

Memorandum to the
Georgia Child Support Guidelines
Statute Review Subcommittee:

Three Low-Income Subtopics

Submitted by:
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(May 11, 2023 revised)

To: Georgia Child Support Guidelines Statute Review Subcommittee

From: Jane Venohr

Date: Apr 17, 2023 (Revised May 11, 2023)

RE: 3 low-income subtopics: Low-income adjustment mechanism; minimum orders; and starting draft of low-income adjustment amounts

This memorandum is directed at exploring three sub-issues regarding the low-income adjustment.

Exhibit 1: Sub-Issues Addressed in this Memorandum

	Sub-Issues	Pages
1.	Overview of alternative, low-income adjustment methods. Note these are methods not amounts/parameters. <ul style="list-style-type: none"> • Are any appropriate for Georgia? 	P 1. pp 4-14.
2.	Whether Georgia should modify its minimum order in light of the federal Office of Child Support Enforcement’s (OCSE’s) issue with minimum orders? This may include lowering it, and specifying when it is rebuttable and when a zero order applies. <ul style="list-style-type: none"> • Should Georgia change its minimum order and/or provide for when a zero order is appropriate? 	pp. 2-3
3.	It begins to explore the impact of different amounts/parameters for the low-income adjustment. <ul style="list-style-type: none"> • What are the initial reactions to these amounts? • What suggestions for alternative amounts does the workgroup have? 	pp.14-15

The type of low-income adjustment formula used, the amount of the low-income adjustment, and the parameters of the low-income adjustment are policy decisions.

Overview of Low-Income Adjustment Mechanisms

There are five low-income adjustments considered in this memorandum.

- A. Self-support in worksheet (e.g., Alabama on pp 5-6); and
- B. Shaded area in the income shares table (e.g., North Carolina, South Carolina and Tennessee; pp7-9);
- C. Separate dollar table for low-income paying parents (e.g., Nevada, Utah, and Wisconsin; pp10-11);
- D. Separate percentage table for low-income paying parents (e.g., Texas; pp 12-13) and
- E. Percentage reduction formula (i.e., California and Michigan).

This memorandum focuses on the first three approaches. The California and Michigan formula are not considered because they are complicated math formulas. They are attached at the end of the memorandum. The Texas percentages are not practical with an income shares table.

Federal Regulation and Existing Georgia Provision

Georgia is one of two states that does not provide a formula. The other state is Mississippi. The Commission reviewing the Mississippi guidelines not only recommended a low-income formula but updating the Mississippi formula at all incomes. It was proposed to the Mississippi legislature this session, but failed. It is expected to be reintroduced.

Exhibit 2: Excerpt of Federal Regulation Requiring a Low-Income Adjustment

45 C.F.R. 302.56(c)(ii)

(ii) Takes into consideration the basic subsistence needs of the noncustodial parent (and at the State’s discretion, the custodial parent and children) who has a limited ability to pay by incorporating a low-income adjustment, such as a self- support reserve or some other method determined by the State; and...

Exhibit 3: Existing Georgia Provision

2. Specific deviations. B. Low income.

- i. If the noncustodial parent can **provide evidence sufficient to demonstrate no earning capacity** or that his or her pro rata share of the presumptive amount of child support would create **an extreme economic hardship for such parent**, the court or the jury **may** consider a low-income deviation.
- ii. The court or the jury shall examine all attributable and excluded sources of income, assets, and benefits available to the noncustodial parent and **may consider the noncustodial parent's basic subsistence needs** and all of his or her reasonable expenses, ensuring that such expenses are actually paid by the noncustodial parent and are clearly justified expenses.
- iii. In considering a request for a low-income deviation, the court or the jury shall then weigh the income and all attributable and excluded sources of income, assets, and benefits and all reasonable expenses of each parent, the relative hardship that a reduction in the amount of child support paid to the custodial parent would have on the custodial parent's household, the needs of each parent, the needs of the child for whom child support is being determined, and the ability of the noncustodial parent to pay child support.
- iv. following a review of the noncustodial parent's gross income and expenses, and taking into account each parent's basic child support obligation adjusted by health insurance and work related child care costs and the relative hardships on the parents and the child, the court or the jury, upon request by either party or upon the court's initiative, may consider a downward deviation to attain an appropriate award of child support which is consistent with the best interest of the child.
- vi. For the purpose of calculating a low-income deviation, the noncustodial parent's minimum child support for one child shall be **not less than \$100.00 per month, and such amount shall be increased by at least \$50.00 for each additional child** for the same case for which child support is being ordered.
- vii. A low-income deviation granted pursuant to this subparagraph shall apply only to the current child support amount and shall not prohibit an additional amount being ordered to reduce a noncustodial parent's arrears.
- viii. If a low-income deviation is granted pursuant to this subparagraph, **such deviation shall not prohibit the court** or the jury from granting **an increase or decrease to the presumptive amount of child support** by the use of any **other specific or nonspecific deviation**.

Minimum Orders and Federal Position

Louisiana recently received a letter from OCSE citing issues with Louisiana’s minimum order. It is not clear whether the issue was the amount (\$100 per month) or that the Louisiana minimum order is not clearly rebuttable. The Louisiana IV-D director did not have authority to release the OCSE letter but did share excerpts of it. One excerpt is:

In accordance with 45 CFR 302.56(c)(1), state child support guidelines must provide that a child support order be “based on the **noncustodial parent’s earnings, income, and other evidence of ability to pay.**”

In its final rulemaking, OCSE makes it clear that across-the-board, high minimum orders without regard to ability to pay are not in compliance. However, OCSE does not explicitly prohibit low minimum orders. It also does not define what is a “high minimum order.” Exhibit 4 shows what OCSE wrote in its final rulemaking about minimum orders in response to a question about them. It also shows the Louisiana provision. The concern may be with the lack of consideration of income and ability to pay. As shown, the Louisiana income shares table applies a minimum order of \$100 to incomes of \$0 to \$950 per month. Obviously, a parent with income of \$0 would have no ability to pay \$100 per month. The Louisiana guidelines also does not clearly state that the minimum order is a rebuttal presumptive. Other states (e.g., Alabama, Arkansas, and Illinois which are shown in

Exhibit 5 provide criteria for zero orders or rebutting the minimum order.

