

# Michigan Judicial Institute/ Friend of the Court Bureau Webinar

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## **Sticky Situations: Tax Basics, Undocumented Income, and CALC Tricks**

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# Sticky Situations: Tax Basics, Undocumented Income, and CALC Tricks

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# Don't Forget to Declare Income from Stolen Goods and Illegal Activities

- <https://www.nbcnews.com/business/taxes/dont-forget-declare-income-stolen-goods-illegal-activities-irs-says-rcna10345>
- [IRS Publication 17](#)
  - Illegal activities. Income from illegal activities, such as money from dealing illegal drugs, must be included in your income on Schedule 1 (Form 1040), line 8z, or on Schedule C (Form 1040) if from your self-employment activity.
  - Nondeductible Expenses includes illegal bribes and kickbacks
  - Stolen property. If you steal property, you must report its fair market value in your income in the year you steal it unless you return it to its rightful owner in the same year.

# Imputation Terminology

- **Imputation** means assigning a value to what a person does not actually earn, but potentially could.
- What is the difference between ***Imputed Income*** and ***Potential Income***?
  - There is no difference
  - “Impute” is the verb, it is what we do to “Potential Income.”

## Potential Income or Actual Income?

- **Actual Income** = Hidden, unreported, or underreported income.
  - Determining a value for income that someone earns but fails to accurately report or hides is not imputation.
  - Underground Economy;
  - Cash, Trade, Perks
  - Gifts, Lifestyle, Occupational Wage Estimates.
- **Potential Income** = unearned or under-earned, but capacity (ability) exists.
- *Imputation factors only apply when imputing income.*

# Overview of Tax Schedules and Forms

Most people: if filing, file 1040

- Claim the standard deduction since 2017 tax law changes

Common Schedules/Attachments

- W2
- CTC – Form 8812 – Additional Child Tax Credit
- CDCC – Form 2441
- Schedule 1
- Schedule C
- 1099's – there's more than one type

What to look for in self-employed/rental

- Lots of places to hide income on these forms.
- An IRS deduction does not always equal a deduction of available income for the purpose of calculating child support.

# W2 Income Information

- Unless all wage boxes are the same, do not use Box 1.
- If someone is in the hospitality business, don't forget box 7
- If you see DD in box 12, it is the amount the employer paid for insurance.

22222		a Employee's social security number		OMB No. 1545-0008					
b Employer identification number (EIN)			1 Wages, tips, other compensation		2 Federal income tax withheld				
c Employer's name, address, and ZIP code			3 Social security wages		4 Social security tax withheld				
			5 Medicare wages and tips		6 Medicare tax withheld				
			7 Social security tips		8 Allocated tips				
d Control number			9		10 Dependent care benefits				
e Employee's first name and initial		Last name		Suff.		11 Nonqualified plans		12a	
						13 Statutory employee <input type="checkbox"/>	Retirement plan <input type="checkbox"/>	Third-party sick pay <input type="checkbox"/>	12b
						14 Other	12c		
						12d			
f Employee's address and ZIP code									
15 State Employer's state ID number		16 State wages, tips, etc.		17 State income tax		18 Local wages, tips, etc.		19 Local income tax	20 Locality name

How will I know if there is any business income?

