

518A.42 ABILITY TO PAY; SELF-SUPPORT ADJUSTMENT.

Subdivision 1. Ability to pay.

(a) It is a rebuttable presumption that a child support order should not exceed the obligor's ability to pay. To determine the amount of child support the obligor has the ability to pay, the court shall follow the procedure set out in this section.

(b) The court shall calculate the obligor's income available for support by subtracting a monthly self-support reserve equal to 120 percent of the federal poverty guidelines for one person from the obligor's gross income. If the obligor's income available for support calculated under this paragraph is equal to or greater than the obligor's support obligation calculated under section [518A.34](#), the court shall order child support under section [518A.34](#).

(c) If the obligor's income available for support calculated under paragraph (b) is more than the minimum support amount under subdivision 2, but less than the guideline amount under section [518A.34](#), then the court

Increasing the Self-Support Reserve: Options and Impacts

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Refresher on Current Self-Support Reserve

Refresher on Self- Support Reserve

- **Self-support reserve is the amount required for a parent to meet his or her own basic needs**
- **There is a presumption that a child support order should not exceed a parent's ability to pay**
- **Ability to pay is calculated by subtracting the SSR from the obligated parent's gross income**
- **Amount remaining after SSR is subtracted is referred to as the "income available for support"**

Refresher on Self- Support Reserve

- **When the obligor's income is equal to or less than the SSR, a minimum support amount is ordered**
- **When the obligor's income is greater than the SSR, but less than the guideline support amount in the table, the obligation(s) are reduced to the amount of obligor's income available for support**

Current Self- Support Reserve

- **MN's current SSR is 120% of Federal Poverty Guidelines for one person**
- **For 2018, this is \$1,214 per month or \$12,568 per year**

Scenario for Current Basic Support Table and Current SSR for One Joint Child

Brett, the obligor, is a cashier at a grocery store and has a gross income of \$1,647 per month or \$19,764 per year

Adrian, the obligee, is not working, but is deemed to be capable of working 30 hours per week at minimum wage for a gross income of \$1,235 per month or \$14,820 per year

Their combined monthly income is \$2,882

Current Basic Support Table

Combined Monthly Income	1 child	2 children	3 children	4 children	5 children	6 children
0-799	50	50	75	75	100	100
800-899	80	129	149	173	201	233
900-999	90	145	167	194	226	262
1000-1099	116	161	186	216	251	291
1100-1199	145	205	237	272	320	370
1200-1299	177	254	294	341	396	459
1300-1399	212	309	356	414	480	557
1400-1499	251	368	425	493	573	664
1500-1599	292	433	500	580	673	780

Scenario for Current Basic Support Table

The support obligation per the table for their combined income is \$589 per month

Brett's share is 57% and Adrian's share is 43%

Brett's support obligation is \$336

After SSR deduction, Brett's income available for support is \$433

No SSR adjustment needed

Brett's support obligation of \$336 per month is 20% of Brett's gross income

Task Force Decisions Recap and Additional Factors to Consider

- **The Task Force has decided to increase the SSR from 120% FPG**
- **The Task Force has also decided to apply or consider the custodial parent's need for self-support in the calculation of child support, although the method for doing this has not yet been determined**
- **Dr. Venohr recommended examining options between 130% FPG and 200% FPG**

Other Factors to Consider

- **As SSR increases, minimum order amounts may need to be re-evaluated**
- **More this on later...**

Other Factors to Consider

- **Amount of the SSR will apply to both parents in some way**
- **Task Force should keep this in mind while making decision on the amount of the SSR**

Other Factors to Consider

- **Application of the SSR impacts other obligations**
- **When there is not enough income available for support to pay the obligations, they are reduced in the following order:**
 - **Medical Support**
 - **Child Care Support**
 - **Basic Support**

Scenario with Medical and Child Care Obligations

Brett, the obligor, is a cashier at a grocery store and has a gross income of \$1,647 per month or \$19,764 per year

Alex, the obligee, is an office assistant and has a gross income of \$3,813 per month or \$45,756 per year