This document is being used for discussion purposes only with the Georgia Child Support Commission

Exhibit 4: Federal Response to Question about Minimum Order Compared to Louisiana Minimum Order

Federal Register/Vol. 81, No. 244, Tuesday, Dec. 20, 2016. p. 93525	Excerpts from Louisiana Guidelines																
<p>18. Comment: One commenter asked if a person should be ordered to pay a minimum amount of support regardless of his or her circumstances to recognize the responsibility for the child’s support, with less regard for the income capacity. The cases that the commenter noted included incarcerated individuals, minor parents, parents in drug or alcohol treatment programs, and others. The commenter further explained that while a strong argument can be made in these cases to set a minimum amount of support, setting a minimum order could be problematic. At one end is a token order (\$1.00 per month); on the other hand is a true minimum order (such as \$250 per month). This commenter suggested that these situations not be included in the “imputation of income” arguments as they are different. The commenter was helpful that the final regulation would leave setting the amount of a minimum order to State or local discretion and policy.</p> <p>Response. The foundation of Federal guidelines law and policy is the establishment of income-based orders. The rule is evidence-based and codifies longstanding Federal policy that orders must be based upon a determination of the noncustodial parent’s ability to pay. High minimum orders that are issued across-the-board without regard to the noncustodial parent’s ability to pay the amount do not comply with these regulations.</p>	<p>4. Mandatory minimum child support award In no event shall the court set an award of child support less than one hundred dollars, except in cases involving shared or split custody as provided in R.S. 9:315.9 and 315.10. In cases when the obligor has a medically documented disability that limits his ability to meet the mandatory minimum, the court may set an award of less than one hundred dollars.</p> <p><i>§315.19. Schedule for support</i> <i>The schedule of support to be used for determining follows:</i></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="4" style="text-align: center;"><i>LOUISIANA CHILD SUPPORT SCHEDULE OF BASIC CHILD</i></th> </tr> <tr> <th style="text-align: left;"><i>COMBINED ADJUSTED MONTHLY GROSS INCOME</i></th> <th style="text-align: center;"><i>ONE CHILD</i></th> <th style="text-align: center;"><i>TWO CHILD-REN (TOTAL)</i></th> <th style="text-align: center;"><i>THREE CHILD-REN (TOTAL)</i></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;"><i>0 - 950</i></td> <td style="text-align: center;"><i>100</i></td> <td style="text-align: center;"><i>100</i></td> <td style="text-align: center;"><i>100</i></td> </tr> <tr> <td style="text-align: center;"><i>1000</i></td> <td style="text-align: center;"><i>119</i></td> <td style="text-align: center;"><i>120</i></td> <td style="text-align: center;"><i>122</i></td> </tr> </tbody> </table>	<i>LOUISIANA CHILD SUPPORT SCHEDULE OF BASIC CHILD</i>				<i>COMBINED ADJUSTED MONTHLY GROSS INCOME</i>	<i>ONE CHILD</i>	<i>TWO CHILD-REN (TOTAL)</i>	<i>THREE CHILD-REN (TOTAL)</i>	<i>0 - 950</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>1000</i>	<i>119</i>	<i>120</i>	<i>122</i>
<i>LOUISIANA CHILD SUPPORT SCHEDULE OF BASIC CHILD</i>																	
<i>COMBINED ADJUSTED MONTHLY GROSS INCOME</i>	<i>ONE CHILD</i>	<i>TWO CHILD-REN (TOTAL)</i>	<i>THREE CHILD-REN (TOTAL)</i>														
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Exhibit 5: Examples of Exceptions to Minimum Order in Other States

AL	<p>...the amount entered on Line 12 is less than \$50, there is a rebuttable presumption that a \$50 minimum amount should be entered. (6)Zero-dollar order. If the obligor has no gross income and receives only means-tested assistance, there is a rebuttable presumption that a zero-dollar order, i.e., and order requiring no child support from the obligor, shall be entered. If the obligor has no gross income and is incarcerated or institutionalized for a period of more than 180 consecutive calendar days, there is a rebuttable presumption that a zero-dollar order shall be entered. Completion of the Child-Support Guidelines form (Form CS-42), the Child-Support-Obligation Income Statement/Affidavit form (Form CS-41), and the Child-Support Guidelines Notice of Compliance form (Form CS-43) specifying the reason for the zero-dollar child-support order is required.</p>
AR	<p>When the payor parent’s monthly gross income is less than \$900.00, a presumptive minimum award of \$125.00 per month must issue unless a party can rebut the presumptive amount by a preponderance of the evidence. Some factors that a court may consider when deciding whether a party has rebutted the minimum order amount include but are not limited to the following:</p> <ul style="list-style-type: none"> a. There is a large adjustment due to parenting time; b. The payor is incarcerated (see Section II.4 below); c. The payor is institutionalized due to a mental illness or other impairment; d. The payor has a verified physical disability that precludes work; e. The payor’s only income is Supplemental Security Income (SSI); f. The payor’s ability or inability to work; or g. Any other deviation factor listed above in Subsection II.2 or any income imputation factor listed below in Section III.7
IL	<p>(3.3a) Minimum child support obligation. There is a rebuttable presumption that a minimum child support obligation of \$40 per month, per child, will be entered for an obligor who has actual or imputed gross income at or less than 75% of the most recent Federal Poverty Guidelines for a family of one person, with a maximum total child support obligation for that obligor of \$120 per month to be divided equally among all of the obligor’s children.</p> <p>(3.3b) Zero dollar child support order. For parents with no gross income, who receive means-tested assistance, or who cannot work due to a medically proven disability, incarceration, or institutionalization, there is a rebuttable presumption that the \$40 per month minimum support order is inapplicable and a zero dollar order shall be entered.</p>

