

137-050-0720
Adjusted Income

(1) To determine “adjusted income,” begin with income, as determined in OAR 137-050-0715, and then:

(a) Deduct mandatory contributions to a union or other labor organization;¹

(b) Deduct the parent's cost for the parent's own health insurance.²

(c) Deduct the parent's monetary spousal support obligation to this or a different party, whether ordered in the same or a different proceeding, and whether paid or not;³

(d) Add the amount of court-ordered monetary spousal support owed to the parent, whether ordered in the same or a different proceeding, by this or a different party and whether paid or not; and

(e) Subtract the non-joint⁴ child deduction described in section (2) of this rule.

(2) A parent is entitled to a non-joint child income deduction when the parent is legally responsible for the support of a child not included in the current calculation.

(a) To qualify for the non-joint child deduction, the minor child must reside in the parent's household or the parent must be ordered to pay ongoing support for that child.

(b) A child attending school, as defined in ORS 107.108 and OAR 137-055-5110, qualifies the parent for the non-joint child deduction only if the parent is ordered to pay ongoing support for the child attending school, or as provided in subsection (c).⁵

(c) A child who has reached the age of 18 but is not yet 19, lives with a parent and attends high school, qualifies that parent for the non-joint child deduction, whether or not the child has qualified as a Child Attending School under ORS 107.108.

(d) A stepchild only qualifies a parent for the non-joint child deduction if the parent is ordered to pay ongoing support for the stepchild.

¹ Commentary: Contributions to a union or labor organization are deductible even if membership is not mandatory as long as the party is a union member and contributions are mandatory in order to belong to the union or labor organization.

² Commentary: Beginning in 2013, deduct the parent's own health care coverage premium whether or not the parent is or will be insuring the child.

³ Commentary: In a proceeding (e.g., a dissolution) in which both child support and spousal support are being determined, spousal support must be determined first so the parents' incomes may be adjusted accordingly.

⁴ Commentary: Non-joint children were referred to as "additional children" from 2010 until July 2013.

⁵ Commentary: A child who lives at home and attends high school but turns 18 during the final year of school probably has an economic impact on the parents' households similar to that of a child in the same circumstances but only 17 years old.

(e) To calculate a parent's non-joint child deduction⁶:

(A) Apply the adjustments described in subsections 1(a)-1(d) of this rule to the parent's income;

(B) Using the parent's income after the adjustments in section 2(e)(A) of this rule and total number of joint and non-joint children, reference the obligation scale and determine the applicable support amount; and

(C) Divide the result by the total number of the parent's joint and non-joint children and multiply by the number of non-joint children to determine the amount of the non-joint child deduction.

(3) Determine each parent's percentage share of adjusted income by dividing the parent's adjusted income by the parents' combined adjusted income.

Stat. Auth.: ORS 25.270 – 25.290, 180.345

Stats. Implemented: ORS 25.270 – 25.290

Effective date: July 1, 2013

⁶ Commentary: The 2013 non-joint child deduction calculation helps to reverse an overestimation of the costs of raising the parent's non-joint children as compared to the children in the present calculation. The new method retrieves a single-income support amount for *all* the parent's children, and then prorates the portion of that amount for the non-joint children to determine the amount of the deduction. This abbreviated calculation method is still imperfect because 1) the single-income calculation tends to produce higher support amounts (and thus, a higher non-joint child deduction), 2) it fails to reflect self-support protections the obligor would enjoy with respect to the non-joint child, and 3) it does not account for the obligor's medical support obligation to the non-joint child. Though it remains only a rough estimate, the new method substantially reduces the over-crediting from the 2010 method.