

Child Support Children Come First

Working to ensure children receive consistent and reliable support from both parents.

Presented By Ventura County DCSS
For VC Family Law Bar Association
December 13, 2023









Services Provided

- Locate the other parent
- Establish Parentage
- Establish & Enforce Child & Medical Support Orders Modify Child Support Orders
- Collect & Disburse Child Support Payments





OPENING A CASE

Online Simplified Enrollment Process

Complete Paper Enrollment Form

Human Services Agency Referral









COLLECTING SUPPORT

- Issue an income withholding order to the Parent's Employer
- Self-employed parents are responsible for sending their payment
- State and Federal beneifits, such as







THE HANDOFF

- Our Agency is built to enforce orders
- If you spend the time and your client's resources on settling the case, let us handle the rest at no cost!
- Both sides benefit from our accounting.
- We keep track of all payments, issue administrative wage assignments, intercept taxes, levy accounts, etc.



When a parent is not able to meet their child support obligation:

Automated enforcement actions begin



- If a release of license is needed the parent needs to contact their case manager
- Provide referral to community partners for employment services
- We work with both parents to see if a review of the order is appropriate.



MODIFICATION REQUESTS

- A request for modification can be made by either party by contacting our office. The process is called a Review and Adjusment.
- Both parties will be sent a Review and Adjustment packet.
 The requesting party will have 20 business days to complete and return the packet.
- If there is change by more than \$50 or 20% of the current order then the modification will move forward and a court hearing for modification
- Alternately either party can file their own motion to modify and/or seek legal advice.





DEBT REDUCTION PROGRAM

The Debt Reduction Program (DRP) provides eligible parents with pastdue child support payments the opportunity to reduce the amount they owe to the government.

The parent can contact the DRP to check eligibility and to apply by calling 805-437-8319

- The parent may offer to reduce the debt by paying an amount that is less than the full amount that is owed.
- Arrears may be paid off all at once in a lump sum, or over time in a payment plan.
- Parent will need to provide Income and asset information that includes completing Income and Expense form, submitting paystubs and bank statements





Flexibility, Efficiency, and Modernization (FEM) under the Final Federal Rule

Presented by Michael Ocampo (Michael.Ocampo@ventura.org)

- Published December 20, 2016 and made effective January 19, 2017.
 Flexibility, Efficiency, and Modernization in Child Support
- Each state has various compliance dates depending on their laws and regulations. California's compliance effective January 1, 2026
- The most impactful changes made to the child support program in the last 40 years
- Expected Changes in 2024 Guideline Calculation Formula
 - Low Income Factor
 - Earning Capacity and Imputation of Income
 - "K" Factor



FEM Final Rule: Child Support Guidelines The Low Income Adjustment



Presented by Michael Ocampo (Michael.Ocampo@ventura.org)

FC 4055(b)(7):

- Currently, the Low Income Adjustment (LIA) is triggered when the obligor's NET DISPOSABLE INCOME is less than \$1,500.00 per month.
- Anticipated change in fiscal year 2024 will tie the LIA to the amount of gross income earned from full-time minimum wage as established by CA Labor Code 1182.12
- In practice, parties and the Court will know when changes will be made to the Low Income Adjustment threshold and to what amounts if triggered when creating the guideline, e.g., a range of proposed amounts



FEM Final Rule: Child Support Guidelines The Low Income Adjustment



Presented by Michael Ocampo (Michael.Ocampo@ventura.org)

FC 4055(b)(7):

- REFLECTION
 - The "K" Factor (cost of raising children) used for the guideline formula was enacted in 1993 based on data collected 20 years prior
 - The guideline formula and "K" factor has not been updated since, e.g., child support obligations are based on financial data taken from the 1970s nearly 50 years ago
 - Wages
 - Inflation
 - Cost of living in CA



Determining Earning Capacity for Child Support

Presented by Elina Avagimova (Elina. Avagimova@ventura.org)



Changes to Family Code Section 4058 (as of 09/22/2023)

Additions to Family Code Section 4058(a)

- "Income" now also specifically includes:
 - Severance Pay
 - Veteran's Benefits that are not based on need
 - Military allowances for housing and food (BAH & BAS)



Determining Earning Capacity for Child Support



Additions to Family Code Section 4058 – Earning Capacity

Family Code section 4058(b)(1): operative through 08/31/2024:

- "The court may, in its discretion, consider the earning capacity of a parent in lieu of the parent's
 income, consistent with the best interests of the children, taking into consideration the overall welfare
 and developmental needs of the children, and the time that parent spends with the children."
 - Note: On 09/01/2024, an additional requirement is added that the court <u>shall</u> consider the earning capacity of the parent when gross income is unknown.

FC 4058(b)(2)

• "When determining the earning capacity of the parent pursuant to this subdivision, the court shall consider the specific circumstances of the parent, to the extent known. Those circumstances include, but are not limited to, the parent's assets, residence, employment and earnings history, job skills, educational attainment, literacy, age, health, criminal record and other employment barriers, and record of seeking work, as well as the local job market, the availability of employers willing to hire the parent, prevailing earnings levels in the local community, and other relevant background factors affecting the parent's ability to earn."



SB 343: Additional Changes

As of 09/01/2024



- FC 4061: changes default apportionment of expenses to an amount in proportion to the parents' net incomes *unless* a <u>party</u> requests to split costs equally or the court finds expenses should be divided differently.
- FC 4062: requires the court to order <u>actually incurred</u> childcare costs related to employment or to reasonably necessary education or training for employment skills, <u>unless they are specifically included in the</u> <u>guideline calculation</u>.
- FC 4063: costs actually incurred for childcare that is for employment or education are presumed reasonable. The court is provided a test in FC 4063(e)(2) to determine what factors exist in each case that may rebut this presumption.



Changes to the Guideline Formula

Presented by Jim Allen (Jim.Allen@ventura.org)



The Formula

CS = K[HN-(H%)(TN)]

CS = Child Support

K = The amount of both parents income to be allocated for support

HN = High earner's net monthly disposable income

H% = Timeshare the higher earner has with the children

TN = total net monthly disposable income of both parties



Changes to the Guideline Formula

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The Formula

$$CS = K[HN-(H\%)(TN)]$$

- The K Factor is the number that controls how much of the total income goes to child support.
- It changes based on the total income of the parties
- Currently, the lowest income parents are expected to contribute the highest amount



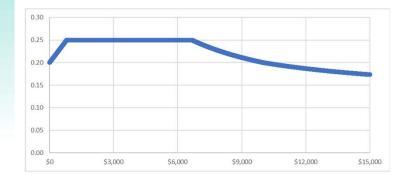
Changes to the Guideline Formula

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Current

Total Net Disposable Income Per Month	К
\$0-800	0.20 + TN/16,000
\$801-6,666	0.25
\$6,667-10,000	0.10 + 1,000/TN
Over \$10,000	0.12 + 800/TN



New

Total Net Disposable Income Per Month	K
\$0-2,900	0.165 + TN/82,857
\$2,901-5,000	0.131 + TN/42,149
\$5,001-10,000	0.250
\$10,001-15,000	0.10 + 1,499/TN
Over \$15,000	0.12 + 1,200/TN





THANK YOU!



ANY QUESTIONS?



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