Advantages and Disadvantages of Various Approaches

Exhibit 6

	Advantages	Disadvantages
Current Approach	<ul style="list-style-type: none"> No change necessary Court discretion Considers the specific circumstances of the payer-parent Mentions consideration of “subsistence” which is a term in the federal regulation 	<ul style="list-style-type: none"> Applied infrequently (4% of DCSS orders based on case file data) <ul style="list-style-type: none"> Rate is low compared to other states. Is this because of the burden on the obligor of providing evidence? Does not provide a predictable amount. May not be consistently applied across state. GA is 1 of 2 states w/o formula Federal compliance <ul style="list-style-type: none"> “may” rather than “shall” consider subsistence needs, whereas the federal requirement is “shall” Requires “no earning” capacity or “extreme hardship”—what is definition of “extreme hardship?” Is extreme hardship the same as below subsistence?
#A. SSR in worksheet (see AL and WV on pp 5-6 for examples)	<ul style="list-style-type: none"> Clearly meets federal requirement SSR could be updated annually Transparent Ostensibly applies to receiving parent also, since there is a line item for the receiving parent’s column Can be updated w/o updating income shares table 	<ul style="list-style-type: none"> Adds lines to worksheet Child support agency would have to program in calculator and worksheet Bar Association provides legal help on worksheet, do they have the resources? More complicated calculation particularly if want to address payroll taxes <ul style="list-style-type: none"> Setting support as difference between SSR (gross amount) and obligor income (gross amount) won’t account for payroll taxes so that’s why AL and WV includes lines with 80 and 85%
#B. Shaded area in income shares table (see NC and SC income shares table for examples)	<ul style="list-style-type: none"> Avoids complications with putting it in the worksheet Clearly shows what incomes are adjusted for low-income by shading 	<ul style="list-style-type: none"> Complicates income shares table When to apply only the obligor income and the combined income of the parents is confusing SSR/consideration of subsistence not obvious Does not appear to apply to receiving parent Have to decide updated income shares table first
#C. Separate low-income table with dollar amounts	<ul style="list-style-type: none"> Avoids complications with putting it in the worksheet or shaded area Clearly shows what incomes are adjusted for low-income by shading Easy to use 	<ul style="list-style-type: none"> Lengthens guidelines SSR/consideration of subsistence not obvious Does not appear to apply to receiving parent Can result in increases to smooth out adjustment Have to decide updated income shares table first
#D. Separate percentage table (Texas)	<ul style="list-style-type: none"> X% of \$0 is \$0, so clearly produces an \$0 order for when no ability to pay Simple 	<ul style="list-style-type: none"> Lengthens guidelines Percentages produce precipitous increases to income shares table SSR/consideration of subsistence not obvious Does not appear to apply to receiving parent Have to decide updated table first
#F. Florida approach (shown at end of document)—just stated in statute but not in worksheet or table	<ul style="list-style-type: none"> Clearly meets federal requirement Updates SSR annually 	<ul style="list-style-type: none"> Not obvious to guidelines users Appears in statute but not in worksheet issued by the court in Florida Appears to only apply to incomes below the lowest income shares table amount considered (\$800 per month) while the 2023 fed. poverty guidelines is \$1,215 per month for one person

Self-Support Reserve (SSR) in Worksheet (i.e., Alabama and West Virginia Approach)

Note that the parameters of the Alabama and West Virginia adjustments are slightly different (e.g., AL SSR = \$981 per month while WV SSR = \$997 (effective June 9, 2023). Also, Alabama takes 85% of difference between income and SSR while West Virginia takes difference of 80% of income and the SSR).

Alabama sets its guidelines in court rule. The worksheet is published by the court. West Virginia sets its guidelines in state statute. It provides the worksheet in state statute. It is one of the few states to provide a worksheet in state statute.

Exhibit 7: Alabama's Guidelines Provision for the SSR

(5) SELF-SUPPORT RESERVE ("SSR") CALCULATION.

- (a) The SSR calculation is used to ensure that the obligor's basic subsistence needs are met.
- (b) The amount of the SSR, \$981, is based on the 2021 federal poverty levels, adjusted for Alabama incomes.
- (c) To perform the SSR calculation, first determine the "Income Available After SSR" by subtracting the SSR amount from the "Monthly Adjusted Gross Income" entered on Line 2 of the Child-Support Guidelines form (Form CS-42); the difference should be entered on Line 11 of the Child-Support Guidelines form. Next, calculate the "Income Available for Support" by entering 85% of the amount entered on Line 11 of the Child-Support Guidelines form onto Line 12 of the Child-Support Guidelines form.
- (d) The "Recommended Child-Support Order" on Line 13 of the ChildSupport Guidelines form is the lesser of "Each Parent's Adjusted Child-Support Obligation" on Line 10 of the Child-Support Guidelines form and the "Income Available for Support" entered on Line 12 of the Child-Support Guidelines form. If the amount entered on Line 12 is less than \$50, there is a rebuttable presumption that a \$50 minimum amount should be entered
- (6) ZERO-DOLLAR ORDER. If the obligor has no gross income and receives only means-tested assistance, there is a rebuttable presumption that a zero-dollar order, i.e., and order requiring no child support from the obligor, shall be entered. If the obligor has no gross income and is incarcerated or institutionalized for a period of more than 180 consecutive calendar days, there is a rebuttable presumption that a zero-dollar order shall be entered. Completion of the Child-Support Guidelines form (Form CS-42), the Child-Support-Obligation Income Statement/Affidavit form (Form CS-41), and the Child-Support Guidelines Notice of Compliance form (Form CS-43) specifying the reason for the zero-dollar child-support order is required

Exhibit 8: Illustration of Alabama's SSR Adjustment¹

	Paying Parent	Receiving Parent	Combined
Line 1: Monthly gross income	\$1,200	\$1,000	\$2,200
Line 2: Monthly adjusted gross income	\$1,200	\$1,000	\$2,200
Line 3: Percentage share of income (each parent's income on Line 2 divided by Combined Income)	55%	45%	100%
Line 4: Basic child support obligation			\$414
Line 5: Preliminary child support obligation (Multiple Line 3 by Line 4)	\$228	\$186	
Self-Support Reserve Test			
Line 6: Income available after Self-support reserve (Line 2 minus \$981, if less than \$0, enter \$0)	\$219		
Line 7: Income available for support (85% of Line 6, if less than \$50, enter \$50 minimum order)	\$ 186		
Line 8: Recommended child support order (Lessor Lines 5 and 7)	\$186		

¹ This is an abbreviated version of the Alabama child support guidelines worksheet (CS-42 revised 5/2022) provided by the State of Alabama Unified Judicial System. Retrieved from <https://eforms.alacourt.gov/media/c5v14eht/revised-child-support-worksheet-5-22.pdf>.

