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Review of International Child Support Models

Volume I – Main Report

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Review of International Child Support Models Volume I – Main Report.

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Glossary

To some extent, each jurisdiction examined in this study uses its own unique terminology. To help readers navigate these differences, “jurisdiction neutral” terminology is used in the two reports emanating from this study: Volume I – Review of International Child Support Models and Volume II – Jurisdiction Summaries. In Volume II, if a jurisdiction uses a term that differs from the “jurisdiction neutral” term, the term used in that jurisdiction is provided in a footnote. The only exception, however, pertains to the terms used in the formula calculations. As these terms refer to specific calculations, they cannot be altered without changing their meaning. Such terms have been italicized to assist readers to identify them. The glossary of jurisdiction-neutral terms follows.

Apportioning approach	The method underpinning the formula calculations that share the expenditures on children between the two parents to generate a child support amount to be paid.
Child support model	The method and approach by which a jurisdiction establishes child support amounts for one parent to pay to the other parent. It is inclusive of all approaches and all methods used by any jurisdiction. It includes whether or not the jurisdiction uses formulas or tables to determine a child support amount, the legislative framework that outlines how separating and/or divorcing parents are to support their children, and the mechanism for the administration of the determination of child support within the model – ranging from an administrative model to relying on their family court system to make the determination or a combination of both.
Child support guidelines	The applicable legislation that is used to define the rules, the formula and required applicable calculations, and the method for determining expenditures on the child and how those expenditures will be shared, when parents separate or divorce.
Child support amount	The amount of money that one parent pays to the other parent to help financially support their child after a separation or divorce.
Dependent children	Children that are not part of the current child support action. They can be children a parent has with a new partner (second family) or children from previous relationships for which there may be a child support order, or not.

Expenditures on children	The amount that is determined to be the expenses on children within a formula calculation. How these expenditures are determined depends on the child support model in the jurisdiction. The methodology used to derive the expenditures could be based on actual expenditures on children, a basket of goods or budget-based approach, or a basic needs approach.
Formula	Compilation of mathematical calculations that must be used to generate a child support amount.
Gross income	Any source of revenue (before taxes or any other deductions) that is included by a jurisdiction that determines a level of income for a parent that is to be used in the formula calculations.
Imputing income	The means by which income is attributed to a parent when the amount of income a parent claims is not a fair reflection of the actual income and capacity to pay child support, or when the parent refuses to provide income information when required to do so.
Income available for child support	The “final” income that is used by a jurisdiction that has been subjected to applicable deductions (e.g., taxes, self-support amounts, presence of dependents) and that is then subsequently used in the formula calculations to generate a child support amount.
Net income	The revenue of a parent after deductions have been made to their gross income. The deductions can include the applicable taxes and other deductions specific to a jurisdiction, as well as amounts for a self-support reserve.
Paying parent	A parent or a spouse who has a legal duty to pay child support.
Parenting arrangements/custody	The arrangements parents make for the care of their children after separation or divorce. Includes arrangements concerning where the children will live and who will be responsible for making major decisions about them.
Parenting time/custody	The time that a child spends in care with a parent. Many jurisdictions define and calculate this as “overnight” stays but daytime “care” may also be counted, when applicable.
Receiving parent	A parent or a spouse who is legally entitled to receive child support.
Self-support reserve	An amount defined by a jurisdiction as the basic amount for a parent to support himself or herself before supporting others. This amount is usually deducted from the available income for child support of a parent. This is sometimes also called a self-support allowance.

Shared parenting/custody	A threshold of <i>parenting time</i> that is considered “shared” between the parents. Often can change the nature of the formula calculations to account for this circumstance. Though the term is used by a number of jurisdictions, thresholds vary considerably.
Social benefit	An amount that is provided to low-income individuals or families by a government. Also known as social security or social assistance.
Split custody	Living arrangement where there are two or more children and each parent has least one of the children spending the majority of the time with them.
Special or extraordinary expenses	Expenditures that are normally outside of the usual costs that are included in the calculations to determine the <i>expenditures on children</i> that are to be used in the formula calculations. They may include, but are not limited to: childcare, extraordinary medical expenses for the child, school expenses such as private tuition, and expenses for extracurricular activities of the child, such as sports, arts, etc.
Undue hardship	Circumstance in which either parent claims that they cannot support their child due to extenuating factors specific to their case. They may include but are not limited to such circumstances as: inability to pay because of a loss of income, debts, incarceration; other family circumstances such as other adult family members to support; and excessive costs to spend time with the child.

Executive Summary

A. Study Objectives and Methodology

As part of ongoing legal policy work, the Department of Justice Canada contracted with Kelly Sears Consulting Group to conduct an extensive review of international models used to determine child support amounts. The overall purpose of the research was to review and analyze child support models with a focus on how selected issues are addressed. The jurisdictions included in this study were: the United Kingdom, Australia, France, Norway, Sweden, New Zealand, and the American states of Wisconsin, Delaware, Illinois, and Vermont.

The objectives of this study were to:

- Summarize the research completed by the Department of Justice Canada in the 1990s.
- Briefly describe the child support models used in the ten jurisdictions selected for examination by this study.
- Summarize any major changes that have been made to the models over the years and the rationale for the changes.
- Provide an overview and analysis of selected aspects of the child support models across jurisdictions. Of particular interest were how the jurisdictions incorporate policy options common to all models, such as income determination, parenting/custody arrangements, etc.
- Summarize any evaluations or assessments of the models.
- Identify any commonalities and trends across the jurisdictions.

This review was conducted between November 2018 and August 2019 and involved an extensive international literature review and environmental scan as well as structured interviews with child support experts in all ten jurisdictions.

Given the amount of detail and complexity of the information collected in this study, the results are presented in two volumes. Volume I contains the overall findings supported by detailed tables on the various issues examined, by jurisdiction, while Volume II consists of summaries for all ten jurisdictions.

B. Findings

1. Summary of the 1990s Canadian research

In 1990, the Federal, Provincial and Territorial Deputy Ministers of Justice gave the Federal/Provincial/Territorial Family Law Committee (FLC) a mandate to examine child support

in Canada. A key outcome of this mandate was the completion of research by the Department of Justice Canada that addressed the fundamental questions that underpin the construction of child support guidelines. The FLC examined various approaches to developing the formula as well as identifying the elements that need to be addressed in legislation that define the components and calculations used in the determination of child support amounts.

With respect to the formula construction, the research included an examination of the various approaches that could be considered to estimate the amount of expenditures on the child that the parents should share, as well as the apportioning approaches to share those expenses. With respect to the elements needed to be considered in the accompanying legislation to any child support guidelines, the research focussed on how issues such as: the calculation of income available for child support; the use of self-support reserves; impacts of the child support amount on the ability to pay of the parent; and the amount of time the child spends with each parent are factored into the formula to arrive at a final child support amount.

Following an extensive five-year program of research, the Federal/Provincial/Territorial Ministers of Justice approved a child support model, consisting of child support tables and rules. The model was based on an approach developed by Statistics Canada¹ which calculates the total financial need of the two households and estimates what share of that need relates to the child or children. These costs are then shared between the parents based on a fixed percentage model. The guidelines were supported by legislation that ensured the ability of the paying parent to pay child support by including a self-support reserve, addressed parenting arrangements and provided clear definitions on all elements that need to be factored into the child support calculations.² The Canadian child support guidelines came into effect on May 1, 1997.³

2. Summary of the models

The ten jurisdictions included in this study operate under different child support models. For each jurisdiction, three areas were examined: the formula, including the expenditure model and apportioning approach, how the scheme is administrated, and what objectives are expected to be achieved by each model.

Summary of the formulas

One of the key findings of this review is that all models and the formulas used in these models operate differently. No two are exactly alike. What was also very clear is that they are complex, requiring multiple sequential computations. To assist parents and family justice officials, all jurisdictions provide comprehensive tools, including online calculators.

That being said, there are some clear commonalities. All formulas require the same types of income information from the paying parent and, if applicable, the receiving parent, as well as

¹ See Statistics Canada, *Income Distribution by Size in Canada*, Cat no. 13-207 (Ottawa, 1991).

² Federal/Provincial/Territorial Family Law Committee, *The Financial Implications of Child Support Guidelines: Research Report: Report of the Federal/Provincial/Territorial Family Law Committee* (Ottawa: The Committee, 1992), ii.

³ *Federal Child Support Guidelines* (SOR/97-175), <https://laws-lois.justice.gc.ca/eng/regulations/sor-97-175/index.html>

information on the number of children who are the subject of the action. All jurisdictions include in their formula calculations provisions for:

- The number of overnights that the child who is the subject of the action spends with each parent.
- Any dependent children who are not the subject of the action, but for whom the paying parent is legally responsible.

There are also a number of elements that are common to most of the jurisdictions. In six jurisdictions,⁴ the financial ability of the paying parent is taken into consideration when determining the child support amount. This is done by the use of either a self-support reserve or the inclusion of a threshold or “cap” prior to determining the final child support amount.

Expenditure model and apportioning approach

All jurisdictions have adopted into their formula an approach to determine the expenditures on children. The amounts used in the formula do not purport to be actual expenditures, but rather are proxies for these expenditures. These data are the basis for the formula calculations and are presented in either amounts or percentages, depending on the formula type. Various methodologies are used by the jurisdictions to determine these expenditures.

Four jurisdictions (Illinois, Vermont, Australia, and New Zealand) use actual expenditures on children based on current data from national statistical agencies responsible for collecting and disseminating household expenditure data. These data are based on intact two-parent households and represent the additional cost for maintaining the children.

Three jurisdictions (France, Wisconsin and the United Kingdom) derive the percentages used in their fixed percentage model from household expenditure data that was collected when their models were first developed. However, it should be noted that although the percentages may have changed to reflect various factors that are now included in their formal calculations – such as changes to the percentage to be applied for parenting time – no new analysis using current expenditure data has been completed. This reflects the continuing assumption that the proportion of costs spent on children in intact families has not changed over time.

Two jurisdictions, (Sweden and Norway), use a budget-based approach, based on national data collected from their consumer agencies. In these jurisdictions, parents can also decide to use their own actual expenditures as the amount that is to be shared.

Finally, Delaware uses a proportion (25%) of the annual United States poverty line amounts for a single person, as the amount to represent the basic needs of the child that is then shared between the two parents. The poverty line amounts are updated annually and therefore, so too are the basic need amounts for children used in the guidelines.

How parents share the child support amount after it has been determined was also examined. Six jurisdictions⁵ have models based on an income shares approach, where the costs of the child are shared in proportion to each parent’s income. Three jurisdictions (the United Kingdom, Wisconsin

⁴ Delaware, Vermont, Wisconsin, Australia, New Zealand, and the United Kingdom.

⁵ Delaware, Wisconsin, Vermont, Australia, New Zealand, and the United Kingdom.

and France) are based on a fixed percentage of income model where the child support amount is calculated by using only the paying parent's income. Finally, Delaware uses a unique approach called the "Melson model", which incorporates both the income shares and the fixed percentage of income model depending on the calculation being completed.

How the scheme is administered

The review of the ten jurisdictions found that there are basically three options for parents to determine a child support amount: parent-negotiated or private agreements, use of an administrative agency, and use of the family court system. These three options are not exclusive of one another. Neither does the use of one mechanism preclude the use of one or both of the other options. In all jurisdictions, parents have the option to negotiate their own child support amounts. In these cases, use of the child support guidelines is discretionary.

In the four American states as well as in the United Kingdom, Australia, New Zealand, and Norway, administrative agencies⁶ determine, collect and enforce the payment of child support amounts. With the exception of the United Kingdom, if one of the parents is in receipt of social assistance or government benefits, then they are required to use the services of the administrative agency. In these cases, the use of the child support guidelines is mandatory. In all jurisdictions, parents who are not in receipt of social assistance have the option to use the services of the administrative agency that will then apply the guidelines to determine the applicable child support amount. In New Zealand, the administrative agency is housed in the Inland Revenue Department, making the determination and updating of child support amounts accurate and efficient given their ready access to tax information.⁷

In the United Kingdom, Australia, New Zealand, Norway and Illinois, the administrative agencies have the authority to determine and vary a child support amount without processing the case through the court system.

In all jurisdictions, when parents cannot agree on a child support amount and do not want to use or are not required to use the relevant administrative agency, they can have their case processed through the court system.

With the exception of France and Sweden, the use of the guidelines is mandatory by the courts.⁸

Objectives underlying the models

Objectives or principles that underlie a child support model are reflected in the construction of the formula, and in some cases, the sequencing of relevant factors inherent in their mathematical construction. All jurisdictions have some form of statement about what their model is intended to achieve. Although the wording varies, in all jurisdictions there is a reference to both parents having a financial responsibility to care for their children. The concept of being "in the best interest of the child" is either included in legislation or in administrative rules in five jurisdictions.⁹ References

⁶ France has just recently introduced a non-government agency that can assist parents in calculating child support amounts using online tools.

⁷ Australia and the United Kingdom also have access to tax information to determine child support amounts.

⁸ Although mandatory, courts have the discretion to deviate from the guidelines amounts, though the court must provide written reasons for the deviation.

⁹ Australia, New Zealand, Vermont and Delaware.

are made in legislation with respect to expenditures either having to be based on data on raising children or in accordance with the costs of children. Finally, several jurisdictions set out objectives that address the standard of support to be provided to the child.

3. Changes made to the models over time

The review identified the major changes that have occurred in the child support legislation in each jurisdiction over time and highlighted any patterns. The nature and volume of the changes vary by jurisdiction and by the category of reforms. Given the volume of the changes, the study focussed on those areas where there has been either a substantial change – such as a change in the apportioning models – or frequent refinements to a particular element contained in the models. Six categories of changes met these two criteria.

Four jurisdictions (Norway, Australia, New Zealand, and Illinois) have changed the **way child support amounts are apportioned** between the parents. All changed their model from a fixed percentage of income approach to an income shares approach following substantial opposition from the public and family law professionals.

None have changed their legislation with respect to **how expenditures on children are determined** and incorporated into the formula, nor have the amounts or percentages changed over time. However, all jurisdictions have made regular updates to their various tables to reflect changes in the cost of living, taxation rates and other jurisdiction-specific economic rates.

All have implemented changes with respect to **how income is defined** for the purposes of determining what income is to be used for child support calculations. The United Kingdom, Delaware and Norway have moved from using net income (considering applicable taxes) to gross income as the starting income used in the formula calculations.

Four jurisdictions, (the United Kingdom, New Zealand, Vermont and Delaware) have also made changes to allow for the deduction of an amount in the formula calculations to **recognize other dependent children** for whom the parents are legally responsible, but are not the subject of the current action. In six jurisdictions¹⁰ this calculation is done as part of the determination of the income available for child support.

All have implemented changes with respect to the treatment of **time spent with the child by each parent**. These changes have usually focussed on reducing the thresholds that would trigger a change in the child support amount.

Australia and the United Kingdom have made several changes pertaining to the **mandate of their administrative agency** either clarification of roles or changes with respect to the actual authority.

As well, other noteworthy changes include changes jurisdictions have made to ensure that the paying parent has the financial means to pay child support (Delaware and New Zealand).

¹⁰ United Kingdom, Australia, New Zealand, Vermont, Delaware and Illinois.

Over the past twenty years, all jurisdictions have made at least one major change to their child support models. These were mostly in response to government-led reviews and/or evaluations, legislated periodic reviews (e.g., federal laws in the US), or public commentary and debate.

Lastly, all these major changes and reforms took a considerable amount of time to complete. The time taken from the initial reviews and research to the formulation of the policy reforms, consultation, and implementation of the reforms often took five to seven years.

4. Overview of legislative/policy aspects

The construction of the child support models reviewed includes accompanying rules that set out how various elements are to be used in the calculation of a child support amount. In some cases, the way jurisdictions apply these rules is very similar, while in others it is very different.

The determination of income available for child support is more complex than merely determining whether the starting income for the calculation is net income or gross income. Seven of the jurisdictions use gross income as the starting income for their child support calculations with no deduction for taxes. Two jurisdictions (Vermont and Illinois) use net income as a starting income and provide tax conversion tables to assist parties in the calculations. The remaining jurisdiction – Sweden – applies the same percentage of income (31%) for its tax calculations.

Jurisdictions also include provisions in their models that allow for deductions of a self-support reserve and other dependent children, in the calculation to determine the amount of income available for child support. Six jurisdictions¹¹ include a self-support reserve amount that is deducted from gross income and six jurisdictions¹² include deductions for other dependent children.¹³ Four jurisdictions (Australia, New Zealand, Vermont and Illinois) have provisions for both.

All jurisdictions incorporate provisions in their models to recognize the time either parent spends with their children. There is greater consistency in the way in which jurisdictions accommodate split custody situations in the formula calculations than how they accommodate shared custody/parenting time arrangements. No jurisdiction allows for discretion on how to calculate child support amounts for parenting time. All jurisdictions have complex calculations that require online tools and worksheets to assist parties.

Most jurisdictions do not have specific provisions to allow for the addition of special or extraordinary expenses. If they are allowed, the types of expenses that are considered are for childcare and medical costs.

All models take into account the ability of the paying parent to pay their child support obligations. The financial hardship of low-income parents to pay child support is recognized through various mechanisms that are built into the formula construction. The aim is to achieve a balance between

¹¹ Australia, New Zealand, Delaware and France have explicit self-support reserves. Vermont and Illinois have a basic personal amount embedded in their standard tax conversion tables that is similar to a self-support reserve.

¹² United Kingdom, Australia, New Zealand, Vermont, Illinois and Delaware.

¹³ The underlying policy objective is that the financial needs of previous and current dependents take priority over the financial needs of subsequent children.

recognizing financial hardship, and the responsibility each parent has for the economic wellbeing of their child. These mechanisms are common across all jurisdictions.

The rationale for allowing either party to request a modification or variation to a child support award is common across all jurisdictions. Most require a percentage threshold to be met, either a change in the new amount of child support or a substantial change in the level of income, before they allow for a variation to the child support award. Again, common across all jurisdictions are other changes in circumstances such as parenting time or shared care, or the child reaches the age limit after which child support is no longer applicable.

Jurisdictions review on a regular basis the tools in place to assist parents such as the relevant tax conversion tables, child expenditure tables and amounts for self-support reserves. This review is done to ensure that their tools reflect currently available data.

Finally, jurisdictions all have provisions that recognize the limited ability to pay of low-income earners. The majority of jurisdictions include provisions in their models that allow for zero awards or minimum awards. Similarly, most jurisdictions have rules and calculations to ensure that child support amounts in cases of high-income earners do not exceed what would be reasonable expenditures on a child. As well, some jurisdictions have upper limits of income thresholds, after which their guidelines are no longer applicable.

5. Overview of evaluations or assessments of the models

Despite the existence of child support models in most jurisdictions for over twenty years, this study did not find any formal evaluations that examined the effectiveness or efficiency of the system. As well, there was little to no case law that led to legislative changes to the models. The research findings also revealed that there was a dearth of available literature on the advantages and disadvantages pertaining to a particular model in a jurisdiction. What was available was anecdotal or was more generic in nature, such as commentary on the advantages of an income shares versus a fixed percentage approach, or the inequities resulting from using expenditure data on two-parent families as opposed to single parent families.

6. Conclusions

This study confirmed that since the inception of child support guidelines in the 1980s, the ten jurisdictions examined in this review have followed different paths to respond to their particular social and economic circumstances. Although no two models are the same, there are some striking similarities. They have all incorporated changes to their legislation to keep pace with the changing nature of families: the impact of dependants is factored into the formula calculations, as is the amount of time spent with the child. As well, the ability of the paying parent to financially support the child and themselves is an element built into the formula construction in the majority of the models. Finally, in the majority of jurisdictions, the use of administrative agencies as opposed to the courts is the mechanism by which jurisdictions ensure the timely determination of child support awards. All jurisdictions indicated the importance of ensuring that their models reflect the changing reality of families and recognize that the models will continue to evolve.

I Introduction

This report presents the findings from a review of child support models used in ten jurisdictions: the United Kingdom, Australia, France, Norway, Sweden, New Zealand, and in four American States: Wisconsin, Delaware, Illinois, and Vermont.

Given the complexity and magnitude of the information collected in this study, the results are presented in two volumes. Volume I (Review of International Child Support Models – Main Report) presents an overview of the findings and includes several tables that provide a synthesis of various aspects of the child support models across jurisdictions. These tables can be found at the end of each chapter. Volume II contains summary reports for the ten jurisdictions and provides a description of the various aspects of the child support model in that jurisdiction. Throughout Volume I, the reader is encouraged to consult the relevant summary report if more detailed information is desired.

Among the challenges in conducting this study were the terms used in the ten jurisdictions to describe the various elements of their child support models. Each jurisdiction uses terminology that is unique to them. To assist the reader, the report uses “jurisdiction neutral” terminology in both Volumes I and II. The definitions of these terms can be found in the Glossary at the beginning of this report.

In the summary reports, if a jurisdiction uses a term that is not the same as the “jurisdiction neutral” term, a footnote is provided that indicates the term used in that jurisdiction. The only exception, however, pertains to the terms used in the formula calculations as these refer to specific calculations and cannot be altered without changing their meaning. These terms have been italicized to assist the reader.

This review was conducted between November 2018 and August 2019 on behalf of the Department of Justice Canada.

A. Objectives of the Study

As part of ongoing legal policy work, the Department of Justice Canada required that an extensive review be undertaken of a number of international models relating to determining child support amounts. The overall purpose of the research was to review and analyze child support models in ten jurisdictions to identify how issues related to the determination of child support are addressed.

The specific objectives of this study were as follows:

- Summarize the research completed by the Department of Justice Canada in the 1990s.
- Briefly describe the child support models used in the ten jurisdictions selected for examination by this study.

- Summarize any major changes that have been made to the models over the years and the rationale for the changes.
- Provide an overview and analysis of various aspects of the child support models across jurisdictions. Of particular interest were how the jurisdictions incorporate policy options common to all models, such as income determination, parenting/custody arrangements, etc.
- Summarize any evaluations or assessments of the models.
- Identify any commonalities and trends across the jurisdictions.

B. Research Framework

A research framework was developed to structure the lines of inquiry for the international review. This framework is used in Chapter II to summarize the research that informed the development and implementation of the *Canadian Federal Child Support Guidelines*. As well, it was used to inform the literature review and interviews with the ten jurisdictions.

The framework consists of three components, described below.

1. Rationale for the legal framework

This component consists of a description of the rationale and philosophy underpinning each jurisdiction's child support model. Included in this component is a discussion of the impetus and rationale for the development of the model, and the overall objectives. It includes:

- Child support model: The reasons for adopting the child support model and formula (past and present). The reasons include but are not limited to the following:
 - Court rulings or constitutional challenges.
 - Changes of legislation/regulations.
 - Changing demographics.
- Legal framework used, including:
 - Whether guidelines are used to determine child support amounts and if so, are they determined by the courts or administrative services.
 - How the guidelines are incorporated into their child support model (e.g., set out in legislation or court rules or set by an administrative entity).
 - Where guidelines and/or tables are used, whether they are mandatory or advisory.

2. Description of the formula or approach used to calculate child support amounts

This component includes a description of the formula or approach used by each jurisdiction. Each formula generally comprises two elements:

Element 1: An approach to estimate the amount that best approximates the “expenditures on children.”

Element 2: An approach to apportion the amount between the two parents.

The literature review and interviews with child support experts collected information on the following aspects of each jurisdiction’s formula:

- Underlying principles and assumptions.
- Type of formula: income shares, fixed percentage, varying percentage or other.
- How capacity to pay is considered.
- Rules each jurisdiction uses to determine the income of one or both parents and what types of deductions are allowed and/or whether there is a tax component.

In addition, information was collected on the following underlying child support policies that may have been considered when developing a formula and child support model:

- The threshold for paying child support (i.e., starting and ending points) and the rationale.
- Tax and other parameters considered in the formula and/or to determine child support amounts (e.g., child tax benefits).
- Whose income is considered (e.g., one or both parents, consideration of a new spouse’s income or of a third party’s income etc.) and how this income is considered.
- Approaches to apportioning costs between parents (e.g., expenditures on children, access costs, household costs, etc.).
- Strengths and weaknesses of the approaches as provided in the literature.

3. Accompanying rules set out in policy/legislation to generate the final child support amount

This component includes a description of the accompanying rules as set out in legislation and court rules that determine the final child support amount. Accompanying rules include:

- Provisions to allow for departure from the basic child support amount, such as extraordinary or special expenses, undue hardship or similar concepts.
- Provisions to address specific family characteristics, such as age of child; time spent with the child; multiple children from different relationships; second families; step-parents; person acting in place of parent; high earning parent(s); custody/parenting arrangements (sole, shared or split custody).
- Innovative approaches in determining and updating child support amounts (e.g., what “triggers” an update, frequency of updating, administrative services, and use of technology).
- Any provisions to address other circumstances relevant to the determination of child support.

C. Methodology

The study involved an extensive international literature review and environmental scan, as well as interviews with child support experts from the selected jurisdictions on their respective jurisdiction's child support model.

The main steps are outlined below.

1. Selection of the jurisdictions

The purpose of this study was to provide a detailed overview and analysis of child support models in ten jurisdictions. Thus, it was important to ascertain what type of model jurisdictions use to assist separating or divorcing parents to calculate child support amounts. A goal was to ensure that the jurisdictions chosen for this study adequately reflected the range of various models¹⁴ in existence. In addition to ensuring that the selected jurisdictions adequately represented the range of administrative models used to determine child support amounts, it was also necessary to ensure that the study included the various apportioning approaches that underpin child support formulas. Although there are numerous types of child support formulas, most are rooted in one of three general apportioning models¹⁵. They are:

- 1) **Income Shares Model** – Based on the concept that the child should receive the same proportion of parental income that he or she would have received if the parents lived together. In an intact household, the income of both parents is generally pooled and spent for the benefit of all household members, including any children.
- 2) **Fixed Percentage of Income Model**¹⁶ – Sets support as a percentage of only the non-custodial parent's income. In this model, the custodial parent's income is not considered. This model has two variations: the Flat Percentage Model and the Varying Percentage Model.
- 3) **Melson Model** – A more complicated version of the Income Shares Model, which incorporates several public policy decisions designed to ensure that each parent's basic needs are met in addition to meeting the needs of the children.

Based on our assessment against the above noted criteria, the ten jurisdictions listed at the beginning of this chapter were selected for examination.

2. International literature review and environmental scan

A review of the international literature focused on research, commentary, critiques and evaluations of child support models used internationally. Family justice/law journals, government

¹⁴ The definition of “child support model” includes whether or not the jurisdiction uses child support guidelines to determine a child support amount, the legislative framework that outlines how the child support guidelines are to be implemented, and the mechanism for administration – ranging from an administrative model to relying on their family court system to make the determination, or a combination of both.

¹⁵ These definitions are taken from the following document: United States National Conference of State Legislators (NCSL), *Child Support Guideline Models By State*, 2019, <http://www.ncsl.org/research/human-services/guideline-models-by-state.aspx>

¹⁶ Sometimes referred to as fixed percentage model, flat percentage model or percentage model.

documents and well-known websites that deal with child support issues were the focus of the search.

The results of this literature review were analyzed and summarized to provide an overview of the key issues that jurisdictions currently address in the development and implementation of their child support models. The results of this literature review also informed the lines of inquiry for the jurisdictional interviews.

3. Interviews of child support experts in the selected jurisdictions

Telephone interviews with at least one child support expert in each jurisdiction were conducted. After having identified experts who were knowledgeable about the jurisdiction's policy and operation of their child support guidelines, a letter of introduction was sent by the Department of Justice Canada requesting participation in the study. To facilitate the discussion, a draft country summary as well as a tailored interview guide was prepared and sent to the key informants in advance of each interview.

II Summary of the 1990s Canadian Research

In 1990, the Federal, Provincial and Territorial Deputy Ministers of Justice gave the Federal/Provincial/Territorial Family Law Committee (FLC) a mandate to examine child support in Canada. A key outcome of this mandate was the completion of research by the Department of Justice Canada.

This research addressed the fundamental questions that underpin child support guideline construction. The results are summarized in various research reports.¹⁷ Using the framework outlined in Chapter I, this section briefly summarizes the research completed to develop the *Federal Child Support Guidelines*.