\* Line 8 of 1040 – Schedule 1

SCHEDULE 1 (Form 1040)		Additional Income and Adjustments to Income		OMB No. 1545-0047
Department of the Treasury Internal Revenue Service		▶ Attach to Form 1040, 1040-SR, or 1040-NR. ▶ Go to <a href="http://www.irs.gov/Form1040">www.irs.gov/Form1040</a> for instructions and the latest information.		20 Attachment Sequence
Name(s) shown on Form 1040, 1040-SR, or 1040-NR			Your social security number	
<b>Part I Additional Income</b>				
1	Taxable refunds, credits, or offsets of state and local income taxes . . . . .		1	
2a	Alimony received . . . . .		2a	
	b Date of original divorce or separation agreement (see instructions) ▶			
3	Business income or (loss). Attach Schedule C . . . . .		3	
4	Other gains or (losses). Attach Form 4797 . . . . .		4	
5	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E . . . . .		5	
6	Farm income or (loss). Attach Schedule F . . . . .		6	
7	Unemployment compensation . . . . .		7	
8	Other income:			
a	Net operating loss . . . . .	8a		
b	Gambling income . . . . .	8b		
c	Cancellation of debt . . . . .	8c		
d	Foreign earned income exclusion from Form 2555 . . . . .	8d		
e	Taxable Health Savings Account distribution . . . . .	8e		
f	Alaska Permanent Fund dividends . . . . .	8f		
g	Jury duty pay . . . . .	8g		
h	Prizes and awards . . . . .	8h		
i	Activity not engaged in for profit income . . . . .	8i		
j	Stock options . . . . .	8j		
k	Income from the rental of personal property if you engaged in the rental for profit but were not in the business of renting such property . . . . .	8k		
l	Olympic and Paralympic medals and USOC prize money (see instructions) . . . . .	8l		
m	Section 951(a) inclusion (see instructions) . . . . .	8m		
n	Section 951A(a) inclusion (see instructions) . . . . .	8n		
o	Section 461(f) excess business loss adjustment . . . . .	8o		
p	Taxable distributions from an ABL account (see instructions) . . . . .	8p		
z	Other income. List type and amount ▶	8z		
9	Total other income. Add lines 8a through 8z . . . . .		9	
10	Combine lines 1 through 7 and 9. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 8 . . . . .		10	

For Paperwork Reduction Act Notice, see your tax return instructions. Cat. No. 71479F Schedule 1 (Form 2012)



B	C	D	E	F	G	H	I	J
Current MiCSES Code	Income Type Name	Values	FICA	Federal	State	Resident	Non-Resident	Notes
AD	Adoption Subsidy	Monthly Amount	N	N	N	N	N	
AL	Alimony/Spousal Support		N	Y	Y	Y	Y	Obsoleted income type - no longer available to users for selection
AN	Annuity / Structured Settlement	Monthly Amount	N	Y	Y	N	N	
AO	Spousal Support Received from Another Party	Monthly Amount	Y	Y	Y	Y	N	
AP	Spousal Support as a Deviation - Same Parties	Monthly Amount	Y	Y	Y	Y	N	This amount should match the other person's deduction amount
AR	Allowance for Rent	Monthly Amount	N	Y	Y	Y	Y	
BC	Bonuses / Commissions / Profit Sharing	Monthly Amount	Y	Y	Y	Y	Y	
CG	Capital Gains	Monthly Amount	N	Y	Y	Y	Y	
DB	Social Security RSDI Dependent Benefits	Monthly Amount/Child Who Is Receiving Benefit	N	N	N	N	N	
DC	Deferred Compensation	Monthly Amount	N	Y	Y	Y	N	
DI	Disability Insurance / Insurance Compensation	Monthly Amount	N	N	N	N	N	
DL	Dividends Earned from Life Insurance	Monthly Amount	N	N	N	N	N	
DV	Dividends	Monthly Amount	Y	Y	Y	Y	N	
ER	Employer Retirement Contribution	Monthly Amount	N	N	N	N	N	This income type is automatically created to account for the income attributed to an employers retirement contribution.
EW	Employer Wages	Monthly Amount/Employment Description/Overtime/Shift Premium	Y	Y	Y	Y	Y	This income type is used for an employee on a payroll. Wages can be derived from a pay stub, W-2, QW, etc.
GG	Gifts and Gratuities - Non-Employer	Monthly Amount	N	Y	Y	N	N	
GI	GI Benefits	Monthly Amount	N	N	N	N	N	
HH	Home Health Care	Monthly Amount	Y	N	N	N	N	
II	Inheritance and Gift Interest	Monthly Amount	N	Y	Y	Y	N	

