

SESSION 5: CHILD SUPPORT

INTRODUCTION

When parents separate and one of them has custody of the child, the noncustodial parent has to pay child support. Child support is defined as regular payments of money, in an amount set by a court, paid by the noncustodial parent (NCP) to the custodial parent (CP) of a child. A noncustodial parent can be a mother or a father.

Children need and deserve the financial support of both of their parents. If parents aren't living together, the noncustodial parent is legally responsible for paying child support.

The actual amount of child support to be paid is based on the noncustodial parent's net income - total income minus federal income tax, Social Security (6.2%), Medicare (1.45%), union dues and expenses for health care coverage for the child. According to Texas Child Support guidelines, the amount of child support owed is as follows:

1 child	20% of net income
2 children	25%
3 children	30%
4 children	35%
5 or more children	40%

**These amounts are for multiple children with the same two biological parents.*

ACTIVITY: Calculate Child Support Owed

The amount of federal income tax is provided in each of the story problems below. For each of the noncustodial parents below, figure out gross income (assuming a 40-hour work week) and subtract federal income tax, Social Security and Medicare tax to arrive at net income. The guidelines will then tell you the amount of child support owed monthly. This is how much you'd have to pay each month if you had a child you didn't live with. Or, it's the amount you would receive in child support if you were the custodial parent in the example.

1. Calculate the child support for a noncustodial parent earning \$7.25 per hour with two children.

(Federal income tax - \$42.00, S.S. - 6.2%, Medicare - 1.45%) _____

2. Calculate the child support for a noncustodial parent earning \$10 per hour with one child.

(Federal income tax - \$108.00, S.S. - 6.2%, Medicare - 1.45%) _____

3. Calculate the child support for a noncustodial parent earning \$10 per hour with two children.

(Federal income tax - \$108.00, S.S. - 6.2%, Medicare - 1.45%) _____

How to calculate:

Multiply the hourly wage by 40; then multiply by 52; then divide by 12 to get gross monthly income.

\$ _____ X 40 = \$ _____ \$ _____ X 52 = \$ _____ \$ _____ ÷ 12 = \$ _____

Round that amount to the nearest whole dollar. Multiply gross income by .062 (6.2% Social Security) and by .0145 (1.45% for Medicare). Add these two numbers to the federal income tax and subtract the sum from the gross income in order to get the net income.

Consult the guidelines to figure child support amounts based on the number of children in each story.

ACTIVITY: Revise Your Budget

Get your completed budget from the last session. Now imagine that you just became a noncustodial parent with one child. Don't worry about whether that sounds realistic or not. Just figure out how much child support you would pay based on your net monthly income.

Add the amount you owe monthly for child support as a must-have expense. Then, revise your budget accordingly. You'll probably have to give up some want-to expenses.

How do you feel about your budget now?

What would it be like to manage your life with this budget?
