## **GROSS INCOME DEFINITION:**

"Gross income."

(a) "Gross income" for purposes of calculating child support means all of the following:

1. Salary and wages.

2. Interest and investment income.

3. Social Security disability and old-age insurance benefits under Federal Law.

4. Income from a pension or retirement plan.

5. Net proceeds resulting from worker's compensation or other personal injury awards intended to replace income.

6. Unemployment insurance.

7. Income continuation benefits.

8. Voluntary deferred compensation, employee contributions to any employee benefit plan or profit-sharing, and voluntary employee contributions to any pension or retirement account whether or not the account provides for tax deferral or avoidance.

9. Military allowances and veterans benefits.

10. Any and all compensation for lost wages.

11. Undistributed income of a corporation, including a closely-held corporation, or any partnership, including a limited or limited liability partnership, in which the parent has an ownership interest sufficient to individually exercise control or to access the earnings of the business, unless the income included is an asset under [section regarding imputed income] In this paragraph:

a. "Undistributed income" means federal taxable income of the closely held corporation, partnership, or other entity plus depreciation claimed on the entity's federal income tax return less a reasonable allowance for economic depreciation.

b. A "reasonable allowance for economic depreciation" means the amount of depreciation on assets computed using the straight line method and useful lives as determined under federal income tax laws and regulations.

**Note:** Income considered under this subsection is subject to the adjustments under [*section regarding adjustments*].

12. All other income, whether taxable or not, except that gross income does not include any of the following:

a. Child support received.

b. Foster care payments under Federal Law.

c. Kinship care payments under Federal Law.

d. Public assistance benefits under Federal Law, except that child care subsidy payments under Federal Law, shall be considered income to a child care provider.

e. Supplemental Nutrition Assistance Program (SNAP) under Federal Law.

f. Cash benefits paid by counties under Federal Law.

g. Supplemental Security Income and state supplemental payments under Federal Law.

h. Payments made for social services or any other public assistance benefits.

i. Compensation for losses, both general and special damages, in personal injury awards not intended to replace income.

13. The following shall be deducted prior to determining gross income for purposes of calculating child support:

a. The reasonable costs of [*one-half of??*] child care for the subject child(ren).

b. The reasonable costs of [*one half of??*] health care for the subject child(ren).

(b) This subsection defines gross income used in establishing a child support order under this chapter and may not be used to limit income withholding, or the assignment of worker's compensation benefits for child support.

**Note:** This paragraph clarifies that although the portion of worker's compensation

awards not intended to replace income is excluded from gross income in

establishing a child support order, the full worker's compensation benefit is

assignable for the *collection* of child support.

#### **INCARCIRATION:**

"Incarcerated or involuntarily institutionalized" includes, but is not limited to, involuntary confinement to the state prison, a county jail, a juvenile facility operated by the Division of Juvenile Facilities in the Department of Corrections and Rehabilitation, or a mental health facility.

"Suspend" means that the payment due on the current child support order, an arrears payment on a preexisting arrears balance, or interest on arrears created during a qualifying period of incarceration pursuant to this section is, by operation of law, set to no less than the minimum child support allowed by law.

(a) Incarceration or involuntarily institutionalization shall be considered as a substantial change of circumstances to warrant a child support order to be reviewed and, if appropriate adjusted based on the noncustodial parent's ability to pay. All cases of incarceration or involuntarily institutionalization of the obligor qualify for automatic finding of a substantial change in circumstances and a review hearing shall be conducted. Incarceration or involuntary institutionalization shall not be treated as voluntary unemployment and income shall not be imputed to the person who is incarcerated or involuntarily institutionalized.

(b) If child support is either suspended or reduced during incarceration or involuntary institutionalization, the money judgment or child support obligation shall resume on the first day of the first full month after the release of the person owing support in the amount previously ordered, and that amount is presumed to be appropriate. This section does not preclude a person owing support from seeking a modification of the child support order based on a change in circumstances or other appropriate reason.

