

Calculating Child Support in Divorce

by Warren Sacks, CPA, CFF

When in a court process or litigation, child support is calculated based upon a formula that includes income, itemized deductions, tax filing status, child support add-ons, and each parent's percentage of time when they are with their child or children. The formula is $CS = K[HN - (H\%)(TN)]^{(a)}$.

The result of the formula is generally termed "guideline child support." In a litigation process, the guideline amount is almost always the child support amount ordered by the court or the amount the parents settle upon.

In most litigation cases, child support terminates when the child attains the age of 18. If the child resides with his or her parent, child support ordinarily continues until the child graduates from high school, but not later than when the child attains the age of 19.

When parents enter into a consensual dispute resolution (CDR) process such as the Collaborative process, the parents of the children are not required to use the guideline child support amount. Through Collaborative Divorce, parents can consider the actual needs or living expenses of their children, as the formula-driven guideline child support amount may not be sufficient to allow for the child's actual needs for living expenses, such as piano lessons or sports activities. Conversely, the guideline child support may be more than the children's actual needs.

Another fact of the Collaborative process: the parents are not required to terminate supporting their child after their child attains the age of majority. Parents can voluntarily agree upon allocating the costs of their child's college education, automobile insurance, health insurance, and food. These are just a few examples of some of the costs some parents provide for their children after their children are considered adults by the courts.

In a Collaborative process, parents may choose to work with a mental health professional, commonly referred to as a coach, who will assist the parents in learning to communicate with each other so the parents can be heard. Learning how to effectively communicate is not only helpful during the Collaborative process, but long afterward while co-parenting your children. Parents may also choose to work with a child specialist, who is a mental health professional that meets with the children and is the voice of the children in the Collaborative process.

Parents have the opportunity to work with a neutral financial professional to assist them in preparing financial reports, which provides options for them to consider while coming to financial agreements regarding their children's needs.

Each parent works with his or her own attorney, who will provide legal information to assist the parent, so the parents will have informed consent when coming to agreements within the Collaborative process.

If you would prefer not to be boxed into a formula that may have nothing to do with the reality of your family and your family's financial resources, consider the Collaborative process for your

divorce. A Collaborative divorce permits you to find a better fit that meets everyone's needs with far less trauma and stress. Frequently, a Collaborative divorce even saves costs over a traditional litigated divorce in court. Best of all, Collaborative divorce puts the control in your hands, not in the hands of a stranger.

About the Author: Warren Sacks, CPA, CFF, is a Senior Partner with the accounting and consulting firm of White, Zuckerman, Warsavsky, Luna, & Hunt, LLP. He was a past president of the Los Angeles Collaborative Family Law Association and a current board member. He was on the board of Collaborative Practice California for 6 years. He is a Certified Public Accountant and has over thirty years of experience in the preparation of financial reports used to assist the clients in choosing their financial options in the collaborative process.

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(a) See Family Code Section 4055 for the formula and details of the formula.