They have one joint child

Their combined monthly income is \$5,460, Brett's share is 30% and Alex's share is 70%

Alex carries health care coverage for the joint child at the rate of \$100 per month

Alex incurs child care expenses of \$800 per month

Scenario with Medical and Child Care Obligations

Brett's share of the health care coverage is \$30 per month

Brett's share of the child care expenses is \$240 per month*

Brett's basic support obligation according to the current table is \$256 per month

Total obligation is \$526 per month

***simplified child care calculation**

Scenario with Medical and Child Care Obligations

Brett's income available for support is \$433 per month

Brett's obligations equal \$526 per month

Brett's obligations exceed the income available for support by \$93

Obligations will need to be reduced by a total of \$93

Scenario with Medical and Child Care Obligations

Medical support will be reduced from \$30 to \$0 per month

Child care support will be reduced from \$240 to \$177 per month

Basic support will remain \$256 per month

Total support will be reduced from \$526 per month to \$433

Scenario with Medical and Child Care Obligations

Health care coverage will continue to be \$100 per month and child care expenses will continue to be \$800 per month

Alex's share of the medical support will increase from \$70 to \$100 per month

Alex's share of the child care support will increase from \$560 to \$623 per month

Self-Support Reserve Options

Self-Support Reserve Options: Assumptions

- SSR options in this presentation use the Dr. Venohr's B4 numbers with Amy Anderson's low income adjustment for combined incomes of \$5,400 and below and assume there is no court-ordered parenting time

Guidelines updated with Dr. Venohr Table B-4 - Updated USDA Measurements													
No Healthcare expenses or childcare expenses, Alternative Multipliers for number of children													
Combined Parental Income		Number of children						Percentage of lower income level except 1st line					
Child Support		One	Two	Three	Four	Five	Six						
0	1,299	50	50	75	75	100	100	3.85%	3.85%	5.77%	5.77%	7.70%	7.70%
1,300	1,399	60	70	80	90	100	110	4.62%	5.38%	6.15%	6.92%	7.69%	8.46%
1,400	1,499	80	90	100	110	120	130	5.71%	6.43%	7.14%	7.86%	8.57%	9.29%
1,500	1,599	100	110	120	130	140	150	6.67%	7.33%	8.00%	8.67%	9.33%	10.00%
1,600	1,699	120	135	150	165	180	195	7.50%	8.44%	9.38%	10.31%	11.25%	12.19%
1,700	1,799	140	160	180	200	220	240	8.24%	9.41%	10.59%	11.76%	12.94%	14.12%
1,800	1,899	160	185	210	235	260	285	8.89%	10.28%	11.67%	13.06%	14.44%	15.83%
1,900	1,999	190	220	250	278	305	332	10.00%	11.58%	13.16%	14.63%	16.05%	17.47%
2,000	2,099	220	255	290	321	350	379	11.00%	12.75%	14.50%	16.05%	17.50%	18.95%
2,100	2,199	250	290	330	364	395	426	11.90%	13.81%	15.71%	17.33%	18.81%	20.29%
2,200	2,299	280	325	370	407	440	473	12.73%	14.77%	16.82%	18.50%	20.00%	21.50%
2,300	2,399	310	360	410	450	485	520	13.48%	15.65%	17.83%	19.57%	21.09%	22.61%
2,400	2,499	340	395	450	493	530	567	14.17%	16.46%	18.75%	20.54%	22.08%	23.63%
2,500	2,599	365	430	490	536	575	612	14.60%	17.20%	19.60%	21.44%	23.00%	24.48%
2,600	2,699	390	465	530	579	620	657	15.00%	17.88%	20.38%	22.27%	23.85%	25.27%
2,700	2,799	415	500	570	622	665	702	15.37%	18.52%	21.11%	23.04%	24.63%	26.00%
2,800	2,899	440	535	610	665	710	747	15.71%	19.11%	21.79%	23.75%	25.36%	26.68%
2,900	2,999	465	570	650	708	755	792	16.03%	19.66%	22.41%	24.41%	26.03%	27.31%
3,000	3,099	490	605	690	751	800	837	16.33%	20.17%	23.00%	25.03%	26.67%	27.90%
3,100	3,199	510	640	728	792	843	880	16.45%	20.65%	23.48%	25.55%	27.19%	28.39%

