

ChildView®

Prepared For: Legal Education Society of Alberta

Child and Spousal Support for Legal Support Staff

Presented by:

Susan Roberts

ChildView Inc.

Edmonton, Alberta

For Presentation In:

Edmonton – March 14, 2012

Calgary – March 21, 2012

CHILD AND SPOUSAL SUPPORT CALCULATIONS: COMMON ERRORS AND PITFALLS

INTRODUCTION

The calculation of child and /or spousal support is a decision-making process; not a data entry function. Despite this fact, the reality is that decision makers often delegate this function to support staff. In entering the data, the key to making the “right” decisions is getting the right information, and the key to getting the right information, is asking the right questions.

The necessary decisions are made in the context of the specific scenario so it is very important to gain an overall sense of the situation, review the information provided and determine what, if anything, is missing before doing the calculations. Setting up the scenario properly is critical to getting meaningful results. If certain pieces of information have not, or cannot, be obtained then assumptions must be made and it is important to be clear as to what those assumptions are. It is highly recommended that the assumptions be documented so that they may be explained when necessary. Identifying the assumptions in the calculations may also become very important when doing a number of “what if” scenarios. Most times when people disagree with a calculated result, they are actually disagreeing with an assumption, or not realizing that certain assumptions have been made.

The first step in the process is having at least a basic understanding of the child and spousal support guidelines. This will help put the information requirements and resulting calculations in context, as the software was developed to address the requirements of these guidelines. Both “guidelines” may be found on Justice Canada’s website at www.canada.justice.gc.ca. Click on the “Supporting Families” link, currently on the right-hand side of the home page.

READING DATA INPUT SCREENS AND MESSAGES

Software screens can be confusing if you are not familiar with the program or if you are not familiar with the requirements of the process – in this case, child and spousal support calculations. Reading the screens may minimize some of that confusion. For example, labels on the screen provide important direction, such as the Section 7 Special Expense windows that ask for “Annual Child Care Expenses” or the “Other Support / Undue Hardship” windows that ask for “Monthly Amounts.” As with any software program, garbage in is garbage out. Putting monthly amounts in annual input

fields and vice versa will produce some bizarre results. Many of the screens also have question marks that may be clicked to bring up more detailed information about a particular input field or section. Don't be afraid to click the buttons.

Unfortunately, most of these calculations also incorporate a great degree of income tax legislation, which is alluded to in the child and spousal guidelines with such innocent phrases as "take into account any subsidies, benefits or income tax deductions or credits..."¹ or "income taxes and other deductions must be subtracted from the incomes..."² Tax is not necessarily an area with which those working in family law are conversant. Because of this added wrinkle, reading and understanding the information on each screen is even more critical to the correct set up of a scenario, and an accurate end result. In that regard, the ChildView® program provides guidance with the tax set up through pop up screens that ask straight forward questions, rather than assuming there is knowledge of the complex tax criteria. It is critical that these screens be read and that what is asked be understood. Answering "yes" or "no" to every question is not an advisable response. Remember, the software does not ask questions that it already knows the answers to; therefore, it is very unlikely that the answer will be the same in every scenario. Further, it doesn't ask questions that are not necessary to some calculation, so all questions have an important purpose.

MISSING INFORMATION

Another common problem in doing the calculations is missing information. This may happen because the client has not provided needed documents, the correct questions were not asked during the initial interview, or the information was not noted because its importance with respect to the calculations was not realized. Regardless of the reason, the end result is that the person doing the calculations must make assumptions that may or may not be correct. For example, in the set up of "Personal Information" a fundamental question should be "Is either party remarried or living common law?" While the answer to this question may not affect the base table amount, it could change the result of any calculation with an income tax component, such as a Section 7 special expense calculation, and thus total child support, or any spousal support analysis and financial analysis (cash flow) considerations.

1 Federal Child Support Guidelines, SOR/97-175, s. 7(3)

2 Rogerson and Thompson, *Spousal Support Advisory Guidelines* (Ottawa, Department of Justice Canada, July 2008), s. 8.3.1