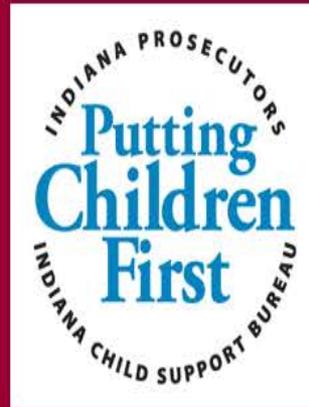


40 Years

Working Together for Children

1976 - 2016



June 14 – 17, 2016

Merrillville, Indiana

Indiana Child Support Conference



**Indiana Child Support
Rules and Guidelines
Revised January 1, 2016**

2016 Summer Conference

Linda Nearing

Assistant Deputy Director, Child Support Bureau

Topics to be Covered

- What Did Not Change
- Summary of Changes
- Guideline 7 – Medical Support
- Guideline 9 – Tax Exemptions
- Suggested Language for Court Orders
- Additional Resources



What Did Not Change

- Income Shares Model
- Basic Child Support Obligation (BSCO) table (except at \$7,000 weekly gross income)
- Parenting Time Credit
- “6% rule” for uninsured health care expenses



Summary of Changes

Big Changes

- Establishment of Medical Support (Guideline 7)
- Tax Exemptions (Guideline 9)



Summary of Changes

Other Changes

- Emancipation Age and Modification of Support
- Parenting Time Overnights
- Birthing Expenses
- Ordinary and Extraordinary Education Costs
- Post-Secondary Education Expenses



Summary of Changes

Other Changes

- Imputed income
- Alimony/maintenance payments
- Subsequent-born children
- Legal Duty of Support for Prior-born children
- Pro-rating health insurance premiums
- Social Security Dependent Benefits



Guideline 7 – Health Care/Medical Support

One (or both) parents must provide health insurance for child when available at a reasonable cost.



Guideline 7 – Health Care/Medical Support

Prior to the 2016 Revisions

- Only private insurance counted as medical support.
- Reasonable cost = 5% or less of parent's weekly gross income.
- The Health Insurance Premium Worksheet (HIPW) was used to determine reasonable cost.



Guideline 7 – Health Care/Medical Support

Affordable Care Act (ACA)

- Goal to provide affordable health insurance for everyone.
- Insurance can be public or private.
- Premium subsidies available to assist with cost of private insurance.



Guideline 7 – Health Care/Medical Support

Affordable Care Act (ACA)

- Most individuals must insure themselves and tax dependents (“individual mandate”).
- IRS enforces individual mandate.
- Tax penalties for:
 - Not providing insurance
 - Taking subsidies on unclaimed dependents



Guideline 7 – Health Care/Medical Support

ACA Exemptions

- Not “affordable”
- Incarceration
- Absence from country
- Religious objection
- Native American status
- Hardship, etc.

Exemption certificate good for one year.



Guideline 7 – Health Care/Medical Support

2016 Revisions

- Rebuttable presumption that health insurance is available at a reasonable cost for everyone.
- Presumption may be rebutted by ACA exemption certification for *any* reason.



Guideline 7 – Health Care/Medical Support

2016 Revisions

- Insurance coverage may be public or private.
 - Public - Medicaid, CHIP, Hoosier Healthwise
 - Private - Employer-provided, Healthcare Marketplace



Guideline 7 – Health Care/Medical Support

2016 Revisions

- The 5% test “reasonable” test no longer used.
- The HIPW worksheet was eliminated.



Guideline 7 – Health Care/Medical Support

Gathering Health Insurance Information

- Cost of child's portion of existing insurance (public or private)
- Cost of child's portion of a new plan
- ACA exemption certificate



Guideline 7 – Health Care/Medical Support

Family Plans

Prorate premium cost by number of individuals covered.

Example

\$400 dollar family plan for 4 people =
\$100 dollars for each person



Guideline 9 – Tax Exemptions

Changes to Guideline 9 Commentary

- Only the parent who claims a child as a dependent tax exemption can use for premium subsidies for that child.
- A parent who claims the child as an exemption may face a tax penalty if the child is not insured.