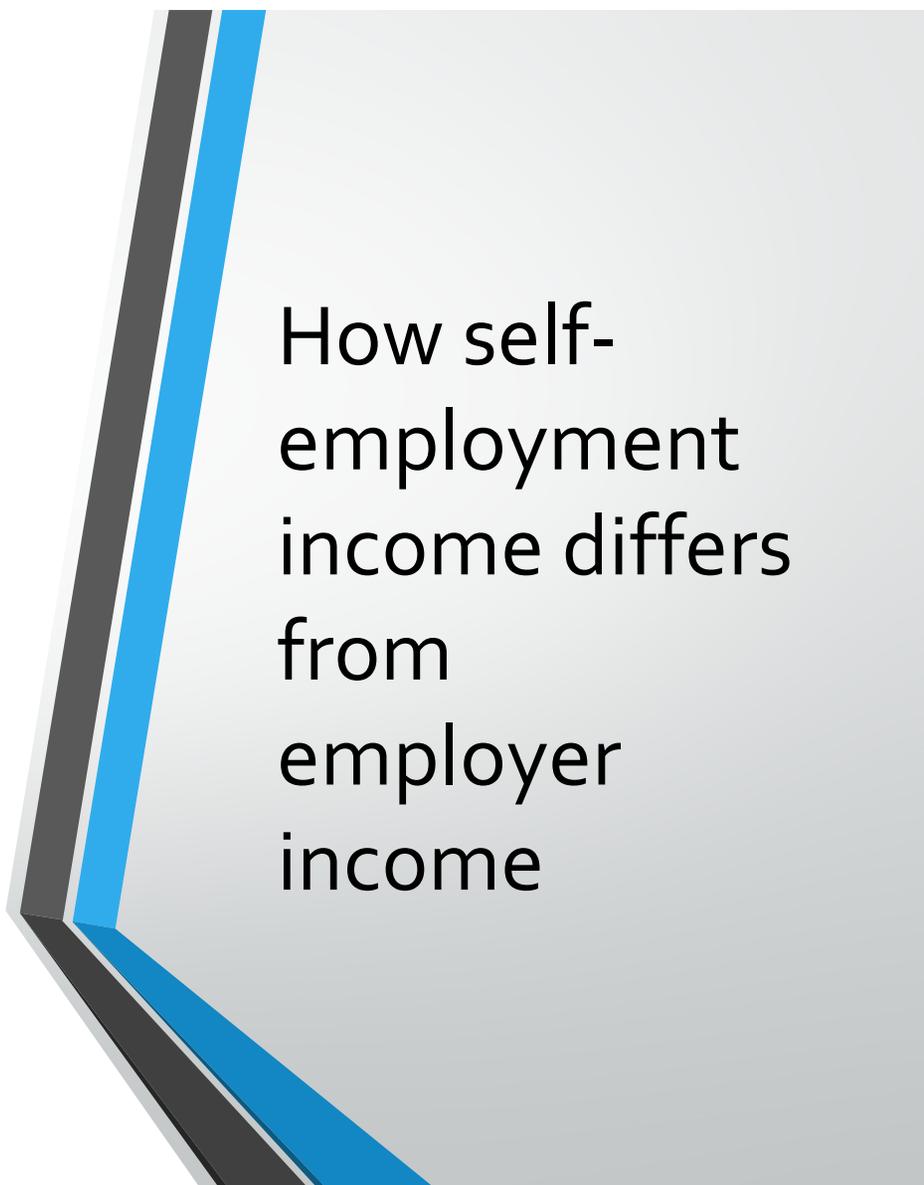
How to Use This Information

**Income Types**

Deduction Types

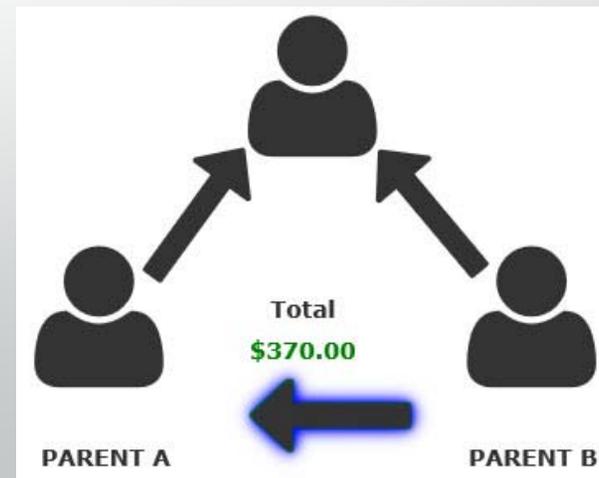
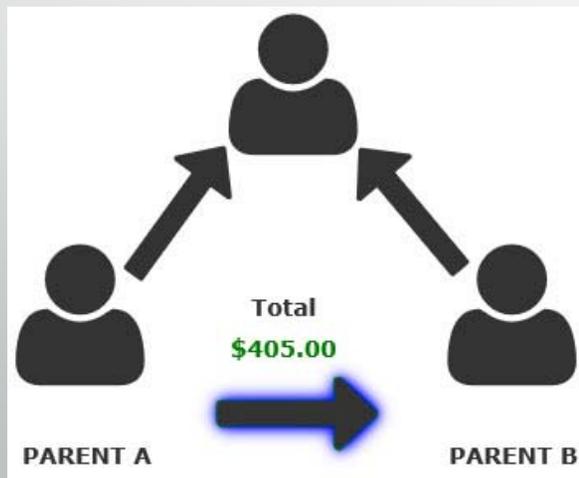


- Allowable deductions from income
- Self-Employed persons pay SE tax
  - For 2022 SE FICA rate is 15.3% on the first \$147,000 of net income plus 0.9% of net in excess of \$200,000 single or \$250,000 MFJ
- Due to the increased taxes paid there is a difference in the calculation of child support.
- See example.



How self-employment income differs from employer income

	PARENT A		PARENT B
