

JUDICIAL IWN EXAMPLES

The following examples show how a court ordered judicial IWN (J-IWN) is calculated on an IWN and how a J-IWN is administratively adjusted to a guideline IWN (G-IWN) when arrears exceed the arrears at the time the court ordered the J-IWN plus two months support (Judicial Baseline). 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.

CALCULATIONS USED TO FIND THE TPA WHEN J-IWN IS ADJUSTED TO A 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])

Current Monthly Support Amount (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 actual monthly arrears withholding amount used in the calculation of the total payment amount (TPA) is the MGP, as long as it larger than \$50 (minimum payment amount) and less than half of the CMSA. However, if the MGP is \$0 because arrears are \$0, \$0 will be used as the monthly arrears withholding amount.

Total Payment Amount (TPA) = the sum of the CMO + the monthly arrears withholding amount. This is the amount that shows on the IWN as the withholding amount.

Triggers for a new J-IWN:

- New SOI is located;
- Arrears are paid in full (\$0);
- Non-custodial parent's (NCP's) support obligation is decreased because of a decrease in income; or
- The CMO increases.

Trigger for a new G-IWN:

- Arrears exceed the baseline by an amount equal to two months current support and there is another triggering event, i.e., a new SOI is located.

Triggers for a new TPA:

- Arrears are paid in full (\$0);
- The CMO increases; or
- Arrears exceed the baseline by an amount equal to two months current support and a new IWN is generated.

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/month

SS of \$50/month

MS of \$10/month

BD of \$10/month

Total support obligation is \$160

Total monthly obligation is \$170

NCP also has arrears in the following amounts:

CS of \$1,000

SS of \$2,000

MS of \$1,500

BD of \$500

Total support arrearage is \$4,500

Total arrearage is \$5,000

The judicial baseline is total support arrears + two months of current support.

$(\$5,000 \times 2[170]) = \$5,340$

Example #1

NCP has no active IWN. The court orders an IWN with CMO of \$170 and arrears of \$30. A new SOI is located.

Calculation:

The CMO is \$170 ($\$100 + \$50 + \$10 + \10)

The arrears are court ordered at \$30

The new TPA is \$200/month ($\$170 + \30)

Result:

- MiCSES generates a new J-IWN the SOI for \$200 ($\170 [CMO] + $\$30$ [arrears])
- The TPA is initially set at \$200.

Example #2

NCP has an active J-IWN. The court ordered the CMO be paid at \$170/month and arrears be paid at \$30/month. CS is increased to \$110. Arrears remain the same and a new SOI is not located.

Calculation:

The CMO is \$180 ($\$110 + \$50 + \$10 + 10$)

The arrears are court ordered at \$30

Total support arrears are \$4,500

The new TPA is \$210/month ($\180 [CMO] + $\$30$ [arrears])

Total arrears are less than the judicial baseline ($\$4,500 < \$5,340$)

Result:

- MiCSES generates a modified J-IWN because support increased.
- A G-IWN is not triggered because the baseline was not exceeded by two months and arrears are not paid in full.
- The new TPA is calculated ($\$180 + \$30 = \$210$), because the CMO increased.

Example #3

NCP has an active J-IWN where the court ordered payment of \$170/month for CMO and \$30/month for arrears. SS decreases to \$0. Arrears remain the same and a new SOI is not located.

Calculation:

The CMO is \$120 ($\$100 + \$0 + \$10 + 10$)

The arrears are court ordered at \$30

Total support arrears are \$4,500

The TPA remains the same.

Total arrears are less than the judicial baseline ($\$4,500 < \$5,340$)

Result:

- MiCSES does not generate a J-IWN because there is no triggering event.
- A G-IWN is not issued because arrears have not exceeded the judicial baseline and a new SOI was not located.
- The TPA is not recalculated because arrears have not decreased to \$0, CMO has not increased and NCP's income has not decreased. However, the CMO decreased to \$120 and the \$50 decreased from CMO is added to the (\$30) monthly arrears payment. Future issued IWNs would show TPA = \$200, CMO = \$120 and monthly arrears of \$80.

Example #4

NCP has an active J-IWN where the court ordered payment of \$170/month for CMO and \$30/month for arrears. Total arrears decrease to \$3,000. A new SOI is not located.

Calculation:

The CMO is \$170 ($\$100 + \$50 + \$10 + \10)

The arrears are court ordered at \$30/month

Total support arrears are \$3,000

The TPA remains the same.

Total arrears are less than the judicial baseline ($\$3,000 < \$5,340$)

Result:

- MiCSES does not generate a new IWN because there was no triggering event.
- A G-IWN is not issued because arrears have not exceeded the judicial baseline.
- The TPA remains at \$200 because arrears have not decreased to \$0, there is no increase in CMO and NCP's income has not been reduced.

Example #5

NCP has an active J-IWN where the court ordered payment of \$170/month for CMO and \$30/month for arrears. Total arrears increase to \$6,000. A new SOI is located.

Calculation:

CMO is \$170

The arrears are court ordered at \$30/month

The total support arrears is \$6,000

The existing TPA is \$200

The total arrears exceed the judicial baseline ($\$6,000 > \$5,340$) so TPA is recalculated according to guideline

The CMSA is \$160 and half the CMSA is \$80

The new MGP is ($\$6,000 \times .02$) = \$120

The new MGP is greater than the minimum support amount (\$50) and greater than half of the CMSA; therefore, half of the CMSA is used as the arrears amount in determining the new TPA.