A. Rationale for the Legal Framework

The 1990 mandate to the FLC to study the issue of child support upon family breakdown came as a result of a number of factors. These factors were outlined in a public discussion paper published by the FLC in June 1991. This paper noted that “The present Canadian system of determining child support, which relies heavily upon judicial discretion, is being seriously criticized by commenters and organizations, and a review of the system is highly recommended.”¹⁸

The major problem relating to the child support system at that time was “the inconsistency of child support awards, the inadequacy of these awards, and the inequity of the system”.¹⁹ One of the root causes of these problems was the lack of a consistent approach used by parents and the legal system to determine child support amounts.²⁰

The method used prior to the introduction of the *Federal Child Support Guidelines* (Federal Guidelines) was derived from a 1971 court case: *Paras v. Paras*²¹. It involved calculating the proportion of the paying parent’s income (usually gross) relative to the two parents’ combined incomes, and applying that proportion to an amount of expenditures on the child (either agreed to by the parents or decided by the court). The child support amount was calculated using this approach on a case-by-case basis.

¹⁷ All Department of Justice Canada research reports consulted for this study can be found in the list of references in the appendix.

¹⁸ Federal/Provincial/Territorial Family Law Committee, *Child Support: Public Discussion Paper*, Ottawa: Department of Justice Canada, June 1991, preface.

¹⁹ Federal/Provincial/Territorial Family Law Committee’s *Report and Recommendations on Child Support*, January 1995, 1.

²⁰ Department of Justice Canada, *Children Come First – A Report to Parliament Reviewing the Provisions and Operation of the Federal Child Support Guidelines*, Volume 1 (2002), 1, <https://www.justice.gc.ca/eng/rp-pr/fl-lf/child-enfant/rp/pdf/v1.pdf>.

²¹ *Paras v. Paras* (1971) 9 R.F.L., 332, <https://www.canlii.org/en/on/onca/doc/1970/1970canlii370/1970canlii370.pdf>.

The FLC research reports identified several problems with this approach to determine child support amounts. They were as follows:

- The child support amounts generated using *Paras v. Paras* were inconsistent in similar family situations. While there may have been consistency in a particular judge's decisions over time, there was considerable inconsistency in child support amounts both within a jurisdiction and certainly between jurisdictions.
- How parents estimated the expenditures on their children varied significantly both between parents and between cases of similar circumstances. Furthermore, the receiving parent bore most of the responsibility for identifying and validating the expenditures – often resulting in controversial and difficult discussions between parents. There was “...growing concern that the costs of children are seriously underestimated by the judges, lawyers and by the parties themselves”.²² This process often would lead to many different levels of expenditures being proposed.
- How expenditures were apportioned between the parents was also problematic. Using the *Paras vs. Paras* approach, costs were divided in proportion to the parents' incomes. The overall conclusion of FLC was that the *Paras v. Paras* approach to determining child support amounts was not meeting the needs of children. In short, the system was producing inadequate amounts, there was inconsistency between similar fact cases and there were inequities in the system.²³

In the early 1990s, the FLC conducted public consultations²⁴ and worked with the Department of Justice Canada on research to examine alternatives to the existing child support system. At the same time, several other countries and American states also were either studying the issue of child support²⁵ and/or implementing new child support models. The FLC considered these proposed approaches that included a type of formula (e.g., income shares or percentage of income and their variants) in its own research. The work culminated in a report to the Ministers of Justice.²⁶

B. Summary of the Research that Led to the Creation of the *Federal Child Support Guidelines* Formula

Several authors have commented on the complexity underpinning the creation of any child support formula.²⁷ This complexity is due to the number of conceptual issues that need to be addressed and decided upon in such an undertaking. This section provides a summary of the research that led to the formula used in the *Federal Child Support Guidelines*.

As stated earlier, a formula typically is comprised of two elements:

²² F/P/T FLC, *Child Support: Public Discussion Paper*, 4.

²³ *Ibid*, 1.

²⁴ The FLC consulted with professionals on a regular basis and released a public consultation document for responses to various proposals.

²⁵ Other countries included the United States, Australia, and Sweden. See: FPT Family Law Committee, *Child Support: Public Discussion Paper*, 10.

²⁶ F/P/T FLC's *Report and Recommendations on Child Support*.

²⁷ See Mary Jane Mossman. *Child Support or Support for Children? Rethinking the “Public” and “Private” in Family Law*. UNB Law Journal 46 (1997): 63-8.

- An approach to develop a reasonable estimate of the amount of expenditures on the child that the two parents will share.
- An approach to apportion that amount between the two parents.

1. An approach to determining a reasonable estimate of the expenditures on children that the two parents will share

One of the first issues that was examined was how to determine the actual expenditures on children in Canada. It was identified early on that although the economic literature in this area was extensive, there was no consensus on the best approach to estimating these expenditures.²⁸ Three leading economists (Martin Browning, Shelley Phipps and Joanne Fedyk)²⁹ were retained by the Department of Justice Canada to provide their expert opinions on the best method of estimating expenditures on children. The proposed methods focused on answering two questions. The first was “How much do parents actually spend on their children?” The answer involved finding sources of data that captured *actual* expenditures on children. The second question was “How much extra income is needed by a family with children in order for it to have the same standard of living as a family with no children?” The answer to this question involved finding sources of data that captured spending patterns of families. Together, the answers to these two questions resulted in the development of four economic models.³⁰

All of these models had different assumptions and required access to different data sources, which yielded quite different estimates of expenditures on children. Nonetheless, some common patterns emerged³¹:

- Family income determines the level of spending on children – the higher the family income, the more the family spends on their children, although not necessarily proportional to the income.
- Expenditures increase with the number of children – the more children families have, the more total income they spend on their children, although there are economies of scale realized in having larger families. Subsequent children are not as costly as the first child.
- Once variations in family income or number of children were taken into account, there were no regional differences on expenditures on children. Families tend to spend the same regardless of where they live.

Following extensive consultation with various economists, a consensus emerged that there was no approach that yielded the most accurate expenditures on children.³² Furthermore, regardless of the economic model used, the national expenditure data collected by Statistics Canada (Survey of Family Expenditures) was the best available source³³ for deriving reliable estimates of spending

²⁸ See FLC’s report on the *Financial Implications of Child Support Guidelines*, 1991.

²⁹ The published reports of the three economists are listed in the references.

³⁰ The four economic models were: Extended Engel Method; Blackorby-Donaldson; Adult Goods Method; and Consumption Model.

³¹ See FLC’s report on the *Financial Implications of Child Support Guidelines*, 1991.

³² Ibid.

³³ R. Finnie, C. Giliberti & D. Stripinis, *An Overview of the Research Program to Develop a Canadian Child Support Formula*, Ottawa: Department of Justice Canada, 1995.

on children in Canada. This expenditure data was then used in the development of the economic models noted above for consideration by the FLC.

As the Department of Justice Canada was in the process of conducting the research, it also looked at what factors other jurisdictions were considering in the development of their child support models. These included:

- How child support amounts are treated by the tax system (e.g., whether the amount is counted as income and taxed; whether payment of it can be deducted by the paying parent and included as income by the receiving parent).
- The impact of a self-support reserve or a “floor” below which the paying parent would not be financially liable to pay the child support amount; and
- The different approaches to determining income for the purposes of the calculation of child support. For example, what types of income (e.g., pension, self-employment, capital income) are to be included, and whether net or gross income are used in the calculations.

In addition to the above noted factors, the FLC also requested research on the following issues.

a) Impact on standards of living

Of particular interest was the impact of either paying or receiving child support on the standard of living of each household following a divorce or separation. The research included the analysis of various approaches to adjust the models to take into consideration, for example, low-income families and the threshold below which a paying parent would not have to pay child support.

b) Tax implications

The FLC also recognized the impact of the relevant Canadian tax treatment of the child support amount as it was taxed as income in the hands of the receiving parent and treated as a deduction in the hands of the paying parent. Considerable analysis was conducted on the effects of this tax treatment of child support on the resulting standards of living for the two households. It should be noted that the *Income Tax Act*³⁴ was in fact changed so that child support was no longer treated as income (for the receiving parent), nor as a taxable deduction (for the paying parent).³⁵

c) Method chosen to determine the amount that the parents will share³⁶

Following extensive consultations³⁷, the FLC recommended, as a result of “limited support for the proposed methods of determining expenditures on children”³⁸, the selection of a method identified by Statistics Canada as the “40/30 equivalence scale.” Please see Department of Justice’s *Formula*

³⁴ *Income Tax Act* (R.S.C., 1985, c. 1 (5th Supp.)).

³⁵ F/P/T FLC’s *Report and Recommendations on Child Support*, 49.

³⁶ *Ibid.*

³⁷ Department of Justice Canada, *Children Come First – A Report to Parliament Reviewing the Provisions and Operation of the Federal Child Support Guidelines, Volume 1*, 2002. p. 4.

³⁸ F/P/T FLC’s *Report and Recommendations on Child Support*, p. 8.

*For The Table Of Amounts Contained In The Federal Child Support Guidelines: A Technical Report (1997)*³⁹ for a description of how the scale works.

2. An approach for apportioning the amount between the two parents

The second element that was examined in the construction of child support guidelines was to determine how to apportion the amount between the two parents. The FLC examined research and consulted on apportioning methods that were based on one or more of the following five principles:

- The paying parent's pre-separation/divorce level of contribution to the expenditures is maintained.
- The relative standard of living of both households following separation/divorce in proportion to their income is achieved.
- The standard of living in each household following the separation is equalized.
- The standard of living that the child experienced prior to the divorce/separation is maintained.
- The percentage of the paying parent's income that would be allocated to child support needs to be based on their ability to pay that amount.

As outlined in its report to Deputy Ministers⁴⁰, the FLC examined seven different approaches to apportioning the amount between the parents. All were based on a variation of the five principles noted above. The recommended principle, which underlies the apportioning approach used in the Federal Guidelines, was to try to maintain the standard of living of the child as much as possible to the level that the child experienced prior to the separation or divorce.

a) Creation of the formulas and a comparison to actual court data

Following a review of the various economic models to determine an amount that the two parents would jointly contribute as well as various ways to apportion that amount between the two parents, various formulas were created based on a combination of those two elements. In total, seven formulas were developed.⁴¹ One was the Revised Fixed Percentage Formula. This formula has the principal characteristics of a flat-percentage formula, where only the income of the non-custodial parent is used in the calculations and the child support award is determined by applying a fixed percentage amount to that income.⁴²

³⁹ Department of Justice Canada, *Formula For The Table Of Amounts Contained In The Federal Child Support Guidelines: A Technical Report*, CSR-1997-1E, December 1997, Child Support Team Research Report, https://www.justice.gc.ca/eng/rp-pr/fl-lf/child-enfant/1997_1/index.html.

⁴⁰ Ibid, 56.

⁴¹ R. Finnie, C. Giliberti & D. Stripinis, *An Overview of the Research Program*, 1995.

⁴² F/P/T FLC, *Report and Recommendations on Child Support*, 66.

To assist in assessing the seven formulas, the Department of Justice Canada collected data on the child support amounts contained in child support orders in family court cases from fifteen court districts in selected jurisdictions across Canada.⁴³

b) Creation of the Federal Child Support Tables

Following an assessment of the results using the formulas and taking into consideration the overall objectives that the FLC believed should guide the development of child support guidelines, the FLC recommended the Revised Fixed Percentage Formula to the Deputy Ministers of Justice for their consideration.⁴⁴

The Canadian child support formula and the Federal Guidelines came into effect on May 1, 1997.

C. Rules Used to Generate the Final Child Support Amount

In addition to the Federal Child Support Tables, the Federal Guidelines also include rules to determine the final child support amount. These rules are outlined below.

1. Determination of income

Accurate assessment of “parental means” – the incomes of the parents to be used to apportion the expenditures on the child – is critical to determining the appropriate child support amount. As noted earlier, establishing parental means was an issue that parents faced prior to the introduction of the Federal Guidelines.⁴⁵

The chosen definition of “income” is comprehensive and is contained in the Federal Guidelines.⁴⁶

2. Impact of parenting/custody arrangements on child support amounts

Most divorce cases in the 1980s and 1990s resulted in the child residing for a majority of the time with one parent, i.e., sole custody⁴⁷. Statistics from this era showed that either the mother (79.3%) or the father (6.6%) had “exclusive custody” of the children.⁴⁸ How the issues of sole custody of the children and how the amount of time the children spend with either parent both affect the calculation of child support is outlined in two FLC reports: *Child Support: Public Discussion Paper*⁴⁹ and *Report and Recommendations on Child Support*⁵⁰.

In addition to the consultations with parents and family law professionals on ways in which the child support guidelines should take into consideration the amount of time each parent spends

⁴³ Ibid.

⁴⁴ F/P/T FLC, *Report and Recommendations on Child Support*.

⁴⁵ F/P/T FLC, *Child Support: Public Discussion Paper*, 14.

⁴⁶ *Federal Child Support Guidelines*.

⁴⁷ For child support purposes, sole custody means that the child spends more than 60% of the time with one parent over the course of a year.

⁴⁸ Canada, Department of Justice, “*Selected Statistics on Canadian Families and Family Law: Second Edition*”, Table 5, <https://www.justice.gc.ca/eng/rp-pr/fl-lf/famil/stat2000/p4.html>.

⁴⁹ F/P/T FLC, *Child Support: Public Discussion Paper*, 25-31.

⁵⁰ F/P/T FLC, *Report and Recommendations on Child Support*, 37-40.

with the child, the approach taken by other jurisdictions also was examined.⁵¹ Many jurisdictions⁵² allowed for a reduction of the child support amount to compensate parents for time spent with their child.⁵³ In these jurisdictions, the guidelines allowed for deviations from the formula amount in cases where there were extended visitations (usually above 20%-30% parenting time with the child). In others, all of the expenditures on children were increased by 50% to account for “added” expenditures that were incurred in the non-custodial parent’s household. These increased expenditures were then shared between the parents based on the proportion of parenting time with the child.⁵⁴

Under the Federal Guidelines, where shared custody/parenting time is defined as at least 40% of the time, the courts have discretion to determine a child support amount based on the child support tables, the increased costs of such arrangements and the means, needs and other circumstances of each spouse and of any child for whom support is sought.⁵⁵

3. Impact of special or extraordinary expenses⁵⁶

Special or extraordinary expenses are characterized as expenditures for children that likely don’t apply to all children of separating or divorcing parents and thus are expenditures that are not covered by the Table amounts. The Federal Guidelines define “special or extraordinary expenses” as expenses that are:

- Necessary because they are in the child’s best interests.
- Reasonable given the means of the parents and the child and in light of the family’s spending patterns before the separation.

Special or extraordinary expenses are:

- a) Childcare expenses incurred as a result of the custodial parent’s employment, illness, disability or education or training for employment.
- b) The portions of medical and dental insurance premiums attributable to the child.
- c) Health-related expenses that exceed insurance reimbursement by at least \$100 annually, including orthodontic treatment; professional counselling provided by a psychologist, social worker, psychiatrist or any other person; physiotherapy; occupational therapy; speech therapy; and prescription drugs, hearing aids, glasses and contact lenses.

⁵¹ The F/P/T FLC, *Child Support: Public Discussion Paper*, 25-31., mentions a number of jurisdictions in its discussion of the issue at the time, e.g. Colorado, Michigan, Australia, etc.

⁵² Jane C. Venohr, “Child Support Guidelines and Guidelines Reviews: State Differences and Common Issues”, *Family Law Quarterly*, Vol. 47, No. 3 (Fall 2013), p. 314. In this paper it is stated that “In 2013, thirty-four state guidelines include a formulaic adjustment for shared-parenting time.”

⁵³ F/P/T FLC, *Child Support: Public Discussion Paper*, 25-8.

⁵⁴ *Ibid*, 29.

⁵⁵ *Federal Child Support Guidelines*, Section 9.

⁵⁶ *Ibid*, Section 7.

- d) Extraordinary expenses for primary or secondary school education or for any other educational programs that meet the child's particular needs.
- e) Expenses for post-secondary education.
- f) Extraordinary expenses for extracurricular activities.

4. Concept of undue hardship⁵⁷

The Federal Guidelines recognize that, in some cases, an amount of child support, combined with other circumstances, could create undue hardship for a parent or for a child. Courts have the flexibility to consider changes to the child support amount when a person claims undue hardship. One or both parents may bring a claim of undue hardship before the court to seek a change in the amount of child support.

5. Other circumstances that may result in a change to the table amount

The FLC also considered a number of circumstances that could lead to a change of an existing order. These are discussed fully in their *Report and Recommendations on Child Support*.⁵⁸

⁵⁷ *Federal Child Support Guidelines*, Section 10.

⁵⁸ F/P/T FLC, *Report and Recommendations on Child Support*, 40-44.

III Child Support Models in Ten Jurisdictions

A. Introduction

Factors such as culture, the social-political environment, legal foundation and history have major impacts on the way a jurisdiction organizes its approach to the determination of child support. As a result, the ten jurisdictions examined in this study all operate under different child support models. However, there are a remarkable number of similarities.

The purpose of this chapter is to:

- Provide a high-level summary of the factors incorporated into the calculations in the formulas used to determine child support amounts. These formulas are a key component of each jurisdiction's child support model.
- Describe how the model is administered in each jurisdiction.
- Provide an overview of the rationale for, and the significant legislative changes to, the child support models that have occurred over time.

The material presented in this chapter provides the context for the information provided in Chapters IV and V. In these chapters, the report delves into more detail about the factors and how they are used in the construction of the formula and the accompanying rules used by the ten jurisdictions.

To complement the various sections in this chapter, supporting details have been included in tables that are provided at the end of this chapter.

A *Summary Report* for each jurisdiction is provided in Volume II. Each summary provides a more detailed description of the child support model in that particular jurisdiction.

B. Summary of Child Support Models

The purpose in providing a brief overview of the formula used in each model is to assist the reader to understand how child support amounts are calculated in each jurisdiction. This provides the context for the details of the various components that are addressed in subsequent sections and chapters of this report.

One of the main findings of this review is that all ten models and the formulas used in these models operate differently – no two formulas or models are exactly alike.

Having said this, **all models** reviewed require:

- The same types of income information from the paying parent and, if required, the receiving parent, to calculate the child support amount.
- Expenditure data or costing information on children.
- Information on the number of children who are the subject of the award as well as the number of any other dependent children.
- Information on the amount of overnight time each parent spends with the child.

In addition, most of the models reviewed incorporate information on special expenses such as childcare, medical, extracurricular activities, special needs and education.

As well, the models in seven jurisdictions⁵⁹ take into consideration the financial ability of the paying parent to actually pay the child support amount. This is done by either including a self-support reserve or including caps on income below which the paying parent is not required to pay child support.

Most jurisdictions also base the estimate for expenditures on the child that are incorporated into their respective formula on data collected from a national government agency that has the mandate to collect, analyze and disseminate household expenditure data.

Seven jurisdictions⁶⁰ have child support models that are based on an income shares approach, requiring the income of both parents to determine child support amounts.⁶¹ The other three (Wisconsin, France and the United Kingdom) only require the income of the paying parent in straightforward cases where there are no adjustments to the formula calculations for time spent with the paying parent. However, in more complex situations such as when the child resides with the paying parent for a period of time that results in an adjustment to the child support amount, or in split custody cases, their models may in fact require the incomes of both parents to determine the child support amount.

Thus, all models reviewed make use of the same factors. However, the manner in which the factors are reflected in the computations varies across jurisdictions. The following summaries of the models used in the jurisdictions highlight how these various factors are used. The intent is to highlight the similarities and differences whenever possible.

C. Overview of the Child Support Model in Each Jurisdiction

1. The four American states

United States federal law and regulations require each state to establish child support guidelines that the courts and relevant organizations must use in any judicial or administrative proceeding when determining child support.⁶² That being said, states have the discretion with respect to the type of guideline model they implement as well as the economic basis of their child support

⁵⁹ Delaware, Vermont, Wisconsin, Australia, New Zealand, Norway and United Kingdom.

⁶⁰ Delaware, Illinois, Vermont, Australia, New Zealand, Norway and Sweden.

⁶¹ All jurisdictions with income shares models calculate a child support amount for both parents. However, the resident or custodial parent is assumed to spend their portion on the child in the home.

⁶² 45 C.F.R. §302.56 (2015).

formulas. A review of the four states included in this study reveals that each has adopted a different model.

a) Delaware

The formula in Delaware is based on the principle that each parent is entitled to keep a minimum amount of income for his or her basic needs before they are required to take care of the child's basic needs. If there is any remaining income after these needs are met, then the child is allowed to share in the excess income. These objectives are reflected in the construction of the formula.

Firstly, the gross incomes of both parents are required. Deductions from their gross incomes are allowed for their own basic needs (self-support allowance) as well as other dependent children.

Secondly, the basic needs for the child are determined. This amount is shared between each parent in proportion to his or her share of the combined family income available for child support.

Thirdly, a standard of living adjustment is made to ensure that if there is any remaining income after the basic needs of both parents and child are met, the child can benefit from this excess income. A percentage of each parent's remaining income is then calculated to determine the child's share of the excess income.

Fourthly, the two amounts – the share of the child's basic needs and the child's share of the paying parent's excess income – are added together to make a combined child support amount. If the child stays with the paying parent for more than 80 overnights, a percentage of the other parent's income is calculated to make a parenting time adjustment. This adjustment is subtracted from the combined child support amount to generate the final child support amount.

Finally, to ensure that the child support amount does not cause undue hardship on the paying parent as a result of existing support obligations for other children, a self-support protection amount is calculated. The final child support amount cannot be higher than the self-support protection amount.

b) Vermont

Two key objectives of the Vermont model are to ensure that both parents contribute to the financial support of the child and that the child is entitled to the same standard of living that they would have experienced had the parents lived together and combined their resources.

These objectives are reflected in the formula by ensuring that the incomes of both parents are used in the calculation of child support and that the expenditures that the parents will share in proportion to their income are derived from household expenditure data in intact families. This model is referred to as an income shares model.

Consequently, the first step in the calculation is to determine the gross income of both parents. Then, using standardized tax conversion tables that vary by the number of children living in each household and by the type of parenting time arrangement (shared, split or sole custody), the gross monthly income is converted into a net monthly income for both parents. At this point adjustments to the net income can be made, if applicable, for pre-existing child support orders as well as an amount for any additional dependents.

Then, using a standardized guideline table, the relevant child expenditure amount is determined. This table sets out the basic child support obligation amount based on the combined family net income amount and the number of children for whom child support is being determined. If the case has a shared parenting arrangement (the child resides with the paying parent for more than 30 % of the time) the child expenditure amount is multiplied by 1.5 to reflect the increased costs of raising a child in two households.

Added to the child expenditure amount, if applicable, are extraordinary expenses for childcare, extraordinary education and medical costs. This total amount is then shared between the parents in proportion to their income.

Finally, to ensure that the paying parent has the ability to pay child support, a self-support reserve amount is deducted from the paying parent's income available for support. The child support amount is the lesser of the child expenditure amount plus applicable extraordinary costs, or the results of the self-support reserve calculation – whichever is less.

c) Illinois

Although the child support guidelines first introduced in the State of Illinois were based on a fixed percentage model, in 2017 Illinois implemented an income shares approach.

As in the State of Vermont, the two key objectives of the Illinois model are to ensure that:

- Both parents contribute to the financial support of the child.
- The child is entitled to as close to the standard of living that they would have received had the parents lived together and combined their resources.

Again, similar to the Vermont model, the Illinois model uses tax conversion tables and standardized child expenditure tables (which outline the basic child support obligation by the number of children and combined family income amount) to assist parents and courts in calculating child support amounts. Unlike in Vermont, however, use of the tax conversion tables in Illinois is mandatory.⁶³

The first step in the calculation is to determine the net income of both parents using the tax conversion charts. The two net incomes are added together and each parent's proportional share of the total is calculated. Then, using the combined net incomes, the child support amount is found in the standardized child expenditure tables and each parent's proportional share of it is calculated.

At this point in the calculation, special expenses such as childcare and medical expenses, where applicable, may be added to the basic child support amount and then shared in proportion to each parent's income.

In shared parenting cases where the child resides with the paying parent at least 40% of the time, the basic expenditures are multiplied by 1.5 to reflect the increased costs of shared parenting time.

⁶³ In Vermont, if both parents agree, either parent can opt to use individualized tax calculations. If one party does not agree, they are required to appear before a judge to have a decision rendered.

The Illinois model is also different from the models used in the other states in that it has no offset of the child support amount for parenting time below 40%.

As well, there is no calculation included in the formula that takes into consideration the paying parent's ability to pay.

d) Wisconsin

With one exception, the principles underlying the Wisconsin model are very similar to those underlying the models used by Vermont and Illinois. The underlying principle in Wisconsin is that the receiving parent will share their income directly with their children due to the fact that they live in the same household. Consequently, the receiving parent's income is not required in the formula calculations. Thus, the calculations are based on a fixed percentage model. In the simplest straightforward cases, the percentages used are called the "percentage standard".

However, the Wisconsin model applies different percentages (which are modifications of the percentage standard) to the income of the paying parent depending on their income level ("high" or "low") and the parenting arrangement—whether there are any shared, split or "serial" situations (where a paying parent has more than one existing child support order). In essence, there are six formulas – each with a set of percentages that again, are a variation of the percentage standard. All are tailored to combinations of different parenting arrangements and income levels of the paying parent. The calculations all start with the determination of income of the paying parent. Once the parenting arrangement has been determined, the relevant formula is used.

There are no provisions in the formula calculations to consider the paying parent's ability to pay or provide for a self-support reserve.

2. United Kingdom, Australia and New Zealand

In these jurisdictions child support amounts are assessed and determined primarily by an administrative agency and, in the case of New Zealand, by the taxation department. They have access to taxpayer information (via the Taxation Authority) in respect of the income of the parties. This facilitates both the determination and enforcement of the child support amounts, a feature that is unique to these jurisdictions.

The administration of child support in two jurisdictions (Australia and New Zealand) is also interconnected with the delivery of means-tested social benefits provided by the state. The agency responsible for the delivery of the child support system is also responsible for delivering social benefits to their clients. In these two jurisdictions, the benefits that parents receive can be affected by the amount of the child support that is determined by the administrative agency.

This is not the case in the United Kingdom. Prior to 2003, its model was highly integrated with the social benefit system – with parents receiving a dollar for dollar reduction in their social assistance payment for any child support amount received. However, as a result of complaints about the disincentive emanating from the linking of the two payments, as of 2008 the calculations for social assistance amounts is not reduced at all by any payment received for child support. That is, a person on social benefits may keep the full amount of their benefits and the full amount of child support paid to them.

a) United Kingdom

The United Kingdom has had a contentious history in implementing guidelines to determine child support amounts. A key aspect of their model has been the use of administrative agencies that have been mandated to determine, enforce and administer child support amounts. Many of the changes that have been implemented over the course of the past thirty years have pertained to these agencies. The rationale for many of these changes emanates from differences over the years concerning what child support guidelines were expected to achieve.

Areas in which the objectives have changed include: reducing the number of lone parent families who live in poverty; ensuring that paying parents take financial responsibility for their children; and removing disincentives to paying child support by allowing parents in receipt of child support to keep all their social benefits. These changes in policy objectives have resulted in significant changes to the UK administrative mechanisms, powers pertaining to enforcement measures, and the construction of the formula used in the child support guidelines.

The model in the United Kingdom is based on a fixed percentage approach with only the income of the paying parent being required. The child support amount⁶⁴ is a percentage of the paying parent's income.

As with all formulas reviewed, the calculations commence with determining the gross income of the paying parent. Then, adjustments are made for any pension contributions. Deductions are also made to reflect the financial responsibility that the paying parent has for other "relevant" (dependent) children that are not part of the action under calculation.

Then, depending on the income level of the paying parent and the number of children, different percentages are applied to the income of the paying parent to determine the child support amount. What makes the United Kingdom model unique is that the set of percentages ("rates") to be applied are adjusted according to the various income bands, from lower to higher income levels of the paying parent. In total there are five different rates that vary by income. Finally, if the paying parent spends more than 52 (14%) overnights with the children, there is a direct deduction in the amount of child support to be paid.

b) Australia and New Zealand

The Australian and New Zealand formulas are very similar. When child support guidelines were introduced in both countries, they were based on a fixed percentage model. However, both jurisdictions (Australia in 2008 and New Zealand in 2015) changed their approach to an income shares model that requires the incomes of both parents to apportion the expenditures on children.

