

Guideline IWN Examples Related to Situations With Negative Case Debt

Example #1

Non-custodial parent's (NCP's) monthly obligation amount consists of:

- Child support (CS) of \$100 per month;
 - Spousal support (SS) of \$50 per month;
 - Medical support (MS) of \$10 per month; and
 - Blood draw (BD) of \$10 per month.
- Total monthly obligation amount of \$170; and
 Total monthly support amount (CS, SS and MS) of \$160.

NCP had no other previously charging monthly obligations.

NCP also has arrears in the following amounts:

- CS of \$1,500;
 - SS of -\$500;
 - MS of \$500;
 - BD of \$75; and
 - Out of State support (OS) of \$400.
- Total arrears of \$1,975; and
 Total support arrears of \$1,900 (CS + SS + MS + OS).

A new source of income (SOI) has been located for the NCP, and there is no prior guideline or judicial income withholding notice (IWN). The Michigan Child Support Enforcement System (MiCSES) will use the regular guideline calculation to determine the IWN amount.

\$209.50 guideline IWN = \$170 current support + \$39.50 arrears (\$1,975 x .02)

The following provides IV-D workers an explanation of how MiCSES is printing arrears amounts on the IWN and displaying the amounts on the *Income Withholding Screen* (IWNS):

Because there is a credit on the SS obligation, MiCSES will reduce the "Other" arrears amount by the -\$500 first. Because there is only \$475 available in the "Other" column arrears (total of OS and BD arrears), the additional \$25 reduction (from the total -\$500) will be reduced from the "Medical" column.

	Support	Spousal	Medical	Other	Total
Arrears Used for Calculation	\$1,500	\$0	\$475	\$0	\$1,475
	<i>No change</i>	<i>\$Negative to start</i>	<i>\$500-\$25</i>	<i>\$475-\$475</i>	
Amounts Printed on IWN					
Current	\$100	\$50	\$10	\$10	\$170
Arrears	\$30.00	\$0	\$9.50	\$0	\$39.50

Example #2

NCP's monthly obligation amount consists of:

- CS of \$50 per month;
- MS of \$25 per month;
- Total monthly obligation amount of \$75; and
- Total monthly support amount (CS and MS) of \$75.

NCP had the following previously charging monthly obligations, but they terminated (not for a reduction in the NCP's income) before the issuance of this IWN:

- OS of \$75 a month; and
- Child care (CC) of \$25 a month.

NCP also has arrears in the following amounts:

- CS of \$3,500;
- CC of \$200;
- MS of -\$200; and
- OS of -\$1,000.
- Total arrears of \$2,500; and
- Total support arrears of \$2,500.

A new SOI has been located for the NCP, and there is no prior guideline or judicial IWN. MiCSES will use the regular guideline calculation to determine the IWN amount:

$$\$225 \text{ guideline IWN} = \$75 \text{ current support} + \$50 \text{ arrears } ([\$2,500 \times .02] + \$75 + \$25 \text{ [adding prior obligation \{OS of \$75 and CC of \$25\} to arrears*]})$$

*Because this case had previously charging monthly obligations, the amount of each of those obligations automatically becomes an arrearage payment amount to comply with section 4.03(B)(6) of the Michigan Child Support Formula (MCSF). This amount, added to the calculated monthly arrearage payment ($\$2,500 \times .02$), becomes the arrears withholding amount.

The following provides IV-D workers an explanation of how MiCSES is printing arrears amounts on the IWN and displaying the amounts on the IWNS:

There is a credit on the MS obligation (-\$200) and the OS obligation (-\$1,000) totaling a negative \$1,200 in arrears. MiCSES will first attempt to reduce these negative arrears from the "Other" column arrears total. But, because there are no positive arrears in the "Other" column, MiCSES will attempt to deduct the negative amount from the arrears in the "Medical" column. Since there are no positive "Medical" arrears, MiCSES will attempt to deduct the negative \$1,200 from the arrears in the "Spousal" column. However, there are no arrears available for subtraction in the "Spousal" column, so MiCSES will deduct the negative \$1,200 from the "Support" column. After the negative \$1,200 is subtracted from the child "Support" arrears (\$3,700), a total of \$2,500 will be left for child "Support" arrears withholding.