Exhibit 9: West Virginia's SSR (called ability to pay calculation) in Worksheet Effective June 9, 2023

9. RECOMMENDED CHILD SUPPORT ORDER	\$	\$
(Subtract line 8 from line 7 for the payor parent only. Leave payee parent column blank.)		
PART II. ABILITY TO PAY CALCULATION		
(Complete if the payor parent's adjusted monthly gross income is below \$ \$2,600.)		
10. Spendable Income		
(0.80 x line 2 for payor parent only.)		
11. Self Support Reserve	\$997	\$997
12. Income Available for Support		
(Line 10 - line 11. If less than \$50, then \$50)		
13. Adjusted Child Support Order		
(Lessor of Line 9 and Line 12.)		
Comments, calculations, or rebuttals to schedule or adjustments if payor parent directly pays extraordinary expenses.		
PREPARED BY:		Date:

Policy Decisions to Be Made if Georgia Favors SSR in Worksheet

- Amount of SSR
 - Should the SSR be applicable to minimum-wage earners (\$1,257 per month if 40-hour workweek)?
 - Based on case file data, 35% of DCSS orders based on income imputed at minimum wage.
- Whether to index it (i.e., update annually)?
- How to consider payroll taxes (difference between obligor's gross income and a gross-income based SSR does not account for payroll taxes, this why Alabama and West Virginia have extra lines with 80% and 85%).
- Minimum order when income is below SSR.
- Reliance on developers of the worksheet and automated guidelines calculator to make it apparent to guidelines users.

Shaded Area in Income Shares Table

Most of the states bordering Georgia use the shaded area in the income shares table. If the number of children and the paying parent’s income alone fall in the shaded area, assume the receiving parent’s income is \$0. For example using the North Carolina schedule below, if each parent’s income is \$1,300 and there is 1 child, the combined income would be \$2,600 and the table amount would be \$497. The paying parent’s share is 50% of that: \$248.50 per month. Using only the paying parent’s income, the amount is \$50 per month. Note that the North Carolina table amounts differ vastly from the South Carolina table amounts.

Exhibit 10: Excerpt from North Carolina guidelines

Combined Adjusted Gross Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
1300	50	50	50	50	50	50
1350	65	66	67	67	68	69
1400	100	101	102	103	104	106
1450	135	136	138	139	141	142
1500	170	171	173	175	177	179
1550	204	207	209	211	213	216
1600	239	242	244	247	250	252
1650	274	277	280	283	286	289
1700	309	312	315	319	322	326
1750	343	347	351	355	359	362
1800	358	362	367	391	395	399
1850	367	418	422	427	431	436
1900	376	453	458	463	468	473
1950	384	488	493	498	504	509
2000	393	522	528	533	539	545
2050	402	556	562	568	574	580
2100	410	590	597	603	610	616
2150	419	625	631	638	645	652
2200	426	651	666	673	680	688
2250	436	685	701	708	716	723
2300	445	678	735	743	751	759
2350	454	691	770	778	787	795
2400	462	704	804	813	822	831
2450	471	717	839	848	857	866
2500	480	731	874	883	893	902
2550	486	744	899	918	928	938
2600	497	757	915	953	963	974
2650	506	770	931	988	999	1009
2700	514	783	947	1023	1034	1045
2750	523	797	963	1058	1070	1081
2800	532	810	979	1093	1105	1117
2850	540	823	995	1111	1140	1152
2900	549	836	1011	1129	1176	1188
2950	558	849	1027	1147	1211	1224
3000	566	863	1043	1165	1246	1260
3050	575	876	1059	1183	1282	1295
3100	584	889	1075	1200	1317	1331
3150	592	902	1091	1218	1340	1367
3200	601	915	1107	1236	1360	1403
3250	610	929	1123	1254	1379	1438
3300	618	942	1139	1272	1399	1474
3350	627	955	1154	1290	1418	1510
3400	636	968	1170	1307	1438	1546
3450	644	981	1186	1325	1458	1581
3500	653	995	1202	1343	1477	1606
3550	662	1008	1218	1361	1497	1627
3600	671	1021	1234	1379	1517	1648

The Guidelines include a self-support reserve that ensures that obligors have sufficient income to maintain a minimum standard of living based on the 2022 federal poverty level for one person (\$1,133.00 per month). For obligors with an adjusted gross income of less than \$1,150.00, the Guidelines require, absent a deviation, the establishment of a minimum support order (\$50). For obligors with adjusted gross incomes above \$1,150.00, the Schedule of Basic Support Obligations incorporates a further adjustment to maintain the self-support reserve for the obligor.

If the obligor's adjusted gross income falls within the shaded area of the Schedule and Worksheet A is used, the basic child support obligation and the obligor's total child support obligation are computed using only the obligor's income. In these cases, childcare and health insurance premiums should not be used to calculate the child support obligation. However, payment of these costs or other extraordinary expenses by either parent may be a basis for deviation. This approach prevents disproportionate increases in the child support obligation with moderate increases in income and protects the integrity of the self-support reserve. In all other cases, the basic child support obligation is computed using the combined adjusted gross incomes of both parents.

Exhibit 11: 2022 Proposed South Carolina Income Shares Table ²

Proposed Updated Schedule of Basic Support Obligations (shading indicates where self-support reserve applies)							Excerpt from SC guidelines
Combined Adjusted Gross Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children	
750	100	100	100	100	100	100	
800	115	127	132	132	132	133	
850	131	154	163	164	165	166	
900	146	181	195	196	197	199	
950	162	208	226	228	230	232	
1000	177	235	258	260	262	265	
1050	192	262	289	292	295	298	
1100	208	290	321	324	327	330	
1150	223	317	353	356	360	363	
1200	239	344	384	388	392	396	
1250	254	371	416	420	425	429	
1300	265	390	439	449	457	464	
1350	300	410	463	478	489	499	
1400	309	429	487	507	520	534	
1450	318	448	511	536	552	569	
1500	327	468	534	565	584	604	
1550	335	487	558	593	616	639	
1600	343	501	582	622	648	674	
1650	352	515	606	651	680	709	
1700	360	529	629	680	712	744	
1750	369	543	653	709	744	779	
1800	377	557	670	738	776	814	
1850	386	570	686	767	808	849	
1900	395	584	703	785	839	885	
1950	403	598	719	803	871	920	
2000	412	611	735	821	903	955	
2050	421	624	751	839	923	990	
2100	429	638	767	857	943	1025	
2150	438	651	783	875	962	1046	