Employer Wages	\$2,610.00 +	Self-Employment or 1099	\$2,610.00 +
		PARENT A	PARENT B
<b>Total Monthly Gross Income</b>		\$2,610.00	\$2,610.00
IRS Filing Status		Single	Single
IRS Filing Exemptions		1	1
FICA Tax		\$199.67	\$368.78
Federal Tax		\$175.03	\$175.03
State Tax		\$95.34	\$95.34



## Income: Self-Employed and “Gig” Economy

### What is the Gig Economy

- Definition: prevalence of short-term contracts or freelance work as opposed to permanent jobs.
  - Used more as cash economy
  - Secondary jobs
  - Not held long, or bounce around

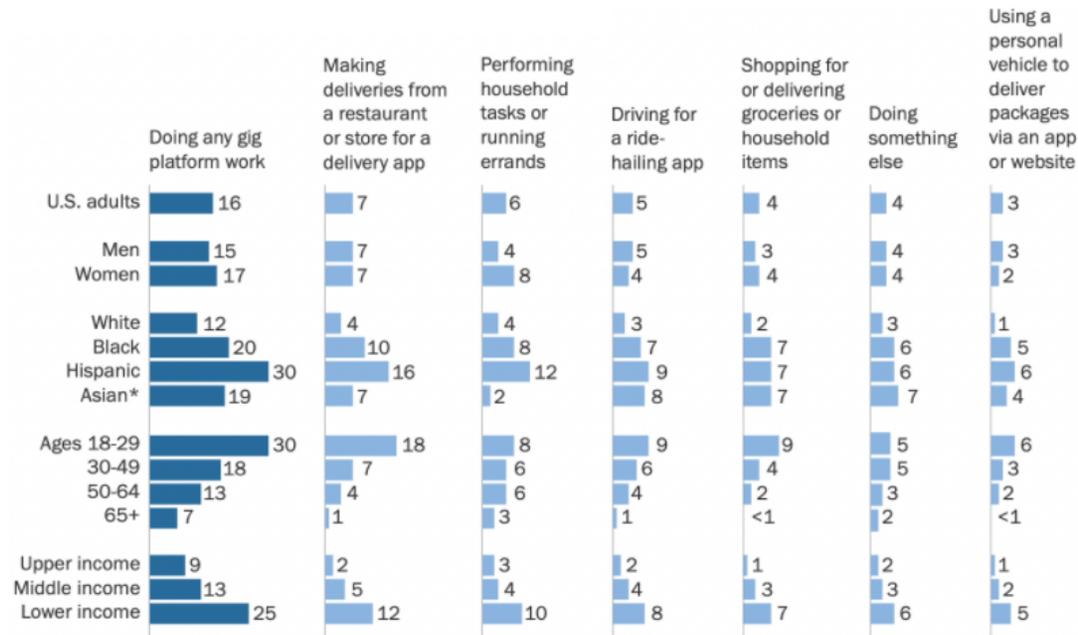
# Income: Self-Employed and “Gig” Economy