(3) (a) A local child support agency enforcing a child support order under Title IV-D of the Social Security Act (42 U.S.C. Sec. 651 et seq.) may, upon written notice of

the proposed adjustment to the support obligor and obligee along with a form provided for the support obligor or obligee to object to the administrative adjustment to the local child support agency, administratively adjust account balances for a money judgment or order for support of a child suspended pursuant to subdivision (1) if all of the following occurs:

(i) The agency verifies that arrears and interest were accrued in violation of this section.

(ii) The agency verifies that the person owing support does not have the means to pay support while incarcerated or involuntarily institutionalized.

(iii) Neither the support obligor nor obligee objects, within 30 days of receipt of the notice of proposed adjustment, whether in writing or by telephone, to the administrative adjustment by the local child support agency.

(b) If either the support obligor or obligee objects to the administrative adjustment set forth in this subdivision, the agency shall not adjust the order, but shall file a motion with the court to seek to adjust the arrears and shall serve copies of the motion on the parties, who may file an objection to the agency's motion with the court. The obligor's arrears shall not be adjusted unless the court approves the adjustment.

(c) The agency may perform this adjustment without regard to whether it was enforcing the child support order at the time the parent owing support qualified for relief under this section.

(4) This section does not prohibit the local child support agency or a party from petitioning a court for a determination of child support or arrears amounts.

(5) This section applies to every money judgment or child support order issued or modified on or after the enactment of this section.

(6) The schedule in paragraph (a) above shall not be used in the case of low-income payers or high-income payers as more fully set forth in sections (8) and (9) herein.

### MEDICAL SUPPORT:

Regardless of the income level of the payer, the obligation for support shall also include the cost of providing medical support for the child. In other words, the obligation for support of both low-income payers and high-income payers shall also include the cost of providing medical support for the child. The cost of medical support shall be borne equally by the parents, with each parent being responsible for 50% of the cost of medical support unless, in extraordinary circumstances, the Court determines that a basis exists to deviate from the parents equally sharing the cost of medical support.

(1) As used in this section, "medical support" includes, without limitation, the cost of coverage for medical, vision and dental under a plan of insurance for the child that is reasonable in cost and accessible, meaning the payment of the premium.

For the purpose of this subsection:

- (A) The term "plan of insurance" includes the child being provided coverage under a public plan of insurance such as Medicaid or a reduced fee plan such as Nevada Check Up.
- (B) Payments of cash for medical support or the cost of coverage for health care under a plan of insurance are "reasonable in cost" if:
  - In the case of payments of case for medical support, the cost to each parent who is responsible for providing medical support is not more than 5 percent of the gross monthly income of the parent; or
  - (ii) In the case of the costs of coverage for health care under a plan of insurance, the cost of adding a dependent child to any existing coverage for health care or the difference between individual and family coverage, whichever is less, is not more than 5 percent of the gross monthly income of each parent.
- (C) Coverage for health care under a plan of insurance is "accessible" if the plan:
  - (i) Is not limited to coverage within a geographic area; or
  - (ii) Is limited to coverage within a geographic area and the child resides within that geographic area.

#### LOW INCOME PAYERS:

"Low-income payer" means a payer for whom the Court has determined that the payer's total economic circumstances limit his or her ability to pay support at the level set forth in section (a) above. Once low-income payer status is determined, the child support obligation shall be established by use of a yearly schedule based on changes in the federal poverty guidelines during the preceding year. This schedule shall be approved by the Child Support Guidelines Committee no later than January 31 of each year and shall be published by the Administrative Office of the Courts.

If a payer's monthly income is below the lowest level set on the schedule, the Court may set a child support obligation that is appropriate based upon the payer's total economic circumstances, balancing the payer's need for self-support and the payer's obligation to support the child.