In both jurisdictions, the first step in the calculation is to determine the income available for child support. After determining the gross income of both parents, an amount is deducted for a self-support reserve. If applicable, an amount that represents a dependent child allowance is also deducted. Once the income available for child support has been calculated, the incomes of both parents are added together and the respective percentages of their combined income are determined.

⁶⁴ Referred to as maintenance or child support award.

Then, the child amount is calculated by taking the parents' combined child support income, selecting the appropriate income category and age and number of children in the table, and then ascertaining the appropriate "cost of the child".

It is the next step that is unique to Australia and New Zealand. Both calculate a "cost percentage" for each parent. This percentage reflects that parent's percentage of overnights that they spend with the child and is derived by selecting the appropriate category of percentage overnights from a prescribed table, and using that percentage in the calculations. Both parents receive a cost percentage ranging from 0%-100%.

The "cost percentage" for each parent is then subtracted from each parent's respective percentage share of total child support income. This calculation reflects the reduction in the parent's percentage of available income that they now have as a result of having the child for either less or more time – depending on the parenting time arrangement. The parent with the positive result (greater than zero) is the paying parent, and the resulting percentage (income percentage minus cost percentage) is multiplied by the expenditures on children to produce the final child support amount.

3. Norway, Sweden and France

In these three jurisdictions, the overall child support models are quite different from the others in our sample. For example, in Norway and Sweden, the expenditures on children are budget-based, and are not based on actual expenditures that are derived using a "marginal cost" approach.⁶⁵ As well, in France and Sweden, the use of child support guidelines is completely discretionary, although in both jurisdictions agencies exist to assist parents in the determination of child support and will use the guidelines in their calculations.⁶⁶

a) Norway and Sweden

Both the Norway⁶⁷ and Sweden models are based on an income shares approach and require information on the incomes of both parents to determine the child support amount. Unlike other jurisdictions that use an "actual costs of children" based methodology to determine expenditures on children, a basket of goods – or budget-based – methodology is used.

Furthermore, both jurisdictions have social benefit systems in place for low-income families that are intricately linked to the child support or "maintenance" allowances that are determined. The amount of social benefits that a low-income parent will receive is directly affected by the amount of child support collected and paid – with child support payments offsetting the social benefit on a dollar for dollar basis. As well in Norway, parents who are not receiving their child support amount from the paying parent are eligible for "maintenance support". This government benefit is a set monthly amount that is based on the age of each child.

Although similarities between these two jurisdictions exist, there are also significant differences. In Norway, the use of their child support model is presumptive for all parents who are on social assistance. This is not the case in Sweden, where it is discretionary with the onus put on parents

⁶⁵ See Chapter IV for more information on this approach.

⁶⁶ In France, the agency assisting parents has only recently begun to provide this service, while in Sweden the agency has been assisting parents for several years and has a considerable amount of information and tools to assist parents.

⁶⁷ In 2003, Norway changed from a fixed percentage of income model to an income shares model.

to reach an agreement. Each country also takes a different approach to reflect the impact of the increased costs as a result of the child spending time with each parent into their guideline calculations.

There are also differences in how the jurisdictions determine the income for each parent in the calculations. Norway uses gross income for each parent as the amount available to determine the child support amount. Sweden starts with the gross income for each parent, but then subtracts taxes, living and housing costs (as reported by the parents), resulting in the amount of income that is available for child support calculations for each parent.

In Norway, the recognition of parenting time is built into the formula calculations. A table, with bands of parenting time per month and by the age of child, sets out the relevant “costs for parenting time” per child. The relevant amount, called a *togetherness amount*, is then subtracted from the paying parent’s child support contribution.

In Sweden, once parents have agreed on the amount of parenting time, this amount is translated into a percentage that is based on blocks of time spent with the paying parent. For each block of time, which is either six days a month or five consecutive days, there is a 1/40th deduction in the child support amount.

Finally, Norway includes in its formula calculations tests to ensure that the paying parent has enough to live on. It also “caps” the final child support amount. This is to ensure that the child support amount does not exceed 25% of the paying parent’s gross income. As well, the final child support amount shall not exceed the paying parent’s “maximum contribution capacity”, which is set at their gross income, minus deductions for social security tax, regular tax, expenditures for their own maintenance, housing expenses, and maintenance for other children in their household. Sweden does not include provisions in their child support model.

b) France

The child support model in France is entirely a court-based model and must be used if parents seek to obtain a legal order that is enforceable. Parents negotiate an agreement between themselves and have it registered with the court through the use of services from a social agency, or they may use a “notaire” (lawyer) who is mandated to register child support agreements. They may also appear before a judge when they cannot agree. The use of guidelines is discretionary; however, principles stated in the *Civil Code* clearly underscore the financial responsibility of both parents towards their children. Both are responsible for the financial wellbeing and upbringing of their children, as they are considered to have joint custody of the children, unless their custody is terminated by a court of law.

Although its use is discretionary, the French Ministry of Justice implemented a standardized “Table of Child Support Amounts” in 2011 and created an online calculator to assist parents in determining child support amounts. The calculation is quite simple and only requires three sources of information: income of the paying parent, the number of children the paying parent is responsible for, which includes any child from a previous as well as current relationship, and the amount of time the child spends with the paying parent.

The Table of Child Support Amounts is based on a fixed percentage of income model, which only requires the gross income of the paying parent. The expenditures of the children are presented as a percentage of costs in a table that indicates the child support amount (as calculated using the

percentage of income) by level of income (displayed as gross monthly income minus a self-support reserve), number of children and the amount of parenting time. The amount of time spent with the child is categorized into three levels: reduced (less than 25% of the time); classic (over 25% of the time) and alternating (approximately 50% of the time but with child still primarily residing with the receiving parent). By consulting the table with these three pieces of information, parents are able to obtain a “per child” support amount that can be used in their discussions concerning an appropriate child support amount given their particular circumstances.

D. Administration of the Models

A review of the ten jurisdictions demonstrates that there are three types of decision-making systems in place to determine child support amounts. They are:

- Parent negotiated child support arrangements or private agreements.
- Use of the services of an administrative agency.
- Seeking a court order for child support in cases where the parents cannot agree and/or when the model requires judicial oversight for decisions made by the administrative agency.

1. Parent negotiated child support arrangements

As indicated in Table 1 (located at the end of this chapter), in all jurisdictions parents can privately negotiate an agreement for a child support amount. However, in the four American states, as well as in Australia and New Zealand, parents must use the services of their administrative agency if the receiving parent is in receipt of social assistance or government benefits.

In France, Sweden, the United Kingdom and Norway, being in receipt of social assistance does not preclude the parties from making a private arrangement. The use of the child support guidelines is also discretionary and, with the exception of the United Kingdom, should the case appear before the courts, judges in these jurisdictions are not mandated to use the child support guidelines.

In most jurisdictions, parents are required to appear before a judge to ensure that their order is legally binding. In these cases, if the parties have agreed to an amount that is not in accordance with the guidelines amount, the judge may use the guidelines as a reference point. If the judge is satisfied that the financial needs of the child are addressed, the parents can deviate from the guidelines amount.

2. Use of an administrative agency

As indicated in Table 1, all jurisdictions (except for Sweden) have government or non-government ⁶⁸ administrative agencies that have authority over the determination and administration of child support amounts. In seven jurisdictions (with the exception of France, Sweden, which doesn't have an administrative agency, and the United Kingdom) their agencies

⁶⁸ In France, a non-government agency called the “*Caisses d'allocations familiales/CAF*” provides services to primarily low to middle-income parents who are separating. Included in these services is assistance to determine child support amounts. In these cases, they use the guidelines to determine the appropriate child support amounts.

are also responsible for the enforcement and payment of the child support amount to the receiving parent.

Other services that most agencies provide include establishing parentage, establishing an order for medical support (the latter service occurring in the four states only), modifying and enforcing an existing order, or locating a delinquent paying parent. In the United Kingdom, in addition to the above noted services, the agency is also responsible for the delivery of all other services that separating or divorcing families may require, such as housing.

In seven jurisdictions,⁶⁹ parents who are not in receipt of social assistance or benefits from their jurisdiction can apply to use the services of their relevant administrative agency. However, in all cases where the receiving parent is in receipt of social benefits, parents are obliged to use these services. The administrative agency then determines the child support amount using the relevant guidelines.

Among the American models reviewed, Illinois is the only state that does not require a review by the courts once they have determined the child support amount. In the other three states, the setting of child support orders must be done through a court process. Once the child support amount has been assessed by the administrative agency, they will then process the file through the court system on behalf of the parents. As the amount has been determined using the relevant child support guidelines, the court is simply acknowledging receipt and is approving the order.

In all six of the jurisdictions with administrative agencies⁷⁰ that legally determine child support amounts, should either of the parties not agree with the amount determined and they have exhausted the recourse mechanisms established by the agency, their final recourse is to file an application with the court to have their case reviewed.⁷¹

In Australia, New Zealand and the United Kingdom, the assessment of child support is aided by the ability of the agency to obtain financial information directly from their taxation authority. This also facilitates annual mandatory updates of the child support order.

3. Seek a court order for child support

As shown in Table 1, in all jurisdictions, when parents cannot agree on a child support amount and do not want to use or are not required to use the administrative agency, they can file an application to the court to have the appropriate child support amount determined.

In the United Kingdom, Australia, New Zealand, Norway and Illinois, the administrative agencies have authority to determine and vary a child support amount without processing the case through the court system. In these jurisdictions, the courts are used only in cases where parents have exhausted the recourse mechanisms established by the administrative agencies or the parents have decided that they would like to have their case processed through the court system.

In the four American states and in the United Kingdom, Australia and New Zealand, the judge will determine the child support amount using the relevant guidelines. However, they also have the

⁶⁹ Australia, New Zealand, Vermont, Wisconsin, Illinois, Delaware, Norway.

⁷⁰ Australia, New Zealand, Norway, Vermont, Delaware and Wisconsin.

⁷¹ In these cases, the courts will use the child support guidelines; however, they have the discretion to vary the amount if they determine that it is not in the best interests of the child.

discretion to deviate from the guidelines amount if there are extra expenses or other relevant factors that should be taken into account based on the best interests of the child. In the other three jurisdictions (France, Norway and Sweden), use of the guidelines in the courts is discretionary.

4. Assessments or evaluations of the administrative models

As highlighted in the summaries for the United Kingdom, Australia and New Zealand, their child support models have come under heavy scrutiny by the public and their legislatures. Several assessments have been completed and have resulted in changes to not only their child support legislation, but also to their respective administrative agency. In the United Kingdom, for example, two agencies currently exist to determine child support amounts – with one being phased out as the cases in their system close or terminate. All three countries have undergone a number of parliamentary committee reviews or inquiries into their respective child support systems. Each of these reviews has resulted in reports containing recommendations. Several changes to their relevant child support legislation have been as a result of these reviews. Later in this chapter, we highlight some of these major changes.

In the four American states reviewed, under federal law, each is mandated to review and report on its child support system every four years. This review includes an examination of both the guidelines used to determine child support amounts as well as the enforcement of those amounts.⁷²

E. Rationale for the Model Used in Each Jurisdiction

This section outlines whether the legislation in the ten jurisdictions sets out objectives that are to be achieved by each model. As well, it describes the tools provided to help parents and courts determine the child support amount.

Theories, objectives or principles that underlie a child support model are reflected in the construction of the formula and, in some cases, in the sequencing of relevant factors that are inherent in its mathematical construction.

Delaware's model illustrates this concept. Rule 501 (a) of its Statute states “in determining each parent's ability to pay support, the Court considers the health, income and financial circumstances, and earning capacity of each parent, the manner of living to which the parents had been accustomed as a family unit and the general equities inherent in the situation.” This objective has been translated into their formula through:

- The use of expenditure data in low-income two-parent families to ascertain and meet the basic needs of children.
- The inclusion of self-support reserves (again, based on low-income measures for a single person) to ensure the basic needs of each parent is met. This includes an amount that is deducted from each parent's gross income.
- An “ability to pay” calculation as the last step in the application of the formula.

⁷² 45 C.F.R § 302.56 (2012).

Our review of the legislation and/or administrative rules on child support in the ten jurisdictions reveals that all have some form of statement about what their own model is intended to achieve. Outlined in Table 2 is the rationale for the model used in each jurisdiction. Essentially, there are six different rationales or objectives that have been identified and that vary by jurisdiction.

Although the wording is not identical, the concepts of the guidelines being in the “best interests of the child” are objectives that are present in legislation in five of the ten jurisdictions.⁷³

As well, in all jurisdictions there is a reference in the legislation that “both parents have a financial responsibility to care for their child”.

Four jurisdictions (Australia, New Zealand, Vermont, and Delaware) have references in their legislation that set out how expenditures are to be determined. In these four jurisdictions, references are made to expenditures either having to be based on data on the cost of raising children or in “accordance with the costs of children” (Australia).⁷⁴

With the exception of the United Kingdom and Norway, all jurisdictions set out objectives that address the standard of support to be provided to the child. For example, Wisconsin identifies this as an “adequate standard of support for the children, subject to the ability of the parents to pay”. Australia notes that “children should share in the standard of living of both parents,” and in France, “parents have a duty to participate in the needs of their children proportionally to their resources” and “they have a duty to contribute to the education and upbringing of the child”.

In four jurisdictions (Wisconsin, Delaware, Illinois and Vermont), provisions contained in federal law require the state to conduct a review every four years of their child support models, including their formulas and caseload. As well, state legislation outlines which state department is responsible for providing forms and tools to assist the parties in the determination of child support amounts.

Finally, six of the ten jurisdictions⁷⁵ provide other objectives that are not noted in the categories above as to what their child support guidelines are expected to achieve. Some examples of these objectives are the need to protect the interests of the taxpayer (New Zealand), parents needing to share their income with the child (Wisconsin), and improving the efficiency of the court process (Illinois).

F. Tools for Parents

All jurisdictions have provided tools for parents to assist them in determining child support amounts. All designated authorities, whether they be government departments or child support agencies, have an abundance of material posted on their websites designed to help parents, other family law officials such as lawyers and other state partners understand their legal obligations with respect to child support. Aids such as online calculators help them determine the child support amount in their situation. In some jurisdictions (e.g., France), lawyers are available to assist parents in understanding the law with respect to child support and can help negotiate and register settlements with the courts, if required. A clear finding from this review is that in each jurisdiction, there is an abundance of material available online to help parents navigate the administrative

⁷³ United Kingdom, Australia, Vermont, Wisconsin, France.

⁷⁴ See Chapter IV for more information on how expenditures are determined in these jurisdictions.

⁷⁵ New Zealand, Wisconsin, Illinois, Sweden, Norway and France.

complexities and to understand how the law applies in their situation, along with online tools to assist them in their formula calculations.

G. Major Changes to Child Support Legislation over Time

This section includes a discussion of the types of changes that have occurred in the child support legislation in the ten jurisdictions and identifies any patterns that emerged. It highlights reasons for the changes as well as whether there is any specific case law that has been identified as the impetus for the changes.

The nature and volume of changes to child support legislation vary by jurisdiction and by category of reforms. Given the volume of changes, the focus is on identifying those areas or categories in the legislation where there has been either a substantial change (e.g., moving from a fixed percentage model to an income-shares model) or frequent refinements (e.g., refinements to the definition of income) within the same category.

As noted in Tables 3a) and 3b), six categories of changes meet these two criteria:

- Method used to apportion the expenditures in each model.
- How expenditures on the cost of the child are to be determined.
- Changes to the definition of income used in the calculations of the formula.
- Time spent with the child.
- Recognition of second families/other dependents.
- Other noteworthy changes.

1. Method used to apportion the expenditures in each model

As shown in Table 3a), since the inception of their guidelines, six of the ten jurisdictions have not changed the method used to apportion child expenditures between the two parents. In the other four jurisdictions – Norway (2003), Australia (2018), New Zealand (2015) and Illinois (2017) – the legislation with respect to how the costs were to be apportioned between the parents changed from a fixed percentage (only the income of the paying parent was required) to an income shares method (where both parents incomes are required). In all four jurisdictions, these changes were made as a result of significant opposition from the public and the growing dissatisfaction from parents and family law professionals concerning child support amounts determined by the fixed percentage model. The rationale provided was that inequities resulted from the requirement that only the income of the non-custodial parent was used in the determination of child support amounts.

2. How expenditures on the costs of the child are determined

None of the ten jurisdictions have changed their legislation in this area in any substantial way. Apart from rate changes in the various tables and calculations included in the formula, all ten use the same basis for calculating the expenditures on children as when they started. The only change has been that, in some jurisdictions (Australia, New Zealand, Vermont and Illinois), amendments have been made to ensure that the source of data used to determine the expenditures on children is clearly stated, is of high quality and is current.

3. Changes to the definition of income available for child support used in the calculations of the formula

In the United Kingdom (2012), Delaware (2019) and Norway (2019), legislative amendments were made to switch from the use of net income to gross income in the formula calculations. The experts interviewed stated this was done to simplify the calculations and to reduce confusion with respect to the types of tax deductions that were eligible under the guidelines.

As shown in Table 3a), all jurisdictions have introduced changes to their legislation that have resulted in refinements to what is included in the definition of income. Examples of some of these changes include how existing child support payments are to be treated (i.e., all jurisdictions now allow for a deduction for those amounts), the inclusion/clarification of provisions to impute income (such as revenue from trust funds), and clarifying factors related to the attribution of income.

Also included in this category are changes that some jurisdictions have made that pertain to the treatment of other family dependents and the amounts that they now can consider as allowable deductions from gross income calculations to determine what is referred to as “income available for child support”. The various approaches to the treatment of other dependent children within the models are further explored in Chapter V. However, for the purposes of this section, it is important to note that in 2012, the United Kingdom changed its definition of income to be used for child support to include a deduction of an amount from gross income for parents who have legal obligations with respect to other dependent children.

In Australia and the United Kingdom, changes have also been made with respect to allowing their taxation authority to provide income data for the purposes of child support determination. The rationale for these changes was to allow for more accurate, timely information in an effort to improve the administration of child support determination in the responsible child support agency. As well, access to accurate up-to-date income information allows for automated annual recalculations in these jurisdictions.

4. Recognition of second families or other dependents

How child support models treat second or new families in their child support calculations has evolved over time. Four jurisdictions – the United Kingdom (2012), New Zealand (2015), Vermont (1990) and Delaware (2002) – introduced changes to their legislation to include provisions that recognize the financial impacts of having second families. The reasons cited for these changes were the concerns raised by the public about the inequality of the treatment of second families in the guidelines’ construction.

5. Time spent with the child

With the exception of France, all jurisdictions have made changes to the provisions pertaining to the treatment of time spent with the child by each parent. Changes have largely focused on reducing the thresholds that would trigger a change in the percentage deduction that each parent receives as a result of having spent time with the child. Other types of changes have included clarity on how to treat continuous blocks of time⁷⁶ that a parent may spend with a child that is not the

⁷⁶ Continuous blocks of time could be over 12 hours during the daytime but not involve an overnight.

traditional overnight time (Wisconsin 2018), and simplification of the bands of time before a reduction is allowable (Delaware 2015).

6. Other noteworthy changes

Changes to legislation pertaining to the administrative agencies mandated to determine child support amounts on behalf of their clients have occurred in several jurisdictions. These changes have either affected their scope of enforcement capability or, as in the United Kingdom, have resulted in the dissolution of the existing administrative regime and either the creation of a new one or a reassignment of the authority to another department. The rationale for these changes has consistently been related to the performance of the agency.

Other changes worth noting include various recent amendments that have occurred in Delaware and New Zealand pertaining to provisions designed to protect the ability of the paying parent to actually have the financial means to pay child support. These jurisdictions have included amendments to their self-support amounts, provisions for paying parents who are incarcerated, and adjustments to relevant standard of living calculations.

H. Summary

This chapter provided an overview of the factors incorporated into the calculations in the formula underlying the child support models. As well, it summarized the rationale for, and the legislative changes to, the models that have occurred over time. The following are the main observations:

1. All models have embedded in their legislation principles on what child support guidelines are designed to achieve. These principles or objectives are integral to how their formula is constructed, both in the elements used and their sequencing.
2. In all jurisdictions, parents always have the option to negotiate their own child support amounts; in these cases, child support guidelines are discretionary. In most jurisdictions, for people who are receiving social benefits from their government, administrative agencies are mandated to determine child support amounts. In these cases, child support guidelines are mandatory. In cases that are processed through the court system, depending on the jurisdiction, the use of child support guidelines is mandatory. However, judges have the discretion to deviate from the guidelines amounts.
3. Five jurisdictions (Australia, New Zealand, Illinois, Norway and the United Kingdom) have made significant changes to their child support model in the past ten years. In Australia, New Zealand, Illinois and Norway, the reforms included changing from a fixed percentage of income model to an income shares model. Not only did these four jurisdictions make changes to the way they apportioned the expenditures between the parents, they also changed their legislation pertaining to parenting time thresholds and calculations, definitions of child support income, and increased rigor in the methods used for determining expenditures on children.
4. All ten models, and the formulas used in these models, operate differently. Nonetheless, all models make use of a number of the same elements in their formulas. What is also important is how these elements are defined and integrated in the calculations in the formula, which differ considerably from jurisdiction to jurisdiction.

5. Changes to the models have occurred in all ten jurisdictions. The main reasons were public outcry due to administrative failures, inaccurate assessments, and the need to keep pace with the reality of the changing nature of families.

Table1: Administration of the Models, by Jurisdiction

Jurisdiction	Involvement in the Determination of Child Support			Use of the Child Support Guidelines: Discretionary or Presumptive
	Private Agreements/ Arrangements between Parents	Government Administrative Agency	Courts	
United Kingdom	Yes, parents may self-manage their child support, regardless of whether they are in receipt of social benefits or not.	Yes, the Child Maintenance Agency (CMS) provides comprehensive (assessment, administration and enforcement, parent information, etc.) child support services.	Yes, but only in cases where parents can't agree or they don't qualify for CMS, e.g. family violence may be an issue, or one parent resides outside the UK.	Presumptive in all cases determined by CMS. Discretionary for parents who agree and do not use the services of CMS. Presumptive if case proceeds through the court process.
Australia	Yes, parents may self-manage their child support and if an agreement is reached. However, if in receipt of social benefits, they only receive the base rate of the Family Tax Benefit, unless they use the services of the agency.	Yes, Child Support Program (CSP) in the Department of Human Services provides comprehensive (assessment, administration and enforcement, parent information, etc.) child support services.	Yes, though rarely used and only as a last resort and when one or both parents file an objection to a decision from the agency.	Presumptive in all cases determined by CSP. Discretionary for parents who agree and do not use the services of CSP. Presumptive if case proceeds through the court process but courts have the discretion to deviate from the guidelines amount.
New Zealand	Yes, parents may self-manage their child support and if an agreement is reached. No, if on social assistance or parent receives other benefits from government.	Yes, Inland Revenue Department provides comprehensive (assessment, administration and enforcement, parent information, etc.) child support services.	Yes, though rarely used and only as a last resort and when one or both parents file an objection to a decision made by Inland Revenue.	Presumptive in all cases determined by Inland Revenue. Discretionary for parents who agree and do not use the services of Inland Revenue. Presumptive if case proceeds through the court process, but courts have the discretion to deviate from the guidelines amount.

Jurisdiction	Involvement in the Determination of Child Support			Use of the Child Support Guidelines: Discretionary or Presumptive
	Private Agreements/ Arrangements between Parents	Government Administrative Agency	Courts	
US: Vermont	Yes, parents may self-manage their child support and if an agreement is reached. No, if on social assistance or parent receives other benefits from government.	Yes, the Office of Child Support (OCS), Department for Children and Families provides comprehensive (assessment, administration and enforcement, parent information, etc.) child support services.	Yes, <i>only</i> the Family Court can establish an order and will review child support orders from the OCS and adjudicate when parents appear before the Court without using OCS. If parents agree, and do not use the OCS, they can complete an agreement and submit it to the court for their concurrence.	Presumptive in all cases determined by OCS. Discretionary for parents who agree and do not use the services of OCS. Presumptive if case proceeds through the court process, but courts have the discretion to deviate from the guidelines amount.
US: Wisconsin	Yes, parents may self-manage their child support and if an agreement is reached. No, if on social assistance or parent receives other benefits from government.	Yes, Child Support Agency (CSA) Wisconsin Department of Children and Families provides comprehensive (assessment, administration and enforcement, parent information, etc.) child support services.	Yes, <i>only</i> the Family Court can establish an order and will review child support determined by the CSA and adjudicate when parents appear before the Court without using the CSA.	Presumptive in all cases determined by CSA. Discretionary for parents who agree and do not use the services of CSA. Presumptive if case proceeds through the court process, but courts have the discretion to deviate from the guidelines amount.
US: Illinois	Yes, parents may self-manage their child support and if an agreement is reached. No, if on social assistance or parent receives other benefits from government.	Yes, the Division of Child Support Services (DCSS) within Department of Healthcare and Family Services provides comprehensive (assessment, administration and enforcement, parent information, etc.) child support services.	Yes, the Family Court can establish an order and will adjudicate when parents appear before the Court without using DCSS. However, DCSS also has the authority to administer an order without having it proceed through the court process.	Presumptive in all cases determined by DCSS. Discretionary for parents who agree and do not use the services of DCSS. Presumptive if case proceeds through the court process, but courts have the discretion to deviate from the guidelines amount.

Jurisdiction	Involvement in the Determination of Child Support			Use of the Child Support Guidelines: Discretionary or Presumptive
	Private Agreements/ Arrangements between Parents	Government Administrative Agency	Courts	
US: Delaware	Yes, parents may self-manage their child support and if an agreement is reached. No, if on social assistance or parent receives other benefits from government.	Yes, the Division of Child Support Services (DCSS) provides comprehensive (assessment, administration and enforcement, parent information, etc.) child support services. DCSS cannot establish orders. However, they do provide services to parents to determine a child support amount and to assist in the court process to establish a final child support amount.	Yes, <i>only</i> the Family Court can establish an order and will review child support orders from the DCSS and adjudicate when parents appear before the Court without using DCSS.	Presumptive in all cases determined by DCSS. Discretionary for parents who agree and do not use the services of DCSS. Presumptive if case proceeds through the court process, but courts have the discretion to deviate from the guidelines amount.
Sweden	Yes, parents are encouraged to agree, regardless of whether they are receiving social benefits or not.	No. There is no agency with the mandate to assess and determine child support amounts. However, the Social Insurance Agency does provide assistance to parents to assist them in determining a child support amount.	Yes, <i>only</i> the court can establish an order. Parents must have a court order or have it registered with the court for administrative and/or enforcement purposes.	The use of guidelines by judges is discretionary.
Norway	Yes, parents who are not collecting social benefits are encouraged to reach their own private arrangement.	Yes, the National Office for Social Insurance Abroad (NAV) provides comprehensive (assessment, administration and enforcement, parent information, etc.) child support services.	Yes, the courts may establish child support amounts. This is usually done only in conjunction with matrimonial proceedings or proceedings concerning parental responsibility, custody or access.	Presumptive in all cases determined by NAV. Discretionary for parents who agree and do not use the services of NAV. Presumptive if case proceeds through the court process but courts have the discretion to deviate from the guidelines amount.

Jurisdiction	Involvement in the Determination of Child Support			Use of the Child Support Guidelines: Discretionary or Presumptive
	Private Agreements/ Arrangements between Parents	Government Administrative Agency	Courts	
France	Yes, parents may self-manage their child support and if an agreement is reached.	No government agency. However, a private non-profit agency, <i>Caisses d'allocations familiales (CAF)</i> , provides services to parents for the determination of child support amounts.	Yes, <i>only</i> the court can establish a child support order. Parents must have a court order or have it registered with the court for administrative and/or enforcement purposes.	The use of guidelines by judges is discretionary.