In order to safeguard the self support reserve in cases where the income of the parent with the obligation to pay support and corresponding number of children fall within the shaded area of the Schedule of Basic Child Support Obligations, the support obligation must be calculated using the obligor's income only. To include the income of the parent to whom support is owed in the calculation of such cases, or include any adjustments like medical insurance or day care expense, would reduce the net income of the parent with the legal duty to pay support to an amount below the self support reserve

Policy Decisions to Be Made if Georgia Favors Low-Income Adjustment Incorporated into Income Shares Table

- Amount of adjustment and where it will apply
 - NC is based on a SSR, so the same issues with the SSR worksheet must be addressed
 - SC started with a SSR then modified it to produce small changes from the existing amounts

Exhibit 16Exhibit 12 shows a first stab at a shaded area for the existing Georgia income shares table. The parameters are policy decisions. The parameters used in this first draft are:

- Self-support reserve of \$1,000 gross per month:
- Phase-out is 80% of the difference between gross income and the SSR for 1 child; 81% for 2 children; and so forth up to 85% for 6 children.
 - Increasing the phase-out percentage for more children eases the transition for more children; and
 - A phase-out of less than 81% is recommended to account for 19% payroll tax rate at incomes of about \$3,000 gross per month. (The effective payroll tax rate is less at lower incomes, so higher percentages may work at lower incomes.)

² The update has not been approved yet. Retrieved from <https://dss.sc.gov/media/3983/proposed-schedule-of-basic-support-obligations-2022-sc-guidelines-002.pdf>.

Exhibit 12: First Stab at “Shaded Area” Approach to Existing Georgia Income Shares Table

Paying Parent’s Gross Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
1100	100	150	200	250	300	350
1150	120	150	200	250	300	350
1200	160	162	200	250	300	350
1250	200	203	205	250	300	350
1300	240	243	246	250	300	350
1350	280	284	287	291	300	350
1400	320	324	328	332	336	350
1450	331	365	369	374	378	383
1500	340	405	410	415	420	425
1550	350	446	451	457	462	468
1600	360	486	492	498	504	510
1650	369	527	533	540	546	553
1700	379	542	574	581	588	595
1750	389	555	615	623	630	638
1800	398	569	656	664	672	680
1850	408	583	676	706	714	723
1900	418	596	692	747	756	765
1950	427	610	708	789	798	808
2000	437	624	723	807	840	850
2050	446	637	739	824	882	893
2100	455	650	754	840	924	935
2150	465	663	769	857	943	978
2200	474	676	783	873	961	1020
2250	483	688	798	890	979	1063
2300	492	701	813	907	997	1085
2350	501	714	828	923	1016	1105
2400	510	727	843	940	1034	1125
2450	519	740	858	956	1052	1145
2500	528	752	873	973	1070	1165

Separate Low-Income Table Using Dollar Amounts

Nevada, Utah, and Wisconsin provide separate low-income tables. Utah is the only one of these states that uses the income shares model. Utah just expanded its low-income table. It is about thrice as long as its prior table.

Exhibit 13: Excerpt of Utah Low-Income Table

Individual Monthly Adjusted Gross Income		Number of Children					
From	To	1	2	3	4	5	6
0 -	50	30	30	30	30	30	30
51 -	100	30	40	50	50	50	50
101 -	150	30	50	75	75	75	75

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Utah Code							
151 -	750	30	55	75	90	100	105
751 -	1,256	60	111	151	181	201	211
1,257 -	1,270	75	138	189	226	251	264
1,271 -	1,280	76	140	191	229	254	267
1,281 -	1,290	77	141	192	231	256	269
1,291 -	1,300	77	142	194	232	258	271
1,301 -	1,310	78	143	195	234	260	273
1,311 -	1,320	79	144	197	236	262	275
1,321 -	1,330	79	145	198	238	264	277
1,331 -	1,340	80	146	200	240	266	280
1,341 -	1,350	80	148	201	241	268	282
1,351 -	1,360	95	162	216	257	284	297
1,361 -	1,370	95	163	218	259	286	299
1,371 -	1,380	96	165	219	260	288	302
1,381 -	1,390	97	166	221	262	290	304
1,391 -	1,400	97	167	223	264	292	306
1,401 -	1,410	98	168	224	266	294	308
1,411 -	1,420	113	183	240	282	310	325
1,421 -	1,430	114	185	242	284	313	327
1,431 -	1,440	114	186	243	286	315	329
1,441 -	1,450	115	187	245	288	317	331
1,451 -	1,460	116	189	247	290	319	334

78B-12-205 Calculation of obligations.

(1) Each parent's child support obligation shall be established in proportion to their adjusted gross incomes, unless the low income table is applicable

(4) (a) In cases where the monthly adjusted gross income of either parent is less than the highest amount of monthly adjusted gross income shown in the low income table, the base child support award shall be the lesser of the amount calculated under Subsection (2) and the amount calculated using the low income table.

(b) If the income and number of children is found in an area of the low income table in which no amount is shown, the base combined child support obligation table is to be used but the base child support may not be less than \$30.

