

	Change	Detail
<b>Income</b>	Shorten and streamline income determination process	<p><b>Why?</b> To simplify current process. New process replaces “gross income”, “modified gross income”, and “adjusted gross income” with “income” and “adjusted income”. Adjusted income continues to be used to determine the basic support obligation and parents’ shares of income.</p> <p><b>Example:</b> See draft worksheet</p> <p><b>Benefits:</b> Simplifies computation process and shortens worksheet. For example:</p> <ul style="list-style-type: none"> <li>• Spousal support adjustments are incorporated into “adjustments” line with union dues and the health insurance premium deduction described in the next section of this document.</li> <li>• The low income adjustment has been removed and replaced with a more robust self-support reserve that incorporates the additional child deduction and is updated to current federal poverty guideline data; this allows removal of the “modified gross income” step</li> </ul> <p><b>Drawbacks:</b> In cases with multiple income adjustment factors, it will be necessary to do some arithmetic before filling in the worksheet</p>
	Deduct the providing parent’s cost for her or his own health coverage from income when the parent must be enrolled in order to cover the child	<p><b>Why?</b> To account for a cost a parent is being ordered to incur and to prevent ordering support that cannot be enforced because of Consumer Credit Protection Act limitations. Already implemented as part of the Recession Response project</p> <p><b>Example:</b> Mother is being ordered to pay support. Her income is \$3000. She pays \$350 for a family coverage plan, and will be ordered to insure the child. The self-only plan costs \$200. \$200, the cost of her portion of the premium, is deducted in determining adjusted income.</p> <p><b>Benefits:</b> Fairer order amounts; enforceable orders</p> <p><b>Drawbacks:</b> Will slightly lower support amounts in some cases when obligor is providing coverage, slightly raise support amounts when obligee provides coverage</p>
	Don’t add the amount of Social Security or veterans’ benefits paid to a child on a parent’s behalf to the parent’s income	<p><b>Why?</b> ORS 25.275 allows these payments to be credited dollar-for-dollar against the support obligation. Adding the amount to obligor’s income increases the basic support obligation and the credit is less than dollar-for-dollar.</p> <p><b>Example:</b> Today, if a child receives \$250 in monthly Social Security derived from the obligor’s retirement benefits, we add \$250 to the obligor’s income and subtract \$250 from the support amount. Under the new system, the credit will still be applied to the support amount but will no longer be added to the obligor’s income.</p> <p><b>Benefits:</b> Simplifies support calculation; consistent with statute; lightens support for fixed-income obligors</p> <p><b>Drawbacks:</b> Slightly lowers support orders in these cases</p>

	Change	Detail
Parenting time credit	New credit method: increase basic support by 50% for shared custody to reflect fixed duplicated expenses; credit is the parent's parenting time multiplied by basic support obligation	<p><b>Why?</b> The current method has large "bumps" at 25% and 50% parenting time that create incentives to litigate parenting time, gives too much credit in some cases, and creates differences in the child's standard of living between households.</p> <p><b>Example:</b> Basic support is \$1000. Shared parenting increases it to \$1500. Father's income share is \$800 and mother's is \$700. Mother has 65% parenting time and dad has 35%. Mother receives a credit of 65% x \$1500, or \$975, reducing her obligation to zero. Father's credit is 35% x \$1500, or \$525, reducing his support to \$275. Without the parenting time adjustment, father would pay \$533.</p> <p><b>Benefits:</b> Much simpler than current system; reduces "bumps" significantly; provides a more appropriate credit at low parenting time; helps ensure the child a more comparable standard of living between the parents' households</p> <p><b>Drawbacks:</b> Still has "bump" at 25%; may over-credit obligors in traditional / standard parenting time plans; linear credit fails to reflect the difference between variable expenses and fixed, duplicated expenses.</p>
Child care	Cap child care expense based on DHS payment limits	<p><b>Why?</b> Child care is a significant cause of unenforceably high order amounts under today's guidelines. This change was implemented as part of the Recession Response project.</p> <p><b>Example:</b> The obligee pays \$550 monthly for a child care for 10-year old child in Hermiston. Based on the simplified chart in the proposed rule, the maximum amount that may be included is \$410. If necessary, this obligee could rebut the cap to include the full cost.</p> <p><b>Benefits:</b> Helps ensure payable, enforceable orders</p> <p><b>Drawbacks:</b> Slightly more complex calculation</p>
Medical support	"Reasonable in cost" standard is now 5% of each parent's adjusted income.	<p><b>Why?</b> Approximates the federal recommendation of 5% of gross income while taking income adjustment factors into account</p> <p><b>Example:</b> Father's adjusted income is \$2500; mother's is \$3500. "Reasonable in cost" for father is \$125; for mother, it is \$175</p> <p><b>Benefits:</b> Simple calculation; consistent standard for health care coverage and cash medical support</p> <p><b>Drawbacks:</b> Lower cap for health care coverage means less private health care coverage will be ordered; higher cash medical cap will increase support awards where no private coverage is available</p>