	Support	Spousal	Medical	Other	Total
Arrears Used for Calculation	\$2,500	\$0	\$0	\$0	\$2,500
	\$3,700-\$1,200	\$0 to start	\$Negative to start	\$Negative to start	
Amounts Printed on IWN					
Current	\$50	\$0	\$25	\$0	\$75
Arrears	\$50	\$0	\$0	\$100**	\$150

** While all of the remaining arrears after the negative arrears adjustment are for the child "Support" arrears collection, MiCSES does not print an arrears withholding amount on the IWN that exceeds the current withholding amount. Because there is \$50 in current child "Support," MiCSES is limited to printing \$50 for the arrears in that column (category). All remaining arrears withholdings will be printed in the "Other" column.

Example #3

NCP's monthly obligation amount consists of:

- CS of \$100 per month;
- CC of \$50 per month; and
- MS of \$25 per month.
- Total monthly obligation amount of \$175; and
- Total monthly support amount (CS, CC and MS) of \$175.

NCP had no other previously charging monthly obligations.

NCP also has arrears in the following amounts:

- CS of -\$1,000;
- CC of \$200;
- SS of -\$500; and
- MS of \$500.
- Total arrears of -\$800; and
- Total support arrears of -\$800.

A new SOI has been located for the NCP, and there is no prior guideline or judicial IWN. MiCSES will use the regular guideline calculation to determine the IWN amount:

$$\$175 \text{ guideline IWN} = \$175 \text{ current support} + \$0 \text{ arrears (0 [MiCSES identifies a total arrears amount that is negative, } -\$800, \text{ as zero]} \times .02)$$

Because there is a credit on the CC obligation (-\$500) and the CS obligation (-\$1,000) totaling a negative \$1,500, MiCSES will first attempt to reduce the arrears in the "Other" column. Because there are no arrears in the "Other" column, MiCSES will then attempt to reduce the arrears amount in the "Medical" column by \$1,500. But, because there is only \$500 available in arrears in the "Medical" column, MiCSES will only be able to reduce the arrears in the "Medical" column by \$500. Next, MiCSES will attempt to deduct the remaining negative \$1,000 (from the total negative arrears of \$1,500) from the "Spousal" column. Since there are no arrears available for subtraction in the "Spousal" column, MiCSES will attempt to deduct from the "Support" column. However, the "Support" arrears are already negative (zero for purposes of guideline IWN arrears calculation). Therefore, MiCSES will use \$0 for the arrears calculation.

	Support	Spousal	Medical	Other	Total
Arrears Used	\$0	\$0	\$0	\$0	\$0
for Calculation	<i>\$Negative to start</i>	<i>\$Negative to start</i>	<i>\$500-\$500</i>	<i>\$0 to start</i>	
Amounts Printed on IWN					
Current	\$150	\$0	\$25	\$0	\$175
Arrears	\$0	\$0	\$0	\$0	\$0

Example #4

NCP's monthly obligation amount consists of:

CS of \$250 per month; and

MS of \$25 per month.

Total monthly obligation amount of \$275; and

Total monthly support amount (CS and MS) of \$275.

NCP had no other previously charging monthly obligations.

NCP also has arrears in the following amounts:

CS of \$100; and

MS of \$50.

Total arrears of \$150; and

Total support arrears of \$150.

A new SOI has been located for the NCP, but there is another active guideline IWN for the docket. MiCSES calculated and issued this IWN when there were arrears that equaled \$5,000 (no change to the monthly obligation amounts). The Total Payment Amount (TPA) for the previously issued active guideline IWN is \$492.50 = \$275 current support + \$217.50 arrears (\$5,000 x .0435).

Normally, when an SOI is found, MiCSES will use the existing TPA arrears withholding amount for any new guideline IWN generated if the TPA from the previous guideline IWN is larger than the TPA based on the existing arrears balance. But, because the total amount of arrears on the case (\$150) is less than the previously requested TPA IWN arrears withholding amount, MiCSES will not use the TPA for the new IWN. Instead, MiCSES will limit the arrears withholding amount to the amount of the total arrears on the case. Therefore, the new guideline IWN will be \$425, based on \$275 current support and \$150 arrears.

	<u>Support</u>	<u>Spousal</u>	<u>Medical</u>	<u>Other</u>	<u>Total</u>
Arrears Used for Calculation	\$100	\$0	\$50	\$0	\$0
Amounts Printed on IWN					
Current	\$250	\$0	\$25	\$0	\$275
Arrears	\$4.35	\$0	\$2.18	\$143.74	\$150