Option 1: 135% of FPG

- **135% of FPG is \$1,366 per month or \$16,392 per year**
- **Highest SSR amount (NY)**
- **Dr. Venohr stated that it may be difficult for MN to justify increasing beyond 135% FPG from an economic perspective**

Scenario for 135% of FPG with One Joint Child

Brett, the obligor, is a cashier at a grocery store and has a gross income of \$1,647 per month or \$19,764 per year

Adrian, the obligee, is not working, but is deemed to be capable of working 30 hours per week at minimum wage for a gross income of \$1,235 per month or \$14,820 per year

Their combined monthly income is \$2,882, Brett's share is 57% and Adrian's share is 43%

Brett's income available for support is \$281

Brett's support obligation per the table is \$251

No SSR adjustment needed

Brett's obligation is 15% of Brett's gross income

Option 2: 145% of FPG

- **145% of FPG is \$1,467 per month or \$17,604 per year**

Scenario for 145% of FPG for One Joint Child

Brett, the obligor, is a cashier at a grocery store and has a gross income of \$1,647 per month or \$19,764 per year

Adrian, the obligee, is not working, but is deemed to be capable of working 30 hours per week at minimum wage for a gross income of \$1,235 per month or \$14,820 per year

Their combined monthly income is \$2,882, Brett's share is 57% and Adrian's share is 43%

Brett's income available for support is \$180

Brett's support obligation per the table is \$251

Obligation is \$180 after SSR adjustment

Brett's obligation is 11% of Brett's gross income

Option 3: 165% of FPG

- **165% of FPG is \$1,669 per month or \$20,028 per year**
- **This amount was recommended by the Small Work Group assigned to examine SSR in early 2018**
- **Small work group was using the current table and the updated table without the low income adjustment**

Scenario 165% of FPG for One Joint Child

Brett, the obligor, is a cashier at a grocery store and has a gross income of \$1,647 per month or \$19,764 per year.

Adrian, the obligee, is not working, but is deemed to be capable of working 30 hours per week at minimum wage for a gross income of \$1,235 per month or \$14,820 per year.

Their combined monthly income is \$2,882, Brett's share is 57% and Adrian's share is 43%.

Brett's income available for support is -\$22.

Brett's support obligation per the table is \$251.

Obligation is the minimum support amount after SSR adjustment.

If minimum order stays at \$50, Brett's support obligation is 3% of Brett's gross income.

Option 4: 200% of FPG

- **200% of FPG is \$2,023 per month or \$24,276 per year**

Scenario for 200% of FPG for One Joint Child

Brett, the obligor, is a cashier at a grocery store and has a gross income of \$1,647 per month or \$19,764 per year

Adrian, the obligee, is not working, but is deemed to be capable of working 30 hours per week at minimum wage for a gross income of \$1,235 per month or \$14,820 per year

Their combined monthly income is \$2,882, Brett's share is 57% and Adrian's share is 43%

Brett's income available for support is -\$376

Brett's support obligation per the table is \$251

Obligation is the minimum support amount after SSR adjustment

If minimum order stays at \$50, Brett's support obligation is 3% of Brett's gross income

Summary of Scenario # 1 for One Joint Child

TABLE & SSR AMOUNT	OBLIGOR'S INCOME AVAILABLE FOR SUPPORT	OBLIGOR'S SUPPORT AMOUNT PER TABLE	SUPPORT AMOUNT AND % OF INCOME AFTER SSR ADJUSTMENT, IF APPLICABLE
Current Table and SSR 120% FPG	\$433	\$336	\$336 & 20%
New Table and SSR 120% FPG	\$433	\$251	\$251 & 15%
New Table and SSR 135% FPG	\$281	\$251	\$251 & 15%
New Table and SSR 145% FPG	\$180	\$251	\$180 & 11%
New Table and SSR 165% FPG	-\$22	\$251	Minimum Support Amount & 3%
New Table and SSR 200% FPG	-\$376	\$251	Minimum Support amount & 3%