	One Child		Two Children		Three Children		Four Children		Five Children	
Monthly		Child		Child		Child		Child		Child
Income	Percent	Support	Percent	Support	Percent	Support	Percent	Support	Percent	Support
Up To		Amount		Amount		Amount		Amount	<u> </u>	Amount
\$754	11.88%	\$90	16.50%	\$124	19.14%	\$144	20.46%	<u>\$154</u>	21.78%	\$164
\$780	12.10%	\$94	16.80%	\$131	19.49%	\$152	20.84%	\$163	22.18%	\$173
\$806	12.32%	\$99	17.11%	\$138	19.84%	\$160	21.21%	\$171	22.58%	\$182
\$833	12.54%	\$104	17.41%	\$145	20.20%	\$168	21.59%	\$180	22.98%	\$191
\$860	12.75%	\$110	17.71%	\$152	20.55%	\$177	21.97%	\$189	23.38%	\$201
\$887	12.97%	\$115	18.02%	\$160	20.90%	\$185	22.34%	\$198	23.78%	\$211
\$914	13.19%	\$121	18.32%	\$167	21.25%	\$194	22.72%	\$208	24.18%	\$221
\$941	13.41%	\$126	18.63%	\$175	21.61%	\$203	23.10%	\$217	24.59%	\$231
\$968	13.63%	\$132	18.93%	\$183	21.96%	\$213	23.47%	\$227	24.99%	\$242
\$995	13.85%	\$138	19.23%	\$191	22.31%	\$222	23.85%	\$237	25.39%	\$253
\$1,022	14.07%	\$144	19.54%	\$200	22.66%	\$232	24.22%	\$248	25.79%	\$264
\$1,049	14.28%	\$150	19.84%	\$208	23.01%	\$241	24.60%	\$258	26.19%	\$275
\$1,076	14.50%	\$156	20.14%	\$217	23.37%	\$251	24.98%	\$269	26.59%	\$286
\$1,103	14.72%	\$162	20.45%	\$226	23.72%	\$262	25.35%	\$280	26.99%	\$298
\$1,130	14.94%	\$169	20.75%	\$234	24.07%	\$272	25.73%	\$291	27.39%	\$310
\$1,157	15.16%	\$175	21.05%	\$244	24.42%	\$283	26.11%	\$302	27.79%	\$322
\$1,184	15.38%	\$182	21.36%	\$253	24.77%	\$293	26.48%	\$314	28.19%	\$334
\$1,211	15.60%	\$189	21.66%	\$262	25.13%	\$304	26.86%	\$325	28.59%	\$346
\$1,238	15.81%	\$196	21.96%	\$272	25.48%	\$315	27.24%	\$337	28.99%	\$359
\$1,265	16.03%	\$203	22.27%	\$282	25.83%	\$327	27.61%	\$349	29.39%	\$372
\$1,292	16.25%	\$210	22.57%	\$292	26.18%	\$338	27.99%	\$362	29.79%	\$385
\$1,319	16.47%	\$217	22.88%	\$302	26.54%	\$350	28.37%	\$374	30.20%	\$398
\$1,346	16.69%	\$225	23.18%	\$312	26.89%	\$362	28.74%	\$387	30.60%	\$412
\$1,373	16.91%	\$232	23.48%	\$322	27.24%	\$374	29.12%	\$400	31.00%	\$426
\$1,400	17.13%	\$240	23.79%	\$333	27.59%	\$386	29.49%	\$413	31.40%	\$440
\$1,427	17.34%	\$248	24.09%	\$344	27.94%	\$399	29.87%	\$426	31.80%	\$454
\$1,454	17.56%	\$255	24.39%	\$355	28.30%	\$411	30.25%	\$440	32.20%	\$468
\$1,481	17.78%	\$263	24.70%	\$366	28.65%	\$424	30.62%	\$454	32.60%	\$483
\$1,508	18.00%	\$271	25.00%	\$377	29.00%	\$437	31.00%	\$467	33.00%	\$498

#### NEVADA RATES USED Child Support Obligation of Low-Income Payers at 75% to 150% of the 2017 Federal Poverty Guidelines

#### **Calculations:**

The income in the first row is 75% of the poverty level for a one person household (\$12,060/12\*75%, rounded) for 2017.