1,451 -	1,460	116	189	247	290	319	334
1,461 -	1,470	131	205	263	307	336	351
1,471 -	1,480	132	206	265	309	338	353
1,481 -	1,490	133	207	267	311	341	355
1,491 -	1,500	134	209	268	313	343	358
1,501 -	1,510	135	210	270	315	345	360
1,511 -	1,520	151	227	287	332	363	378
1,521 -	1,530	152	228	289	335	365	380
1,531 -	1,540	153	230	291	337	367	383
1,541 -	1,550	154	231	293	339	370	385
1,551 -	1,560	155	233	295	341	372	388
1,561 -	1,570	172	250	312	359	390	406

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1,571 -	1,580	173	251	314	361	393	408
1,581 -	1,590	174	253	316	364	395	411
1,591 -	1,600	175	255	318	366	398	414
1,601 -	1,610	176	256	320	368	400	416
1,611 -	1,620	193	274	338	387	419	435
1,621 -	1,630	195	276	340	389	421	438
1,631 -	1,640	196	277	343	391	424	440
1,641 -	1,650	197	279	345	394	427	443
1,651 -	1,660	198	281	347	396	429	446
1,661 -	1,670	216	299	365	415	448	465
1,671 -	1,680	217	301	368	418	451	468
1,681 -	1,690	219	303	370	420	454	471
1,691 -	1,700	220	304	372	423	457	473
1,701 -	1,710	221	306	374	425	459	476
1,711 -	1,720	240	325	394	445	479	496
1,721 -	1,730	241	327	396	447	482	499
1,731 -	1,740	242	329	398	450	485	502
1,741 -	1,750	244	331	400	453	487	505
1,751 -	1,760	245	333	403	455	490	508
1,761 -	1,770	264	352	423	475	511	528
1,771 -	1,780	266	354	425	478	514	531
1,781 -	1,790	267	356	427	481	516	534
1,791 -	1,800	269	358	430	484	519	537
1,801 -	1,810	270	360	432	486	522	540

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1,901 -	1,910	323	418	494	551	589	608
1,911 -	1,920	344	440	516	573	612	631
1,921 -	1,930	346	442	519	576	615	634
1,931 -	1,940	348	444	521	579	618	637
1,941 -	1,950	349	446	524	582	621	641
1,951 -	1,960	351	449	527	585	624	644
1,961 -	1,970		471	549	608	647	667
1,971 -	1,980		473	552	611	650	670
1,981 -	1,990		475	555	614	654	674
1,991 -	2,000		478	557	617	657	677
2,001 -	2,050		480	560	620	660	680
2,051 -	2,100		513	595	656	697	718
2,101 -	2,150		546	630	693	735	756
2,151 -	2,200		581	667	731	774	796
2,201 -	2,250		616	704	770	814	836
2,251 -	2,300				810	855	878
2,301 -	2,350					897	920
2,351 -	2,400						964
2,401 -	2,450						1,008

Enacted by Chapter 470, 2022 General Session

Separate Low-Income Table Using Percentages

Texas is the only state to do this. It is not an income shares state. The only way it could work with an income shares state is if the percentages are based on the table amounts at the low-income threshold. Further, it would work if it was tiered (i.e., the percentages would gradually increase). The low-income threshold is a policy decision. Further, some research cited in the OCSE rulemaking finds that child support goes unpaid if it exceeds 20% of the payer-parent’s income. The actual study found 20% for one child and 28% for two or more children. There are several subsequent studies: some corroborate the finding and others refute it.

Exhibit 14: Texas Low-Income Percentages

LOW-INCOME CHILD SUPPORT GUIDELINES	
BASED ON THE MONTHLY NET RESOURCES OF THE OBLIGOR	
1 child	15% of Obligor's Net Resources
2 children	20% of Obligor's Net Resources
3 children	25% of Obligor's Net Resources
4 children	30% of Obligor's Net Resources
5 children	35% of Obligor's Net Resources
6+ children	Not less than the amount for 5 children

The limitation of the Texas approach is there will be a precipitous increase in the low-income percentages to the Georgia Income Shares Table. The below exhibit illustrates this by showing the percentages at selected incomes. The \$1,200 income is particularly salient because the 2023 federal poverty guidelines (FPG) for one person is \$1,215 per month and earnings from a 40-hour workweek is \$1,257 gross per month. The amounts at \$1,500 and \$1,600 are salient because this approximates the level used by states updating their SSR and considering that the income eligibility for the Supplemental Food Assistance Program (SNAP) is 130% of the FPG. The concept is that if the paying parent is eligible for SNAP, they are also low income.

Exhibit 15: Existing Georgia Dollar Amounts and Percentages at Selected Incomes

	Existing Table Amount						Existing Table Amounts as Percentage of Income					
	1 child	2 children	3 children	4 children	5 children	6 children	1 child	2 children	3 children	4 children	5 children	6 children
\$800	\$197	\$283	\$330	\$367	\$404	\$440	25%	35%	41%	46%	51%	55%
\$1,200	\$280	\$401	\$466	\$520	\$572	\$622	23%	33%	39%	43%	48%	52%
\$1,500	\$340	\$487	\$565	\$630	\$693	\$754	23%	32%	38%	42%	46%	50%
\$1,600	\$360	\$514	\$597	\$665	\$732	\$796	22%	32%	37%	42%	46%	50%

Exhibit 16 is a first stab at what a low-income table (Utah Method) for Georgia could look like. It is for illustrative purposes only. The assumptions are:

- Below \$800 per month, the guidelines amount is a percentage of paying-parent's income.
 - This produces a \$0 order if the payer-parent has \$0 income.
 - This meets the federal requirement to consider ability to pay (i.e., a parent with no income has no ability to pay).
 - The percentages 20-28% reflect a study cited in the narrative of the federal rule requiring consideration of ability to pay.
- At \$1,500 per month, the dollar amounts are the same as the existing Georgia income shares table.
- The amounts between \$800 and \$1,500 are interpolated so that they increase by an even amount for every \$50 increase in income (i.e., \$12.89 increase for one child and more for two and more children and \$37.84 for six children).
 - The increase is less than \$50 because of payroll taxes.

The lowest amount is a policy decision. The income at which the existing table amounts are phased in is also a policy decision.