Guideline 9 – Tax Exemptions

Type of Insurance	Examples	Tax Exemption Result
Public	Medicaid, CHIP, Hoosier Healthwise	Tax exemption at the court's discretion
Private	Employer-provided, purchased from an independent insurance company	Tax exemption at the court's discretion
Healthcare Marketplace	Purchased from www.healthcare.gov	Requires tax exemption be awarded to person providing the insurance



Suggested Language for Court Orders

“Mother is ordered to keep the child enrolled in Medicaid so long as the child is eligible.”

For cases in which the child is on Medicaid.



Suggested Language for Court Orders

“Father is ordered to continue to provide insurance for the child through his employer, so long as it is offered at a premium cost that meets the federal Affordable Care Act requirements for employer-provided health care coverage.”

For cases in which one parent has insurance available through employment.



Suggested Language for Court Orders

“Mother is ordered to provide insurance for the child so long as it is available at a reasonable cost. The insurance cost is considered reasonable unless Mother provides an ACA exemption certificate or shows income below the federal tax filing threshold. Mother shall have the right to claim the child each year for federal and state income tax purposes.”

For cases in which the CP will purchase insurance through the marketplace.



Suggested Language for Court Orders

“Father is ordered to provide insurance for the child so long as it is available at a reasonable cost. The insurance cost is considered reasonable unless Father provides an ACA exemption certificate or shows income below the federal tax filing threshold.”

For cases in which the NCP will purchase insurance through the marketplace.



Suggested Language for Court Orders

“Father shall have the right to claim the child each year for federal and state income tax purposes, so long as he has paid at least 95% of court-ordered support for the calendar year by January 31st of the following year.”

For cases in which the NCP will purchase insurance through the marketplace.



Suggested Language for Court Orders

“Mother (or Father) is ordered to show proof to this court by [specific date] of each year of obtaining a continuing exemption from the federal requirement to provide insurance.”

For cases in which one or both parents provide an ACA exemption certificate.



Suggested Language for Court Orders

“Mother and Father are ordered to cooperate to ensure the child remains insured at all times. The parent providing insurance shall provide proof of coverage to the other parent. Both parents shall notify each other promptly of any changes in the availability or cost of insurance, including termination of coverage, or any changes to their exemption status.”

For all medical support orders



Suggested Language for Court Orders

“The parties are instructed to contact this Court and request a modification of this order in the event that the availability or cost of health insurance changes such that the terms of this order are no longer reasonable.”

For all medical support orders



Additional Resources

“Indiana Child Support Guidelines: What’s New for 2016?” [*Desk Top Guide*](#)

“Sample Medical Support Order Language” [*Desk Top Guide*](#)

“Adding Medical Support Order Codes in ISETS” [*Desk Top Guide*](#)



Additional Resources

“How to Create a National Medical Support Notice (NMSN) in ISETS” [*Desk Top Guide*](#)

“National Medical Support Notice Frequently Asked Questions” [*Desk Top Guide*](#)

[*Indiana Child Support Rules and Guidelines*](#)



Medical Support Under the Revised Child Support Guidelines: Perspectives from a County View

Thomas D. Sarver
Child Support Prosecutor
Montgomery County

June 15, 2016



Three Stages of Developing the Health Insurance Provision in Paternity Orders

1. Pre-January 1, 2016
2. January 1 – March 16, 2016
3. March 16, 2016 to Present

The Three Health Insurance Paragraph Stages

- Health Insurance Provision for Parties That Reached Agreements on Paternity or Modifications
- The Key Here Is Agreement of the Parties
- Treading on Former Grounds that Courts Previously Approved
- That either party shall obtain and keep any medical, dental, orthodontic, orthopedic, ophthalmologic and hospitalization insurance for said minor child through any plan, fund or program made available to them by virtue of their employment; that if such plan, fund or program is not so available, then either party shall obtain and keep said insurance through a private insurer if available at a reasonable cost.

