GUIDELINE IWN EXAMPLES

The following examples show how the guideline income withholding notice (G-IWN) works when there is a system trigger initiated within MiCSES to generate a new IWN. The Monthly Guideline Arrearage Collection Percentage (MGP) prior to the MiCSES 5.1 Release was .0435 and the minimum collection amount was $80; after the MiCSES 5.1 Release, the MGP is.02 and the minimum collection amount is $50.

Triggers that initiate a new or modified IWN include:

1. The current monthly *support* amount (CMSA) increases;
2. Decreases in monthly support obligation due to a payer's reduced income;[1]
3. The identification of a new source of income (SOI); or
4. All arrears are paid to $0.

An IWN lists a monthly total payment amount (TPA) that the SOI is to withhold from income. The TPA is the sum of the current monthly obligation (CMO) and the monthly arrears withholding.

CALCULATION USED TO FIND THE TPA FOR THE G-IWN

These definitions are for purposes of this example.

Current Monthly Obligation (CMO) = the sum of all debt types (child support [CS] + spousal support [SS] + medical support [MS] + child care [CC] + blood draw [BD] + county-funded foster care [WF]).

CMSA = the sum of all *support* related debt types (CS + SS + MS + CC + WF).

MGP = the calculation used to set a suggested monthly arrears withholding amount. MGP is two percent of the total arrears balance (total arrears X .02 = MGP). The monthly arrears withholding amount is the MGP as long as the MGP is equal to or less than half of the CMSA and is more than $50. If the MGP is greater than half of the CMSA, then the actual monthly arrears withholding will be half of the CMSA. Unless the MGP is zero, then the actual monthly arrears withholding will be $50 if the MGP is less than $50.

TPA = the sum of the CMO + the monthly arrears withholding amount.

Triggers that initiate calculating a new TPA for an existing G-IWN are:

1. The CMSA increases;
2. There is a decrease in monthly support obligations due to a payer's reduce income;
3. The arrears are paid to $0.

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[1] The reduction of a payer's income is tracked via MiCSES when a IV-D worker reduces the payer's obligation amount and uses the appropriate reason code of "RP" when making the adjustment.

The trigger that initiates calculating a new TPA for a new-*G-IWN* are when there is an existing TPA, a new SOI is located and the arrears on the order have increased.

Once calculated, the highest calculated TPA amount is always used for G-IWN.

EXAMPLES

The following information is the same for all examples, unless otherwise noted.

Non-custodial parent's (NCP's) total CMO consists of the following debt types:
CS of $100 per month, arrears of $1,000
SS of $50 per month, arrears of $2,000
MS of $10 per month, arrears of $1,500
CC of $0 per month
BD of $10 per month, arrears of $500
Total CMSA (includes CS, SS, MS and CC) = $160
Total CMO (CS, SS, MS, CC and BD) = $170

Total arrears of $5,000
Total support arrears of $4,500

Example #1
NCP does not have an active guideline or judicial IWN, and there have been no previously issued guideline IWNs. A new SOI is located for the NCP.
Calculation:
The CMO (CS, SS, MS, CC and BD) is $170
The CMSA (CS, SS, MS and CC) is $160 and half of the CMSA is $80
The total support arrears amount is $4,500
The MGP for arrears is ($4,500 x .02) = $90
Because the MGP ($90) is greater than the minimum amount allowed ($50) and greater than half of CMSA ($80), $80 will be the arrearage withholding amount.
The new TPA will be $250 ($170 + $80)
Result:
• The new SOI triggers an IWN.
• MiCSES generates a new an initial G-IWN for the new SOI for $250 ($170 CMO + $80 arrears).
• The TPA is initially set at $250.

Example #2
NCP has an active G-IWN with a TPA of $250 ($170 + $80). The CS obligation increases to $110 per month, the arrears balance stays the same. Employment stays the same.

Calculation:
The new CMO is $180
The new CMSA is $170 and half the CMSA is $85
The total support arrears amount is $4,500
The existing TPA is ($170 + $80) = $250
The MGP for arrears is ($4,500 x .02) = $90
Because the MGP ($90) is greater than the minimum amount allowed ($50) and greater than equal to half of CMSA ($85), $85 will be the new arrearage withholding amount.
The new TPA will be $265 ($180 + $85)

Result:
- An increase in support triggers an IWN.
- MiCSES will generate a modified G-IWN for $265 ($180 + $85) for *existing* active G-IWNs.
- The initial TPA is recalculated due to the increase in support obligation.

Example #3
NCP has an active G-IWN with a TPA of $250 ($170 + $80). **SS is decreased** from $50/month to $0/month but not as a result of a reduction to the payer's income. Arrears and employment stay the same.

Calculation:
Because the current obligation was reduced but the payer's income did not, the TPA is not recalculated.

Result:
- Even though the CMO decreases, the payer's income level did not and the case still has an arrearage; therefore, there is not IWN triggering event.
- MiCSES will not generate any modified IWN.
- MiCSES will use the existing TPA because support did not increase, arrears are not $0, the NCP's income did not decrease and the arrears did not increase. However, because arrears are not zero, the original SS $50/month current withholding amount moves to arrears withholding on the IWN. And any newly issued G-IWN would be issued for $250/month ($120 CMO + $130 [$80 + $50] arrears.)

Example #4
The NCP has an active G-IWN with a TPA of $250 ($170 + $80). Total arrears decrease to $3,000. A new SOI is located for the NCP

Calculation:
No new calculations are made for G-IWNs due to a newly located SOI because the arrears on the order did not increase.