Exhibit 16: First Stab at What A Separate, Low-Income Table for Georgia Could Look Like

Paying Parent's Gross Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
Below \$800	20% of income	24% of income	25% of income	26% of income	27% of income	28% of income
\$800	\$160	\$192	\$200	\$208	\$216	\$224
\$850	\$173	\$213	\$226	\$238	\$250	\$262
\$900	\$186	\$234	\$252	\$268	\$284	\$300
\$950	\$199	\$255	\$278	\$298	\$318	\$338
\$1,000	\$212	\$276	\$304	\$329	\$352	\$375
\$1,050	\$224	\$297	\$330	\$359	\$386	\$413
\$1,100	\$237	\$318	\$356	\$389	\$420	\$451
\$1,150	\$250	\$339	\$382	\$419	\$454	\$489
\$1,200	\$263	\$360	\$408	\$449	\$488	\$527
\$1,250	\$276	\$381	\$435	\$479	\$522	\$565
\$1,300	\$289	\$402	\$461	\$509	\$557	\$602
\$1,350	\$302	\$423	\$487	\$539	\$591	\$640
\$1,400	\$315	\$445	\$513	\$570	\$625	\$678
\$1,450	\$328	\$466	\$539	\$600	\$659	\$716
\$1,500	\$340	\$487	\$565	\$630	\$693	\$754

Comparisons

Based on the DCSS case file data, the incomes of about a third of paying parents and receiving parents are imputed at full-time, minimum wage (\$1,257 per month). Recognizing many low-wage jobs don't offer a 40-hour workweek, many states are moving toward using the average hours worked in the state rather than 40 hours when income imputation is imputed. For Georgia that would be 35 hours per week.

Further, analysis of DCSS case file data conducted for the guidelines review indicates that 76% of orders are for one child; 17% are for two children; and 7% are for three or more children.

Exhibit 17: Summary of Case Scenarios for the Comparisons

Case Scenario	Gross Monthly Income of Paying Parent	Gross Monthly Income of Receiving Party
1. Each parent earns minimum wage at 35 hours per week (average hours worked in GA)	\$1,100	\$1,100
2. Each parent earns minimum wage at 40 hours per week (average hours worked in GA)	\$1,257	\$1,257
3. The payer-parent's income is \$1,257 and the receiving parent has no income.	\$1,257	\$0

Exhibit 18: Options Compared

Existing with no low-income adjustment
Existing minimum order
Option A.1 SSR in Worksheet Alabama Style (SSR = \$1,000)
Option A.2 Same as above (SSR = \$1,215, which is the 2023 Fed. Poverty Guidelines- FPG- for 1 person)
Option A.3 (Same as above (SSR = \$1,500, which approximates 130% of FPG, the SNAP income eligibility threshold)
Option B.1 (Shaded Area with SSR = \$ 1,000)
Option C.1 (Separate Table)

