed at least once every 4 years to ensure that their application results in the determination of appropriate child support award amounts.



# State Law

- Wis. Stat. 49.22 Child and spousal support; establishment of paternity; medical liability:
  - (9) The department shall promulgate rules that provide a standard for courts to use in determining a child support obligation based upon a percentage of the gross income and assets of either or both parents. The rules shall provide for consideration of the income of each parent and the amount of physical placement with each parent in determining a child support obligation in cases in which a child has substantial periods of physical placement with each parent.
- DCF 150 The Percentage of Income Standard
  - The standard is based on the principle that a child's standard of living should, to the degree possible, be maintained at the level the children would have enjoyed had the marriage not ended, so that insofar as is possible, the children will not suffer economic hardship. Sommer v Sommer, 108 Wis. 2d 586, 323 N.W.2d 144 (Ct. App. 1982)



# Key Considerations

- 'Cost Sharing v 'Resource Sharing'
- Cost Sharing:
  - Doesn't ensure children's needs are met
  - Enormous variations in amounts awarded
- Resource Sharing:
  - Eliminates having to establish child's need
  - Utilizes income standard with rates dependent on number of children



# Percentage of Income Standard

- 17% of parent's income for one child
  - 25% of parent's income for two children
  - 29% of parent's income for three children
  - 31% of parent's income for four children
  - 34% of parent's income for five or more children
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- Percentages adjusted downward to reflect extra costs of medical care and visitation as studies based on intact families
  - Percentage Standard assumes that custodial parent is making a similar contribution
  - Percentage Standard utilizes gross income



# Deviation Factors

- Use of Percentage Standard is Presumptive
- Court can deviate upon motion of one of the parties for the following reasons:
  - The financial resources of the child
  - The financial resources of both parents
  - Maintenance received by either party
  - The needs of each party in order to support himself or herself at a level equal to or greater than that established under 42 USC 9902(2)
  - The needs of any person, other than the child, whom either party is legally obligated to support
  - If the parties were married, the standard of living the child would have enjoyed had the marriage not ended in annulment, divorce or legal separation
  - The desirability that the custodian remain in the home as a full-time parent
  - The cost of childcare if the custodian works outside the home, or the value of custodial services performed by the custodian if the custodian remains in the home
  - The award of substantial periods of physical placement to both parents
  - Extraordinary travel expenses incurred in exercising the right to periods of physical placement under s.767.41 The physical, mental, and emotional health needs of the child, including any costs for health insurance as provided for under s. 767.513
  - The child's educational needs
  - The tax consequences to each party
  - The best interests of the child
  - The earning capacity of each parent, based on each parent's education, training and work experience and the availability of work in or near the parent's community
  - Any other factors which the court in each case determines are relevant

# Special Circumstances

- Shared Placement
- Split Placement
- Serial Family
- High Income
- Low Income



# High Income Cases

- Added 1995
- Base Percentages applied to income up to \$84,000/year
- Percentages reduced for incomes <\$84,000 and >\$150,000: (80% of full standard)
  - 14% for one child
  - 20% for two children
  - 23% for 3 children
  - 25% for 4 children
  - 27% for 5 or more children
- Percentages further reduced for income >\$150,000:
  - 10% for one child
  - 15% for two children
  - 17% for 3 children
  - 19% for 4 children
  - 20% for 5 or more children





# Low Income Cases

- Reduced % rates for incomes between 75% and 125% of FPL
- Court Discretion for incomes >75% of FPL