Jordan, the obligor, is a teacher's aide and has a gross income of \$1,875 per month or \$22,500 per year

Leslie, the obligee, is a bank teller and has a gross income of \$2,167 per month or \$26,004 per year

Their combined monthly income is \$4,042, Jordan's share is 46% and Leslie's share is 54%

Summary of Scenario #3 for One Joint Child

TABLE & SSR AMOUNT	OBLIGOR'S INCOME AVAILABLE FOR SUPPORT	OBLIGOR'S SUPPORT AMOUNT PER TABLE	SUPPORT AMOUNT AND % INCOME AFTER SSR ADJUSTMENT, IF APPLICABLE
Current Table and SSR 120% FPG	\$661	\$337	\$337 & 18%
New Table and SSR 120% FPG	\$661	\$317	\$317 & 17%
New Table and SSR 135% FPG	\$509	\$317	\$317 & 17%
New Table and SSR 145% FPG	\$408	\$317	\$317 & 17%
New Table and SSR 165% FPG	\$206	\$317	\$206 & 11%
New Table and SSR 200% FPG	-\$148	\$317	Minimum Order & 11%

Summary of Scenario #3 for Two Joint Children

TABLE & SSR AMOUNT	OBLIGOR'S INCOME AVAILABLE FOR SUPPORT	OBLIGOR'S SUPPORT AMOUNT PER TABLE	SUPPORT AMOUNT AND % OF INCOME AFTER SSR ADJUSTMENT, IF APPLICABLE
Current Table and SSR 120% FPG	\$661	\$513	\$513 & 27%
New Table and SSR 120% FPG	\$661	\$439	\$439 & 23%
New Table and SSR 135% FPG	\$509	\$439	\$439 & 23%
New Table and SSR 145% FPG	\$408	\$439	\$408 & 22%
New Table and SSR 165% FPG	\$206	\$439	\$206 & 11%
New Table and SSR 200% FPG	-\$148	\$439	Minimum Order & 3%

Casey, the obligor, is a barista and has a gross income of \$1,647 per month or \$19,764 per year

Leslie, the obligee, is a bank teller and has a gross income of \$2,167 per month or \$26,004 per year

Their combined monthly income is \$3,814, Casey's share is 43% and Leslie's share is 57%

Summary of Scenario #5 for One Joint Child

TABLE & SSR AMOUNT	OBLIGOR'S INCOME AVAILABLE FOR SUPPORT	OBLIGOR'S SUPPORT AMOUNT PER TABLE	SUPPORT AMOUNT AND % OF INCOME AFTER SSR ADJUSTMENT, IF APPLICABLE
Current Table and SSR 120% FPG	\$433	\$303	\$303 & 18%
New Table and SSR 120% FPG	\$433	\$280	\$280 & 17%
New Table and SSR 135% FPG	\$281	\$280	\$280 & 17%
New Table and SSR 145% FPG	\$180	\$280	\$180 & 11%
New Table and SSR 165% FPG	-\$22	\$280	Minimum Order & 3%
New Table and SSR 200% FPG	-\$376	\$280	Minimum Order & 3%

Summary of Scenario #5 for Two Joint Children

TABLE & SSR AMOUNT	OBLIGOR'S INCOME AVAILABLE FOR SUPPORT	OBLIGOR'S SUPPORT AMOUNT PER TABLE	SUPPORT AMOUNT AND % OF INCOME AFTER SSR ADJUSTMENT, IF APPLICABLE
Current Table and SSR 120% FPG	\$433	\$465	\$433 & 26%
New Table and SSR 120% FPG	\$433	\$381	\$381 & 23%
New Table and SSR 135% FPG	\$281	\$381	\$281 & 17%
New Table and SSR 145% FPG	\$180	\$381	\$180 & 11%
New Table and SSR 165% FPG	-\$22	\$381	Minimum Order & 3%
New Table and SSR 200% FPG	-\$376	\$381	Minimum Order & 3%