Table 2: Rationale for the Model Used, by Jurisdiction

Jurisdiction	Objectives of Models					
	<i>Child support is in the best interests of the child</i>	<i>Both parents have a financial responsibility to care for their child</i>	<i>Expenditures need to be based on recent data on raising children or assessed by some other means</i>	<i>Address level of support that is to be provided to the child</i>	<i>Need for regular reviews of the legislation to keep child support amounts current</i>	<i>Other objectives noted</i>
United Kingdom	Yes, all officers taking decisions that affect a child must take into account the welfare of that child.	Yes, each parent has a duty to maintain their children.	No	No	No	Yes, persons who provide ongoing daily care for children should be able to have the level of financial support to be provided for the children readily determined without the need to resort to court proceedings.
Australia	Yes	Yes, the parents of a child have the primary duty to maintain the child.	Yes, financial support is to be provided by parents for their children and it should be determined in accordance with the costs of the children.	Yes, children should share changes in the standard of living of both their parents, regardless of who they live with.	No	No

Jurisdiction	Objectives of Models					
	<i>Child support is in the best interests of the child</i>	<i>Both parents have a financial responsibility to care for their child</i>	<i>Expenditures need to be based on recent data on raising children or assessed by some other means</i>	<i>Address level of support that is to be provided to the child</i>	<i>Need for regular reviews of the legislation to keep child support amounts current</i>	<i>Other objectives noted</i>
New Zealand	No	Yes, affirms the right of children to be maintained by their parents.	Yes, child support is to be determined in accordance with legislatively fixed standards.	Yes, the level of financial support to be provided by parents for their children is to be determined according to their relative capacity to provide financial support and their relative levels of provision of care.	No	Yes, ensures that the costs to the state of providing an adequate level of financial support for children is offset by the collection of a fair contribution from liable parents.
US: Vermont	Yes. "...it is in the best interests of their minor child to have the opportunity for maximum continuing physical and emotional contact with both parents..."	Yes, parents have the responsibility to provide child support.	Yes, expenditures need to be based on the true costs of raising children.	Yes, any costs to be shared should approximate as much as possible the standard of living the child would have enjoyed had the family remained intact.	Yes, Vermont legislation provides direction for the Secretary of Human Services in Vermont to establish forms to assist parents and to ensure that the guidelines are amended from time to time as may be necessary, but not less than once every four years.	No

Jurisdiction	Objectives of Models					
	<i>Child support is in the best interests of the child</i>	<i>Both parents have a financial responsibility to care for their child</i>	<i>Expenditures need to be based on recent data on raising children or assessed by some other means</i>	<i>Address level of support that is to be provided to the child</i>	<i>Need for regular reviews of the legislation to keep child support amounts current</i>	<i>Other objectives noted</i>
US: Wisconsin	Yes	Yes, expects that the custodial parent share his or her income directly with their children. The standard determines the minimum amount each parent is expected to contribute to the support of his or her children.	No	Yes, the basic needs of the children are being met.	Yes, Wisconsin legislation provides a direction for the Services in Wisconsin to establish forms to assist parents and to ensure that the guidelines are amended from time to time as may be necessary, but not less than once every four years.	The standard is based on the principle that a child's standard of living should, to the degree possible, not be adversely affected because his or her parents are not living together. It is expected that the custodial parent share his or her income directly with their children.
US: Illinois	No	Yes, to calculate child support based upon the parents' combined adjusted net income.	Yes, amount is estimated based on expenditures on children in intact families.	Yes, child support is calculated subject to the ability of parents to pay.	Yes, guidelines are to be amended from time to time as may be necessary, but not less than once every four years.	Make child support obligations more equitable between the parents. Improve the efficiency of the court process.

Jurisdiction	Objectives of Models					
	<i>Child support is in the best interests of the child</i>	<i>Both parents have a financial responsibility to care for their child</i>	<i>Expenditures need to be based on recent data on raising children or assessed by some other means</i>	<i>Address level of support that is to be provided to the child</i>	<i>Need for regular reviews of the legislation to keep child support amounts current</i>	<i>Other objectives noted</i>
US: Delaware	No	Yes, but only after both parents' needs are taken care of. Child can share in any additional income after the primary needs of both parents and child are met.	No, however legislation does mention that the basic needs of the child are to be taken care of before the parents can retain any additional income.	Yes, if income is available after the primary needs of the parents and children are met, then the children are entitled to share in any additional income of the parents.	Yes, guidelines are amended from time to time as may be necessary, but not less than once every four years.	No
Sweden	No	Yes, a parent not living with their child is required to pay "underhållsbidrag" (maintenance allowance or child support) as parents are obliged to financially support their children.	No	Yes, when deciding on the appropriate amount of child support in an agreement, the parents are to take into consideration the financial needs of the child and the economic situation of both parents.	No	Spouses should show each other respect and loyalty. They shall jointly nurture their home and children, and in consultation, work for the family's best.

Jurisdiction	Objectives of Models					
	<i>Child support is in the best interests of the child</i>	<i>Both parents have a financial responsibility to care for their child</i>	<i>Expenditures need to be based on recent data on raising children or assessed by some other means</i>	<i>Address level of support that is to be provided to the child</i>	<i>Need for regular reviews of the legislation to keep child support amounts current</i>	<i>Other objectives noted</i>
Norway	No	Yes, the need for resources for the provision of support shall be shared between the parents after an assessment of their economic capacity and as right and as reasonably possible.	No	No	Yes	Yes, the rules shall encourage continued care of the child by both parents. Provision must be made for private agreements for the contribution.
France	Yes, called "protection of the child's interests".	Yes, parents have a duty to participate in the needs of their children proportionally to their resources. Impose a duty on both parents, regardless of their marital status, to contribute financially to the well-being and education of their children.	No	No	No	Parents have a duty to contribute to the education and upbringing of the child. Children have a right to be heard in all proceedings that concern them. Separated parents, regardless of their marital status, continue to exercise joint parental responsibility over their children.

Table 3a): Sequence of Major Changes

Jurisdiction	<i>Method used to apportion the expenditures between parents</i>	<i>How expenditures used in the models are to be determined</i>	<i>Changes to the definition of income available for child support used in the calculations of the formula</i>	<i>Recognition of second families or other dependents</i>
United Kingdom	<p>1991 – Complex formula was introduced, that essentially used the income of the paying parent, but there were many other factors to be considered.</p> <p>2003 – A simpler percentage of income model was introduced, with the receiving parent assumed to be contributing their financial share.</p> <p>2008 – Adjustments were made to percentages of income and the addition of income bands to define which percentages to use.</p>	<p>1991 – Model percentages derived from household data collected by the UK Office of National Statistics.</p> <p>2003 – The fixed percentages introduced were: 15% for one child, 20% for two children, and 25% for three or more children.</p> <p>2008 – Lowering of the percentages of income to: 12% for one child, 16% for two children, and 19% for three or more children. As well, the introduction of an upper band of income above 800 £ with another lower set of percentages. Change in upper limit of income from 2000 £ to 3000 £.</p>	<p>1991 – Net income was to be used in the formula calculations.</p> <p>2003 – No major changes.</p> <p>2012 – Changed definition of income from net income to gross income.</p> <p>Allowed for deductions if parents shared the custody of the child or the parent or the person with who the parent lives with receives a child benefit amount.</p> <p>Created provisions to use income data from the Revenue Agency (simplicity and automatic recalculations was the goal).</p>	<p>2003 – Provisions included in legislation</p> <p>2008 – Introduction of new set of percentages of income when the paying parent has dependent children living with them.</p>

Jurisdiction	<i>Method used to apportion the expenditures between parents</i>	<i>How expenditures used in the models are to be determined</i>	<i>Changes to the definition of income available for child support used in the calculations of the formula</i>	<i>Recognition of second families or other dependents</i>
Australia	<p>1989 – The formula assessment for separating parents with children began as a “fixed percentage of income” model. The original child support percentages payable (on the payer’s income) were: 18% for one child, 27% for two children, 32% for three children, 34% for four children, and 36% for five children or more.</p> <p>2008 – Apportioning method changed from a percentage of income model to an income shares model.</p>	<p>2008 – Expenditures on children to be used in the formula were changed to reflect updated “estimated average expenditures for raising children in Australia”. These changes resulted in expenditures being based on:</p> <ul style="list-style-type: none"> • The level of combined incomes of the parents; • The age of the children (now two categories: 0-12 and 12 and over); and • The number of children (reduced from “four or more” children previously, to “three or more”). 	<p>1993-94 – An increase to the amount of the self- support reserve for the paying parent.</p> <p>A decrease to the paying parent’s ‘disregarded income amount’.</p>	<p>1989 – Accounting for other dependent children included in assessments.</p> <p>2008 – With changes to formula type to income shares, dependent children and other children to whom support is paid now included as deductions from income.</p>

Jurisdiction	<i>Method used to apportion the expenditures between parents</i>	<i>How expenditures used in the models are to be determined</i>	<i>Changes to the definition of income available for child support used in the calculations of the formula</i>	<i>Recognition of second families or other dependents</i>
New Zealand	<p>Yes – Changes to apportioning method have occurred.</p> <p>1991 – Introduction of the <i>Child Support Act 1991</i> and a basic “fixed percentage of income” formula.</p> <p>2015 – Formula changed to income shares model.</p>	<p>2015 - Expenditures on children to be used in the formula were changed to reflect “estimated average expenditures for raising children”. These changes resulted in expenditures now being based on:</p> <ul style="list-style-type: none"> • The level of combined incomes of the parents; • The age of the children (now two categories: 0-12 and 12 and over); and • The number of children (reduced from “four or more” children previously, to “three or more”). 	No changes.	<p>2015 – Both parents now receive assessments that may include allowances for any other children who live with them and for whom they have legal liability, where applicable. This allowance is based on the children’s ages, and the current cost of raising children in New Zealand.</p> <p>Parents' assessments no longer include allowances for partners, or children living with them for whom they do not have a legal liability.</p>
US: Vermont	<p>1985 – Introduction of guidelines included formula based on an income shares model</p>	<p>1985 – Percentages determined after reviews of various economic models that examined the expenditure data collected on intact families and their spending patterns.</p>	<p>No major changes to the definition of income, other than in 1996 with an amendment to the guidelines for the Office of Child Support to produce tax conversions tables from gross to net income to assist parents in the calculations.</p>	<p>1990 – Changes to the guidelines were made to recognize both parents’ responsibility to their other dependent children.</p>

Jurisdiction	<i>Method used to apportion the expenditures between parents</i>	<i>How expenditures used in the models are to be determined</i>	<i>Changes to the definition of income available for child support used in the calculations of the formula</i>	<i>Recognition of second families or other dependents</i>
US: Wisconsin	<p>1983 -- Guideline introduced based on a fixed percentage model. Guidelines were discretionary.</p> <p>The percentage are 25% for one child, 29% for two children, 31% for three children, and 34% for four or more children.</p> <p>1987 – Use of guidelines becomes presumptive: still one set of percentages and no changes made to the amounts.</p>	<p>1983 -- Percentages of expenditures determined after reviews of various economic models that examined the expenditure data collected on intact families and their spending patterns.</p>	<p>1983 – Income net of taxes was used.</p> <p>2018 – Definition of income changed to include other forms of income, such as treatment of social assistance payments, and employer paid pension contributions etc.</p>	<p>1983 – Have been included in formula calculations since inception.</p>

Jurisdiction	<i>Method used to apportion the expenditures between parents</i>	<i>How expenditures used in the models are to be determined</i>	<i>Changes to the definition of income available for child support used in the calculations of the formula</i>	<i>Recognition of second families or other dependents</i>
US: Illinois	<p>1984 –The percentages used in this early fixed percentage of income model were: 20% for one child; 25% for two children, and 32% for three children.</p> <p>2003 – Added percentages of income for 40% for four children; 45% for five children, and 50% for six or more children.</p> <p>2017 – Changed from percentage of income model to income shares model.</p>	<p>2017 – Introduced the use of actual expenditure data on children in intact families to determine the basic child support amounts.</p>	<p>2017 – The introduction of standardized tables to convert gross monthly income to net monthly income.</p>	<p>1984 - Accounting for dependents and second families have been part of formula calculations since inception.</p>

Jurisdiction	<i>Method used to apportion the expenditures between parents</i>	<i>How expenditures used in the models are to be determined</i>	<i>Changes to the definition of income available for child support used in the calculations of the formula</i>	<i>Recognition of second families or other dependents</i>
US: Delaware	1986 – Introduced the Delaware Melson Child Support Formula, no changes since.	1986 – No changes to how “expenditure” data is determined since inception.	1986 – Income net of taxes was used. 1990 – The definition of income was modified to exclude the income of a person co-habiting with either parent. Over the next 12 years, various adjustments were made primarily to the definition of income clarifying what constitutes income for the purposes of child support, how to treat income from second jobs that parents may have, as well as other minor amendments. 2019 – The definition of income changed from “income net of taxes” to gross income.	1986 – There was no consideration in formula for dependent children. 2002 – Included provisions to take into consideration other minor children a parent may have from previous relationships. Parent received deductions based on number of previous children. 2015 – The Court reduced the parent’s available income for primary support by only taking 83% of the parent’s available income if there was one other child, 73% if there were two other children, and 67% for three or more children. In order to simplify the calculation, the parent’s available income for primary support was reduced by 30%, regardless of the number of other children they support.
Sweden	No changes to apportioning method have occurred.	No changes, Sweden continues to use a basket of goods approach based on the average costs of basic items for children.	No changes.	No changes.

Jurisdiction	<i>Method used to apportion the expenditures between parents</i>	<i>How expenditures used in the models are to be determined</i>	<i>Changes to the definition of income available for child support used in the calculations of the formula</i>	<i>Recognition of second families or other dependents</i>
Norway	1989 – Fixed percentage of income model introduced. 2003 – Implementation of income shares model.	2003 - Actual costs of children were to be the starting point for the assessment. Estimates of such costs were found in the “standard family budget” developed by The National Institute for Consumer Research, which estimates the expenditure for a family with a “reasonable” living standard. Estimates for increased housing expenditure and child-care costs are added.	No changes over time, gross income are still used.	No changes.
France	2011 – Introduction of Table of Child Support amounts, which are based on fixed percentage of income model.	2011 – Introduced exact percentages to represent the proportion of household's expenditures spent on children.	2011 – Introduction of income definition and the use of a self-support reserve to be deducted from income.	2011 – Codified and implemented Table that is to take into account all children of paying parent.

Table 3b): Sequence of Major Changes (continued)

Jurisdiction	<i>Custody/Parenting Time</i>		
	<i>Shared Custody or Parenting Time Continuum</i>	<i>Split Custody</i>	<i>Other Noteworthy Changes</i>
United Kingdom	<p>2003 – Changes to legislation to address all types of shared care.</p> <p>2012 – Changes made to how shared parenting arrangements are to be calculated by introducing different percentages and approaches to the calculations.</p>	<p>2012 – Changes on how split custody is to be calculated, introducing different percentages and approaches to the calculations.</p>	<p>1993 – Creation of the Child Support Agency (CSA) to administer the child support model.</p> <p>2012 – Creation of the Child Maintenance Service (CMS) to administer the child support model.</p> <ul style="list-style-type: none"> - Also made changes with respect to yearly updates of awards. - Introduced provisions for grounds for variations. - Introduced provisions to allow parents to determine child support amounts without using the services of an agency. - Dropped recovery of social benefit payments: paid child support no longer reduces social benefit.
Australia	<p>2008 – Reduction of the threshold of care for both parents that will impact the applicable amount of child support. The threshold for care was reduced to 14% (52 nights or more a year, or one night a week). Prior to this amendment, the threshold for care was 30%.</p>	<p>2008 – No definitional change. Split custody could now be calculated the same as any case, as the calculations are “per child” when the care situations are different when two or more children.</p>	<p>None.</p>

Jurisdiction	Custody/Parenting Time		
	Shared Custody or Parenting Time Continuum	Split Custody	Other Noteworthy Changes
New Zealand	2015 – Reduction of the threshold of care for both parents that will impact the applicable amount of child support. On April 1, 2015, the threshold for care was reduced to 28% (103 nights or more a year, or two nights a week). Prior to this amendment, the threshold for care was 40%.	2015 – No definitional change. Split custody can be calculated the same as any case, as the calculations are “per child” when the care situations are different when there are two or more children.	<p>1991 – Creation of Child Support Agency within Inland Revenue Department.</p> <p>2015 – Changes were adopted that were designed to recognize the difficulties that lower income parents face in providing for themselves and their children. These included:</p> <ul style="list-style-type: none"> • Increases in the numerical amounts for primary allowances for children and the parents’ self-support allowance. • Additional recognition pertaining to the child support obligation of paying parents who are incarcerated. • Lowering the self-support protection mechanism in cases when a parent has children in 3 or more households to support. <p>2016 – The qualifying age for children eligible for child support was lowered from 19 to 18, unless the 18-year-old child is still enrolled in and attending school.</p>

Jurisdiction	Custody/Parenting Time		
	Shared Custody or Parenting Time Continuum	Split Custody	Other Noteworthy Changes
US: Vermont	<p>1985 – Provisions included for shared parenting time. Adjustments for parenting time were included based on the number of overnights, starting at two adjustments for 25% of the time, with over 75% of the nights being considered as shared custody.</p> <p>No major changes in approach other than updating to Table amounts.</p>	<p>1985 – Included provisions for split custody situations.</p> <p>Calculations were done for each parent with the relevant number of children in their care. Then an offset is calculated with the parent having the higher amount paying the difference to the other parent.</p> <p>No major changes in approach.</p>	None.
US: Wisconsin	<p>1983 – Not clear whether guidelines included rules.</p> <p>2018 – Changes made to parenting time, includes blocks of time to be treated like overnights.</p>	No changes.	2018 – Sliding scale adjusted for high income earners to cap amounts.
US: Illinois	2017 – Provisions to adjust the basic child support amount to reflect shared parenting arrangements.	2017 – Provisions to adjust the basic child support amount to reflect split custody arrangements.	2017 – The requirement for Department of Healthcare and Family Services to provide online tools and worksheets.

Jurisdiction	Custody/Parenting Time		
	Shared Custody or Parenting Time Continuum	Split Custody	Other Noteworthy Changes
US: Delaware	<p>1986 – Provisions included for shared parenting time. Adjustments for parenting time were included based on the number of overnights – four “time” bands created – with over 40% of the nights being considered as shared custody.</p> <p>2002 – Amendments were made to change the calculations of the combined SOLA and the Primary Support Allowance depending on the amount of time the child spent with the paying parent.</p> <p>2014 – Amendments made with respect to how calculations were dealt with pertaining to the number of overnights that would trigger a percentage reduction in the award. Six bands of time were reduced to four. Nights were reduced at the lower band from 109 nights to 79.</p> <p>2015 – Simplified calculations to two adjustments for time spent: 10% for 80 to 124 overnights, and 30% for 125 to 163 nights. If over 163 nights (45%), parents are considered to have shared equal placement or shared custody.</p>	No changes to split custody since inception.	<p>1986 – Included a <i>Standard of Living Adjustment</i> (SOLA) for both the parents and child. Amount has changed slightly when legislated updated.</p> <p>1986 – Included a <i>self-support allowance</i> for both parents to be deducted from the net income of both parents. Amounts have changed slightly when legislation updated. However in 2019, changes made to amounts to address low income parents ability to pay increased their self-support allowance significantly.</p> <p>1986 – Self-protection cap included to ensure parents capacity to pay. If the amount of child support exceeds that cap, they were not required to pay child support. Amount has been modified over time, but no significant changes.</p> <p>2015 – Series of amendments were made to recognize the ability of low income parents to pay child support.</p>

Jurisdiction	Custody/Parenting Time		
	Shared Custody or Parenting Time Continuum	Split Custody	Other Noteworthy Changes
Sweden	<p>In the 1990s, the rules on custody of children following parents' separation were modernized with a greater emphasis on solutions by consensus.</p> <p>In 2006, the provisions on custody, residence and contact were amended in order to strengthen the perspective of the child.</p>	No changes.	<p>1997 – New provisions were introduced called “maintenance support”. This was a benefit provided by the government to the receiving parent in lieu of child support if the paying parent cannot or hasn't paid support.</p> <p>1997 to 2019 – The amounts of maintenance support increased and three age bands (0-11, 12-14, 15 plus) created. Amounts increased with the age of child.</p> <p>2018 – Began to investigate cases where paying parents had fully paid their child support. Goal was to have parents manage their own payments and not use the services of the administrative agency.</p>
Norway	<p>2003 – Introduced levels of parenting time based on numbers of nights per month. For 2-4, 4-9, 9-14, 14-15 nights, costs (called a “togetherness amount”) are recognized and credited for time spent. If two nights or less, no costs are credited.</p>	No changes.	<p>1992 - The responsibility of establishing and collecting child support amounts was transferred from the Municipal Contribution Services to the National Office for Social Insurance Abroad (NAV) Service.</p> <p>2009 - Adjustment of the child support amount is to be done automatically when the child changed age groups.</p>

Jurisdiction	Custody/Parenting Time		
	Shared Custody or Parenting Time Continuum	Split Custody	Other Noteworthy Changes
France	2011 – Introduction of three classes of parenting time: reduced, classic and alternating residence (though child lives primarily with one parent).	No changes.	<p>1993 – Reforms outlined the principle of joint parental responsibilities (<i>autorité parentale conjointe</i>) for divorced or separated parents and for non-married parents.</p> <p>2002 – The newest reform provided a new definition for <i>autorité parentale</i> (parental authority): a collection of rights and duties aiming at the child's interest.</p>

IV Components Used to Calculate Child Support Amounts

A. Introduction

As described in Chapter II, there are two fundamental components to the construction of any child support formula.

The first component is the approach used to develop the “expenditures on children” that will be shared between the parents. It answers this question: “What are the financial amounts that are going to be used in the formula that approximate what parents spend on their children?”

The second component is the method used to apportion those expenditures between the parents. It answers the question “Once you have an amount that represents what parents spend on their children, how are the calculations constructed in the formula to share those expenditures between the parents, to arrive at a child support amount?”

The purpose of this chapter is to describe and summarize how the ten jurisdictions incorporate these two core components into their formulas.

To complement the various sections, supporting details have been included in Tables 4 and 5 at the end of this chapter. As well, the summaries for each jurisdiction included in this review can also be consulted in Volume II of this report.

B. Approaches to Estimating Expenditures on Children

Although there has been a significant amount of discourse on the various methods to measuring child-rearing expenditures for the purposes of child support guidelines, economists do not agree on a preferred methodology.⁷⁷ Thus with no “perfect method” available for expressing expenditures on children, it follows that jurisdictions have used different approaches in their child support models.

The three methods used by the sample of ten jurisdictions to estimate expenditures on children are described below.

⁷⁷ Jane Venohr, *Economic Basis of Updated Child Support Tables for Vermont*, prepared for: Office of Child Support, Department for Children and Families, Vermont Agency of Human Services, 2015, 8.

1. Expenditures on children⁷⁸

The determination of actual expenditures on children using this method is defined as the difference between expenditures in a married or cohabiting couple household *with no* children, versus a married or cohabiting couple living in a similar (in terms of combined family income levels, number and of age of children) household *with* children. In simple terms, this approach is called a “marginal cost” methodology with the difference in the amounts of expenditures in these two families being attributed to the cost of having children. It is this difference in the amount of expenditures that becomes the “cost of the child” that is used in the formula calculations. The data that underlies this methodology is derived from national expenditure surveys on what families of different sizes and compositions spend on various items in their family households. These surveys are conducted by government agencies responsible for the collection and dissemination of national statistics. The number and age of children, and level of income for both parents can also be disaggregated in the data sets.

As well, because the data in the expenditure surveys are robust and detailed, it is possible to disaggregate expenditures on various items that could, later on, be added back into the formula calculations – such as childcare or tuition costs. This approach provides the flexibility to move from the determination of an amount that represents the average costs of a child to an approach that determines the costs of basic items for a child, plus any add-ons for extraordinary items, if relevant given the family circumstances.

This approach has been criticized for not reflecting the expenditures in a single-parent household.⁷⁹ However, the counter argument has been that since many single-parent families live in poverty, the data derived from single-parent families would be too low, resulting in child support amounts that, on average, would not be representative of the average family. Another argument against using single-parent expenditures is that the use of intact family expenditure data is more reflective of the expenditures on children over the life of a child support order. This is because both the paying and receiving parents are likely to reside with new partners at some period following their family breakdown⁸⁰ and thus have expenditures more reflective of intact family patterns of spending.

2. Budget-based approach or a *basket of goods* methodology

Using this methodology, expenditures on children are derived by costing out the individual items that children are deemed to need, such as food, shelter, clothing, activities and transportation. The average of these expenditures for all children is then determined and the total of these expenditures is then used as the expenditures for the child in the formula calculations. These expenses can be generated for the age and gender of the children. Government agencies responsible for the collection and dissemination of national

⁷⁸ Details on this section are displayed in Table 4, by jurisdiction.

⁷⁹ Jane Venohr, *Differences in State Child Support Guidelines Amounts: Guidelines Models, Economic Basis, and Other Issues*, Journal of the American Academy of Matrimonial Lawyers, Vol. 29, 2017, 386, <http://old.aaml.org/library/journal-of-the-american-academy-of-matrimonial-lawyers/volume-29-2017-number-2>.

⁸⁰ Diane Galarneau, *Family income after separation*, Statistics Canada. Income Analytic Report 0835-5525, No. 5, 1997.

statistics are the mandated authority that collects these budget-based data. As well, as the individual items are identified and the costs determined, it is possible to disaggregate selected elements, remove them from the average costs and later, depending on the family circumstances, add them back into the calculations for the child support amount. This approach has been criticized for understating the expenditures for children in middle to higher income families, as the costs are usually based on a basket of goods for basic needs.⁸¹

3. A basic needs approach

Using this approach, the first step is to determine what expenditures are required to meet the basic needs of the child. In most cases, a jurisdiction will rely on low-income measures and the financial amounts required to meet the basic needs of children in low-income families. Again, these types of data are obtained from local, regional or national agencies that are responsible for measuring and disseminating information on low-income families and are usually used to set welfare or social assistance payment levels in the relevant jurisdiction. While similar to the basket of goods approach above, it differs from it in that the focus is on low-income families while the basket of goods relies on expenditures from families at all income levels.

C. Approaches Used to Estimate Child Expenditures in the Jurisdictions

Table 4 outlines the approach each jurisdiction has adopted to incorporate expenditures on children into their formula, as well as the source of their expenditure data.

The approaches used by the ten jurisdictions are as follows:

1. Actual expenditures on the child

Seven of the ten jurisdictions⁸² use a guideline that incorporates actual expenditures on children. The expenditure data that form the basis of their formula are extracted from national household surveys administered and collated by national statistical agencies on an annual basis.⁸³

2. Budget-based approach

In Sweden and Norway, the methodology underlying their model is based on what a family would spend on various items for their children. Both use average amounts for various items based on data collected by their respective national consumer agencies. In both jurisdictions, separate budget costs for such necessities as food, clothing, housing, leisure

⁸¹ Anne Skevik, *Family Policies in Norway: Third report for the project "Welfare Policy and Employment in the Context of Family Change"*, drafted for the meeting 5-6 June 2003 in Reykjavik, Iceland, revised July 2003.

⁸² United Kingdom, Australia, New Zealand, France, Illinois, Vermont and Wisconsin.

⁸³ It is important to note that although the relevant national organizations collate the data annually, the percentages (if using a fixed percentage model) and the amounts (if using an income shares model) are not updated annually.

activities, etc., are also provided with the total of these expenditures being used as the basis of their child support amounts. In Sweden, parents may also opt to use their own actual expenditures based on what they have historically been spending on their child to assist in determining a child support amount. Norway also separates out expenditures on housing and supervision (childcare) costs, with the latter being actual expenditures reported by the parents. The actual costs of these two items are then added to the costs of the child in the calculation of the final award.

3. Basic needs of the child

Delaware is the only jurisdiction that uses this method for determining expenditures on children. In this state, the methodology for how expenditures are determined reflects their guidelines' objective: the basic needs of the child are to be met first (after the basic needs of the parents are met)⁸⁴ before the child is allowed to share in any excess income of both parents. To achieve this objective, their formula includes a two-step calculation. The first step is to determine an amount that represents the child's basic needs. This is achieved by using expenditure data based on the annual United States federal poverty line amounts for a single person with one or more children. The second step (see below for a discussion of their apportioning approach) involves the calculation of a Standard of Living Adjustment that allows the child to share in any excess income the parents may have after both their and their child's basic needs are taken care of.