The new TPA is ($\$170 + \80) = \$250

Result:

- MiCSES generates a new G-IWN because arrears exceed the judicial baseline, and there was a new SOI.
- The TPA is recalculated using guideline because arrears exceed the baseline.

Example #6

NCP has an active J-IWN where the court ordered payment of \$170/month for CMO and \$30/month for arrears. Total arrears increase to \$5,200. A new SOI is not located.

Calculation:

CMO is \$170

The arrears are court ordered at \$30/month

Total support arrears is \$5,200

The existing TPA is \$200

The total arrears do not exceed the judicial baseline ($\$5,200 < \$5,340$)

Result:

- MiCSES does not generate a new J-IWN because there is no triggering event.
- MiCSES does not generate a new G-IWN because the arrears does not exceed the judicial baseline.
- The TPA is not recalculated because arrears are not \$0, CMO has not increased and the NCP's income has not decreased.

Example #7

NCP has an active J-IWN where the court ordered payment of \$170/month for CMO and \$30/month for arrears. Total arrears decrease to \$0. A new SOI is not located.

Calculation:

The CMO is \$170

Total arrears decrease to \$0

Existing TPA is \$200

New TPA is \$170 ($\$170 + \0)

Result:

- MiCSES generates a modified J-IWN because arrears decreased to \$0 and there is no need for a monthly arrears payment amount.
- MiCSES does not generate a G-IWN because arrears did not exceed the judicial baseline.
- A new TPA is calculated because arrears decreased to \$0. $\$170 + \$0 = \$170$

Example #8

NCP has an active J-IWN where the court ordered payment of \$170/month for CMO and \$30/month for arrears. Total arrears then decrease to \$0 and the TPA is changed to \$170. Then the arrears increase to \$4,000. A new SOI is located

Calculation:

CMO is \$170

CMSA is \$160 and half the CMSA is \$80

Total arrears are \$4,000

The existing TPA is \$170

MGP is $(\$4,000 \times .02) = \80

The MGP = half of the CMSA and is used as the arrears amount for the TPA calculation

TPA is \$250 ($\170 [CMO] + $\$80$ [arrears])

Result:

- MiCSES generates an G-IWN rather than a J-IWN because, the Judicial IWN is was ordered to pay the specific arrears balance, once the arrears are paid the judicial IWN is complete.
- The TPA is recalculated according to guideline calculations ($\$170 + 80 = \250).

Example #9

NCP has an active J-IWN where the court ordered payment of \$170/month for CMO and \$30/month for arrears. Spousal support decreases to \$0 and arrears decrease to \$3,000. A new SOI is located.

Calculation:

CMO is \$120 (\$100 + \$0 + \$10 + \$10)

The arrears are court ordered at \$30

Total arrears are \$3,000

The existing TPA is \$200 $([170 - \$50] + [\$30 + \$50])$

Result:

- MiCSES generates a new J-IWN because a new SOI is located.
- MiCSES does not generate a G-IWN because arrears did not exceed the judicial baseline.
- TPA is not recalculated because arrears are not \$0, CMO did not increase and NCP's income did not decrease. However because arrears are not \$0, the reduction in the SS is added to the arrears payment amount. Any new IWN will be issued for \$200 (\$120 CMO + \$80 arrears).

Example #10

NCP has an active J-IWN where the court ordered payment of \$170/month for CMO and \$30/month for arrears. Arrears increase to \$8,000. A new SOI is not located.

Calculation:

A new SOI was not located so a new IWN is not triggered and TPA is not recalculated.

Result:

- MiCSES does not generate a new J-IWN because there was no trigger.
- MiCSES does not generate a new G-IWN because while arrears now exceed the judicial baseline, a new IWN is not triggered by a new SOI being located.
- A new TPA is not calculated, but if a new SOI is located the TPA would recalculate.

Example #11

NCP has an active J-IWN where the court ordered payment of \$170/month for CMO and \$30/month for arrears. NCP has a SOI, but a second SOI is located. The first SOI has not been end-dated.

Calculation:

There is no change to income or arrears so the same TPA is not recalculated.

Total arrears does not exceed judicial baseline $(\$5,000 < \$5,340)$

Result:

- MiCSES generates a new J-IWN because there is a new SOI located.
- MiCSES does not generate a G-IWN because the arrears do not exceed the arrears judicial baseline.
- The TPA is not recalculated because arrears are not paid in full (\$0), support has not increased, and the income has not been reduced.

Example #12

NCP has an active J-IWN where the court ordered payment of \$170/month for CMO and \$30/month for arrears. NCP starts a new job for a lower income. The court decreases CS to \$80 because of the reduction in income. Arrears remain the same.

Calculation:

The new CMO is \$150 $(\$80 + \$50 + \$10 + \$10)$

The arrears are court ordered at \$30

Total arrears are \$5,000

The existing TPA is \$200

Total arrears do not exceed judicial baseline $(\$5,000 < \$5,340)$

The new TPA is $(\$150 [CMO] + \$30 [arrears]) = \$180$

Result:

- MiCSES generates a modified J-IWN to the SOI.
- MiCSES does not generate a G-IWN because the arrears do not exceed the arrears judicial baseline.
The TPA is recalculated because CMO was decreased because the NCP's income was reduced (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).