Sidney, the obligor, is a baggage handler and has a gross income of \$2,264 per month or \$27,168 per year

Taylor, the obligee, is a retail manager and has a gross income of \$3,166 per month or \$38,000 per year

Their combined monthly income is \$5,430, Sidney's share is 42% and Taylor's share is 58%

Summary of Scenario #7 for One Joint Child

TABLE & SSR AMOUNT	OBLIGOR'S INCOME AVAILABLE FOR SUPPORT	OBLIGOR'S SUPPORT AMOUNT PER TABLE	SUPPORT AMOUNT AND % OF INCOME AFTER SSR ADJUSTMENT, IF APPLICABLE
Current Table and SSR 120% FPG	\$1,050	\$359	\$359 & 16%
New Table and SSR 120% FPG	\$1,050	\$401	\$401 & 18%
New Table and SSR 135% FPG	\$898	\$401	\$401 & 18%
New Table and SSR 145% FPG	\$797	\$401	\$401 & 18%
New Table and SSR 165% FPG	\$595	\$401	\$401 & 18%
New Table and SSR 200% FPG	\$241	\$401	\$241 & 11%

Summary of Scenario #7 for Two Joint Children

TABLE & SSR AMOUNT	OBLIGOR'S INCOME AVAILABLE FOR SUPPORT	OBLIGOR'S SUPPORT AMOUNT PER TABLE	SUPPORT AMOUNT AND % OF INCOME AFTER ADJUSTMENT, IF APPLICABLE
Current Table and SSR 120% FPG	\$1,050	\$554	\$554 & 24%
New Table and SSR 120% FPG	\$1,050	\$561	\$561 & 25%
New Table and SSR 135% FPG	\$898	\$561	\$561 & 25%
New Table and SSR 145% FPG	\$797	\$561	\$561 & 25%
New Table and SSR 165% FPG	\$595	\$561	\$561 & 25%
New Table and SSR 200% FPG	\$241	\$561	\$241 & 11%

Medical and Child Care Support Revisited

Back to Brett and Alex

Brett, the obligor, is a cashier at a grocery store and has a gross income of \$1,647 per month or \$19,764 per year

Alex, the obligee, is an office assistant and has a gross income of \$3,813 per month or \$45,756 per year

Their combined monthly income is \$5,460, Brett's share is 30% and Alex's share is 70%

Alex carries health care coverage for the joint child at the rate of \$100 per month

Alex incurs child care expenses of \$800 per month

Brett's share of the health care coverage is \$30 per month

Brett's share of the child care expenses is \$240 per month

Brett's basic support obligation is \$286 per month

Total obligation is \$556 per month

Summary of Scenario with Medical and Child Care Obligations

TABLE & SSR AMOUNT	OBLIGOR'S MEDICAL SUPPORT AMOUNT AFTER SSR, IF APPLICABLE	OBLIGOR'S CHILD CARE SUPPORT AMOUNT AFTER SSR, IF APPLICABLE	OBLIGOR'S BASIC SUPPORT AMOUNT AFTER SSR, IF APPLICABLE
Current Table and SSR 120% FPG	\$0	\$177	\$256
New Table and SSR 120% FPG	\$0	\$147	\$286
New Table and SSR 135% FPG	\$0	\$0	\$281
New Table and SSR 145% FPG	\$0	\$0	\$180
New Table and SSR 165% FPG	\$0	\$0	Minimum Support Amount
New Table and SSR 200% FPG	\$0	\$0	Minimum Support Amount

Increasing the SSR: Minimum Order Amounts

Minimum Support Order Refresher

- The amount of a minimum order is a policy decision
- In MN, if the obligated parent's income is below or equal to the SSR, the minimum basic support amount is ordered.