1 Person with Monthly Income Up To:	One Child		Two Children		Three Children		Four Children		Five Children	
	Percent	Child Support Amount	Percent	Child Support Amount	Percent	Child Support Amount	Percent	Child Support Amount	Percent	Child Support Amount
\$798.00	11.22%	\$90	16.50%	\$132	19.14%	\$153	20.46%	\$163	22.44%	\$179
\$826.00	11.43%	\$94	16.80%	\$139	19.49%	\$161	20.84%	\$172	22.85%	\$189
\$854.00	11.63%	\$99	17.11%	\$146	19.84%	\$169	21.21%	\$181	23.27%	\$199
\$882.00	11.84%	\$104	17.41%	\$154	20.20%	\$178	21.59%	\$190	23.68%	\$209
\$910.00	12.05%	\$110	17.71%	\$161	20.55%	\$187	21.97%	\$200	24.09%	\$219
\$938.00	12.25%	\$115	18.02%	\$169	20.90%	\$196	22.34%	\$210	24.50%	\$230
\$966.00	12.46%	\$120	18.32%	\$177	21.25%	\$205	22.72%	\$219	24.92%	\$241
\$994.00	12.66%	\$126	18.63%	\$185	21.61%	\$215	23.10%	\$230	25.33%	\$252
\$1022.00	12.87%	\$132	18.93%	\$193	21.96%	\$224	23.47%	\$240	25.74%	\$263
\$1,050.00	13.08%	\$137	19.23%	\$202	22.31%	\$234	23.85%	\$250	26.16%	\$275
\$1,078.00	13.28%	\$143	19.54%	\$211	22.66%	\$244	24.22%	\$261	26.57%	\$286
\$1,106.00	13.49%	\$149	19.84%	\$219	23.01%	\$255	24.60%	\$272	26.98%	\$298
\$1,134.00	13.70%	\$155	20.14%	\$228	23.37%	\$265	24.98%	\$283	27.39%	\$311
\$1,162.00	13.90%	\$162	20.45%	\$238	23.72%	\$276	25.35%	\$295	27.81%	\$323
\$1,190.00	14.11%	\$168	20.75%	\$247	24.07%	\$286	25.73%	\$306	28.22%	\$336
\$1,218.00	14.31%	\$174	21.05%	\$256	24.42%	\$297	26.11%	\$318	28.63%	\$349
\$1,247.00	14.52%	\$181	21.36%	\$266	24.77%	\$309	26.48%	\$330	29.05%	\$362
\$1,276.00	14.73%	\$188	21.66%	\$276	25.13%	\$321	26.86%	\$343	29.46%	\$376
\$1,305.00	14.93%	\$195	21.96%	\$287	25.48%	\$332	27.24%	\$355	29.87%	\$390
\$1,334.00	15.14%	\$202	22.27%	\$297	25.83%	\$345	27.61%	\$368	30.28%	\$404
\$1,363.00	15.35%	\$209	22.57%	\$308	26.18%	\$357	27.99%	\$381	30.70%	\$418
\$1,392.00	15.55%	\$216	22.88%	\$318	26.54%	\$369	28.37%	\$395	31.11%	\$433
\$1,421.00	15.76%	\$224	23.18%	\$329	26.89%	\$382	28.74%	\$408	31.52%	\$448
\$1,450.00	15.97%	\$231	23.48%	\$340	27.24%	\$395	29.12%	\$422	31.94%	\$463
\$1,479.00	16.17%	\$239	23.79%	\$352	27.59%	\$408	29.49%	\$436	32.35%	\$478
\$1,508.00	16.38%	\$247	24.09%	\$363	27.94%	\$421	29.87%	\$450	32.76%	\$494
\$1,537.00	16.58%	\$255	24.39%	\$375	28.30%	\$435	30.25%	\$465	33.17%	\$510
\$1,566.00	16.79%	\$263	24.70%	\$387	28.65%	\$449	30.62%	\$480	33.59%	\$526
\$1,595.00	17.00%	\$271	25.00%	\$399	29.00%	\$463	31.00%	\$494	34.00%	\$542



# Shared Placement Cases

- 25% Placement Threshold
- Assumes Parents share variable costs in proportion to amount of placement
- Includes a 150% multiplier to account for increased costs
- Income Shares Standard
- Requires Overnight Care
- Includes a formula for equivalent care
- Use of Shared Placement formula is presumptive



# Serial Family Formula

- Applies to parents with obligations to children in more than one family
- Can only be applied to subsequent obligations
- Uses an adjusted gross income methodology-subtracts previous obligations from a payer's gross income prior to calculating support
- Applies to both court ordered obligations and obligations to intact families



# Split Placement Formula

- Applies when each parent has placement of one or more children.
- Percentages are pro-rated based on the number of children:

2 children 12.5% for each child ( $25\% \div 2$ )

3 children 9.67% for each child ( $29\% \div 3$ )

4 children 7.75% for each child ( $31\% \div 4$ )

5 children 6.8% for each child ( $34\% \div 5$ )



# Medical Support

- State and federal law requires that every child support order, enforced by a child support agency, include a provision for health care coverage
- The parent may be ordered to:
  - Provide health insurance if available through an employer,
  - Pay premiums for private health care coverage or reimburse a parent for all or a portion of the costs of health insurance obtained by that parent, or
  - Pay additional amounts to cover a portion of ongoing medical bills or as reimbursement for uninsured medical costs
- Health care coverage must be available:
  - At reasonable cost (total cost of coverage  $\leq$  10% of gross income)
  - Accessible
  - Public or private



# Quadrennial Review

As part of the review of a State's child support guidelines required under paragraph (e) of this section, a State must:

- (1) Consider **economic data** on the cost of raising children;
  - (1), labor market data (such as unemployment rates, employment rates, hours worked, and earnings) by occupation and skill-level
  - (2) the impact of guidelines policies and amounts on custodial and noncustodial parents who have family incomes below 200 percent of the Federal poverty level,
  - (3) factors that influence employment rates among noncustodial parents and compliance with child support orders;
- (2) Analyze case data on the application of and deviations from the child support guidelines, the rates of **default and imputed child support orders** and orders.  
a comparison of payments on child support orders by case characteristics, including whether the order was entered by default, based on imputed income, or determined using the low-income adjustment.
- (3) Provide a meaningful opportunity for **public input**, including input from low income custodial and noncustodial parents and their representatives. The State must also obtain the views and advice of the State child support agency funded under title IV-D of the Act.



THANK YOU!