All ten jurisdictions have used the same methodology to determine what numbers are to be used for their expenditures on children over the life of their child support models. With the exception of Norway and Sweden – which use a budget-based approach to determine the expenditures – none of the jurisdictions have changed their percentages (if using a fixed percentage model) or amounts (if using an income shares model) in any substantial way.

In two jurisdictions (the United Kingdom and Wisconsin), they have not revised the percentage of income rates since the inception of their guidelines based on the continued assumption that the proportion of money that parents spend on their children does not change over time.

Four jurisdictions (Australia, New Zealand, Vermont, and Illinois) have placed their effort on improving the quality of the research and information to ensure their expenditure data are up to date and comprehensive. They have been assisted by their respective national government organizations responsible for these data to improve their breadth and quality considerably over time. Although the results of the expenditure data derived from the national organizations are reviewed regularly to look for trends and changes, the amounts or percentages included in the guidelines have not changed, although depending on the jurisdiction, adjustments have been made on how the amounts are to be shared based on changes to the various factors considered in the formula calculations.

For the remaining four jurisdictions:

⁸⁴ The parents' basic needs are met first by subtracting a self-support reserve from their incomes.

- Norway and Sweden have always used current, itemized costs for children. Thus, the amounts used in their guidelines are updated annually and are based on national data collected by a government agency.
- In Delaware, their amounts are based on federal poverty data and as those amounts change, the amounts used in the guidelines are also updated to reflect these changes.
- France has just introduced such tools as an online calculator to assist parents in the determination of child support amounts. The online calculator includes expenditures for children that have been derived using recent expenditure data on children to generate the percentages of income that is incorporated into this tool. However, as their experience with these guidelines is very recent, no adjustments have been made to date.

D. Use of Expenditures in the Formula

Once a jurisdiction has chosen the method to determine the expenditures on the child that will be used in the formula, the next step is to determine how it will be used and displayed in the calculations themselves. An analysis of the jurisdictions reveals that the way expenditure amounts are displayed differs by jurisdiction.

1. Variations in how the expenditure data is utilized and displayed

Those jurisdictions that use actual costs as expenditure data, in accordance with their income shares model (New Zealand, Australia, Illinois and Vermont), display the expenditure costs in lookup tables that are contained in their child support legislation and provided on their websites.⁸⁵

In the jurisdictions that use a fixed percentage of income model (Wisconsin, the United Kingdom and France), the expenditure data are shown as percentages of income. These percentage amounts are then applied to the paying parent's income in the calculation of child support amounts. Wisconsin and the United Kingdom provide their percentage of income models in their legislation.

For Norway and Sweden, the budget items used to determine costs of children that are considered in the formula calculations are provided, and the amounts are pre-filled in the online calculators (or worksheets) used to assist parents and lawyers when determining child support amounts.⁸⁶ The expenditure data are provided by their respective national consumer agency and are based on average costs. It should be noted that in Sweden, if

⁸⁵ Note: The tables in legislation may display only percentages, while the tables provided online will have actual amounts, i.e. the percentage calculations have been completed for the online version for ease of use.

⁸⁶ Sweden and Norway differ slightly in their access to the actual costs of the budget items. Norway items are aggregated into one total entitled "consumption", while Sweden provides the costs of the individual items.

parents are in agreement, they also have the option of using the actual amounts that they spend on their child instead of using the pre-filled amounts.

As mentioned above, Delaware's expenditure approach is based on the amount that reflects the basic needs of a child. To arrive at the appropriate amount, the amount of the basic need is set as a proportion of the self-support allowance⁸⁷ amount, which is based on data from the United States' Federal Poverty Registry. The basic need amount consists of two components – a “per child” amount, which is multiplied by the number of children, and a housing amount, which is the same regardless of the number of children. Both components are approximately 25% of the self-support allowance. If there is more than one child, the “per child” amount is multiplied by the number of children.

2. Variations in the level of detail in the expenditure tables

The majority of jurisdictions present their expenditure amounts in tables or worksheets. These tables are presented to assist parents using one or more of the following characteristics: the age and number of the children, the level of income of the paying parent, or the combined income of both parents.

The extent to which the jurisdictions provide further breakdowns in the categories is related to the method they use to determine expenditures on children. Those jurisdictions that determine expenditures using a budget-based approach present the expenditure data disaggregated by more family characteristics.

a) Age of the children

Six of the jurisdictions do not break down their estimated amounts on expenditures on children by the age of the children.⁸⁸ New Zealand and Australia use the same age breakdown, consisting of two categories: 0-12 years of age, and 13 years and older. Norway and Sweden (the two budget-based jurisdictions) display their expenditure data by multiple age categories. Norway uses 5 age bands: 0-5 years, 6-10, 11-14, 15-18, and 19 years old. Sweden uses age bands that are very narrow, almost attributing costs to the child in an age specific manner. (Note: Sweden is the only jurisdiction to differentiate expenditures on children by gender of the child.)

b) Number of children

Seven jurisdictions⁸⁹ display their expenditure data by the number of children, while the two jurisdictions using the budget-based approach (Norway and Sweden) display expenditures “per child”, and thus child support may be calculated for any number of children.

In the United Kingdom, France, New Zealand and Australia, expenditure data are categorized by one to three or more children. Wisconsin and Delaware display data that

⁸⁷ More detailed discussion of “self-support allowances or reserves” can be found in Chapter V. Basically, these reserves represent an amount that will meet the basic needs of a single person. A number of jurisdictions use them as a deduction from income.

⁸⁸ France, United Kingdom, Delaware, Wisconsin, Vermont and Illinois.

⁸⁹ Australia, New Zealand, the United Kingdom, Wisconsin, Delaware, Vermont and Illinois.

allows up to five or more children. Finally, Illinois and Vermont provide expenditure data in their tables for one to six or more children.

c) Level of income

The degree to which jurisdictions display their expenditure data by income level depends on the apportioning method that underpins their formula and even within those, there are differences.

In four of the income shares models (Vermont, Illinois, Australia and New Zealand), the income level amounts that are displayed reflect combined family income – as both parents must provide their income information to complete the calculation, and it is their combined income that is used to find the expenditure amount in their tables of expenditures. Vermont and Illinois display the most income increments, which are in bands of \$50 monthly combined income increments. Australia and New Zealand use five broad categories of income that are based on recent earnings data (average weekly earnings for male workers) and are in multiples of five (.5, 1.0, 1.5, 2.0 and 2.5 times earnings data). While Vermont and Illinois display a considerable amount of detail in their tables of expenditures, Australia and New Zealand, while using broader categories, provide more detailed tables of expenditures based on income on their websites.

In jurisdictions where the formula is based on a fixed percentage of income model (Wisconsin, the United Kingdom and France), only the paying parent's income is necessary. Consequently, expenditures are expressed as a percentage of their income. However, these models differ slightly from one another as well. For Wisconsin, their model includes formulas that differ by the level of income of the paying parent: they have a low-income formula (income is between 75% and 150% of the Federal Poverty Guidelines for a single person) and a high-income formula (when income is above \$7,000). In the United Kingdom, the model includes four bands of income, with different percentages within each band. Finally, France uses a number of income categories in its table of child support amounts, and the income levels are displayed in 100-euro increments.

Finally, in Sweden and Norway, the two remaining income shares models, because each case is calculated using child specific costs, there is no need to provide breakdowns of these costs by income level.

E. Approach Used to Apportion the Amount between the Two Parents

Once an expenditure method to estimate the costs of children has been chosen, these costs must then be apportioned between the two parents to determine a child support amount. How each model uses the incomes of both parents in the calculations differs.

To summarize, there are three basic models to apportion the costs, as outlined in Chapter II. They are:

Income Shares: The expenditures on the children are shared in proportion to the parents' share of the combined family income. This model necessitates the collection and use of income information from both parents to calculate the amount of child support. In

straightforward circumstances such as when the child lives the majority of the time with one parent, the other parent will pay the other parent their respective amount from the calculations in the form of child support.

Fixed Percentage of Income:⁹⁰ The expenditures on children are expressed as a percentage and only requires the income of the paying parent. That income is multiplied by the percentage to generate a child support amount.

Melson Formula: The distinguishing feature is a two-step apportioning of the incomes of both parents to arrive at the appropriate child support amount. The first step requires the incomes of both parents to complete the calculations; they calculate their proportional share to meet the basic needs of the child – which is why it appears very similar to the income shares model. However, unlike other income shares models, included in the formula is a calculation that only requires the income of the paying parent. This is where the Melson formula is based on a fixed percentage model. As part of the formula calculation, a percentage of the paying parent’s excess income (after basic needs of the child and the paying parent are subtracted) is used in the determination of a standard of living adjustment. This amount allows the child to share in the standard of living of the paying parent.

As Table 5 indicates, six jurisdictions have models that are based on the income shares approach (Australia, New Zealand, Norway, Sweden, Illinois and Vermont). Three jurisdictions (the United Kingdom, Wisconsin and France) have child support models based on a fixed percentage of income model. Delaware uses the Melson model.

F. Summary

Most jurisdictions conduct economic research using data based on actual expenditures collected by their relevant national government agency. The results of this research on expenditures on children in families provide the basis for including the expenditures in the formula calculations and are presented as amounts or percentages, depending on the formula type. For the seven jurisdictions that use actual expenditures on children, they can be classified as using a “continuity of expenditures” approach⁹¹ - the underlying premise being “...that children should continue to receive the same amount of expenditures they would have had [if] the parents never separated or divorced”.⁹² They are not, nor do they purport to be, actual expenditures, but rather are proxies for the expenditures on children in their jurisdictions.

The jurisdictions that use a budget-based approach to determine expenditures also obtain their data from a national government agency. The expenditures included in their guidelines are based on “the average costs required to meet the needs of the child” as opposed to “what families spend on their children”. However, in both of the jurisdictions that use this approach (Norway and Sweden), parents have the option to use their current itemized costs for their child.

⁹⁰ Often referred to as a flat percentage model, or percentage model.

⁹¹ Jane Venohr, “Child Support Guidelines and Guideline Reviews: State Differences and Common Issues”, *Family Law Quarterly*, Vol 47, No.3 (Fall 2013), 327-352.

⁹² *Ibid*, 329.

All ten jurisdictions have used the same methodology to determine what numbers are to be used for their expenditures on children over the existence of their child support models. With the exception of Norway and Sweden, which use a budget-based approach to determine the expenditures, none of the jurisdictions have changed their percentages (if using a fixed percentage model) or amounts (if using an income shares model) in any substantial way.

That being said, regardless of the method used to develop expenditure data, most jurisdictions review their expenditure data periodically to ensure their data are of high quality to best reflect expenditures on children.

The majority of jurisdictions display their expenditure amounts in the form of tables or in worksheets designed to assist parents and child support officials to complete the formula calculations. The level of detail provided in the tables or worksheets on the income levels of the parents and on the ages and number of children depends on the method used to determine the expenditures. These jurisdictions also have their expenditure data or their proxies (e.g., in percentages of combined income) in their child support legislation.

The majority of jurisdictions (seven)⁹³ have models that are based on an income shares approach to apportioning the costs between the parents to determine a child support amount. This requires using the incomes of both parents to calculate the child support amount. The expenditures of the child are then divided in proportion to each parent's income. A stated advantage of the incomes shares model is that it "...can more readily factor in and address a larger variety of case circumstances than the traditional percentage of income model. This includes circumstances where the custodial parent has more income than the non-custodial parent, shared-parenting time, and other circumstances."⁹⁴

The remaining three jurisdictions⁹⁵ have models that are based on a fixed percentage of income model⁹⁶, which requires only the paying parent's income. A stated advantage of the percentage of income models "...is (they are) often seen as easier to implement, administer and understand."⁹⁷ However, when the parenting time is either shared or split, the income of both parents is required to complete the formula calculations. Thus, the method underpinning the calculation becomes an income shares approach. Consequently, these three jurisdictions use both the percentage of income model (in sole custody situations) *and* the income shares model (in split and shared custody situations).⁹⁸

⁹³ Australia, New Zealand, Vermont, Illinois, Norway, Sweden and Delaware. Delaware is included in this list because of its similarity to the income shares model: it uses both parents' income for determining child support amounts.

⁹⁴ Jane Venohr, *Child Support Guidelines and Guideline Reviews*.

⁹⁵ United Kingdom, Wisconsin and France.

⁹⁶ The websites of the three jurisdictions describe the method underpinning their models as using a percentage income method for calculating child support.

⁹⁷ Marie Cancian and Molly A. Costanzo. *Comparing Income-Shares and Percentage-of-Income Child Support Guidelines*. Institute for Research on Poverty, University of Wisconsin-Madison. 2017.

⁹⁸ See Chapter V for additional information on how the expenditures are shared in various parenting time/custody situations.

Table 4: How are child costs determined?

Jurisdiction	<i>Basis of expenditures: child's needs, expenditures in families, basket of goods.</i>	<i>Source of expenditure data</i>	<i>Way they are represented</i>	<i>Tools and/or tables and their updating</i>
United Kingdom	Expenditures on children are expressed as “percentages” of costs of children in an intact family.	<p>The current child maintenance rates (percentages) were developed in the 1980s and have not changed.</p> <p>The United Kingdom Office for National Statistics produces data on average weekly household expenditures on goods and services in the United Kingdom by region, age, income, economic status, socio-economic class and household composition. The data collected by this agency were instrumental in the determination of the rates to be used when the guidelines were first introduced. The rates have not changed, as the assumption is that the proportion of costs that parents spend on children does not change over time.</p>	Percentages of Household Average Weekly Income that vary based on number of children (1, 2, 3 or more) and level of paying parent income. United Kingdom has five bands of income levels of the paying parent.	Child Maintenance Service provides information on its website with the “rates” to be used based on the income of the paying parent.

Jurisdiction	<i>Basis of expenditures: child's needs, expenditures in families, basket of goods.</i>	<i>Source of expenditure data</i>	<i>Way they are represented</i>	<i>Tools and/or tables and their updating</i>
Australia	Actual expenditures on children are used. The approach is based on a “marginal cost” model that compares expenditures of two sets of equally well-off households – one set consists of two-parent families with children and the second set consists of couples without children. The difference in expenditures is assumed to be the cost spent on child rearing.	The current approach to determining the expenditures on children relies on studies on the “costs of children” conducted in 2005 by the Ministerial Taskforce on Child Support. The Taskforce recommended that the costs of children used in the formula should be expressed as a percentage of the combined income of the two parents (after their respective self-support allowances have been subtracted).	Percentages of Household Average Weekly Income that vary with parents’ combined child support income level, number and age grouping of the children.	<ul style="list-style-type: none"> • Table of Percentages in <i>Child Support (Assessment) Act 1989. Schedule 1.</i> • <i>Costs of the Children Table</i> on website with annualized income levels and child support amounts. • Income categories are updated annually. • <i>Cost Percentage Table</i> that consists of a lookup table that converts a parent’s actual percentage of time with care of the child to their <i>Cost Percentage</i>. <p>Note: Costs themselves are represented as percentages of parents’ combined income rather than amounts, thus do not require updating. Costs will increase as the standard Male Total Average Weekly Wage (MTAWE) increases.</p>

Jurisdiction	<i>Basis of expenditures: child's needs, expenditures in families, basket of goods.</i>	<i>Source of expenditure data</i>	<i>Way they are represented</i>	<i>Tools and/or tables and their updating</i>
New Zealand	To derive the information contained in the <i>Child Expenditure Table</i> in Schedule 3 of the CSA, the actual amounts of expenditures on children determined in the 2009 study have been converted to percentages of income. The percentages represent marginal expenditures, which indicates how much each additional dollar of child support income in an “average weekly earnings” band is to be treated as expenditures on children. The Table contains percentages based on three variables: income, age of children and number of children.	Statistics New Zealand's 2006-07 Household Economic Survey (HES).	<i>Child Expenditure Table</i> Percentages of Household Average Weekly Income that vary with: parents' combined child support income level, number and age of children.	<ul style="list-style-type: none"> • Table of Percentages in legislation, Schedule 3 of the <i>Child Assessment Act</i> of 1991. • Table on website with annualized income levels and child support amounts by level of parents' combined income and age groups of children. • Income categories are updated annually. • <i>Care Cost Percentage Table</i> lookup chart to convert a parent's actual percentage of time with care of the child, to their <i>Care Cost Percentage</i>.
US: Vermont	Actual expenditures on children are used. The approach is based on a “marginal cost” model that compares expenditures of two sets of equally well-off households – one set consists of two parent families with children and the second set consists of couples without children. The difference in expenditures is assumed to be the cost spent on child rearing.	2004-2009 USDA Consumer Expenditure Survey administered by the Bureau of Labour Statistics.	<i>Vermont Table of Intact Family Expenditures on Children:</i> Expenditures on children covered by monthly combined parents' income and number of children.	Lookup Table is available in Legislation. <i>Vermont Table of Intact Family Expenditures on Children</i> These expenditure data are reviewed for accuracy and currency every four years during Vermont's quadrennial review.

Jurisdiction	<i>Basis of expenditures: child's needs, expenditures in families, basket of goods.</i>	<i>Source of expenditure data</i>	<i>Way they are represented</i>	<i>Tools and/or tables and their updating</i>
US: Wisconsin	The guiding principle in Wisconsin is the concept of “continuity of expenditure”. This means that children should not be adversely affected because their parents do not live together. Thus, estimates of expenditures on children in intact families are the basic comparison point for the “costs” of children.	Economic research undertaken by Wisconsin in the 1980s concluded that the proportion of income devoted to a first child varies from between 16 to 24% for one child in intact families. It also found that the share of income spent on the second and third child was about half of what was spent on the first. This research produced the <i>percentage standard</i> that Wisconsin uses today.	Wisconsin converted the household expenditures on children to percentages of income. These are represented as the percentage of income of the paying parent in each of the six formulas (and the receiving parent for shared placement (custody) cases).	The percentage standard is the same set of percentages used since the inception of Wisconsin's guidelines. All six formulas are detailed in their legislation, <i>Chapter 49 Department of Children and Families 150 Child Support Percentage Of Income Standard.2018</i> , along with sample case scenarios.
US: Illinois	Actual expenditures on children are used. The approach is based on a “marginal cost” model that compares expenditures of two sets of equally well-off households – one set consists of two-parent families with children, and the second set consists of couples without children. The difference in expenditures is assumed to be the cost spent on child rearing.	USDA Consumer Expenditure Survey administered by the Bureau of Labour Statistics. Amounts for Illinois were generated in 2012 and updated in 2017 using the consumer price index amounts. Amounts are only provided for one to three children. An equivalence scale approach is used to extrapolate applicable amounts for 4, 5 and 6 children.	<i>Income Shares Schedule Based on Net Income</i> Schedule contains parent's monthly combined net income by number of children.	Lookup table available in Legislation: <i>Income Shares Schedule Based on Net Income.</i> Expenditure data are examined every four years during Illinois's quadrennial review.

Jurisdiction	<i>Basis of expenditures: child's needs, expenditures in families, basket of goods.</i>	<i>Source of expenditure data</i>	<i>Way they are represented</i>	<i>Tools and/or tables and their updating</i>
US: Delaware	Two expenditure types. The first is an amount that is deemed to meet the children's basic needs. The second is an amount based on the amount of excess income of the parents after meeting their basic needs. It is called a Standard of Living Adjustment (SOLA) as it uses a percentage of the available income to determine an additional amount to be added to share of the basic needs amount. Percentages are based on the proportional costs of children in intact families.	Federal Poverty Guidelines as published in the Federal Register by the US Department of Health and Human Services.	Two components: the first component is a "per household component". This amount is set at 25% of the <i>Self Support Allowance</i> for the parent - minus \$72 per month. This is an amount that is set regardless of the number of children that are the subject of the award. The second is a "per child" component. This amount is currently set at 25% of the <i>Self Support Allowance</i> for the parent plus \$24. To determine the <i>Total Primary Support Allowance</i> , the number of children is multiplied by the "per child component" (\$310 per month). Then the "per household amount" (\$210 per month) is added.	No tables – all information provided is contained in the online calculator

Jurisdiction	<i>Basis of expenditures: child's needs, expenditures in families, basket of goods.</i>	<i>Source of expenditure data</i>	<i>Way they are represented</i>	<i>Tools and/or tables and their updating</i>
Sweden	Basket of goods approach. Amount is determined by adding up standard items such as costs for food, clothing, hygiene, shoes, leisure time and fun activities, etc.	Two options: If parents agree, parents can decide the monthly expenditures that are spent on the child, or they can use the amounts provided by the Swedish Consumer Agency that represent average costs for these items for children, broken down by age and gender of child.	<p>"Costs for basic needs" includes: average monthly amounts spent on children in Sweden for food, hygiene, clothes and shoes, leisure time and fun activities, mobile phone costs (for children over age 11), and insurance. Other non-standard expenses may be added to these costs and can include: childcare expenses, expensive recreational activities, any school fees, costs related to a special diet, and anything else not included in the base costs. All these "costs" are added together to provide the monthly costs of the child.</p> <p>Subtracted from the total costs above is the standard monthly Child allowance. If the child has other income, it is also subtracted from the costs calculated above.</p> <p>Costs are on a per child basis and vary by age and gender of the child. The online calculator allows for an unlimited number of children to be entered.</p>	<p>No table provided but amounts are pre-filled in online calculator.</p> <p>Parents may enter their own amounts for the various items instead of using the pre-filled amounts from the Swedish Consumer Agency.</p>

Jurisdiction	<i>Basis of expenditures: child's needs, expenditures in families, basket of goods.</i>	<i>Source of expenditure data</i>	<i>Way they are represented</i>	<i>Tools and/or tables and their updating</i>
Norway	Average budget amounts of children in intact families across five age categories. Costs include consumption, building and supervision (childcare) expenses.	Both the individual-specific and the household-specific expenses are determined on the basis of an annual reference budget for consumption expenditures on children designed by the National Institute for Consumer Research.	Costs are provided separately for consumption, building and supervision. Budget costs are broken down according to five age groups: (0-5 years, 6-10 years, 11-14 years, 15-18 years, and 19 years and older). The child benefit is subtracted from the above costs.	Only the aggregate costs are provided for consumption and building costs.
France	The expenditures on children are based on average costs of children in intact families. These average expenditures are converted into the percentages of expenditures on the child that the average intact family would spend.	Fixed percentages of income are based on economic research in France on expenditures in intact families. Percentages are the same for all incomes but vary with number of children and amount of time spent.	Percentages of income that decrease as number of children increases and the amount of time spent with the child increases.	One lookup <i>Table of Child Support Amounts</i> provided on website displaying percentages by parenting time and number of children. The Table is discretionary, and it is not in legislation.

Table 5: Current Apportioning Approach Used to Determine the Child Support Amount

Country/ US State	<i>Apportioning approach (fixed percentage, income shares, or Melson model)</i>	<i>Basic approach or are there modifications?</i>
United Kingdom	Fixed percentage of income	Modification: Five “percentage of income formulas” are available depending on the level of income of the paying parent and their ability to pay.
Australia	Income Shares	Modification: Each parent’s percentage of time spent with the child is subtracted from his or her respective income share percentage. The parent with the “positive” result is the liable (paying) parent. The paying parent’s final percentage is multiplied by the expenditure amount to produce the child support amount. The child support amounts are calculated on a per child basis to account for different ages of the child (thus different costs) and/or different parenting time arrangements. These amounts are added together to produce a final monthly child support amount.
New Zealand	Income Shares	Modification: Each parent’s percentage of time spent with the child is subtracted from his or her respective income share percentage. The parent with the “positive” result is the liable (paying) parent. The paying parent’s final percentage is multiplied by the expenditure amount to produce the child support amount. The child support amounts are calculated on a per child basis to account for different ages of the child (thus different costs) and/or different parenting time arrangements. These amounts are added together to produce a final monthly child support amount.
US: Vermont	Income Shares	Basic income shares model.
US: Wisconsin	Fixed percentage of income.	Modification: Wisconsin uses six formulas that vary depending on the characteristics of the case. The original <i>percentage standard</i> is used in most straightforward cases. However, other formulas are required for shared, split, serial (more than one child support case) and low and high-income situations. All have percentages that are variations of the <i>percentage standard</i> .
US: Illinois	Income Shares	Basic income shares model.
US: Delaware	Melson Formula. Two step formula that uses an incomes shares model and a percentage of income model (the latter only if there is “excess” income).	First step: Parents’ proportions of their combined incomes are used to generate their share of meeting the basic needs of children. Second step: Consists of sharing the remaining available income of the parents with the children (after parents’ and children’s basic needs are met) and using percentages of income (percentages vary with number of children) to determine each parent’s proportion of their excess income to share with the children. This is called a <i>Standard of Living Adjustment</i> .

Country/ US State	<i>Apportioning approach (fixed percentage, income shares, or Melson model)</i>	<i>Basic approach or are there modifications?</i>
Sweden	Income Shares	Basic income shares model.
Norway	Income Shares	Basic income shares model.
France	Fixed percentage of Income	Basic fixed percentage of income model.

V Legislated Rules to Generate Final Child Support Amounts

A. Introduction

As outlined in Chapter II, accompanying rules as set out in legislation or administrative agency policy are relevant to the determination of child support. The purpose of this chapter is to describe how the ten jurisdictions apply the rules pertaining to:

- How income is defined and which deductions (taxes, self-support reserves, dependent children) are considered to calculate the amount of income available for the determination of child support.
- Parenting time/custody type – how time spent by the child with the parents is incorporated into the formula.
- How dependent children from different relationships are addressed within the models – such as second families, stepfamily and persons acting in place of a parent.
- Departures from the basic child support amount – such as special expenses, childcare, medical, school or extracurricular expenses, as well as expenses for special needs.
- Approaches to vary and/or update child support amounts – such as what “triggers” a variation, frequency of updating of child support orders, and what circumstances may constitute “undue hardship”.
- Other circumstances relevant to the determination of child support – such as the age of the child, minimum or maximum amount orders, the treatment of high or low earners, and any capping or the use of marginal capping of child support amounts.

Tables 6, 7, 8, 9, 10, 11 and 12 provide details on each of the rules outlined above (the presence or absence of a factor, a brief description, and how it is applied) for each jurisdiction. With the exception of Table 6, all tables can be found at the end of this chapter. As well, the jurisdictional summaries in Volume II provide further details.

B. How Income is Defined and Used in the Formula Calculations.

A key piece of information that is required when using a child support formula is the incomes of the relevant parties. This section describes the “starting”⁹⁹ income that the jurisdictions require, and the various elements used to convert that income into an *income available for the determination of child support*. It describes how income is defined in legislation, identifies what types of income are considered, and provides a summary of the types of allowable deductions from income, such as self-support reserves and amounts for other dependent children.

This section also identifies whether jurisdictions allow for imputing of income and how the income information is collected – such as income details that are provided by the taxation authority in the jurisdiction or provided by the parents.

Table 7 displays these factors by jurisdiction.

1. Income defined

All jurisdictions define the starting income for use in the calculations as a person’s gross income as reported to tax authorities. This includes wages (salaries, commissions, bonuses, and other income), income earned as an independent contractor, and all other taxable income that does not come from earnings such as dividends, severance pay, pensions, workers compensation, and spousal support/alimony received. Jurisdictions include various other types of income received based on their particular circumstances, but these are exceptions rather than the rule.

2. Taxes

Only three jurisdictions – Vermont, Illinois and Sweden – include calculations that deduct applicable taxes from their starting gross incomes to determine the “net of tax” income. To determine the “net of tax income”, all use standard tax deductions that are relevant in their jurisdiction based on the level of income of the parents. Sweden uses the same tax parameters and calculations for both parents to convert gross to net income. In Vermont and Illinois, the conversions from gross to net differ depending on whether you are the paying or receiving parent. For example, in the 2017 Illinois “*Gross to Net Income Conversion Table Using Standardized Tax Amounts*”, a non-custodial person earning \$5,200/month converts to \$3,949/month net income. For a custodial parent with one child, for the same gross income, the conversion to net is \$4,041 per month. Custodial parents have lower net incomes because they have additional allowances deducted from their income to reflect the costs for the child.¹⁰⁰

In both Vermont and Illinois, the responsible administrative agencies provide their respective *Adjusted Gross to After Tax Income Conversion Tables* to assist parents and family law officials in completing the conversion calculations. These tables display monthly

⁹⁹ “Starting” income in this context means the first type of income (usually gross income) that jurisdictions require for the determination of child support amounts.