One Child	Two Children	Three Children	Four Children	Five Children	Six Children
\$50	\$50	\$75	\$75	\$100	\$100

Minimum Support Amounts for 135% FPG

Combined Monthly Income	1 child	2 children	3 children	4 children	5 children	6 children
0-1399	Minimum Amount	Minimum Amount	Minimum Amount	Minimum Amount	Minimum Amount	Minimum Amount
1400-1499	80	90	100	110	120	130
1500-1599	100	110	120	130	140	150
1600-1699	120	135	150	165	180	195
1700-1799	140	160	180	200	220	240
1800-1899	160	185	210	235	260	285
1900-1999	190	220	250	278	305	332
2000-2099	220	255	290	321	350	379

Minimum Support Amounts for 135% FPG

Combined Monthly Income	1 child	2 children	3 children	4 children	5 children	6 children
0-1399	50	50	75	75	100	100
1400-1499	80	90	100	110	120	130
% Increase	60%	80%	33%	47%	20%	30%

The last row shows the difference between minimum order amounts and support amounts for the next income level

Basic Support Table for SSR of 145% of FPG

Combined Monthly Income	1 child	2 children	3 children	4 children	5 children	6 children
0-1499	Minimum Amount	Minimum Amount	Minimum Amount	Minimum Amount	Minimum Amount	Minimum Amount
1500-1599	100	110	120	130	140	150
1600-1699	120	135	150	165	180	195
1700-1799	140	160	180	200	220	240
1800-1899	160	185	210	235	260	285
1900-1999	190	220	250	278	305	332
2000-2099	220	255	290	321	350	379

Basic Support Table for SSR of 145% of FPG

Combined Monthly Income	1 child	2 children	3 children	4 children	5 children	6 children
0-1499	\$50	\$50	\$75	\$75	\$100	\$100
1500-1599	100	110	120	130	140	150
% Increase	100%	120%	90%	73%	53%	50%

The last row shows the difference between minimum order amounts and support amounts for the next income level

Basic Support Table for SSR of 165% of FPG

Combined Monthly Income	1 child	2 children	3 children	4 children	5 children	6 children
0-1699	Minimum Amount	Minimum Amount	Minimum Amount	Minimum Amount	Minimum Amount	Minimum Amount
1700-1799	140	160	180	200	220	240
1800-1899	160	185	210	235	260	285
1900-1999	190	220	250	278	305	332
2000-2099	220	255	290	321	350	379

Basic Support Table for SSR of 165% of FPG

Combined Monthly Income	1 child	2 children	3 children	4 children	5 children	6 children
0-1699	50	50	75	75	100	100
1700-1799	140	160	180	200	220	240
% Increase	180%	220%	\$105	166%	120%	140%

The last row shows the difference between minimum order amounts and support amounts for the next income level

Basic Support Table for SSR of 200% of FPG

Combined Monthly Income	1 child	2 children	3 children	4 children	5 children	6 children
0-2099	Minimum Amount	Minimum Amount	Minimum Amount	Minimum Amount	Minimum Amount	Minimum Amount
2100-2199	250	290	330	364	395	426
2200-2299	280	325	370	407	440	473
2300-2399	310	360	410	450	485	520
2400-2499	340	395	450	493	530	567
2500-2599	365	430	490	536	575	612

Basic Support Table for SSR of 200% of FPG

Combined Monthly Income	1 child	2 children	3 children	4 children	5 children	6 children
0-2099	50	50	75	75	100	100
2100-2199	250	290	330	364	395	426
% Increase	400%	480%	340%	385%	295%	326%

The last row shows the difference between minimum order amounts and support amounts for the next income level

Minimum Order Amount: % of Income for Obligor with Income Equal to SSR

Table	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
Current Table & 120% FPG	4%	4%	6%	6%	8%	8%
New Table & 135% FPG	4%	4%	5%	5%	7%	7%
New Table & 145% FPG	3%	3%	5%	5%	7%	7%
New Table & 165% FPG	3%	3%	4%	4%	6%	6%
New Table & 200% FPG	2%	2%	4%	4%	5%	5%

Thank You!

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