Result:
- A new SOI triggers a new IWN.
- MiCSES generates a new G-IWN for the new SOI for $250 ($170 CMO + $80 arrears).
- MiCSES will use the existing TPA because support did not increase, arrears are not $0, the NCP's income did not decrease and the arrears did not increase.

Example #5

NCP has an active guideline IWN with TPA of $250 ($170 + $80). The total support arrears balance increases to $5,500. A new SOI is located for the NCP.

Calculation:
The CMO remains at $170
The CMSA is $160 and half of the CMSA is $80
The total support arrears amount is $5,500
The existing TPA is ($170 + $80) = $250
The new MGP is ($5,500 x .02) = $110
The MGP ($110) is greater than the minimum amount allowed ($50) and greater than half of the CMSA ($80); therefore, half of the CMSA will be used as the arrears withholding amount.
The new TPA is ($170 + $80) = $250, which equals the existing TPA of $250

Result:
- The new SOI triggers an IWN.
- MiCSES will issue a G-IWN to the new SOI for $250 ($170 CMO + $80 arrears)
- The TPA was recalculated (although it remains the same) because the arrears on the order had increased when the new SOI triggered the generation of the G-IWN.

Example #6

NCP has an active G-IWN with TPA of $250 ($170 + $80). The total arrears balance decreases to $0. Employment remains the same.

Calculation:
The CMO is $170
The CMSA is $160 and half the CMSA is $80
The total support arrears amount is $0
The most recent TPA is $250
Because the arrears are zero, the arrears withholding amount is also set at zero.
The new TPA ($170 + $0) = $170, which is less than the most recent TPA of $250.

Result:
- Arrears falling to zero triggers an IWN.
- MiCSES generates a modified G-IWN for $170 ($170 CMO + $0 arrears) for all existing active G-IWNs.
- Arrears falling to zero trigger a new calculation of TPA.

Example #7

The NCP has an active G-IWN with a TPA of $250 ($170 + $80). CS increases to $110 and total support arrears increase from $4,500 to $5,500. Employment did not change.

Calculation:
The new CMO is $180
The new CMSA is $170 and half the CMSA is $85
Total support arrears are $5,500
The existing TPA is $250
The new MGP is ($5,500 x .02) = $110
The new MGP is greater than the minimum amount allowed ($50) and greater than half of the CMSA ($85), so the new arrears withholding amount is half of the CMSA.
The new TPA is ($180 + $85) = $265

Result:
- The increase in child support triggers an IWN.
- MiCSES will generate a modified G-IWN for $265 ($180 CMO + $85 arrears)
- The increase in support triggers a new calculation of TPA. The new TPA ($265) is used because it is greater than the existing TPA amount ($250).

Example #8
NCP has an active G-IWN with a TPA of $250 ($170 + $80). SS decreases to $0 and total arrears decrease to $3,000. Employer remains the same.

Calculation:
The decrease in the SS obligation to zero does not trigger a recalculation of TPA because arrears on the order are not zero. The existing TPA is used.

Result:
- There is no trigger for a new IWN.
- MiCSES will not generate a modified IWN
- MiCSES will use the existing TPA because support did not increase, arrears are not $0 and the arrears did not increase. However, because arrears are not zero, the original SS $50/month current withholding amount moves to the arrears withholding amount on the IWN and any newly issued G-IWN would be issued for $250/month (showing $120 for CMO and $130 ($80 + $50) for arrears).

Example #9
NCP has no active G-IWN or judicial IWN; however a previous G-IWN exists. The most recently issued G-IWN had a TPA of $250 ($170 + $80). Arrears decrease by $1,500. NCP is rehired by the same SOI and MiCSES receives a new locate for SOI.

Calculation:
The CMO is $170
The CMSA is $160 and half of the CMSA is $80
Total support arrears are $3,000
The existing TPA is $250 ($170 + $80)
The new MGP is ($3,000 x .02) = $60
The new MGP is greater than the minimum allowed ($50) and less than half of the CMSA, so the new MGP is used as the arrears amount for determining the new TPA.

Result:
- A new G-IWN is triggered because of the new SOI.
- MiCSES will generate a modified G-IWN with a TPA of $250/month (showing $170 CMO + $80 arrears)
A new TPA calculation is not triggered because there is no increase in support, arrears are not $0 and NCP's income did not decrease(A decrease in income does not automatically trigger a new TPA calculation; that only occurs if the RP reason code is selected by a worker on the Obligation Modification [OBLM] screen).

Example #10
NCP leaves employment with SOI 1 and a new hire hit comes in for SOI 2. NCP is making less income at SOI 2 and a new court order is entered for CS to be reduced to $50/month. Arrears remain the same.

Calculation:
The new CMO is $120
The new CMSA is $110 and half of the CMSA is $55
Total support arrears are $4,500
The existing TPA is $250 ($170 + $80)
The new MGP is ($4,500 x .02) = $90
The new MGP is greater than the minimum amount allowed ($50) and greater than half of the CMSA ($55). Therefore, half of the CMSA ($55) is the arrears withholding amount for the new TPA calculation.
The new TPA is ($120 + $55) = $175

Result:
- A new G-IWN is triggered by the reduction income and the new SOI.
- MiCSES will generate a new IWN with a TPA of $175 ($120 CMO + $55 arrears).
- A new TPA calculation is triggered by the decrease in income and when the user selects the RP reason code on the OBLM screen.