## Changes because of the pandemic

- <https://finance.yahoo.com/news/desire-side-hustle-changed-2021-000001351.html>
- Spike in applications to the Small Business Association
- In 2020, just over 25% used income to cover monthly bills; in 2021, that spiked to 41%.
- Increase in income: the percentage of people earning \$1500 or more per month more than doubled in 2021.
- Correlation with Great Resignation
- Pew Research – <https://www.pewresearch.org/internet/2021/12/08/the-state-of-gig-work-in-2021/>

**16% of Americans have ever earned money via an online gig platform; adults under 30, Hispanic adults and those with lower incomes especially likely to do these jobs**

% of U.S. adults who say they have *ever* earned money by ...



\*Asian adults were interviewed in English only.

Note: Gig platform work refers to earning money by using a mobile app or website to find jobs that directly connect workers with people who want to hire them, or by using a personal vehicle to deliver packages to others. White, Black and Asian adults include those who report being only one race and are not Hispanic. Hispanics are of any race. Family income tiers are based on adjusted 2020 earnings. Those who did not give an answer are not shown.

Source: Survey of U.S. adults conducted Aug. 23-29, 2021.

"The State of Gig Work in 2021"

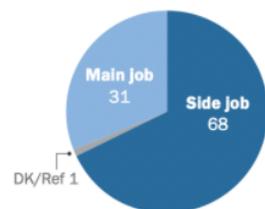
PEW RESEARCH CENTER

**Among current or recent gig platform workers, about three-in-ten say it's been their main job over past year; majorities rely on this income to meet basic needs**

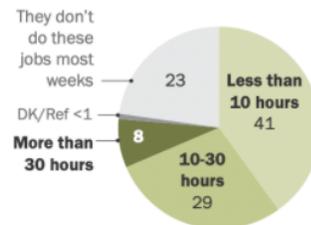
Among gig platform workers who have earned money in the past 12 months on these online platforms, % who say the following

OVER THE PAST TWELVE MONTHS ...

This type of work has generally been their ...

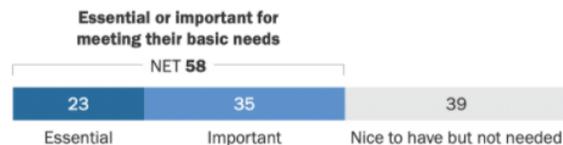


They have spent \_\_\_ doing these jobs in a typical week, including the time they spent waiting for assignments



They don't do these jobs most weeks

The money they have earned from taking on these jobs has been ...



Note: Gig platform workers refers to respondents who say they have earned money by using a mobile app or website to find jobs that directly connect them with people who want to hire them, or by using a personal vehicle to deliver packages to others. For a full list of the jobs measured in the survey, see topline of report. Figures may not add up to NET values or up to 100% due to rounding. Those who did not give an answer are not shown.

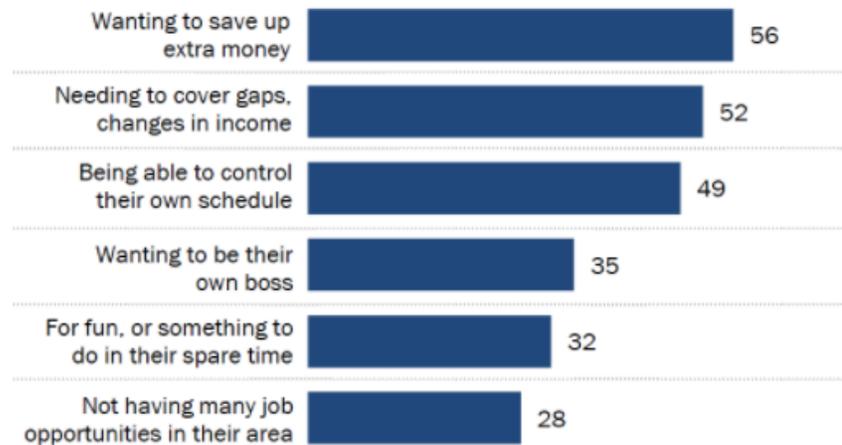
Source: Survey of U.S. adults conducted Aug. 23-29, 2021.