The child support amount in the first row is 66% of the amount calculated by applying the fixed percentage. For example, for one child the calculated amount is \$754\*18%=\$135.72, 66% of this amount rounds to \$90.

The income amount for the last row is approximately 150% for the poverty level for a one person household.

Increments of \$26 were used for the first three rows and an increment of \$27 for the remaining rows.

#### Nevada Rates Used:

One Child	18%
Two Children	25%
Three Children	29%
Four Children	31%
Five Children	33%

### CHILD SUPPORT CALCUATIONS OTHER THAN LOW INCOME:

Except as set forth in (low-income section), a parent's "Base support obligation" means the dollar amount determined according to the following schedule:

(1) For one child, the sum of

a. 18 percent of a parent's gross monthly income less than \$7000,

b. 10 percent of a parent's gross monthly income from \$7001 to \$15000, and

c. 5 percent of a parent's gross monthly income in excess of \$15000

(2) For two children, the sum of

a. 25 percent of a parent's gross monthly income from \$0 to \$7000,

b. 13 percent of a parent's gross monthly income from \$7001 to \$15000, and

c. 8 percent of a parent's gross monthly income in excess of \$15000

(3) For three children, the sum of

a. 29 percent of a parent's gross monthly income from \$0 to \$7000,

b. 15 percent of a parent's gross monthly income from \$7001 to \$15000, and

c. 9 percent of a parent's gross monthly income in excess of \$15000

(4) For four children, the sum of

a. 31 percent of a parent's gross monthly income from \$0 to \$7000,

b. 16 percent of a parent's gross monthly income from \$7001 to \$15000, and

c. 10 percent of a parent's gross monthly income in excess of \$15000

(5) For each child in excess of 4 children, the sum of

a. An additional 2 percent of a parent's gross monthly income from \$0 to \$7000,

b. An additional 1 percent of a parent's gross monthly income from \$7001 to \$15000, and

c. An additional 0.5 percent of a parent's gross monthly income in excess of \$15000

Note \$7,000 GMI = \$84,000 Annual earnings. Approximately 83rd percentile of workers in US. \$15,000 GMI = \$180,000 Annual earnings Approximately 97th percentile of workers in US.

#### ADJUSTMENTS:

The child support obligation may be further adjusted by the Court pursuant to the specific needs of the child and the economic circumstances of the parents based upon the following factors:

- (a) The cost of child care;
- (b) Any special educational needs of the child;
- (c) The legal responsibility of the parents for the support of others;
- (d) The value of services contributed by either parent;
- (e) Any public assistance paid to support the child, including social security benefits available to the child;
- (f) The cost of transportation of the child to and from visitation if the custodial parent moved with the child from the jurisdiction of the court which ordered the support and the noncustodial parent remained;
- (g) Any other necessary expenses for the benefit of the child; and
- (h) The relative income of both parents.

## **EMANCIPATION**

A. If a child support order is for one child only, the ongoing child support obligation shall terminate when the child turns 18, or, if the child is still in high school, until graduation or age 19, whichever comes first, unless there exists a statutory basis to terminate the obligation to provide ongoing support sooner or to extend the obligation to provide ongoing support.

B. If the most recent child support order is for more than one child, and allocates a specific amount of the total support obligation to each child, the ongoing child support amount allocated for the subject child shall terminate the month following the date that child turns 18, or, if the child is still in high school, the month after the child graduates or turns 19, whichever comes first, unless there exists a statutory basis to terminate the obligation to provide ongoing support sooner or to extend the obligation to provide ongoing support.

C. If the most recent child support order is for more than one child, and does not allocate a specific amount of the total child support obligation to each child, if one child emancipates, in order to adjust the existing ongoing child support obligation, a stipulation must be submitted to the court or a motion must be filed with the court for modification of the existing child support order. Any modification of the ongoing child support obligation must be in compliance with the child support guidelines for the remaining non-emancipated child(ren). Regardless of the date of emancipation, any change to the existing child support obligation will only be effective as of the date the motion requesting modification was filed, unless the parties agree otherwise in a stipulation.

