What income is included for purposes of calculating child support

Introduction

Child Support uses a very broad definition of income. Income is defined as income and earnings from all sources. It does not matter if the income is taxable. The calculation of support is based on the parent's income before paying income taxes, social security, Medicare, and other deductions commonly made from paychecks. If the parent has other children income will be reduced by the support orders for the older children. See our article <u>Calculating Child Support under Wisconsin's</u> Percentage Standard.

Income includes:

Regular employment income

 Wages, salaries, earnings, commissions, self-employment and freelance income

Additional income

Overtime work income, tips, bonuses

Money intended to replace income

 Worker's compensation, some personal injury awards, unemployment benefits, short and long-term disability insurance payouts, and Social Security Disability Income (SSDI) payments

· Money you gain from property you own

 Investment income (dividends, interest, capital gains, & other investment earnings), rental income (income from rental properties)

Retirement income

Pension and retirement benefits

Delayed income

- o Contributions you make to retirement and employee benefit plans
- Military allowances and veterans disability benefits
- Undistributed income of a corporation

Income does not include:

- Child support
- Foster care or Kinship care payments
- Public assistance payments:
- W-2 cash payments, FoodShare payments
- Supplemental Security Income (SSI) and state supplemental payments

Imputed Income

The court is not required to accept the parent's statements about his or her income at face-value. Especially if a parent is not working, working very few hours, or working for themselves, the court may make its own decision about what the parent is able to earn.

To do this, the court will look at the parent's education, training, work history, past earnings, physical and mental health, and the availability of jobs nearby to figure out if the parent could be making more money than they currently are.

If the court believes the parent could be making more money than they currently are, the court may use this higher income, called "imputed income based on earning capacity," to calculate child support instead of the parent's actual income.

If the court and the other parent don't know your actual income the court may estimate your income based on the availability of work in the area where you live.

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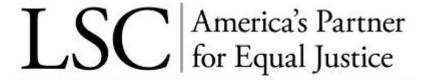
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