"The State of Gig Work in 2021"

PEW RESEARCH CENTER

## Saving up, covering gaps in income, flexible schedules top reasons current or recent gig platform workers cite for taking on these jobs over the past year

Among gig platform workers who have earned money in the past 12 months on these online platforms, % who say each of the following is a **major reason** why they have taken on these jobs over the past 12 months



Note: Gig platform workers refers to respondents who say they have earned money by using a mobile app or website to find jobs that directly connect them with people who want to hire them, or by using a personal vehicle to deliver packages to others. For a full list of the jobs measured in this survey, see topline of report. Those who did not give an answer or who gave other responses are not shown.

Source: Survey of U.S. adults conducted Aug. 23-29, 2021.

"The State of Gig Work in 2021"

PEW RESEARCH CENTER

## Income: Self-Employed and “Gig” Economy

### What to ask for

- Be Specific – think back to the tax forms and licensing requirements
- IRS Pub. 17: Sharing/gig economy. Generally, if you work in the gig economy or did gig work, you must include all income received from all jobs whether you received a Form 1099-K, Payment Card and Third-Party Network Transactions, or not. See the Instructions for Schedule C (Form 1040) and the Instructions for Schedule SE (Form 1040).

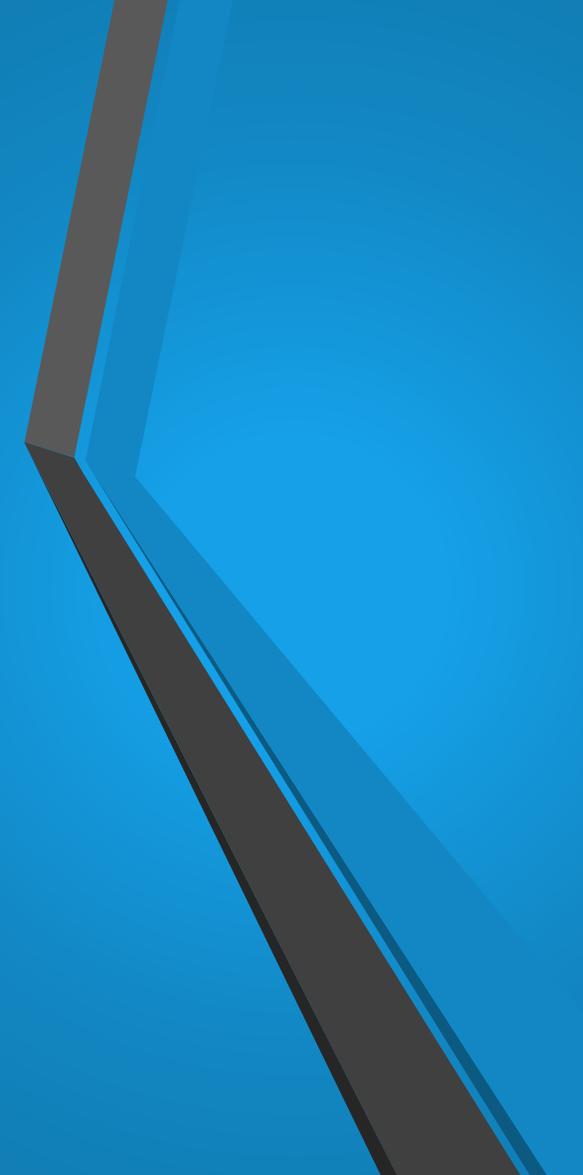
## Income: Self-Employed and “Gig” Economy

