

Heath Insurance Calculation Examples by Alft & Wilson Publishing – Iowa Support Master

See Guidelines Rule 9.14(5) for the details (found below).

Common Divorce Example (no other kids/adults): Joe and Mary have two kids. Joe has a family plan which costs \$12,000 for the year. He advises that the cost of a plan of single coverage for a year is \$6,000. The cost to cover the kids is \$6,000 and this is what you would enter as cost to cover the kids.

Other Children Example (Joe has a child by a prior marriage): Joe and Mary have two kids. Joe has a family plan which costs \$12,000 for the year. This plan covers Joe, Mary, their 2 children as well as the 1 child Joe has via a prior relationship. The cost of single coverage is \$6,000 per year. The cost to cover the kids is \$6,000. Here is where you must perform some math because the cost to cover the kids includes a child not of these parties.

1. Family Plan minus Single Plan = \$6,000
2. How many people, total, are covered? 4 (Joe and 3 kids).
3. Subtract “1” from the results = 3 (This removes Joe as he is providing the plan)
4. Divide the cost (line 1) \$6,000 by 3, the number of peeps covered: \$2,000 per peep.
5. In this case, Joe and Mary have two children. $2 \times \$2,000 = \$4,000$. Joe will indicate \$4,000 as cost of health coverage.

Stepparent or Other Adult Example: (Joe is remarried to Betty. Joe and Betty have no kids together, but Betty has 1 child with some other dude. Betty has a family plan that covers herself, her child, Joe, and Joe’s 2 kids with Mary. Betty pays \$12,000 per year for the family plan. The cost of single coverage is \$6,000 per year. The cost to cover the kids is \$6,000. You must perform some math because the cost to cover the kids includes a child not of these parties.

1. Family Plan minus Single Plan = \$6,000
2. How many people, total, are covered? 5 (Betty, Joe, Betty’s child and Joe’s 2 kids).
3. Subtract “1” from the results = 4 (This removes Betty as she is providing the plan)
4. Divide the cost from line 1 (\$6,000) by 4 (the number of peeps covered): \$1,500 per person.
5. In your case, Joe and Mary have two children. $2 \times \$1,500 = \$3,000$. Joe will indicate \$3,000 as cost of health coverage.

252E.1A(3) tells you how to determine if the cost is reasonable. Iowa Support Master will tell you what the reasonable cost is. The math is found in 252E.1A.

Guidelines Rule 9.14(5) Health insurance premium.

In calculating child support, the allowable child(ren)'s portion of the health insurance premium prorated between the parents and used to adjust the basic support obligation as provided in this rule.

a. This subrule applies if the parent is ordered to provide health insurance for the child(ren) in the pending action and it is either deducted from wages of the parent or stepparent or paid by the parent or stepparent.

b. The allowable child(ren)'s portion of the health insurance premium will be calculated as follows:

(1) For a health benefit plan covering multiple individuals, including the child(ren) in the pending action, the allowable child(ren)'s portion is the amount of the premium cost for such coverage to the parent or stepparent that is in excess of the premium cost for single coverage, divided by the number of individuals enrolled in the health benefit plan, excluding the person providing the insurance, and then multiplied by the number of children who are the subject of the pending action.

(2) For a health benefit plan covering only the child(ren) in the pending action, the entire premium will be used as the allowable child(ren)'s portion of the health insurance premium.

c. However, a health insurance premium is not prorated and used to adjust the basic support obligation if the basic support obligation is in low-income (shaded) Area A of the schedule in rule 9.26 unless variance is warranted under rule 9.11.

d. In cases of split or divided physical care, only 50% of the allowable child(ren)'s portion of the health insurance premium is included in each of the two calculations described in subrule 9.14(4).

e. If the child(ren) is (are) covered by the health insurance of a stepparent, the allowable child(ren)'s portion of the health insurance premium will be prorated between the parents, and used to adjust the basic support obligation unless a parent objects. If a parent objects, the court will decide the issue based on its determination of whether it would be equitable to the parties and the child(ren).