	<b>Change</b>	<b>Detail</b>
	Base reasonable in cost for health care coverage on entire premium, not pro rata share	<p><b>Why?</b> Significantly simplifies calculation of health care coverage requirement</p> <p><b>Example</b> (based on previous example): If father has access to appropriate private coverage at \$125 or less monthly, he will be ordered to provide it. If mother has access to coverage at \$175 or less, she will be ordered to provide it.</p> <p><b>Benefits:</b> Simplicity; may result in more orders to enroll children in public health coverage, increasing enrollment in new Healthy Kids sliding-scale public health insurance</p> <p><b>Drawbacks:</b> Will reduce the number of cases where private health care coverage will be ordered</p>
	Order dual coverage when both parents have access to appropriate insurance	<p><b>Why?</b> Increase coverage; reduce copays and deductibles</p> <p><b>Example:</b> Father and mother each have access to private coverage at \$100 per month. Both will be ordered to provide unless they stipulate that only one will be so ordered. Neither will pay cash medical unless there are additional out-of-pocket costs</p> <p><b>Benefits:</b> Reduces contention between parents over which coverage will be used; resolves current problem with obligor who could cover these children and additional children but has to disenroll other children to pay this cash medical. Court retains discretion to order only one parent to provide coverage per HB 2272 (2009)</p> <p><b>Drawbacks:</b> May in some cases result in excess coverage and premium expense</p>
	Do not order medical support for a parent at or below state minimum wage	<p><b>Why?</b> To ensure reasonable support orders for low income parents. Enacts HB 2272 (2009). Already partially enacted in Recession Response project.</p> <p><b>Example:</b> Mother's income is unknown, and she is attributed potential income at the state minimum wage. She will not have a medical support obligation.</p> <p><b>Benefits:</b> Fewer unenforceable orders; reduces workload for CSP when imputing minimum wage</p> <p><b>Drawbacks:</b> Fewer medical support orders</p>
	Cash medical will be used to reimburse obligee's premiums	<p><b>Why?</b> Current division-of-costs system is complicated; change is consistent with federal recommendation.</p> <p><b>Example:</b> Only mother has access to insurance, at \$150 per month. 5% of father's income is \$125, so \$125 is ordered in cash medical.</p> <p><b>Benefits:</b> Simpler calculation does not require supplemental worksheet</p> <p><b>Drawbacks:</b> Obligor may in some cases carry entire medical cost</p>

	<b>Change</b>	<b>Detail</b>
	Cash medical may be turned on and off without a modification depending on whether private health insurance is available	<p><b>Why?</b> Enacts HB 2272 (2009).</p> <p><b>Example:</b> When the order is entered, the obligor has access to appropriate private health insurance. Several months later, the employer stops offering insurance. The obligation automatically switches to cash medical support until appropriate coverage is again available, then the cash medical support stops</p> <p><b>Benefits:</b> Allows an order to meet a family's changing medical support needs without frequent modifications</p> <p><b>Drawbacks:</b> If insurance availability results from a change in employment, the change in income may require a modification despite this change.</p>
Self support reserve	Update self-support reserve annually based on federal poverty guideline amount	<p><b>Why?</b> To ensure the self-support reserve keeps pace with inflation</p> <p><b>Example:</b> Self-support reserve will increase from \$953 to \$1053 for 2009 and then be adjusted annually thereafter, indexed to federal poverty guideline</p> <p><b>Benefits:</b> Reasonable orders based on current economic data</p> <p><b>Drawbacks:</b> None foreseen.</p>
Minimum order	Implement \$100 presumptive minimum order in most cases	<p><b>Why?</b> Enacted as part of Recession Response project. When using actual income, it is likely that orders will be reduced to zero by the self-support reserve.</p> <p><b>Example:</b> Assume basic support amount is \$75, there are no child care costs, and medical support will not be ordered. The final order amount will be \$100.</p> <p><b>Benefits:</b> Presumes every parent has a support obligation; prevents zero orders in most cases</p> <p><b>Drawbacks:</b> Could result in increase in unpaid arrears</p>
Child attending school	Stop separating children attending school from minor children in the calculation	<p><b>Why?</b> Existing system adds complexity yet results in payment of costs incurred for minor children to children attending school and vice-versa because support is pro-rated equally at the end</p> <p><b>Example:</b> Assume that \$250 support is owed to mother and \$250 directly to a child attending school, and that an additional \$100 cost is associated with the minor child. Today, \$300 will go to the child attending school, and mother will recover only \$50 of the out-of-pocket cost. Similarly, a parenting time credit currently associated with a minor child will also reduce support for a child attending school.</p> <p><b>Benefits:</b> Reduces complexity; shortens support worksheet significantly</p> <p><b>Drawbacks:</b> Results in parenting time credit for minor children being applied to children attending school</p>