The following notice MUST be included in any unallocated child support order when more than one child is the subject of the order.

**NOTICE:** If you want to adjust the amount of the child support obligation set out in this order, you MUST file a motion for review and modification or submit a stipulation to the court. If a motion to modify is not filed or a stipulation is not submitted, the obligation to pay the amount of ongoing child support set out in this order will continue until all of the children that are the subject of this order have emancipated. Any modification made pursuant to a motion for modification shall only take effect as of the date the motion was filed, unless otherwise agreed to by the parties in a stipulation.

#### **MODIFICATION:**

# NRS 125B.145 Review and modification of order for support: Request for review; jurisdiction; notification of right to request review.

1. An order for the support of a child must, upon the filing of a request for review by:

(a) The Division of Welfare and Supportive Services of the Department of Health and Human Services, its designated representative or the district attorney, if the Division of Welfare and Supportive Services or the district attorney has jurisdiction in the case; or

(b) A parent or legal guardian of the child,

 $\rightarrow$  be reviewed by the court at least every 3 years pursuant to this section to determine whether the order should be modified or adjusted. Each review conducted pursuant to this section must be in response to a separate request.

2. If the court:

(a) Does not have jurisdiction to modify the order, the court may forward the request to any court with appropriate jurisdiction.

(b) Has jurisdiction to modify the order and, taking into account the best interests of the child, determines that modification or adjustment of the order is appropriate, the court shall enter an order modifying or adjusting the previous order for support in accordance with the requirements of <u>NRS</u> 125B.070 and 125B.080.

3. The court shall ensure that:

(a) Each person who is subject to an order for the support of a child is notified, not less than once every 3 years, that the person may request a review of the order pursuant to this section; or

(b) An order for the support of a child includes notification that each person who is subject to the order may request a review of the order pursuant to this section.

4. An order for the support of a child may be reviewed at any time on the basis of changed circumstances. For the purposes of this subsection, the following shall be deemed to constitute changed circumstances requiring a review for modification of the order for the support of a child:

- (a) a change of 20 percent or more in the gross monthly income of a person who is subject to an order for the support of a child;
- (b) the emancipation of a child for which the order of support was made; or
- (c) a change in the custodial circumstances of a child for which the order of support was made whether or not an order for the custodial change has been issued.
- 5. As used in this section:
- (a) "Gross monthly income" has the meaning ascribed to it in <u>NRS 125B.070</u>.

(b) "Order for the support of a child" means such an order that was issued or is being enforced by a court of this State.

Note: 4(c) is added simply as a placeholder regarding those instances where parties in the IV-D program have obtained a support award but have not obtained an order from the District Court.

It is inserted for discussion purposes.

# STIPULATIONS AND ORDERS:

Parents have the right to stipulate to a child support obligation for their child(ren) that does not comply with these guidelines. However, in order to be binding, a stipulation must be in writing and:

- a. Set forth the current gross monthly income of each parent;
- b. Specify what the child support obligation would be under these guidelines;
- c. Provide notice to both parents that, if either parent seeks a review of the child support obligation upon a material change in circumstances or for regular periodic review, a court will be bound by the child support guidelines in effect at the time of the review;
- d. Certify that the recipient parent is not receiving public assistance and has not applied for public assistance; and
- e. Be approved and adopted as an order of the court.

A court presented with a proposed stipulation of the parents for a child support obligation that does not comply with these guidelines may reject the stipulation, even if it complies with the requirements set forth above, if the court believes that the stipulation is a product of coercion. Additionally, the receipt of public assistance by the recipient or the parent entitled to receive child support under the guidelines will constitute a change of circumstances that will allow the review of the child support obligation and the modification of the child support obligation in accordance with the child support guidelines then in effect.

## **Other Changes to Current Language:**

• Delete penalties and only keep the interest language.