¹⁰⁰ Jane Venohr, *Technical Documentation: Illinois Schedule of Basic Obligations and Standardized Net Income Table*, June 12, 2017 (revised), 19, 38.

gross incomes, broken down by the income levels of the paying and receiving parents and the number of children. Sweden includes the tax rate as a percentage of gross income directly in its online calculator.

The remaining jurisdictions use “gross” or “taxable” income as their starting income in the first step in the formula calculations.

3. Self-support reserve¹⁰¹

The self-support reserve is an amount designed to allow the parents to take care of their basic needs. Six jurisdictions¹⁰² incorporate self-support reserves into their formula calculations. However, this concept is reflected in the formula differently, depending on the jurisdiction.

In four jurisdictions (Australia, New Zealand, Delaware and France), a self-support reserve amount is a mandatory deduction that is included in the calculation of *income available for child support purposes*. This calculation is made after the gross income amount is determined.

In Vermont and Illinois, the self-support reserve is imbedded in the gross to net standard calculations as a “personal exemption”.

In Sweden, parents may deduct an amount for actual “living expenses”. Although this deduction could be considered akin to the concept of a self-support reserve, unlike in the other jurisdictions, the amount for living expenses that can be deducted can exceed the expenses for what one would consider “expenses that represent an amount for basic needs”.

All the jurisdictions that include a self-support reserve in their models are based on an income shares approach. Consequently, the self-support reserve is applied to the income calculations for both parents.

The remaining four jurisdictions (Sweden, Norway, Wisconsin and the United Kingdom) do not have a self-support reserve amount deducted as part of the calculation to determine *income available for child support purposes*.

4. Dependent children¹⁰³

The consideration of other dependent children in the calculation of child support has been widely discussed over the years.¹⁰⁴ Whether to include adjustments in the calculations for other dependent children requires a policy decision from the jurisdiction on whether all

¹⁰¹ Self-support reserves serve two purposes in some jurisdictions. They are deducted directly from gross income and are also used as a measure of the paying parent’s ability/capacity to pay as explained under the section describing undue hardship.

¹⁰² Australia, New Zealand, Delaware, Vermont, France, Illinois.

¹⁰³ Use of the “dependent child” factor is not confined to just deducting it from income. This is explained later in this chapter.

¹⁰⁴ Jane Venohr, *Child Support Guidelines and Guideline Reviews: State Differences and Common Issues*, 343.

children for whom the parents are legally responsible should be treated equally when allocating financial resources. Those in support of equal financial treatment for all children, regardless of the order of claim, support inclusion of a calculation in the formula to reflect existing or prior financial responsibilities. Those who do not support this approach, argue that allowing for a deduction in the formula calculations rewards parents for having multiple families.¹⁰⁵ The policy decision that a jurisdiction adopts on this issue will be reflected in their child support formula.

In six jurisdictions¹⁰⁶, the calculation of *income available for child support purposes* includes, if applicable, a deduction from the income for an amount for dependent children who are not part of the current child support determination. While the jurisdictions take different approaches to defining dependent children, all approaches generally include children from a previous relationship, adopted children, and/or new children as a result of a new relationship. The jurisdictions have different ways of incorporating this deduction. Some jurisdictions will allow the deduction of existing child support obligations. Others will also allow the deduction when proof of parenthood for any child they are claiming as a dependent child, is provided. Still other jurisdictions separate children from a new relationship from those children from a previous relationship and require different calculations.

In cases where calculations are taken into account for dependents that are step or new children, most jurisdictions with models based on an income shares approach determine the applicable amount to be deducted by using the amounts obtained in their relevant tables pertaining to expenditures on children. The parent claiming the dependent child deduction will consult the table to determine the applicable amount, and then will deduct that amount from their gross or net income.

In Delaware¹⁰⁷, if either parent is supporting a dependent child, then *Net Income After Self-Support* is reduced by 30%.

Australia, New Zealand and Illinois have defined concepts of “multi-case”, “multi-group” or “multi-family” allowances respectively for parents to determine the appropriate amounts of deductions from income for children from previous relationships.

These three jurisdictions use an income shares model. Therefore, the adjustment for dependent children or for multiple children from previous relationships is available to both parents and can be deducted from their incomes, when applicable.

Two of the three percentages of income models (the United Kingdom and Wisconsin) also have an adjustment for dependent children. In the case of Wisconsin, it has a separate formula called the “serial-family parent” to adjust for other dependent children when calculating child support. Instructions are provided on how to calculate child support for each dependent child prior to determining the child support amount for the child that is the subject of the current child support calculation.¹⁰⁸ It should be noted that provisions in the

¹⁰⁵ Ibid, 343.

¹⁰⁶ Australia, New Zealand, United Kingdom, Delaware, Vermont, and Illinois.

¹⁰⁷ Delaware’s deduction occurs in the first step of its formula, the income shares step.

¹⁰⁸ Wisconsin, *DCF Chapter 150.04, Determining the child support obligation in special circumstances. (1) Determining the Child Support Obligation of a Serial-Family Parent.*

Wisconsin model follow the birth order of the children (the first-born child has access to all of the paying parent's income, while the second born has a reduced income available following the deduction of the first child's amount from the paying parent's income). Similarly, for a third or fourth child, the paying parent's income available for child support is less after each additional child.

For the United Kingdom, *relevant other children* (dependent children) are accounted for by selecting the appropriate percentage from a table that shows the number of *relevant other children* (from one to three or more), by the number of children subject of the current case (from one to three or more). The percentages to multiply by the income of the paying parent are provided in each cell of the table. The result is the amount of the deduction from the paying parent's income.

5. Other allowable deductions

In a few jurisdictions, various other deductions may be included in the calculation of *income available for child support purposes*. In the United Kingdom, for example, the calculations allow for deductions for pension contributions. In Delaware, pension contributions, amounts for medical and disability insurance premiums, union dues, court ordered spousal support, and other child support amounts paid are also allowable deductions. In Sweden, the model allows for the deduction of housing costs for both parents when calculating their *available income for child support*.

6. Imputation of Income

All jurisdictions include provisions for imputing income. The most frequently cited reasons when it is justifiable to impute income are when a parent does not provide the information in a timely fashion, has never filed a tax return, or is purposely unemployed or underemployed.

All jurisdictions employ various methods to impute income. The most common methods are based on past employment, if available, or by using some modification of the national average annual earnings to assign income for the purposes of the child support determination.

7. Access to income data for the purposes of calculating child support

As mentioned in Chapter III, several jurisdictions (the United Kingdom, Australia, New Zealand and Norway) have direct access to income information from their respective taxation authorities. This capability allows the administrative agency responsible for determining child support amounts to readily have access to timely, accurate income information as well as any benefits that either parent may be receiving. In Sweden, tax records are public, so authorities can easily access a parent's records if necessary.

C. Approaches Used to Address Various Parenting/Custody Arrangements

All ten jurisdictions incorporate provisions in their models to recognize the time either parent spends with their children. All models include calculations that recognize:

- Split custody situations where each parent has at least one child for a significant period of time.
- An amount of time that doesn't reach the minimum threshold to qualify for a reduction in the child support amount.
- An amount of time above this minimum that qualifies for an adjustment to the child support amount to recognize the additional time spent with the other parent.

Time spent with a child is most often calculated as the number of overnights or an amount of time that is an equivalent to overnight time.¹⁰⁹

Table 8 provides information on how each jurisdiction incorporates parenting arrangements into their model.

1. Split custody

All jurisdictions have rules in their legislation that define split custody and how the child support calculations are to be completed in split custody cases. In all jurisdictions, split custody is defined as having a parenting arrangement where the two parents have two or more children and each parent has one of the children living with them for greater than a period of shared time, which is defined by a threshold.¹¹⁰

In jurisdictions where the model is based on an income shares approach (including the Delaware Melson Model), both parents complete the formula calculations based on the number of children who are in their care. Essentially, each parent completes the formula calculations as if they had sole custody for the child in their care. Once the amounts are determined for each parent, the parent with the higher amount will pay the difference between the two amounts to the other parent.

Although Wisconsin uses a fixed percentage of income model, the income of both parents is used in the calculation of child support in cases of split custody. In these cases, the expenditure percent that is used to generate the child support amount¹¹¹ is divided by the number of children, regardless of where they will be residing. This results in a *per child percent* of the child support amount. Each parent then multiplies their appropriate percentage (based on the number of children in their care) by their income. The amount for each parent is determined, and the two amounts are subtracted, with the parent with the higher amount paying the difference between the two amounts to the other parent.

¹⁰⁹ Counting the number of overnights is the standard for all jurisdictions; however a number of jurisdictions have additional methods for counting time spent with the child, e.g. counting days, or if a certain number of hours in a day (e.g., seven hours) is met, those days are counted also as time spent, etc.

¹¹⁰ Wisconsin's *DCF 150.04(3)* and Vermont's *15 V.S.A. § 657* are two examples of split custody rules laid out in legislation.

¹¹¹ Recall that in a percentage of income model, the child support amount is calculated by multiplying a standard percentage (which represents the cost of the child) by the income of the paying parent.

2. Shared custody or parenting continuum of care

Although a jurisdiction may use the term “shared custody”, what is being referred to is really a continuum of care that results in the time the child spends with the other parent being factored into the formula calculations. Jurisdictions all vary in the terminology they use in their models to describe their parenting arrangements.

All jurisdictions have clear rules and very complex calculations¹¹² that result in adjustments to the child support amounts if the child spends time with the other parent that exceeds a defined overnight threshold. As well, all jurisdictions calculate “time” as being overnight time, with two jurisdictions (Wisconsin and Sweden) also counting time with the child in blocks of continuous time or long periods during the day.¹¹³

Jurisdictions have taken different approaches with respect to the following parameters.

a) Minimum threshold

Each jurisdiction has developed a minimum threshold of parenting time below which the child support amount is **not** adjusted. In other words, if the paying parent is spending an amount of time with the child below this threshold, the child support amount is **not** reduced. The range for each jurisdiction is provided in Table 6 below. It varies from a low of 6.5% of the time per year in Norway, to a high of 40% in Illinois.

Table 6: Minimum Threshold of Parenting Time, by Jurisdiction

Jurisdiction	Lowest Threshold of Parenting Time
Norway	6.5 % per year / 2 nights per month
Australia, United Kingdom	14% per year / 52 nights per year
Sweden	20% per month / 5 consecutive days or 6 days per month
Delaware	22% per year / 80 nights per year
Vermont, Wisconsin	25% per year / 92 nights per year
France	25% per month
New Zealand	28% per year / 103 nights per year
Illinois	40%

In cases where the child is spending time with one of the parents above the minimum threshold, adjustments to the child support amount are made to recognize the parenting time arrangement. Each jurisdiction has their own unique approach to how their model accommodates these adjustments for parenting time. A review of the jurisdictions’ models

¹¹² To understand these complex calculations, the reader is advised to review the individual jurisdiction summaries in Volume II.

¹¹³ Sweden defines parenting time in blocks of continuous time, at least five days, while Wisconsin counts hours of the day, with a minimum of six hours considered as time spent.

shows that with the exception of Delaware, there are three noteworthy groupings. They are as follows:

b) Models that increase expenditure amounts and then divide costs

In Illinois, Vermont and Wisconsin, their respective models recognize that the expenditures to care for the child increase to cover the increased cost of the shared parenting arrangement. The approach is to multiply the expenditures on children by a factor of 1.5 to cover the increased costs. For example, in Illinois and Vermont, the calculations are as follows:

- o The parents' combined incomes are used to look up the appropriate child expenditure amount from their *Table of Child Support Amounts*.
- o That amount is multiplied by 1.5 to obtain the *Shared Child Support Amount*.
- o Then, the *Shared Child Support Amount* is apportioned between the parents to determine their respective share (for ease of understanding, this amount is called the *Parents' Respective Shared Child Support Amount*).
- o The parent with the higher *Parents' Respective Shared Child Support Amount* must then multiply this amount by the percent of time the child spends with them. This amount is called a *Percentage Time Amount*.
- o Then, the *Percentage Time Amount* is subtracted from their *Parents' Respective Shared Child Support Amount* to obtain a final child support award.

In Wisconsin, because it is a percentage of income model, the calculations are done differently. Each parent multiplies their income by the percentage standard amount that represents the cost of the child. The two resulting amounts are multiplied by 1.5. Each of the parent's new amounts is then multiplied by the **other** parent's actual percentage of parenting time. The two results are subtracted from one another and the parent with the positive amount is the paying parent.

c) Models that allow for a percentage deduction or "credit" that reduces the child support amount

In the United Kingdom, Norway, Sweden and France, the models allow for a credit or a deduction to the child support amount, for time spent with the child.

- o In the United Kingdom, the model allows for a reduction to the child support amount based on bands of parenting time: i.e. if the child spends between 52-103 nights with the other parent, there is a 14% reduction in the child support amount, 104-155 nights, a 28% reduction and if between 156-174 nights, a 42% reduction.
- o In Sweden, if the minimum threshold is met, the child support amount is reduced by 1/40 of that amount for each night of parenting time.

- o In Norway, a lookup table is provided that identifies the costs associated with the different levels of care and ages of the children. For each child, these costs are subtracted from the child support amount.
- o In France, the model incorporates the categories of parenting time (reduced – less than 25%; classic – over 25%; and alternating – child live alternately in the home of each parent¹¹⁴) directly into their percentages of income categories, by number of children. If the parenting time arrangement was classified as “classic” for example, the percentage of income that is applied to the income of the paying parent to determine the child support amount is lower than the percentage that would be applied if they had a “reduced” parenting time arrangement.

d) Models that incorporate a sliding scale into their calculations

In Australia and New Zealand, the progression of time spent with the children from 0 to 100% is measured in overnights and calculated as a percentage. Each parent’s actual percentage is then used to determine the relevant amount in their respective lookup table (percentage of care tables). Each parent is assigned a “care percentage”. Each parent’s care percentage amount is then subtracted from his or her income share percentage amount. The parent with the positive result is the paying parent¹¹⁵ (see **Table 6**). The policy rationale for this approach is that the costs associated with time spent with the child reduces the amount of income available for child support; hence the parents care percentage amount is subtracted from their income share percentage.

e) Delaware Model

Finally, in the Delaware model, if the child resides with one of the parents for more than 45% of the time, the child is counted as 0.5 or “1/2 of a child” for the purposes of the formula calculations.

For circumstances where there is less than 45% time spent but more than the minimum threshold of 22%, then both the amount that represents the *Basic Needs of the Child* plus the *Standard of Living Adjustment Amount* are adjusted to reflect the costs of the parenting arrangements.¹¹⁶

¹¹⁴ Alternate residence may be used as a contribution to the maintenance and upbringing of children when parents have not agreed on the sharing of child-related costs according to their resources or when one parent cannot bear the financial burden of the alternating residence alone.

¹¹⁵ This is a very different order of calculations from the other jurisdictions that is unique to Australia and New Zealand. For more detail on this aspect of their formula calculations, please see the Australia and New Zealand Summaries in Volume II.

¹¹⁶ Please refer to the Delaware Summary for more detail on the calculations for the parenting time adjustment.

D. Approaches That Consider Other Families/Dependents

1. Dependents

As outlined in Chapter III, almost all jurisdictions have in their legislation or administrative rules consideration of the financial obligations that either parent may have with respect to:

- Other biological children born in a new or subsequent relationship(s).
- Stepchildren or children who live with either parent but that are not their biological children.
- Children from a past relationship that they are either financially supporting by way of a child support award or have split custody with one or more children in their care from a past relationship.

The underlying policy objective achieved by deducting an amount for dependent children as a preliminary step in the calculation of income available for children is that children from previous relationships and/or current dependent children must be financially taken care of first, before the parents can share any excess available income with subsequent children.

Table 9 identifies which jurisdictions allow for the consideration of other dependent children in their models. It is displayed in two columns as *dependent children* (which means children from a present relationship) and “*more than one dependent from a previous relationship*” (which means children from previous relationships with or without a child support order).

In six jurisdictions¹¹⁷, financial obligations emanating from other families/dependents are taken into account **before** the *income available for child support* is determined for the child that is the subject of the child support calculation. In these cases, the amount determined for eligible dependents is subtracted from the income of the parent claiming the dependents (as outlined in the section in this chapter pertaining to the income calculations). The exception is Delaware: it does not calculate an amount, but rather it reduces the income by a set percentage (30%) regardless of the number of dependent children.

Three jurisdictions have multi-family (Illinois), multi-case (Australia), or multi-group (New Zealand) rules embedded in their models to ensure children from previous relationships are accounted for. The calculations in these models ensure that all the children who are the responsibility of one parent, are treated equally with regards to how the calculations are completed to determine the *income available for child support* for any subsequent children.

Wisconsin, because it is percentage of income model, has a separate formula (called a *Serial-family Parent*)¹¹⁸ to deal with children from both a new and previous relationship. As noted earlier, the calculations to determine the deduction amount for dependent children follows the birth order of the children. The first-born child has access to all of the paying parent’s income, while the second born has a reduced income available following the

¹¹⁷ Australia, New Zealand, United Kingdom, Vermont, Illinois and Delaware.

¹¹⁸ For a serial-family parent, the child support obligation is incurred for a marital or non-marital child in a subsequent family.

deduction of the first child's amount from the paying parent's income. Similarly, for a third or fourth child, the paying parent's income available for child support is less after each additional child.

Finally, Norway is the only jurisdiction that includes a calculation that takes into account the financial responsibility of having dependent children as part of their "ability to pay" assessment. This is completed as the last step in their formula calculations. Once the final child support amount has been determined, a series of allowable deductions such as amounts for taxes, housing costs, a personal amount and an amount for *other dependent children*¹¹⁹ is deducted from the gross income of the paying parent to determine if the paying parent has the financial ability to pay his child support obligations.

Sweden and France do not have specific provisions in their models that account for the financial responsibilities pertaining to other dependent children. However, their formula calculations do allow for the financial implications of having dependent children.

2. Spousal support

In 2018, the US federal government changed the tax treatment of spousal support¹²⁰ so that it is no longer deductible from the income of the paying parent nor is it included as income for the receiving parent in the calculation of income available for child support. All four states have either changed, or are in the process of changing, their respective legislation to reflect the requirements set out in the federal legislation. Three of the four (Vermont, Delaware and Illinois) allow a deduction for spousal support from income and include it as income for the receiving parent.

E. Special Expenses

Included in this review is an examination of how special expenses such as tuition, day care, special needs, and childcare are addressed in the models. **Table 12** sets out the various types of expenses and how they are treated in the calculations, by jurisdiction.

In Australia¹²¹, New Zealand and the United Kingdom, special expenses do not form part of the formula calculations. However, a request by either parent for special expenses to be added to the child support amount will be considered by their respective administrative agencies provided that they meet certain criteria. These criteria are included in a list of "grounds for administrative review" (New Zealand) or "reasons for departure" (Australia) or "special variation expenses" (United Kingdom). In order to consider any additional special expenses, the administrative body requires proof of the necessity for those expenses such as:

- The costs to cover the child (or children's) needs.

¹¹⁹ Please refer to Section E in this report for a discussion on how jurisdictions account for "ability to pay" or undue hardship.

¹²⁰ *Tax Cuts and Jobs Act, 2017, Public Law 115-97, 115th Congress.*

¹²¹ One of the reasons for departing from the formula amount in Australia is: "The costs of maintaining a child are significantly affected by the high childcare costs for the child (and the child is under 12 years of age)."

- The extra costs to either parent to care for or educate the child (or children) in the way that was expected by either parent.

Both Sweden and Norway allow for the costs of childcare to be included in the calculations of the costs of the child that are shared between the parents. While Sweden does not have rules regarding other types of special expenses, Norway does allow expenses for braces, glasses or lenses.

In France, the determination of child support does not recognize special expenses *per se*, such as extra medical costs or private tuition. However, as guidelines are discretionary for the courts in France, judges may consider these expenses as they deem appropriate.

In the jurisdictions whose models do allow for the inclusion of special expenses in their formula calculations (Illinois, Delaware, Wisconsin¹²² and Vermont), they all vary with respect to what they consider as an allowable special expense. However, these jurisdictions take a similar approach in two areas: medical expenses and childcare expenses.

1. Medical expenses

In the United States, children are covered with basic health insurance up to the age of 18. Nonetheless, the *Family Support Act of 1988*¹²³ includes provisions that mandate all states to not only implement presumptive guidelines, but to also stipulate in their formulas and rules that parents provide their children with medical support in the form of private insurance.

Thus, in the three jurisdictions that require the income of both parents in the calculation of a child support amount (Delaware, Illinois and Vermont), all include deductions for private health insurance premiums paid on behalf of the children in their calculations of *income for the purposes of child support*. Should extra medical expenses be incurred, these expenses are added to the child support amount and become part of the “expenditures on children” to be divided between the parents in proportion to their incomes.

In Wisconsin, their model includes provisions for expenses for medical support based on the cost of local or nearby private health insurance plans. However, there is a test for the amount to be considered and it is deemed reasonable only if the cost of the plan does not exceed 10% of a parent’s monthly income.

2. Childcare expenses

Delaware, Illinois and Vermont all consider childcare expenses as part of their formula. The parent who incurs the costs must submit the expenses and they are then added to the “expenditures on children” amount, to generate a total amount of expenditures for the parents. This amount is then divided in proportion to the incomes of the parents.

With the exception of Wisconsin, each state requires proof regarding the necessity of the expenses and apportions them between the parents in proportion to their incomes.

¹²² In Wisconsin, only medical care premiums are considered in the model.

¹²³ *Family Support Act of 1988*, Pub. L. No. 100-485, 102 Stat.2343.

F. Undue Hardship and Other Circumstances

Most jurisdictions have provisions or rules related to undue hardship and other circumstances that could be considered that might result in a variation or modification to the child support amount. These include:

- Claims for undue hardship, such as ability to pay, huge debts or additional unforeseen costs.
- Variation (or modification) of a child support amount due to a change in circumstances.
- Updating of child support amounts, either automatically or due to updating of basic factors in the formula, such as the basic tables of expenditures, self-support amounts, standard of living adjustments or self-support reserves.

1. Claims for undue hardship

Across the ten jurisdictions, the concept of “undue hardship” is used in two different ways and reflected in the construction of the formula.

The first situation is where there is financial hardship, that is, where the paying parent has the required income to pay according to the calculations in the formula, but for other financial reasons (such as the significant costs due to a financial responsibility for other dependents, either adults or children), they assert that they cannot pay the required child support amount.

The second situation pertains to the financial ability of the paying parent to pay the child support amount. Essentially, this refers to the inability of the paying parent to pay the amount of child support given their low level of income.

These two situations are discussed further below.

a) Financial hardship

The majority of jurisdictions have provisions in their models to accommodate claims by either parent that they are unable to pay their child support amount or believe that the child support amount is not sufficient. In these situations, the claim must be proven, and the case is dealt with either administratively by an authorized administrative agency or by a court of law. Although there are some minor variations, in the majority of jurisdictions the reasons that are considered as reasonable grounds for a review include:

- The parent has a duty to maintain another child (or children) or person;
- The parent has necessary expenses to support themselves;
- The parent has necessary expenses to support another child (or children) or person;
- The parent’s contact costs are more than 5% of their adjusted taxable income;

- The child support determination does not accurately take into account the income, earning capacity, property and financial resources of either parent or the child (or children);
- The child support determination does not take into account that the parent has previously made payments, transfers or property settlements for the benefit of the child (or children);
- The parent still has a financial interest in a property that the other parent is entitled to live in;
- The child support assessment includes extra income earned from additional work to cover costs of re-establishment after separation; and
- The parent would like the child support liability offset against child support owed to the parent.

b) Inability to pay

All jurisdictions have provisions in their models to accommodate circumstances where the paying parent is in a low-income situation or is unable to work due to being hospitalized or incarcerated. The mechanisms used by jurisdictions to ensure a balance between the ability to pay of the paying parent and the goal of child support guidelines (to ensure that parents exercise financial responsibilities towards their children), are consistent across all jurisdictions. In all jurisdictions there are provisions for:

- A minimum income level threshold before the child support guidelines apply.
- Established levels of expenditures for the child that reflect the income level of the paying parent – as the income level of the parent increases, so do the relevant expenditures for the child (to a maximum level for most jurisdictions).
- Provisions for zero award levels if the individual is incarcerated or is unable to work due to reasons such as hospitalization.
- Deviations to the child support amount if applicable grounds are met.

In addition to these provisions, four jurisdictions incorporate additional safeguards into their guidelines' calculations to ensure that the paying parent has the financial capacity to meet their child support obligations.

Norway and Delaware have included an “ability to pay” test. This test applies to paying parents who have passed the income threshold and are deemed to have sufficient income to pay child support but, due to their own financial situation, may not be capable of paying their child support obligation.

In Norway, after the child support amount has been calculated, a final “ability to pay” calculation is completed. Starting with the paying parent’s gross income, a number of deductions are made such as amounts for the social security tax, federal tax deductions, deductions for their own maintenance, housing expenses, and maintenance for their other dependents living with them in their household. The resulting “net” income (after these

deductions) must not exceed the child support amount. If this occurs, the resulting “net” income becomes the final child support amount.

Similarly, in Delaware, the last step in their formula involves a calculation to ensure that the paying parent is left with a sufficient disposable income after taking into consideration their child support award. Called a *Self-protection Amount*, the calculated child support amount must not be greater than 45% of the paying parent’s income available for child support. Following this component of the calculation, the paying parent pays the lesser of the two amounts in child support.

Vermont also includes a calculation that is completed as a last step in the determination of the child support amount. A “self-support” reserve amount¹²⁴ is subtracted from the paying parent’s monthly after tax income to derive an amount called *Income Available for Support*. This amount is then compared to the final child support amount, and the paying parent will be required to pay the lesser of the two amounts.

Finally, in Sweden, if the paying parent does not have the “ability to pay”, then no child support amount will be ordered.

2. Variations to child support amounts

In all the jurisdictions, the requirements to vary or modify an existing order are based on the requirement that there must be a real, substantial, and unanticipated change in circumstances, such as a significant change in income, disability, job loss, cost of visitation or health insurance, or a change in the custody arrangement. Some jurisdictions require an additional component that includes a threshold over which the recalculated amount must exceed the existing award by a certain percentage. For example, Vermont requires that the potential change to the child support amount must be more than 15% of the original order. In other jurisdictions, the threshold is related to the income level of the paying parent. For example, the United Kingdom requires that there be at least a 25% change in income level of the paying parent before a modification of an order will be considered.

In addition, some jurisdictions allow for variations under unique conditions. Both Australia and New Zealand will allow parents to seek a variation if the consumer price index changes dramatically. In these cases, however, the existing award must have been made at least 12 months earlier.

In the four American states, federal regulations¹²⁵ require that all orders be reviewed every four years and changed, if applicable, regardless of whether there has been a substantial change in circumstances or not.

¹²⁴ This is only part of its formula calculations that Vermont uses a self-support reserve amount; it does not use it as part of income determination as other jurisdictions do.

¹²⁵ *Family Support Act of 1988, Pub. L. No. 100-485, 102 Stat. 2343.*

3. Updating of tables, expenditure data and child support amounts

Most jurisdictions automatically review their relevant tables or certain values (self-support amount, income levels in tables, etc.) on a periodic basis, and will update them if there is a material change in the numbers.

For example, Australia and New Zealand both update their child expenditure tables, as the income levels contained in them are based on multiples of *Male Total Average Weekly Earnings* (MTAWE). These amounts are updated annually when the new MTAWE values are published by their national statistical agency.

In other jurisdictions, such as in Vermont, Illinois and the United Kingdom, their administrative agency will conduct administrative reviews of their child support cases, either annually (United Kingdom) or over a longer period of time (Illinois) where the review must take place within three years of the original order being made. In Vermont, reviews of child support amounts will be completed as a result of legislated requirements such as missed child support payments.

