

# IPERS Calculations on Form 1

by Alft & Wilson Publishing – Iowa Support Master – Version 5.6.22

Sample Problem. The NCP parent is a public-school teacher earning \$89,000 per year. He is subject to a mandatory pension called IPERS. He also is paying into Social Security/Medicare.

DO NOT enter \$89,000 as income for the NCP. Instead, use the “IPERS Calculator” to enter the numbers. The calculator will do the work for you.

The screenshot shows the 'OTHER INCOME' section with a 'NON-CUSTODIAL PARENT' tab. It has fields for 'Describe Income' and 'Amount'. A callout box says 'Click on the link to go to the IPERS calculator'. Below is a link 'Calculate NCP IPERS Mandatory Pension Wizard' with a red arrow pointing to it. The 'CUSTODIAL PARENT' section has similar fields and checkboxes for 'Federal', 'State', 'FICA', and 'Pension'.

The screenshot shows 'Joe's Pension Info' with three steps: 1. Enter gross wages: 89000 (with a red arrow pointing to the input field). 2. Enter IPERS Percentage: 6.29 (with a red arrow pointing to the dropdown menu). 3. Contribution amount: 5598.10. Below are checkboxes for 'Taxable wages, no FICA, nontaxable contribution' (unchecked) and 'Taxable wages, FICA, nontaxable contribution' (checked), and 'Add pension contribution as nontaxable income' (checked) and 'Deduct pension contribution (similar to FICA)' (checked). An 'ACCEPT' button is at the bottom. To the right is the 'IPERS Contribution Percentages' table.

	July 1, 2021 to June 30, 2022	July 1, 2022 to June 30, 2023
Class 1 - Common IPERS Teachers (most common)	6.29%	6.29%
Class 2 - Protection Occupation Fire/Police/Airport firefighters	9.01%	8.76%
Class 3 - Sheriff / Deputy	6.21%	6.21%

What’s happening? Enter \$89,000 as “gross wages” for the NCP. The NCP is a “Teacher” so 6.29% of NCP’s wages are automatically invested for his retirement (IPERS). In step 3 in the image, you see 5598.10. This is the 6.29% of NCP’s gross wages for the year. This amount of money is not subject to tax.

NCP may not deduct this retirement contribution when calculating child support. Iowa Support Master adds back in the \$5,598.10 to NCP’s income.

When you look at Form 1, you will see that of the \$89,000 of income to the NCP, \$83,401.90 is subject to tax. The other \$5,598.10 is not subject to tax but it is added back in as income to NCP. This will result in a higher amount of child support due by the NCP.

**CHILD SUPPORT GUIDELINES WORKSHEET**

Docket No:

**I. Net Monthly Income of Petitioner,**

Custodial Parent  Noncustodial Parent  Joint Physical Care

Petitioner claims 0 children as tax dependents age 16 or less and 0 dependents age 17+.

**A. Sources and Amounts of Annual Income:** \$89,000.00

**TOTAL:** \$89,000.00

**B. Federal Tax Deduction:**

Gross Annual Taxable Income	(\$5,598.10 untaxed)	\$83,401.90	
less 1/2 self-employment (FICA) tax:		<0.00>	
less personal exemptions: self + 0 dependents			
less standard deduction: filing as Single		<12,550.00>	
Net taxable income - federal:		\$70,851.90	
Final federal tax liability:			<11,335.92>

**C. State Tax Deduction:**

Gross Annual Taxable Income: \$83,401.90

We entered \$89,000 as income into the Support Master IPERS Calculator. We applied the proper IPERS rate. The program placed the numbers where they need to go in the income screen. Here are the results on Form 1. you will see in green that the program reduced the taxable income by the IPERS contribution. This money is then added back in as income to the party.

less tax credits <0.00>