

	Noncustodial Father	Custodial Mother
TOTAL INCOME:	13000.00	34000.00

FEDERAL TAX ANALYSIS

Federal Income	13000.00	34000.00
Personal Exemptions	2	2
Personal Exemptions Value	8100.00	8100.00
Credit for Over Age 65 or Blind	0.00	0.00
Federal Standard Deduction	6350.00	9350.00
Filing Status:	Single	Head of House
Self Employment Tax	0.00	0.00
Spousal Support, Prior Order	0.00	0.00
Net Federal Taxable Income	0.00	16550.00
Beginning Federal Tax Liability	0.00	1815.00
Federal Tax Credits	0.00	1000.00
Final Federal Tax Liability	0.00	815.00
Additional Child Tax Credits (refundable)	1000.00	0.00

IOWA TAX ANALYSIS

State Income	13000.00	34000.00
-less federal tax liability	0.00	815.00
-less 1/2 self employment tax	0.00	0.00
-less state standard deduction	2000.00	4920.00
-less alimony payments	0.00	0.00
Net Iowa Taxable Income	11000.00	28265.00
Beginning Iowa Tax Liability	295.88	1327.60
- less Iowa pers/dep credits	80.00	120.00
- less state tax credits	0.00	0.00
+ plus school surtax	0.00	0.00
Ending Iowa Tax Liability	215.88	1207.60

FICA & PENSION LIABILITY

FICA & Pension Income	13000.00	34000.00
- less FICA/Pension on Wages	994.50	2601.00
- less FICA on Self Employment	0.00	0.00
Total Allowed FICA & Pension Liability	994.50	2601.00
Mandatory Pension Paid	0.00	0.00

OTHER DEDUCTIONS

Total Other Annual Liabilities	0.00	0.00
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SUMMARY

Net Monthly Income Computation

Total Income	13000.00	34000.00
- less federal Tax Liability	0.00	815.00
- less state Tax Liability	215.88	1207.60
- less FICA Liability	994.50	2601.00
- less Other Annual Liabilities	0.00	0.00
Net Annual Income	12789.62	29376.40
Preliminary Net Monthly Income	1065.80	2448.03
- less Cash Medical Support (not insurance paid)	0.00	0.00

Child Support Computation

A. Adjusted Net Monthly Income	1,065.80	2,448.03	= 1,065.80
B. Proportional share of income:	30.3316%	69.6684%	
C. Number of children for whom support is sought:	2		
D. Basic support obligation using only NCP income:	159.00		
** NCP is very low income. Using Area A of Schedule of Basic Support Obligations.			
E. Basic support obligation - combined income:	N/A		
F. Share of Basic support obligation - combined income:	N/A		
G. NCP's basic support obligation before health insurance:	159.00		
H. Cost of Children's Health Insurance Premium:	0.00	0.00	

I. Health Insurance Add-On/Deduction:	0.00	0.00
J. Guideline Amount of Child Support for NCP:	159.00	

OVERVIEW OF THE PERCENTAGES INVOLVED IN THIS CALCULATION

Child support as a percentage of combined net income:	14.92%
Child support as a percentage of NCP gross income:	14.68%
Child support as a percentage of NCP adjusted net income:	14.92%
Cash medical as a percentage of NCP gross income:	0.00%
Cash medical as a percentage of NCP adjusted net income:	0.00%
Total support as a percentage of NCP gross income:	14.68%
Total support as a percentage of NCP net income:	14.92%

OVERVIEW OF CASH MEDICAL SUPPORT CALCULATION

***** OVERRIDE ***You have entered Cost of Child's Health Insurance. This removes cash medical support obligation.**
NONCUSTODIAL PARENT

Iowa Support Master is telling us that because we entered a cost of health insurance, it removed Cash Medical. In our example, there would be no cash medical anyway because the NCP is low-income under the Guidelines.

Net income:	\$1,065.80
Percentage Rate:	0%
Gross Income:	\$1,083.33
Percent x Monthly Gross Income:	\$0.00
Health insurance entered overrides cash medical support.	
Monthly reasonable cost (cash medical support):	\$0.00
Yearly reasonable cost (cash medical support):	\$0.00

CUSTODIAL PARENT

Net Income:	\$2,448.03
Percentage Rate:	5%
Gross income:	\$2,833.33
Percent x Monthly Gross Income:	\$141.67
Monthly reasonable cost (cash medical support):	\$141.67
Yearly reasonable cost (cash medical support):	\$1,700.00

Analyzing Cash Medical Support and NCP Income as number of children entitled to support changes

Cash medical support for 2 children	\$0.00
- NCP low income (shaded area of Medical Support Table) for two children	
Cash medical support for 1 child	\$0.00
- NCP low income (shaded area of Medical Support Table) for one child	

Here the program is telling you that the NCP is low income – shaded area. Check the Guidelines!

EFFECTS OF CLAIMING THE CHILDREN AS TAX DEPENDENTS

Most of your clients probably want to “claim the kids” because they have visions of refunds and other Tax benefits. This feature of Iowa Support Master can be used to show them the value of claiming the kids.

Noncustodial claims 0 and custodial claims 2

Net Monthly Income	958.40	2577.38
Monthly Child Support Amount	145.00	
Actual Monthly Income	813.40	2722.38

NCP’s income for the month is \$958. Mom’s income is \$2577.

NCP pays \$145 per month in child support. This reduces NCP’s monthly income to \$813.

The \$145 child support adds to mom’s income making it \$2722.

Noncustodial claims 1 and custodial claims 1

Net Monthly Income	1065.80	2448.03
Monthly Child Support Amount	159.00	
Actual Monthly Income	906.80	2607.03

NCP’s monthly income increases so support goes up. NCP income increases from \$958 to \$1065.

A \$107 increase in monthly income. Support goes from \$145 to \$159. The \$107 additional income cost NCP an extra \$14 per month. $\$107$ (increase in income) – $\$14$ (increase in support) means NCP will have \$93 more in his pocket each month. Over a 12-month period, CP will enjoy an additional \$1116 in income.

With CP claiming just 1, income goes down \$2577 to \$2448. A reduction of \$129. But child support goes up by \$14 so CP sustains a net loss of \$115 per month. Over a 12-months, CP will have a loss of \$1380.

Noncustodial claims 2 and custodial claims 0

Net Monthly Income	1110.80	2319.42
Monthly Child Support Amount	167.00	
Actual Monthly Income	943.80	2486.42

For NCP, the difference between claiming 0 and claiming 2, he will increase his income by \$152 per month. His child support obligation would increase from \$145 to \$167, or \$22 per month. $\$943$ (claiming 2) - $\$813$ (claiming 0) = $\$130$ per month more money in NCP’s pocket. Net to CP, \$1560 per year.

CP’s income would go from \$2722 to \$2486. CP will lose \$236 per month. Loss to CP of \$2832 per year.

Take some time to check the analysis page This is a document you can print and go over with your client. Some of our users print this and attach it to the Form 1. Judges tell us they like this document.