

Sent: September 2008

Dear Bar member,

This email is sent in order to share information regarding the new changes to the Michigan Child Support Formula. Very soon, the 20th Judicial Circuit Court and the Friend of the Court will be required to begin using the 2008 Michigan Child Support Formula. Because courts are required to implement the formula on October 1, 2008, recommendations or proposed orders that likely will become orders after October 1 should use the 2008 formula. Additionally, the State Court Administrative Office (SCAO) has created a new Uniform Support Order (USO) which incorporates the changes to the formula. This revised USO should also be used for orders entered after October 1, 2008.

For those of you who are unfamiliar with the formula changes, I have attached a brief summary of the changes. For copies of the formula manual itself, please go to: <http://www.courts.mi.gov/scao/services/focb/mcsf.htm>. Additionally, Bill Bartels, from the SCAO Friend of the Court Bureau, has conducted trainings on the formula changes and his presentation materials are available for your review at: <http://courts.mi.gov/mji/webcast/2007-08/032508/index.htm>.

While the guidelines contain several changes, those changes, in and of themselves, do not constitute a change of circumstances warranting a modification of support. To warrant a modification, some change of circumstances in the particular case must be demonstrated. *Calley v. Calley*, 197 Mich App 380 (1992), *Sharp v. Talsma*, 202 Mich App 262 (1993). Further, a change in the guidelines does not mandate a review. Parties still need to meet the MCL 552.517 requirements before the FOC must conduct a review.

Lastly, the Friend of the Court office uses a support calculation software program (GREC) that is incorporated into the Michigan Child Support Enforcement System (MiCSES). This software is similar to other software programs like MarginSoft and Prognosticator. Each of these software programs are approved for use in calculating support and should yield similar results. Attorneys should run guidelines, using the most updated version of their software, and should not rely on the FOC to perform the support calculation upon the entry of the Judgment of Divorce or other orders. While the FOC regularly runs guidelines for child support reviews, staff have numerous other responsibilities related to case management and enforcement which take priority over running guidelines for represented parties.

Thank you for your attention to these upcoming changes. I hope you find the information contained in this email to be helpful.

Sincerely,
Jennell L. Challa

Ottawa County Friend of the Court
414 Washington St. Room 225
Grand Haven, MI 49417
phone (616)-846-8210
fax (616)-846-8128

Things You Should Know About the 2008 Michigan Child Support Formula

Financial Changes Parenting Time Changes



Medical Support Changes



The Michigan Friend of the Court (FOC) Act (Public Act 294 of 1982) requires the State Court Administrative Office (SCAO) to develop “a formula to be used as a guideline in establishing and modifying a child support amount”. The SCAO developed its first formula in 1987. The formula has been updated periodically over the years. The most recent update takes effect October 1, 2008, and will apply to all orders entered after October 1, 2008. Here are some things you should know about the new 2008 formula:

- **“Additional children”** (biological or adopted) is a new 2008 formula term. Additional children include those from a relationship with someone other than the parent in the case in consideration. The old formula treats additional children differently than those for whom the parent pays support. Additional children are considered more fairly. A single way of accounting for additional children gives those in a parent’s household, or those who are a beneficiary to another support order, a similar amount of that parent’s income, and eliminates most of the disparity between support obligations in cases with another parent.
- **“Children-in-common”** is another new 2008 formula term. Children-in-common include the children the parents in the case in consideration have in common. The old formula treats them differently depending on whether the parents have a single or multiple cases for all of the children. The new formula calculates support for all of the children and prorates it for those in the present case. This equalizes support for children in one or multiple cases.
- **“Parenting time offset”** (PTO) is also a new term. It eliminates “parenting time abatements” and “shared economic responsibility” in orders entered after October 1, 2008. The PTO allows the monthly “base support” amount to be offset to reflect some of the cost shifts and savings associated with the children spending time with both parents. The monthly support obligation will consider the time a support payer spends exercising parenting time rights, when establishing a “base support” amount. Base support is the normal day-to-day costs for raising children, such as food, clothing, and shelter. The PTO doesn’t apply if the children reside with a 3rd party.
- **“Annual ordinary medical”** (AOM) has increased. In order to reimburse a child support recipient’s qualifying uninsured medical expenses within a calendar year, every support order entered after October 1, 2004 set an AOM amount for the children, and apportioned payment of this amount between the parties according to each parent’s percentage of the family income. The support payer’s portion is added to the base support amount. The support recipient directly contributes as uninsured medical expenses occur. Uninsured medical expenses that exceed the AOM amount (extraordinary medical) cannot be enforced by the FOC until the support recipient has spent the AOM amount. AOM has increased from \$289 to \$345 for one child, from \$578 to \$690 for two children, from \$867 to \$1034 for three, from \$1156 to \$1379 for four, and from \$1445 to \$1724 for five or more children. The 2004 formula amount set in orders entered before October 1, 2008 will apply, until modified.
- **“Extraordinary health care expenses”** is a 2004 term that is still relevant. Extraordinary expenses include uninsured medical expenditures that exceed the “annual ordinary medical expense” amount. Extraordinary health care expenses cannot be enforced by the FOC until the support recipient presents receipts showing he/she has spent the annual amount on “ordinary medical expenses”. All extraordinary expenses should be

apportioned between the parents according to the medical expense percentages established in the support order, including uninsured medical bills incurred by the payer, while spending time with the children.

- **“Health care premiums”** are prorated based on the full cost of health care. The new formula determines each parent’s monthly premium attributable to the children by dividing the premium by the number of individuals covered (including the parent) and multiplying that number by the number of children in the case. The formula prorates each parent’s monthly premium attributable to the children by multiplying it and the other parent’s percentage of family income. The formula offsets the prorated premiums attributable to the children by subtracting the support recipient’s share of the payer’s premium from the payer’s share of the recipient’s premium. A positive net result means an additional amount must be paid to cover the payer’s share of the support recipient’s premium. A negative result means a reduction in base support to offset the support recipient’s share of the payer’s premium.
- **“Childcare”** charges must continue through August 31 following the child’s 12th birthday, unless special circumstances exist. The new formula requires parties to notify each other of childcare amount changes, and each other and the FOC when childcare stops.
- The **“minimum threshold for arrearage payments”** has changed. The recommended monthly repayment amount is 2% of the total support arrearage at the time of the review, but no less than \$50, nor more than ½ of the current monthly support amount.
- **To learn more** about these and other new changes, or to make suggestions and/or recommendations about the formula, visit the SCAO website at <http://www.courts.mi.gov/scao/services/focb/mcsf.htm>.

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