Two jurisdictions, Norway and France, require that their orders all be indexed and updated annually to reflect the change in their respective consumer price index.

Finally, Sweden and Norway, as mentioned earlier, update their costs of child data annually based on the amounts provided by their statistical agencies on the average costs of basic items for children. This will often trigger changes to the child support amounts.

G. Summary of Other Factors

Other relevant factors, such as whether jurisdictions have provisions in place for the age of the child when the award is no longer applicable and minimum or maximum awards (or the treatment of high or low-income earners) are discussed below. A summary of these factors, and whether the jurisdictions have provisions to address these factors, are presented in **Table 12**.

1. Age of the child

In all jurisdictions, the payment of child support is not indefinite. In the four American states, along with Australia and New Zealand, child support will terminate when the child turns 18 years of age. However, each of them allows for the continuation of child support until the child turns 19 if they have not graduated. In these cases, the award terminates in whichever case comes first – graduation or their 19th birthday. The United Kingdom is similar to these six jurisdictions in that support ends at 16, but can continue to the child's 20th birthday if they are still in full-time attendance at school/university.

The other three European jurisdictions (France, Norway and Sweden) are quite different in their approach to child support for older children. First, in all three jurisdictions, the child is a party to the proceedings after an age threshold is met. In Sweden and Norway, the threshold is when the child turns 18 and in France, it is when the child is able to cover their own needs. Furthermore, in all three jurisdictions, the child support may be paid directly to

the child. Finally, in Sweden, child support will not continue after the child reaches the age of 21.

2. Minimum orders

All jurisdictions have provisions that allow for minimum orders and how they accommodate low-income earners varies. In the United Kingdom, Vermont and Norway, in certain circumstances, a zero award (or in the United Kingdom's case, no order at all) is justified based on a low-income threshold that is established. In other jurisdictions, such as Australia, New Zealand, Illinois, Delaware and Wisconsin, a minimum order is made (ranging from \$36 to \$100 per month), regardless of the income circumstances of the paying parent. However, these orders can be suspended pending a change in circumstances of the paying parent.

France and Sweden do not have explicit rules about minimum orders. However, their guidelines are not presumptive and courts have the discretion to take into consideration the financial capacity of the paying parent in the determination of a child support amount.

3. Maximum order/high income earners

Most jurisdictions do not have a maximum amount of child support that can be calculated. However, some do have upper limits of income thresholds, after which their guidelines are no longer applicable. The rationale for the decision to determine an income amount at which the child support amount does not increase, is that at some point, the child support award is not reflective of the reasonable expenditures that would be spent on a child.

The upper limits of income levels are as follows:

- In the United Kingdom, the limit is a weekly income of 7000£ (\$11,725CDN).
- For Vermont and Illinois, it is the highest income category of the parents' combined net income from their Expenditure Tables, which translates into about \$300,000 US per year.
- In Wisconsin, there is a formula for high-income earners. The formula has two sets of percentages, one set for income levels up to a maximum income of \$7000US / month and a second set of lower percentages for monthly income levels between \$7000 per month to \$12,500 per month. Above \$12,500, the guidelines no longer apply.
- In Australia and New Zealand, the last income band in their *Table of Child Expenditures* is set at 2.5 times the *Male Total Average Weekly Earnings* (MTAWE). Any incomes above this level must use the same child support expenditures amounts as at this highest income band. Therefore, if someone has an income of 3.5 times the MTAWE, their child support expenditures obtained from the table are the same as those with 2.5 times the MTAWE.
- Delaware has two methods or calculations to ensure child support amounts do not exceed a threshold. The first is to use an "offset" for high incomes. For *Net Income Available for Child Support* over \$15000 per month, the amount of income over that level is multiplied by 20% and subtracted from the income now available for

the Standard of Living Adjustment. This reduces the “actual” available excess income to be shared with the child. The second method ensures that the final child support amounts are capped and do not exceed a percentage of income of over 45% of the paying parent’s *Net Income Available for Child Support*.

- Norway imposes two “limits” that must be considered. These are: the paying parent shall not pay more than 5/6 (or 83.3%) of the *Maintenance Cost* of the child, nor shall he pay more than 25% of the receiving parent’s calculated gross income.
- France and Sweden do not have any rules on maximum orders or high-income earners.

H. Summary

The construction of the child support models reviewed includes accompanying rules that set out how various elements are to be taken into account in the calculation of a child support amount. This chapter describes how the jurisdictions apply these rules and highlights areas in which they are similar and in areas in which they differ. The following are the main observations:

- The determination of income that is available for child support is more complex than merely ascertaining whether the starting income for the calculation is net income or gross income.
- Seven of the ten jurisdictions use gross income as the starting income for their child support calculations, with no deduction for taxes. Two jurisdictions (Vermont and Illinois) use net income as a starting income and provide tax conversion tables to assist parties in the calculations. The remaining jurisdiction, Sweden, applies the same percentage of income (31%) for its tax calculations.
- Most jurisdictions include provisions in their models that allow for deductions of amounts for a self-support reserve amount and other dependent children, in the determination of income available for child support. Six jurisdictions¹²⁶ include a self-support reserve amount that is deducted from gross income and six jurisdictions¹²⁷ include deductions for other dependent children. Four jurisdictions (Australia, New Zealand, Vermont and Illinois) have provisions for both.
- All jurisdictions incorporate provisions in their models to recognize the time either parent spends with their children. There is greater consistency in the way in which jurisdictions accommodate split custody situations in the formula calculations than how they accommodate shared parenting time arrangements. No jurisdiction allows for discretion on how to calculate child support amounts for parenting time. All jurisdictions have complex calculations that require online tools and worksheets to assist parties.

¹²⁶ Australia, New Zealand, Delaware and France have explicit self-support reserves. Vermont and Illinois have a basic personal amount embedded in their standard tax conversion tables that is similar to a self-support reserve.

¹²⁷ United Kingdom, Australia, New Zealand, Vermont, Illinois and Delaware.

- The majority of jurisdictions have provisions that allow for the recognition in the formula calculations, of other dependent children. The underlying policy objective achieved in the way in which the calculations are completed is that the financial needs of previous and current dependents take priority over the financial needs of subsequent children.
- Most jurisdictions do not have specific provisions to allow for special or extraordinary expenses. If they are allowed, the types of expenses that are considered are for childcare and medical costs.
- All models take into account the ability of the paying parent to pay their child support obligations. The financial hardship of low-income parents to pay child support is recognized through various mechanisms that are built into the formula construction. These mechanisms are common across all jurisdictions, and a balance is maintained between recognizing financial hardship and the responsibility each parent has for the economic wellbeing of their child.
- The rationale for allowing either party to request a modification or variation to a child support award is common across all jurisdictions. Most require a percentage threshold to be met, either a change in the new amount of child support or a substantial change in the level of income, before they allow for a variation to the child support award. Again, common across all jurisdictions are other changes in circumstances, such as a change in parenting time or shared care, or the child reaches the age limit after which child support is no longer applicable.
- Jurisdictions review on a regular basis the tools that are in place to assist parents, such as the relevant tax conversion tables, child expenditure tables, and amounts for self-support reserves. This review ensures that these tools reflect the currently available data.
- All jurisdictions have provisions that recognize the limited ability to pay of low-income earners. The majority of jurisdictions include provisions in their models that allow for zero awards or minimum awards. Similarly, most jurisdictions have rules and calculations to ensure that child support amounts in cases of high-income earners do not exceed what would be reasonable expenditures on a child. Finally, some jurisdictions have upper limits of income thresholds after which their guidelines are no longer applicable.

Table 7: Determination of Income for Child Support Purposes¹²⁸

Jurisdiction	<i>How income is transformed from gross income into “child support income” for use in the formula</i>					<i>Imputation of income</i>
	<i>Types of income included in “gross income”</i>	<i>Are taxes subtracted?</i>	<i>Is there a self-support reserve?</i>	<i>Are there allowable deductions or additions?</i>	<i>Terms of income available for child support to be used in formula</i>	
United Kingdom	The starting point for the calculation is gross income (of the paying parent). It includes all types of income. Source: HM Revenue and Custom Agency provides income information automatically.	No	No	Yes, where applicable. <ul style="list-style-type: none"> • Pension contributions may be deducted. • Deductions are allowed for relevant other children (conditions apply). • Deductions for special variation expenses. 	<i>Gross Weekly Income</i>	Yes. If the paying parent does not provide sufficient income information, and if the information cannot be obtained from the paying parent’s tax records, then a default maintenance decision will be made.

¹²⁸ There is significant information on this element of the guidelines that could not be placed into tabular format. Details for each jurisdiction can be found in the summary reports in Volume II.

Jurisdiction	How income is transformed from gross income into “child support income” for use in the formula					Imputation of income
	Types of income included in “gross income”	Are taxes subtracted?	Is there a self-support reserve?	Are there allowable deductions or additions?	Terms of income available for child support to be used in formula	
Australia	<p>The starting point for the calculation is gross income of both parents. It includes all types of income. It is called “<i>Adjusted Taxable Income amount</i>”. Generally, a parent's taxable income is the amount that is assessed by the Australia Tax Office (ATO) under the <i>Income Tax Assessment Act</i> for the relevant year of income.</p> <p>Both parent's incomes are calculated in the same way.</p>	No	Yes. A self-support amount is deducted from income and is based on the amount of the Male Total Average Weekly Earnings. (MTAWE).	<p>Yes – if applicable.</p> <ul style="list-style-type: none"> • <i>Relevant Dependent Child Amount</i>. For a child with whom the parent has at least 35% care. • <i>Multi-case allowance</i>. When a parent has more than one child support assessment. 	<i>Child Support Income</i>	It is intended to cover circumstances, such as where a parent has never filed a tax return, or where the Registrar is unable to ascertain a person's tax file number. The Registrar may determine that the parent's adjusted taxable income is an amount that is at least two-thirds of the annualized MTAWE figure.

Jurisdiction	How income is transformed from gross income into “child support income” for use in the formula					Imputation of income
	Types of income included in “gross income”	Are taxes subtracted?	Is there a self-support reserve?	Are there allowable deductions or additions?	Terms of income available for child support to be used in formula	
New Zealand	<p>The starting point for the calculation is gross income of both parents. It includes all types of income. Called “<i>Annual Adjusted Taxable Income</i>”, it is calculated in accordance with section YA 1 of the <i>Income Tax Act 2007</i>. Both parents’ incomes are calculated the same. Source of information obtained: tax files at Inland Revenue Department (IRD).</p>	No	<p>Yes – It is called a “<i>living allowance</i>”, which is subtracted from both parents’ adjusted taxable incomes. The living allowance is calculated annually and is based on the social benefit a single person with one dependent child would receive in that year.</p>	<p>Yes – if applicable.</p> <ul style="list-style-type: none"> • <i>Dependent Child Amount</i>. For a child with whom the parent has at least 28% care. • <i>Multi-group allowance</i>. When a parent has more than one child support assessment. 	<p><i>Child Support Income</i></p>	<p>IRD can demand filing of tax return if present year tax return is not available.</p> <p>If a parent believes that their taxable income will be lower than the amount used by the IRD in completing the formula assessment, they may apply to IRD to have their income estimated for the purposes of their child support assessment. If the estimate is accepted, their child support will be reassessed.</p>

Jurisdiction	How income is transformed from gross income into “child support income” for use in the formula					Imputation of income
	Types of income included in “gross income”	Are taxes subtracted?	Is there a self-support reserve?	Are there allowable deductions or additions?	Terms of income available for child support to be used in formula	
US: Vermont	The starting point for the calculation is gross income of both parents. It includes all types of income. Income does not include child support payments received or paid. Source of information obtained: parents are to provide information.	Standard tax rates are deducted; tables are used. The <i>Gross to Net Income Conversion Table</i> contains separate columns for the receiving parent and paying parent.	No. Although in calculating net income of taxes, the tax parameters include a basic personal amount.	Yes – if applicable. The amount for this adjustment is determined by using only the claiming parent’s net income to look up the amount of the adjustment in the <i>Vermont Table of Intact Family Expenditures on Children</i> . This amount is then subtracted from the <i>Monthly Net Income Available for Child Support</i> of that parent.	<i>Monthly Net Income Available for Child Support.</i>	If a parent is unemployed, underemployed, or fails to provide adequate documentation of their wages, the court may attribute income to them. In order to determine how much income will be attributed to the parent, the court examines earnings history, employment qualifications, and the current job market.

Jurisdiction	How income is transformed from gross income into “child support income” for use in the formula					Imputation of income
	Types of income included in “gross income”	Are taxes subtracted?	Is there a self-support reserve?	Are there allowable deductions or additions?	Terms of income available for child support to be used in formula	
US: Wisconsin	<p>The starting point for the calculation is gross income of the paying parent. It includes all types of income.</p> <p>Source of information obtained: parents are to provide information.</p>	No	No	No	Annual Gross Income	<p>The court may impute income based on earning capacity. In situations where the income of a parent is less than the parent's earning capacity or is unknown, the court may impute income for the parent at an amount that represents the parent's ability to earn, based on the parent's education, training and recent work experience.</p>

Jurisdiction	How income is transformed from gross income into “child support income” for use in the formula					Imputation of income
	Types of income included in “gross income”	Are taxes subtracted?	Is there a self-support reserve?	Are there allowable deductions or additions?	Terms of income available for child support to be used in formula	
US: Illinois	The starting point for the calculation is gross income of both parents. It includes all types of income. Source of information obtained: parents are to provide information.	Standard tax rates are deducted using Illinois' <i>Gross to Net Income Conversion Table Using Standardized Tax Amounts</i> .	No. Not explicitly, but there is personal exemption that is part of the gross to net conversion calculations- the <i>Gross to Net Income Conversion Table Using Standardized Tax Amounts</i> .	Yes - if applicable. <ul style="list-style-type: none"> Costs for other dependent children who are not part of this action, but child support paid and/or spousal support paid are deducted. Child support received or spousal support received - is an addition to income. 	<i>Adjusted Net Income</i>	In cases of unemployment or underemployment, child support shall be calculated based on a determination of potential income. If there is insufficient work history, a rebuttable presumption is applied that the parent's potential income is 75% of the most recent United States Department of Health and Human Services Federal Poverty Guidelines for a family of one person.

Jurisdiction	How income is transformed from gross income into “child support income” for use in the formula					Imputation of income
	Types of income included in “gross income”	Are taxes subtracted?	Is there a self-support reserve?	Are there allowable deductions or additions?	Terms of income available for child support to be used in formula	
US: Delaware	The starting point for the calculation is gross income of both parents. It includes all types of income. Source of information obtained: parents are to provide information.	No	Yes. A Self-Support Allowance is deducted from income for each parent.	Yes – if applicable. Deductions are allowed for medical and disability insurance premiums, pension deductions, union dues and court-ordered alimony and other child support order amounts.	<i>Total Net Available Income for Primary Support.</i>	If a parent is unemployed, underemployed, or fails to provide adequate documentation of their wages, the court may attribute income to them. In order to determine how much income will be attributed to the parent, the court examines earnings history, employment qualifications, and the current job market. Built into the model is the assumption that every parent has a “capacity to earn” at least an amount that is equivalent to half of the state-wide median wage for a 40-hour week.

Jurisdiction	How income is transformed from gross income into “child support income” for use in the formula					Imputation of income
	Types of income included in “gross income”	Are taxes subtracted?	Is there a self-support reserve?	Are there allowable deductions or additions?	Terms of income available for child support to be used in formula	
Sweden	The starting point for the calculation is gross income of both parents. It includes all types of income. Source of information obtained: parents are to provide information.	A standard percentage of federal tax (31% of gross income) is deducted.	No	Yes. Subtracted from the net of taxes income are the parent's monthly living expenses. These include: food, clothing, electricity, telephone, TV, insurance premiums, and travel to and from work. Also subtracted from the net income amounts are any housing expenses.	Surplus income after deductions	In Sweden, tax records are public. Thus, if either parent does not provide their income information, the courts will use these records to determine a parent's most recent past earnings. Also, if a parent is underemployed or avoiding employment though qualified, the court has the discretion to establish an appropriate income level for the determination of child support.

Jurisdiction	How income is transformed from gross income into “child support income” for use in the formula					Imputation of income
	Types of income included in “gross income”	Are taxes subtracted?	Is there a self-support reserve?	Are there allowable deductions or additions?	Terms of income available for child support to be used in formula	
Norway	<p>The starting point for the calculation is gross income of both parents. It includes all types of income. Other benefits include cash benefit for the child with child support, extended child benefit and extra child allowance.</p> <p>Source of information obtained: parents are to provide information.</p>	No	No	No	This amount is termed the <i>Contributor's Income</i> for the paying parent and <i>Beneficiary's Income</i> for the receiving parent.	The Directorate of Labour and Welfare has discretion to attribute income to the paying parent if they are of the view that the amount of income that the paying parent is claiming is lower than what is reasonable based on their earning potential. The Directorate will use its discretion in determining the parent's income and will base it on what they could have potentially earned in income.

Jurisdiction	How income is transformed from gross income into “child support income” for use in the formula					Imputation of income
	Types of income included in “gross income”	Are taxes subtracted?	Is there a self-support reserve?	Are there allowable deductions or additions?	Terms of income available for child support to be used in formula	
France	<p>The starting point for the calculation is gross income of the paying parent. It includes all types of income.</p> <p>Parents do not need to include as income, amounts aimed at improving the standard of living of children (e.g. family benefits)</p> <p>Source of information obtained: parents are to provide information.</p>	No	<p>Yes.</p> <p>The self-support reserve represents a “subsistence level” corresponding to the amount of the Revenue Active Solidarity (RSA). The amount of the RSA is updated annually.</p>	No	Debtor's income after deduction	<p>If a parent does not provide sufficient or, in the court's opinion, accurate income information, the judge will order the parent to produce tax records and wage/salary slips to find the correct income level.</p>

Table 8: Custody and Parenting Time Categories¹²⁹

Jurisdiction	Custody and parenting time	Split custody or parenting situation
United Kingdom	Four “shared care bands” that reflect the number of nights spent with the paying parent are used to determine the reduction. Bands start at 52 nights per year (14%) and increase to greater than 175 nights per year (48% of the time). The deduction increases as time with the child increases.	In cases of split custody, each parent calculates how much they would pay in child support to the other parent for the child residing with that parent. The amounts would be compared, and the parent with the greater amount would pay the difference between the two amounts.
Australia	<p>A person has <i>shared care</i> of a child if the person’s percentage of care for the child during a care period is at least 35% but not more than 65%. Below 35% but above 14%, a parent has <i>regular care</i>. Above 65%, a parent has <i>primary care</i>.</p> <p>The formula includes a Calculation of <i>Cost Percentage</i> for each child, for the time spent with each parent. It is subtracted from each parent’s income percentage and multiplied by the applicable amount from the <i>Costs of Children Table</i>.</p> <p>Each parent must have care of the child for at least 14% of the time (52 nights in a year, one day a week). The percentage increases with the amount of time spent with the child. If less than 52 nights, their “<i>Cost Percentage</i>” is zero.</p>	For split custody where there are two or more children, child support amounts are determined for each child and based on the level of income and the percentage of parenting time. A child support amount is calculated for each child with each parent. Whichever parent has the most to pay after subtracting the other “paying parent’s” amount – he/she pays the difference.

¹²⁹ There is significant information on this element of the guidelines that could not be placed into tabular format. Details for each jurisdiction can be found in the summary reports in Volume II.

Jurisdiction	Custody and parenting time	Split custody or parenting situation
New Zealand	<p>There is no definition for shared custody.</p> <p>The formula includes a calculation of a <i>Care Cost Percentage</i> for each child, and for the time spent with each parent. It is subtracted from each parent's income percentage and multiplied by the applicable amount from the Expenditure on Children Table.</p> <p>Each parent must have care of the child for at least 28% of the time (103 nights in a year, two days a week). The percentage increases with the amount of time spent with the child. If less than 103 nights, their <i>Childcare Cost Percentage</i> is zero.</p>	<p>For split custody where there are two or more children, child support amounts are determined for each child and based on the level of income and the percentage of parenting time. A child support amount is calculated for each child with each parent. Whichever parent has the most to pay after subtracting the other "paying parent's" amount pays the difference.</p>
US: Vermont	<p>In situations where either parent has responsibility for the child for over 30% of the time (defined as overnight stays), the parents are considered to have a shared parenting arrangement.</p> <p>In these cases, the <i>Tax Tables For Sole/Shared Custody Situations</i> are used when calculating the income to be used. As well, the expenditures for the child obtained from the <i>Expenditure Tables</i> are increased by 50% and then divided between the parents in proportion to their incomes and time spent with the child.</p> <p>In situations where either parent has responsibility for the child for over 25% of the time but less than 30% (defined as overnight stays), the parents are also considered to have a shared parenting arrangement and the same calculations are completed. However, there is slight addition to the paying parent's child support amount due to the fact that the receiving parent has the child for extra time between 25-30%.</p>	<p>In split parenting situations, where there is more than one child and each parent has physical custody of at least one but not all children, the support is calculated by completing two worksheets. Each worksheet is completed by calculating what the first parent would owe to the other parent if the child in their care were the only child of the parties. The parent who owes the greater obligation is ordered to pay the difference in support to the other parent. In split custody arrangements, the courts have the discretion to deviate from the guidelines</p>

Jurisdiction	Custody and parenting time	Split custody or parenting situation
US: Wisconsin	<p><i>Shared Placement Cases</i> – Where parents have custody arrangements that allow for at least 25% (at least 92 days/year) of the time with the non-custodial parent. These cases require information on the monthly income for both parents.</p> <p>In cases where courts have ordered each parent to assume the child's basic support costs in proportion to the time that the parent has placement of the child, the <i>percentage standard</i> found in the <i>Standard Guideline</i> is used. This percentage standard is applied to the monthly income of each parent. Each parent's result is then multiplied by 150%. (This multiplier is designed to account for each parent's share of the children's basic support costs (food, shelter, clothing, etc.)). Then, each parent's percentage of time with the child is calculated and applied to the other parent's basic obligation. The two results are subtracted from one another, and the parent with the positive amount is the "<i>shared placement</i>", paying parent.</p>	<p><i>Split-Placement Cases</i> – Where there is more than one child and the children split residence time with both parents. These cases require information on the monthly income for both parents.</p> <p>In cases of split placement, the percentage standard that is used in the <i>Standard Guideline</i> is divided by the number of children. This provides a per child percentage. Then, based on the number of children each parent has, a relevant percentage is multiplied by the other parent's monthly income. The resulting figures are compared and the parent with the higher amount pays that amount to the other parent.</p>
US: Illinois	<p><i>Non-Shared Parenting Time</i>: There is no calculation for care of a child if the time spent with a parent is under 146 overnights (40%) on an annual basis.</p> <p><i>Shared Parenting Time</i>: If each of the parents is responsible for the child for at least 146 overnight stays per year, the case is considered to be a shared parenting situation. In these situations, the <i>Basic Support Obligation</i> is multiplied by 1.5 to establish the <i>Shared Physical Care Support Obligation</i>.</p> <ul style="list-style-type: none"> • This amount is then prorated between the parties based on the combined net incomes of both parties. • The respective <i>Shared Physical Care Support Obligations</i> are compared, with the parent owing more child support paying the difference between the two <i>Shared Physical Care Support Obligation amounts</i>. 	<p><i>Split Parenting</i>: In split parenting situations, where there is more than one child and each parent has physical custody of at least one but not all children, the support is calculated by completing two worksheets. Each worksheet is completed by calculating what the first parent would owe to the other parent if the child in their care was the only child. The parent who owes the greater obligation is ordered to pay the difference in support to the other parent. In split custody arrangements, the courts have the discretion to deviate from the guidelines.</p>

Jurisdiction	Custody and parenting time	Split custody or parenting situation
US: Delaware	<p>Two adjustments are made to address the arrangements of parenting time. The first adjustment is in the calculation of primary support. If the child spends over 163 overnights (45%) of the time with the paying parent – they are considered as a ½ child in all calculations.</p> <p>The second adjustment is made when calculation the gross monthly child support obligation. If the child spends less than 80 overnights per year with the paying parent, no adjustment is made. If between 80 to 124 overnights per year, an adjustment of 10% is a made, between 125 to 163 overnights per year, a 30% adjustment is made. The adjustments are made to the Standard of Living Adjustment (SOLA) for the parents. The resulting amounts are considered as credits and are subtracted from the paying parent's net child support obligation.</p>	<p>In cases of split custody, and where each parent has children for over 163 overnights per year, both parents complete the calculations using the formula based on the number of children they have in their care. The parent with the higher Monthly Net Obligation will pay the difference to the other parent.</p>
Sweden	<p>If the child resides with both parents for an equal amount of time, neither parent is obliged to pay child support, regardless of any differences in income.</p> <p>A deduction from the child support amount for time spent with the paying parent is allowed. In situations where the child temporarily lives with the paying parent for at least six days of the month or for five consecutive days per month, a deduction of 1/40 of the child support amount per day that the child is in care can be made. This amount is then subtracted from the monthly child support amount.</p>	<p>There is no split custody, due to the discretionary nature of its child support model. The child support is not calculated unless one parent spends the majority of time with the children.</p>
Norway	<p>Norway uses a table to determine the parent's <i>Togetherness Amount</i> to represent the amount of parenting time. The table contains five categories of the number of nights or days per month that the paying parent spends with the child by the age grouping of the children (there are five age groups). Each cell in the table provides the "togetherness costs", costs that include: food and drink, health and hygiene, play and leisure, transportation, and building expenses (only if the time spent is nine or more days/nights per month).</p>	<p>The parents need to complete two formula calculations, each based on the number of children they have the majority of time in their household. The parent with the larger child support amount pays the other parent the difference between their two amounts.</p>

Jurisdiction	Custody and parenting time	Split custody or parenting situation
France	<p>Three categories of parenting time are used in the determination of child support. These are:</p> <p><i>Reduced</i>: the child's residence is primarily with one parent and the other parent's residence time is less than 1/4 of the overall residence time. This may include unfamiliarity of access and accommodation due to unavailability of the parent, or simple access without accommodation, if the parent does not have adequate housing, or if that accommodation is not available, in the interest of the child;</p> <p><i>Classical</i>: the residence is fixed mainly by one of the parents and the residence time of the other parent is equivalent to 1/4 of the total residence time (ex: one weekend out of two and half of the school holidays);</p> <p><i>Alternate</i>: the children live alternately in the home of each parent. Alternate residence may be used as a contribution to the maintenance and upbringing of children when parents have not agreed on the sharing of child-related costs according to their resources, or when one parent cannot bear the financial burden of the alternating residence alone.</p>	<p>There is no split custody, due to the discretionary nature of its child support model. Child support is not calculated unless one parent spends the majority of time with the children.</p>

Table 9: Treatment of Dependents Who Are Not Part of Current Child Support Assessment¹³⁰

Jurisdiction	<i>Dependent Children</i>	<i>Spousal</i>	<i>More than one dependent from previous relationships</i>
United Kingdom	Yes – if applicable An amount is deducted from gross income. This is an allowance for children who are not the subject of the assessment but are in the care of either parent.	Spousal maintenance is not taxable income and therefore not included as income for child support purposes.	Children for whom child support is being paid for are explicitly excluded from the formula calculations.
Australia	Yes – if applicable. <i>Dependent Children allowance.</i> This allowance is for children who are not the subject of this assessment but are in <i>shared care</i> of the parent for a least 35% of the time. A <i>Dependent Children Allowance</i> is deducted from a parent's <i>Adjusted Taxable Income</i> when working out their child support income.	Spousal maintenance is not taxable income and therefore not included as income for child support purposes.	Yes – if applicable. <i>Multi-case allowance.</i> If a parent has been assessed for the costs of the children of more than one relationship (that is the parent has multiple child support cases), then a Multi-case Allowance is deducted from a parent's <i>Adjusted Taxable Income</i> when working out their child support income.
New Zealand	Yes – if applicable. <i>Dependent Children allowance.</i> This allowance is for children who are not the subject of this assessment but are in the care of the parent for a least 28% of the time and to whom the parent has a legal liability.	Spousal maintenance is not taxable income and therefore not included as income for child support purposes.	<i>Multi-group allowance.</i> If a parent has been assessed for the costs of the children of more than one relationship (that is the parent has multiple child support cases), then a <i>Multi-group Allowance</i> is deducted from a parent's <i>Annual Adjusted Taxable Income</i> when working out their child support income.