Stage 1: Pre-January 1, 2016

The End of The Stage 1 Era Language

1. E-Mail From The State on January 4, 2016 in A.M.
2. E-mail to Adam Norman on January 4, 2016 in P.M.
3. E-mail From Adam Norman on January 5, 2016



Stage 1: Pre-January 1, 2016

- Help Was On the Way, But Until Then...
- Let's Go to the Revised Guideline and Commentary and Create!
- That either party shall obtain and keep any medical, dental, orthodontic, orthopedic, ophthalmologic and hospitalization insurance for said minor children. The minor children's insurance may include any insurance made available to the parent by virtue of their respective employment as well as through Medicaid, Hoosier Healthwise, a retirement plan, Tricare, Veteran's Health Care Program, CHIP (Indiana Children's Health Insurance Program), and the Affordable Care Act.

Stage 2: January 1-March 16, 2016

- Help Arrives Per Linda Nearing on February 2, 2016 in Her E-mail – The Language Is Drafted and Being Finalized!

Frankenstein
Paragraph Is Born!

Stage 2: January 1-March 16, 2016

- That either party shall obtain and keep any medical, dental, orthodontic, orthopedic, ophthalmologic and hospitalization insurance for said minor child. The minor child's insurance may include any insurance made available to the parent by virtue of their respective employment as well as through Medicaid, Hoosier Healthwise, a retirement plan, Tricare, Veteran's Health Care Program, CHIP (Indiana Children's Health Insurance Program), and the Affordable Care Act. Both parties are ordered to cooperate to ensure the child remains insured at all times. The party providing insurance shall provide proof of insurance coverage to the other party. Both parties shall notify each other promptly of any changes in the availability or cost of insurance coverage, including termination of coverage, or any changes to tax exemption status.

Stage 2: January 1-March 16, 2016

- March 10, 2016 – A Trip To The Beef House (and a Regional Meeting, too)
- Review of the finalized sample language presented today and available on the CSB
- Left With Questions For Staff and Myself regarding Medicaid referrals in Montgomery County IV-D Office
- Staff Meeting on March 15, 2016

Stage 3: March 16, 2016 To Present

- That the Custodial Parent shall obtain and keep any medical, dental, orthodontic, orthopedic, ophthalmologic and hospitalization insurance for the minor child. The minor child's insurance may include any insurance made available to the Custodial Parent by virtue of her respective employment as well as through Medicaid, Hoosier Healthwise, a retirement plan, Tricare, Veteran's Health Care Program, CHIP (Indiana Children's Health Insurance Program), and the Affordable Care Act. The parties are ordered to cooperate to ensure the child remains insured at all times. The Custodial Parent shall provide proof of insurance coverage to the Respondent. Both parents shall notify each other promptly of any changes in the availability or cost of insurance coverage, including termination of coverage, or any changes to tax exemption status.

Stage 3: March 16, 2016 to Present

What about Tax Dependencies and Future Child Support Modifications Based on Medical Insurance Costs?

Assorted Issues

Based on e-mails with the State and the Regional Meeting in March 2016 at Beef House as well as the staff meetings

What is the prior practice of your county?

Could Write an Internal Office Policy for Future Cases

We are not Tax Preparers or Tax Attorneys!

Tax Dependencies

- Problems with ACA – Insurance Premiums From Employers Potentially High!
- Developed Written Policy To Address Prior to the Revised 2016 Child Support Guidelines requiring modification
- For requests for modification or review of child support obligations made by either party based upon a substantial and continuing change that makes the current child support order unreasonable to pay prior to the one (1) year time period, those cases may be reviewed for modification based upon the discretion of the Child Support Prosecutor. Examples may include, but are not limited to, the addition of medical insurance through an employer pursuant to the Affordable Care Act (ACA), prolonged unemployment (at least six months of continuous unemployment), and medical injuries restricting employment or leading to employment loss.

Child Support Modifications

Questions?

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