Exhibit 19: Comparisons: One Child

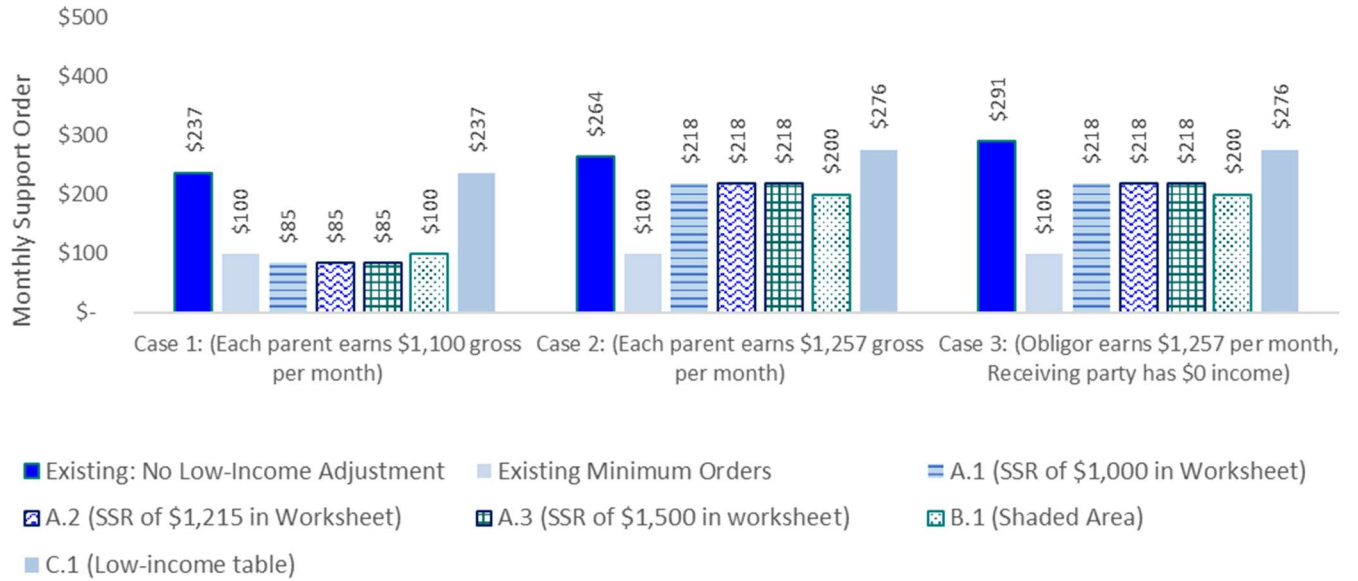


Exhibit 20: Comparisons: Two Children

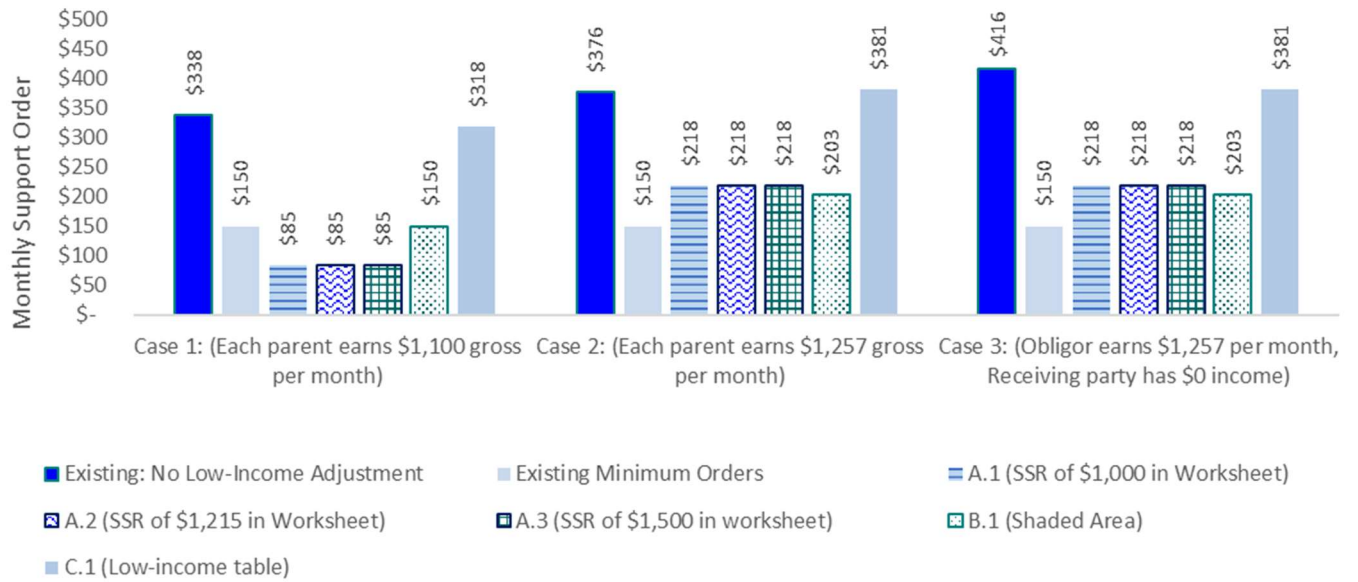


Exhibit 21: Michigan and California Formulas

MICHIGAN GUIDELINES

income level, the court may exercise discretion as provided in §3.02(E).

3.02(C) Low Income Equation

When a parent's monthly net income does not exceed the Low Income Threshold, the parent's base support obligation is 10 percent of that parent's income. The Low Income Equation is designed to retain funds for the parent's subsistence.

$$F \times 10\% = L$$

- F = Parent's Monthly Net Income, when below the Low Income Threshold (§2.09(A))
- 10% = Percentage for Income below the threshold
- L = Base Support (round to the nearest whole dollar)

3.02(D) Low Income Transition Equation

When a parent's net income exceeds the Low Income Threshold, that parent's base support obligation will generally be determined using the General Care Equation. However, if the following equation's result is lower than the amount calculated using the General Care Equation, a parent's base support obligation is the amount determined by applying this equation. The Low Income Transition Equation is designed to balance a parent's subsistence needs with the costs of raising children in another household.

$$(H \times 10\%) + [(I - H) \times P] = T$$

- H = Low Income Threshold (§2.09(A))
- 10% = Percentage for Income below the threshold (§3.02(C))
- I = Parent's Monthly Net Income
- P = Percentage Multiplier for the appropriate number of children from the Transition Adjustment table
- T = Base Support obligation using the Low Income Transition Equation

CALIFORNIA GUIDELINES PROVISION ((Fam. Code, § 4055 (b)(7))

In all cases in which the net disposable income per month of the obligor is less than one thousand five hundred dollars (\$1,500), adjusted annually for cost-of-living increases, there is a rebuttable presumption that the obligor is entitled to a low-income adjustment. The Judicial Council shall annually determine the amount of the net disposable income adjustment based on the change in the annual California Consumer Price Index for All Urban Consumers, published by the California Department of Industrial Relations, Division of Labor Statistics and Research. The presumption may be rebutted by evidence showing that the application of the low-income adjustment would be unjust and inappropriate in the particular case. In determining whether the presumption is rebutted, the court shall consider the principles provided in Section 4053, and the impact of the contemplated adjustment on the respective net incomes of the obligor and the obligee. The low-income adjustment shall reduce the child support amount otherwise determined under this section by an amount that is no greater than the amount calculated by multiplying the child support amount otherwise determined under this section by a fraction, the numerator of which is 1,500, adjusted annually for cost-of-living increases, minus the obligor's net disposable income per month, and the denominator of which is 1,500, adjusted annually for cost-of-living increases.

CALIFORNIA LOW-INCOME FORMULA IN EQUATION FORM

The LIA formula using the \$1,500 income threshold* can be written as:

$$LIA = CS \times (\$1,500 - \text{obligor's net disposable income}) / \$1,500$$

where CS means the child support amount determined by the formula described in the previous chapter. To illustrate its application, assume that CS is \$450 per month and the obligor's net disposable income is \$1,000 per month.

$$\begin{aligned} LIA &= CS \times (\$1,500 - \$1,000) / \$1,500 \\ &= \$450 \times \$500 / \$1,500 \\ &= \$450 \times 0.33 \\ &= \$150 \end{aligned}$$

*\$1,500 is used because it is the level specified in statute, but the actual amount is more (about \$1,900 net per month) due to the statutory provision that allows for the \$1,500 to be increased for cost-of-living over time.

Exhibit 22: Florida’s Low-Income Adjustment

State	Overview	Provision																
FL	SSR, but not in worksheet. SSR is federal poverty level	<p>a) If the obligor parent’s net income is less than the amount in the guidelines schedule:</p> <ol style="list-style-type: none"> 1. The parent should be ordered to pay a child support amount, determined on a case-by-case basis, to establish the principle of payment and lay the basis for increased support orders should the parent’s income increase. 2. The obligor parent’s child support payment shall be the lesser of the obligor parent’s actual dollar share of the total minimum child support amount, as determined in subparagraph 1., and 90 percent of the difference between the obligor parent’s monthly net income and the current poverty guidelines as periodically updated in the Federal Register by the United States Department of Health and Human Services pursuant to 42 U.S.C. s. 9902(2) for a single individual living alone. <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Combined Monthly Net Income</th> <th style="text-align: center;">One</th> <th style="text-align: center;">Two</th> <th style="text-align: center;">Child or Children Three</th> </tr> </thead> <tbody> <tr> <td>800.00</td> <td style="text-align: center;">190</td> <td style="text-align: center;">211</td> <td style="text-align: center;">213</td> </tr> <tr> <td>850.00</td> <td style="text-align: center;">202</td> <td style="text-align: center;">257</td> <td style="text-align: center;">259</td> </tr> <tr> <td>900.00</td> <td style="text-align: center;">213</td> <td style="text-align: center;">302</td> <td style="text-align: center;">305</td> </tr> </tbody> </table>	Combined Monthly Net Income	One	Two	Child or Children Three	800.00	190	211	213	850.00	202	257	259	900.00	213	302	305
Combined Monthly Net Income	One	Two	Child or Children Three															
800.00	190	211	213															
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