¹³⁰ There is significant information on this element of the guidelines that could not be placed into tabular format. Details for each jurisdiction can be found in the summary reports in Volume II.

Jurisdiction	<i>Dependent Children</i>	<i>Spousal</i>	<i>More than one dependent from previous relationships</i>
US: Vermont	<p>Yes – If applicable.</p> <p>After the net monthly incomes are determined for both parents, an adjustment for additional dependent children may be made.</p> <p>If there is an existing child support order, the amount of the order is subtracted from the parent's adjusted income.</p>	<p>Spousal support, or maintenance, (that is not taxable and already included or deducted as income) received is added in the receiving parent's net income and deducted from the paying parent's net income.</p> <p>(Note: Federal tax rules for spousal support changed as of January 1, 2019)</p>	<p>If there is an existing child support order, the amount of the order is subtracted from the parent's net monthly income.</p>
US: Wisconsin	<p>Yes – if applicable.</p> <p>A separate formula is applied if there are other dependent children – the serial family guideline is used, with separate calculations for each child from a different family and ordered by date of birth of children.</p>	<p>Spousal support is not included as a deduction or inclusion for purposes of income determination.</p>	<p><i>Serial Family Cases</i> – For a serial-family¹³¹ parent where the child support obligation is incurred for a marital or non-marital child in a subsequent family. The child support obligation must be as a result of a court order.</p> <p>In cases where the court agrees that there is more than one child support obligation for a paying parent, it will first subtract the amount of the existing child support obligation from the parent's monthly income available for the new child support obligation. The <i>percentage standard</i> that is used in the <i>Standard Guideline</i> is then applied to this adjusted monthly income.</p>

¹³¹ For a serial-family parent, the child support obligation is incurred for a marital or non-marital child in a subsequent family.

Jurisdiction	<i>Dependent Children</i>	<i>Spousal</i>	<i>More than one dependent from previous relationships</i>
US: Illinois	Yes – if applicable. Covered under the <i>Multi-family Order Adjustment</i> .	Spousal support, or maintenance, (that is not taxable and already included or deducted as income) received is added in the receiving parent's net income and deducted from the paying parent's net income. (Note: Federal tax rules for spousal support changed as of January 1, 2019)	Called a <i>Multi-family Order Adjustment</i> . It is used for one or many dependent children not part of the current action. Under these two circumstances a parent may claim this adjustment: <ul style="list-style-type: none"> • Where there is a court order for child support being paid, that amount may be deducted from the parent's net income. • Where there is no court order, but it is established that a parent has responsibility for a child either living in or outside their household, the court shall deduct from the parent's net income the amount of financial support actually paid by the parent for the child, or 75% of the support the parent should pay under the child support guidelines (before this adjustment), whichever is less. Only the responsible parent's income is to be used.
US: Delaware	Yes – if applicable. There is a deduction for <i>Other Dependents</i> from a parent's available income to recognize the parent's duty to support all their children. Stepchildren are excluded and children outside the household are only counted if there is a court order for support or there is a pattern of support established.	Spousal support, or maintenance, (that is not taxable and already included or deducted as income) received is added in the receiving parent's net income and deducted from the paying parent's net income. (Note: Federal tax rules for spousal support changed as of January 1, 2019)	See <i>Dependent Children</i> column.

Jurisdiction	<i>Dependent Children</i>	<i>Spousal</i>	<i>More than one dependent from previous relationships</i>
Sweden	<p>Yes – if applicable.</p> <p>The parent may also set aside (reserve) an amount for maintenance of a spouse with whom they permanently live, for example, following remarriage.</p> <p>With regards to other dependent children, the paying parent may deduct for each dependent child an amount, that together with the amount that is to be paid to the parent for the child for whom child support is being determined, constitutes up to 40% of the applicable <i>price base amount</i>.</p>	No deductions are made for spousal support paid nor is it included in income.	See <i>Dependent Children</i> column.
Norway	<p>Yes – if applicable.</p> <p>BUT – can only be considered when assessing capacity to pay for the paying parent. See <i>Undue Hardship</i> below.</p>	Spousal support is not included in the determination of income.	If the paying parent pays child support to multiple receiving parents and does not have enough income to pay all the contributions, the older child support amounts may be reduced.
France	<p>Yes – if applicable.</p> <p>When calculating the amount of child support payable, the total number of children for which the paying parent has legal liability is used. This is because the underlying policy is that the paying parent has a responsibility towards each of those children.</p>	Spousal support is not included in the determination of income.	See <i>Dependent Children</i> column.

Table 10: Treatment of Special Expenses¹³²

Jurisdiction	Childcare	Medical	Education	Extracurricular activities
United Kingdom	<p>A paying parent may request that the Child Maintenance Service take certain <i>special variation expenses</i> into account. These create a variation from the maintenance calculation and can reduce the paying parent's gross income. Depending on the type of expense and its periodicity, the paying parent's income may be adjusted accordingly. An application for a special variation expense may be made for:</p> <ul style="list-style-type: none"> • Costs connected with supporting a child with a disability or a long-term illness who lives with the paying parent or their partner; or • Boarding school fees for a child or children that qualify for child maintenance – but only the everyday living costs or 'boarding' part of the fees (must be at least £10 a week). 			
Australia	<p>"Special Expenses" are dealt with outside the formula calculations. However, the Registrar is authorized to change a formula assessment to include additional expenses. These costs are evaluated and incorporated into the child support amount where appropriate. Reasons related to this section include:</p> <ul style="list-style-type: none"> • The costs of maintaining a child are significantly affected by high costs associated with the child's special needs; • The costs of maintaining a child are significantly affected by high costs of caring for educating or training the child in the way both parents intended; or • The costs of maintaining a child are significantly affected by the high childcare costs for the child (and the child is under 12 years of age). 			
New Zealand	<p>"Special Expenses" are dealt with outside the formula calculations as one of the twelve "grounds for administrative review". These costs are evaluated and incorporated to the child support amount where appropriate for either parent. Two of those "grounds" related to this section are:</p> <ul style="list-style-type: none"> • Extra costs to cover the child (or children's) special needs, • Extra costs to care for educating or training the child (or children) in the way that was expected by either parent. 			
US: Vermont	<p>The court has discretion to add childcare costs to the basic child support amount. Costs are apportioned between the parents based on their percentage of the combined child support income.</p>	<p>Expenses for special educational costs, qualified childcare costs and medical expenses are added to the amount obtained from the Vermont Table of Intact Family Expenditures on Children, to form the Combined Family Expenditures amount.</p>		

¹³² There is significant information on this element of the guidelines that could not be placed into tabular format. Details for each jurisdiction can be found in the summary reports in Volume II.

Jurisdiction	Childcare	Medical	Education	Extracurricular activities
US: Wisconsin	<p>Special expenses or “variable costs” refer to the reasonable costs above basic support costs incurred by or on behalf of a child. These costs include but are not limited to, the cost of childcare, tuition, a child's special needs, and other activities that involve substantial costs. These costs are only applied in “<i>shared-placement</i>” or in “<i>a combination of special circumstances</i>”. The costs are to be split in proportion to each parent’s time spent with the child. Furthermore, these costs are to be split between the parents in <i>shared-placement</i> cases based on their proportion of time with the child.</p> <p>For medical costs, Wisconsin rules under <i>DCF 150.05 Medical Support</i> lay out the circumstances and rules for assigning the parents responsibility for providing the child with a private insurance, if applicable and available.</p>			
US: Illinois	<p>The court has discretion to add childcare costs to the basic child support amount. Costs are apportioned between the parents based on their percentage of the combined child support income.</p>	<p>The court has discretion to add costs for ordinary medical costs (e.g. health insurance premiums) to the basic child support amount.</p> <p>Costs for special medical or development needs are considered a deviation from the rebuttable presumption from the calculated child support amount. The court must provide reasons for deviation in writing.</p> <p>All costs are apportioned between the parents based on their percentage of the combined child support income.</p>	<p>The court has discretion to add reasonable costs for school and/or extracurricular activities to the basic child support amount. Costs are apportioned between the parents based on their percentage of the combined child support income.</p>	
US: Delaware	<p>Childcare costs, medical expenses (not including insurance premiums) and private tuition are called <i>Primary Expenses</i> and are included in the formula as part of the calculation of the child’s <i>Primary Support Need</i>. All of these expenses must be verified and agreed upon by the parents</p>			<p>Extracurricular activities are excluded from the formula calculations.</p>
Sweden	<p>Childcare costs are included in the formula calculations and form part of the total child costs.</p>	<p>Sweden’s child support legislation is silent on the issue of special expenses.</p>		

Jurisdiction	Childcare	Medical	Education	Extracurricular activities
Norway	These costs are called supervisory costs and are included by the receiving parent as part of the total costs of a child.	Limited special expenses are eligible for consideration and are added to the <i>Maintenance Cost</i> amount, which are then shared proportionally. Examples include the cost of braces, glasses and lenses. Not included are other special expenses such as: the cost of recreational activities, sports equipment, musical instruments and travel. The parent who incurs these expenses may apply to the National Office for Social Insurance Abroad (NAV) to have them considered in the determination of the final child support amount.		
France	In France, the determination of child support does not recognize per se, special expenses such as extra medical or private tuition etc. The individual court and judge have the discretion to include any expenses they deem appropriate in the determination of a child support amount.			

Table 11: Variations, modifications and updating to child support amounts¹³³

Jurisdiction	<i>Undue hardship</i>	<i>Variations/modifications</i>	<i>Updating of tables and expenditure data and child support amounts</i>
United Kingdom	Adjustments for the concept of “undue hardship” (e.g. additional expenses, debts, etc.) are considered as “special variation expenses” and if approved, are deducted from the paying parent’s income.	A variation to a maintenance amount will only be considered if the amount of the current income of the paying parent has changed by at least 25%.	An annual review of each child maintenance case is completed by the Child Maintenance Service and occurs every 12 months, based on the anniversary date on which the paying parent was advised that there was a child maintenance application.
Australia	<p>Under the “Reasons” for the Registrar to depart from the formula assessment (parents may apply for one of these “special circumstances”) are the following situations that may be considered as “undue hardship”:</p> <ul style="list-style-type: none"> • The child support assessment is unfair because of the income, earning capacity, property or financial resources of one or both parents; • The parent's capacity to support the child is significantly affected by their duty to maintain another child or person; or • The costs of maintaining a child are significantly affected by high costs of enabling a parent to spend time with, or communicate with the child. 	<p>If the assessment of the amount of child support is different by more than 15% from the previous assessment due to circumstances not contemplated by the previous agreement—a party to the previous agreement must give the Registrar written notice of the termination of the agreement within 60 days of that party receiving notice of the variation.</p> <p>Also, if the previous agreement was made three or more years earlier—a party to the previous agreement needs to give the Registrar a written notice of the termination of the previous agreement.</p>	<p>Basic values used in calculating child support assessments are updated before the end of each calendar year. They are:</p> <ul style="list-style-type: none"> • The minimum annual rate of child support; • The fixed annual rate of child support; and • The <i>Costs of the Children Table</i>.

¹³³ There is significant information on this element of the guideline that could not be placed into table format. Details on each of these elements can be found in the individual Summary Reports by jurisdiction in Volume 2.

Jurisdiction	Undue hardship	Variations/modifications	Updating of tables and expenditure data and child support amounts
New Zealand	<p>Under the “Grounds for Administrative Review”, parents can claim the following:</p> <ul style="list-style-type: none"> • The parent has a duty to maintain another child (or children) or person; • It costs the parent extra to cover the special needs of another child or person; • The parent has necessary expenses in supporting themselves; • The parent’s contact costs are more than 5% of their adjusted taxable income; • The parent still has a financial interest in a property that the other person is entitled to live in; or • The child support assessment includes extra income earned from additional work to cover costs of re-establishment after separation. 	<p>A Child Support Order can be modified or varied provided that it is satisfied that:</p> <ul style="list-style-type: none"> • Making the variation is justified because of a change in the circumstances of the child, the receiving parent, or a liable parent concerned since the order was made or last varied; or • Making the variation is justified because of a change in the “all groups index number” of the New Zealand Consumer Price Index since the order was made or last varied. <p>At least 12 months must have elapsed since the order was made or was last varied having regard to such a change.</p>	<p>The income categories for the <i>Child Expenditure Table</i>, the <i>living allowances</i> and the minimum support amounts are updated annually by an inflation factor.</p>

Jurisdiction	<i>Undue hardship</i>	<i>Variations/modifications</i>	<i>Updating of tables and expenditure data and child support amounts</i>
US: Vermont	Yes – a component of the guidelines calculation is an “ability to pay” assessment.	<p>On motion of either parent, the Office of Child Support (OCS), any other person to whom support has previously been granted, or any person previously responsible for support, and provided that there is a real, substantial and unanticipated change of circumstances, the court may annul, vary, or modify a child support order.</p> <p>If the court has not modified the child support order for at least three years, the court may waive the requirement of a showing of a real, substantial, and unanticipated change of circumstances.</p> <p>The OCS may independently file a motion to modify child support if a party is or will be incarcerated for more than 90 days, if the family has reunited or is living together, if the child is no longer living with the payee, or if a party receives means-tested government benefits.</p> <p>A child support order that varies more than ten percent from the amounts calculated under the Vermont Guidelines shall be considered a real, substantial, and unanticipated change of circumstances.</p>	Administrative reviews: The Office of Child Support can make these reviews when a change occurs that is required by law, such as when a parent under a current child support order misses their payments for one calendar month. An arrears payment will automatically be added to the order.

Jurisdiction	<i>Undue hardship</i>	<i>Variations/modifications</i>	<i>Updating of tables and expenditure data and child support amounts</i>
US: Wisconsin	<p>Either parent can request a deviation to any of the six formulas if they provide evidence that the use of the applicable formula relevant to their circumstance is unfair to the child or to any of the parties. Various reasons for consideration for a deviation that relates to undue hardship are provided for. These include:</p> <ul style="list-style-type: none"> • The award of substantial periods of physical placement to both parents; • Extraordinary travel expenses incurred in exercising the right to periods of physical placement; • The physical, mental, and emotional health needs of the child, including any costs for health insurance; and • The tax consequences to each party. 	<p>Once a child support order has been established, it can only be changed if there has been a substantial change in circumstances. Examples of what constitutes a change in circumstances include:</p> <ul style="list-style-type: none"> • A substantial change in the income of either party. The definition of “substantial” is often based on the facts of the situation, but usually this requires a change in gross income of at least \$5,000 per year or more, which results in a substantial change to the child support award. • If at least 33 months have passed since the last child support order, a substantial change in circumstances is presumed to have occurred. • A change in the placement (parenting time) schedule. • A move by one party or the other resulting in additional transportation costs. • A substantial change in the needs of either parent or the child. For example, if a child develops special needs, incurs unusual costs or if a parent becomes disabled. 	<p>There is no administrative review of child support orders (or amounts), as the court is the only place where an order may be modified and only at the request of one of the parties.</p>

Jurisdiction	<i>Undue hardship</i>	<i>Variations/modifications</i>	<i>Updating of tables and expenditure data and child support amounts</i>
US: Illinois	The formula shall be rebutted upon a preponderance of the evidence that the results are not in the best interests of the child or are inequitable to the parties. The formula may be rebutted in whole or in part. Every order rebutting the formula shall state the reason for the deviation. The Court may decline to adopt any agreement deviating from the formula that is clearly contrary to the best interest of the child.	<p>Not less than once every three years, the Department of Child Support Services notifies each parent subject to a child support order of the right to request a review of their order.</p> <p>Orders qualify for the modification review process if one of the following conditions exists:</p> <ul style="list-style-type: none"> • At least three (3) years have passed since the establishment of the order or the last modification review; or • There is a substantial change in the non-custodial parent's income; or • The order does not address healthcare coverage for the child; or • The modified child support amount deviates from the previous Illinois guidelines amount by more than 20% and at least \$10. 	See <i>Variations and Modifications</i> .
US: Delaware	Included in the Melson Formula is a final step in the formula calculations that is designed to ensure that the final child support amount for the paying parent does not cause undue hardship as a result of existing support obligations for other children in other households.	If the parties agree, they can amend the child support amount by writing a new agreement. This also applies in cases where the child support amount was previously decided by a judge. If the parties cannot agree, they must apply to a court in order to have a previously decided child support amount amended. The court can amend the child support if the circumstances have changed. Generally, the change in circumstance must be significant and judges have discretion as to whether the child support amount should be amended.	There is no regular, periodic updating or review of child support amounts.

Jurisdiction	<i>Undue hardship</i>	<i>Variations/modifications</i>	<i>Updating of tables and expenditure data and child support amounts</i>
Sweden	If the paying parent does not have the ability to pay, child support will not be ordered.	The court can also adjust an agreement that, in their opinion, is unreasonable considering the circumstances of the parties at the time the agreement was established.	There is no regular, periodic updating or review of child support amounts.
Norway	The last step in the calculation of child support is an assessment of the ability of the paying parent to pay the <i>Final Guidance Amount</i> to ensure that the paying parent has the ability to pay, and at the same time, has enough funds left to support themselves and any other children for whom they are legally liable and that reside in their household.	An application may be made to modify child support payments, determined by the administrative agency, if there are special reasons for doing so. The reasons can be as a result of a change in the age of the child, a change in income, residence or time spent with the child.	All child support agreements are index-linked unless it is otherwise stated in the decision or the agreement. Indexation is linked to any change in the consumer price index issued by Statistics Norway.
France	The determination of child support does not provide for the concept of undue hardship, or the inability to pay. The courts and judges consider specific case circumstances as they arise.	In the case of new elements in the personal and / or financial situation of the paying or receiving parent, it is possible to request a revision to the child support amount. In these cases, the amount may be modified (upwards or downwards).	Tools are available to adjust the child support amount to reflect yearly changes to the consumer price index. In order to reassess the amount of the support, the judgment or order made by a judge must mention the indexation of the award to reflect changes to the consumer price index. Parents may also update their child support amounts themselves to reflect the current consumer price index using an online tool. In general, the revaluation is scheduled every year on a fixed date (e.g. the anniversary date of judgment).

Table 12: Other Considerations¹³⁴

Jurisdiction	<i>Age of child</i>	<i>Minimum orders</i>	<i>Maximum orders</i>	<i>Treatment of low- or high-income earners</i>	<i>Capping or marginal tax rates</i>
United Kingdom	An order or agreement terminates when the child reaches 16 or 20 if they are in full time education.	If a prospective paying parent earns less than 7£ per week, no order is made.	Guidelines do not apply if the paying parent makes over 3000£ per week.	See <i>Minimum orders</i> and <i>Maximum orders</i> .	No
Australia	The agreement automatically terminates when all minor children have reached the age of 18 years of age; 19 if the child is still in school and/or graduates from high school, whichever occurs first.	A minimum annual amount of child support is set each year. For the child support year April 1, 2019 to March 31, 2020, the amount is \$435/year or \$36/month per child.	In cases where the paying parent is a high-income earner, child support amounts are effectively “capped” when the income amounts exceed 2.5 times the Average Weekly Earnings. The Child Expenditure Table does not provide amounts above that combined net income level. For the child support year 2019, the amount is \$187,785 AU annually.	See <i>Minimum orders</i> and <i>Maximum orders</i> .	No

¹³⁴ There is significant information on this element of the guidelines that could not be placed into tabular format. Details for each jurisdiction can be found in the summary reports in Volume II.

Jurisdiction	<i>Age of child</i>	<i>Minimum orders</i>	<i>Maximum orders</i>	<i>Treatment of low- or high-income earners</i>	<i>Capping or marginal tax rates</i>
New Zealand	Agreements automatically terminate when all minor children have reached the age of 18 years of age; 19 if child still in school and/or graduates from high school, whichever occurs first.	A minimum annual amount for child support is set each year. For the child support year April 1, 2019 to March 31, 2020, the amount is \$919/year or \$77/month per child. Exemptions are allowed for hospital patients, prisoners, and persons less than 16 years, if they have no income.	In cases where the paying parent is a high-income earner, child support amounts are effectively “capped” when the income amounts exceed 2.5 times the Average Weekly Earnings. The Child Expenditure Table does not provide amounts above that combined net income level.	See <i>Minimum orders</i> and <i>Maximum orders</i> .	None
US: Vermont	Agreements automatically terminate when all minor children have reached the age of 18 years of age; 19 if child still in school and/or graduates from high school, whichever occurs first.	No formal minimum but court can take income of parent’s into consideration and can deviate from the guidelines.	No	The court may use its discretion in determining child support in circumstances where the combined available income exceeds the uppermost levels in the <i>Vermont Table of Intact Family Expenditures on Children</i> .	None

Jurisdiction	<i>Age of child</i>	<i>Minimum orders</i>	<i>Maximum orders</i>	<i>Treatment of low- or high-income earners</i>	<i>Capping or marginal tax rates</i>
US: Wisconsin	Agreements automatically terminate when all minor children have reached the age of 18 years of age; 19 if child still in school and/or graduates from high school, whichever occurs first.	If a paying parent's monthly income available for child support is below 75% of the Federal Poverty Guidelines, the court may order an amount appropriate to the paying parent's total economic circumstances.	If the paying parent makes more than \$12,500 per month, the guidelines do not apply and the court has discretion to set a child support amount.	Two formulas are set out in legislation to set child support amounts in cases of a: <i>High-Income Payer</i> – Where the gross income from all sources of the paying parent is \$7,000 per month or more (\$84,000 per year). <i>Low-income Payer</i> – Where the gross income from all sources of the paying parent is less than 150% of the Federal Poverty Guidelines (FPG) for a single person.	None

Jurisdiction	<i>Age of child</i>	<i>Minimum orders</i>	<i>Maximum orders</i>	<i>Treatment of low- or high-income earners</i>	<i>Capping or marginal tax rates</i>
US: Illinois	Agreements automatically terminate when all minor children have reached the age of 18 years of age and graduated from high school. If the child is over 18 and has not finished high school, the child support will be terminated when the child is 19 or when the child receives a high school diploma – whichever occurs first.	For a parent with gross income either at or below 75% of the Federal Poverty Level, child support is set at \$40.00 per month per child with a cap set at \$120 per month. In cases where parents have no gross income and receive means-tested income, or cannot work for medical reasons, are incarcerated or are in an institution, there is a rebuttable presumption that the \$40 per month minimum order is inapplicable and a zero amount can be ordered.	No	The <i>Schedule of Basic Child Support Obligations</i> sets out amounts of child support up to a combined monthly net income of \$300,000 per month. Courts may use their discretion to determine the appropriate child support amount beyond that monthly net income amount.	None

Jurisdiction	<i>Age of child</i>	<i>Minimum orders</i>	<i>Maximum orders</i>	<i>Treatment of low- or high-income earners</i>	<i>Capping or marginal tax rates</i>
US: Delaware	Agreements automatically terminate when all minor children have reached the age of 18 years of age and graduated from high school. If the child is over 18 and has not finished high school, the child support will be terminated when the child is 19 or when the child receives a high school diploma – whichever occurs first.	If the children reside in a sole custody situation (less than 79 overnights per year), the court can impose a minimum order of no less than \$100 per month for one child, and \$170 per month for more than one child.	No	If a parent's income available for the <i>Standard of Living Adjustment</i> exceeds \$15000, 20% of the difference is calculated and is identified as the <i>High Income Offset</i> . This amount is subtracted from the income available for the <i>Standard of Living Adjustment</i> calculations.	There is a Self-Protection amount calculated at the end of the normal formula calculations that "caps" the amount of Primary Support Income that is used for child support. The caps are presented as percentages of income.

Jurisdiction	<i>Age of child</i>	<i>Minimum orders</i>	<i>Maximum orders</i>	<i>Treatment of low- or high-income earners</i>	<i>Capping or marginal tax rates</i>
Sweden	By statute, child support orders will be terminated the month the child turns 18. Any extension for child support beyond the age of 18 requires that the child attend a secondary school. When the child turns 18, the child becomes a legal party to the proceedings and the child must put forward the claim for support. The child is entitled to child support up until their 21st birthday. For schooling, studies in compulsory school or upper secondary school or other comparable basic education are included. The parents should share these costs with each other according to their ability.	A parent who does not have any capacity to contribute to the child's support is not liable to pay child support.	No	No	None

Jurisdiction	<i>Age of child</i>	<i>Minimum orders</i>	<i>Maximum orders</i>	<i>Treatment of low- or high-income earners</i>	<i>Capping or marginal tax rates</i>
Norway	By statute, child support decisions will be terminated the month the child turns 18. An extension for child support beyond the age of 18 requires that the child attend secondary school. When the child turns 18, the child becomes a legal party to the proceedings and they must put forward any claim for support. Attendance at a university normally does not qualify for a consideration of child support.	No	There is no fixed “maximum” amount of child support; however, the formula calculations include a limit on the amount of child support based on the paying parent’s ability to pay. There are also two other “limits” that can be considered. These are: the paying parent shall not pay more than 5/6 (or 83.3%) of the Maintenance Cost of the child nor shall they pay more than 25% of the calculated gross income before any allowance.	No	No

Jurisdiction	<i>Age of child</i>	<i>Minimum orders</i>	<i>Maximum orders</i>	<i>Treatment of low- or high-income earners</i>	<i>Capping or marginal tax rates</i>
France	Parents have the obligation to provide material support to their adult child if they are not financially independent. The amount of this assistance varies according to the resources of the paying parent and the needs of the child. Once a child is in a position to cover their own needs and has completed, where applicable, secondary or tertiary/university education, child support is payable to them.	The Table of Child Support only applies to the paying parent whose monthly income and resources are EUR 700 or more.	No	No	No

VI Summary and Conclusions

This report presents the findings of a review of child support models in ten jurisdictions to identify how issues related to the determination of child support are addressed. In addition to describing the ten models, the report also examines how jurisdictions incorporate various elements into the construction of their guidelines. The study identifies similarities and differences in how these elements are used, as well as identified commonalities and trends across the jurisdictions. Finally, the study summarizes major changes that have been made to their relevant legislation.

The jurisdictions included in this review were selected because they reflected the range of various child support models that exist today. This ensures a representation of models that used various expenditure approaches to determine the costs of children and that used different approaches to apportion those expenditures between parents to determine the child support amount. It is also important that the report represents various approaches to how the models are administered, whether through the court system in their jurisdiction or by an administrative agency mandated to complete the assessment and determine child support amounts.

One of the key findings of this review is that none of the child support models are exactly alike. All jurisdictions have integrated in their legislation some principles or objectives that underpin their child support models. These objectives, in turn, are instrumental in shaping the construction of the models and the formula, which parents or family law officials use to determine the relevant child support amount. They also all incorporate many of the same elements in the construction of their formula, yet how the elements are defined and integrated differs considerably across the jurisdictions.

All jurisdictions have made changes to their child support legislation over time. Some have made minor adjustments to various provisions to provide clarity. Half of the jurisdictions have made significant amendments that resulted in changes in the way the expenditures of the child were to be apportioned between the parents, how income available for child support was to be determined, how time spent with the parents was to be recognized, and in the organization of the entities mandated to determine child support amounts. Those jurisdictions that made significant changes to their legislation did so all at once – changing various elements of their model at the same time. Knowledgeable experts who were consulted about the process that their jurisdiction went through to successfully implement the changes noted how difficult and long the process was.

Changes to the legislation were also made to keep pace with the changing nature of families. Recognition for other dependents that either parent may be responsible for is included in

the formula calculations in all models reviewed. Provisions to accommodate the limited ability of some parents to pay child support due to their financial circumstances are also reflected in the way the formulas are constructed. As changes to the child support legislation were made to accommodate the various realities of a more complex family structure, so too did the complexity of the formula calculations. This in turn, required the courts and administrative agencies to provide the necessary tools, worksheets and online calculators to parents and family justice personnel so that the child support calculations could be readily and accurately determined.

Since the first child support guidelines were developed in the early 1980s, jurisdictions have followed different paths to respond to their distinctive social circumstances and policy objectives. The review of ten jurisdictions revealed that this evolution is continuing with many challenges still to be addressed.

Appendix - References

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