	Change	Detail
Single parent orders	Eliminate "one-parent" calculations; all calculations include two parents; actual or potential income used for each parent when possible	<p><b>Why?</b> The current system produces too-high support orders when the child is in state care or with a caretaker because the order is based on a single parent's income. Under the proposal, each column in the calculation will always represent a parent. If one parent's income was unknown, a calculation would be performed for each parent against whom support is ordered, attributing minimum wage to the parent whose income is unknown.</p> <p><b>Example:</b> Child in Oregon Youth Authority care, both parents known; CSP will perform a calculation using both parents' information and establish separate orders for each parent to pay. If one parent cannot be located, the calculation will attribute minimum wage to that parent.</p> <p><b>Benefits</b> Reduces complexity; avoids inappropriately high orders</p> <p><b>Drawbacks</b> May reduce state recoveries</p>
Worksheet design	Determine both parents' obligations in worksheet to allow HB 2277 flip-flop actions; either parent may be Parent A or Parent B	<p><b>Why?</b> The current worksheet produces unreliable support amounts for the obligee, so a new calculation is required if the obligee becomes the obligor. HB 2277 (2009) requires a calculation that includes support amounts for both parents.</p> <p><b>Example:</b> See draft worksheet; no more parent A and B</p> <p><b>Benefits:</b> Easier to use; part of HB 2277 (2009) implementation</p> <p><b>Drawbacks:</b> A modification will still be required if the current calculation includes parenting time credit</p>
	Consolidate calculation to one worksheet; eliminate separate worksheets	<p><b>Why?</b> Current worksheet is four pages long and requires up to six supplemental worksheets. Proposed guidelines are less complex and are expected to run two to three pages with all components included.</p> <p><b>Example:</b> See draft worksheet</p> <p><b>Benefits:</b> Simplicity; shorter worksheet, do not need extra lines to transfer data back and forth from external worksheets; unused sections of work sheet may be able to be removed, shortening worksheet further.</p> <p><b>Drawbacks:</b> None identified</p>
Rebuttals	Remove rebuttal calculations from support formula; apply at end of calculation only; rebuttal worksheet optional	<p><b>Why?</b> Rebuttals are currently applied in four locations and require a lengthy additional worksheet in every case, which is not required by law. Federal law requires that an unrebuted support amount be computed.</p> <p><b>Example:</b> Guideline amount is \$500 for father and \$500 for mother. Father has a \$200 expense not included in the calculation that the parents have agreed to share. The support amount is rebuted up \$100 to \$600 for mother and down \$100 to \$400 for father.</p> <p><b>Benefits:</b> Helps shorten worksheet; allows for rebuttals with a simple finding in the order rather than a full rebuttal worksheet</p> <p><b>Drawbacks:</b> In some cases, it may be appropriate to include a second worksheet or other exhibit of calculation method.</p>

	Change	Detail
Rules	Streamline guideline rules; eliminate commentary; put rules in order of calculation	<p><b>Why?</b> The guidelines have become lengthy and somewhat disorganized. The commentary explains the history and interpretation, but is technically not binding, creating confusion.</p> <p><b>Examples:</b></p> <ul style="list-style-type: none"> <li>• The draft guideline rules (excluding the scale) are 21 pages long, as opposed to 58 pages for the current guidelines.</li> <li>• Key assumptions found in commentary retained in “assumptions” rule</li> <li>• Income has decreased from seven rules to one.</li> <li>• The exclusion of stepchildren from the nonjoint child credit, currently in commentary, has been moved directly into the additional child credit portion of the adjusted income rule.</li> </ul> <p><b>Benefits:</b> Makes guidelines simpler and easier to use for IV-D staff, private practitioners, and self-represented parties; eliminates ambiguity of commentary while retaining needed instructions</p> <p><b>Drawbacks:</b> Many practitioners are accustomed to the current guideline rules and commentary.</p>
Agreed support amount	Allow the parents to agree on a support amount within ten percent of the presumptive guideline amount (as rebutted)	<p><b>Why?</b> To facilitate entry of orders by consent and avoid hearings and appeals</p> <p><b>Example:</b> Guideline amount is \$500, and is rebutted to \$400. The parents may stipulate to a final order amount between \$360 and \$440.</p> <p><b>Benefits:</b> Promotes positive parental involvement; increases compliance</p> <p><b>Drawbacks:</b> Extra calculation step when used</p>