### Where to look (Occupational Handbook/MiWage)

- Search business name (LARA or Google)
  - <https://cofs.lara.state.mi.us/corpweb/CorpSearch/CorpSearch.aspx>
- If property – Search the county’s property records
- Prevailing Wage Rates
- LARA Information by occupation
- Bureau of Labor Statistics
  - Includes unemployment rates, and annual mean wages for specific occupations by state and sometimes region

## Income: Self-Employed and “Gig” Economy – Unemployment Clues

- PUA is a temporary federal program that provides up to 50 weeks of unemployment benefits to individuals who are not eligible for regular Unemployment Insurance (UI) such as:
- Individuals who are self-employed.
- Certain independent contractors.
- Individuals with limited recent work history.
- Other workers not covered by Regular UI.
- Payment Amount: Minimum weekly benefit amount: \$160; Maximum weekly benefit amount: \$362.
- [https://www.michigan.gov/leo/0,5863,7-336-94422\\_97241\\_89982\\_92608\\_63224\\_105333---,00.html](https://www.michigan.gov/leo/0,5863,7-336-94422_97241_89982_92608_63224_105333---,00.html)



## Income: Self-Employed and “Gig” Economy – Unemployment Clues

- Not responding = Business objects, MILR/ILR, PUA on unemployment report (QN116)
  - Unemployment Reports from Past two years
  - QN-116 has this information



# OCCUPATIONAL OUTLOOK HANDBOOK

Occupational Outlook Handbook >

## Home

Get the CareerInfo app for the Occupational Outlook Handbook (OOH), available for [iOS](#) and for [Android](#) devices.

### OCCUPATION GROUPS

- Architecture and Engineering
- Arts and Design
- Building and Grounds Cleaning
- Business and Financial
- Community and Social Service
- Computer and Information Technology
- Construction and Extraction
- Education, Training, and Library
- Entertainment and Sports
- Farming, Fishing, and Forestry
- Food Preparation and Serving
- Healthcare
- Installation, Maintenance, and Repair
- Legal
- Life, Physical, and Social Science

### SELECT OCCUPATIONS BY

<input type="text" value="2019 Median Pay"/>	<input type="text" value="Entry-Level Education"/>	<input type="text" value="On-the-job Training"/>
<input type="text" value="Number of New Jobs (Projected)"/>	<input type="text" value="Growth Rate (Projected)"/>	<input type="button" value="GO"/>

### FEATURED OCCUPATION



#### Architects

Architects plan and design houses, factories, office buildings, and other structures.

[view profile >](#)

# Occupational Outlook Handbook

[www.bls.gov/ooh](http://www.bls.gov/ooh)

Income: Self-  
Employed and  
“Gig” Economy –  
Potential  
Options for Case  
Management

- Set for hearing for fact finding
- FIGs/Joint Meetings
- Seasonal work
- Resources – think of all the cases you have
  - You could dive in and investigate the case, spending hours, or you could set it for the hearing and have the referee/judge decide
- Lifestyle Analysis (especially at hearing)
  - Included in Handouts

## Income: Impact of Pandemic and “Just Not Back To Work”

- Note on increased minimum wage
  - When imputing –full hours has changed, unique to economy/industry/background/education/experience
- Imputation
- Lifestyle Analysis – IRS Collection Financial Standards
  - [https://www.irs.gov/pub/irs-utl/national\\_standards.pdf](https://www.irs.gov/pub/irs-utl/national_standards.pdf)
  - <https://www.irs.gov/businesses/small-businesses-self-employed/collection-financial-standards>
  - <https://www.irs.gov/businesses/small-businesses-self-employed/national-standards-food-clothing-and-other-items>
- <https://www.bls.gov/regions/midwest/michigan.htm>
- Still seeing higher impact to women and minorities

# Questions?

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# National Standards: Food, Clothing and Other Items

**Disclaimer:** *IRS Collection Financial Standards are intended for use in calculating repayment of delinquent taxes. These Standards are effective on April 26, 2021 for purposes of federal tax administration only. Expense information for use in bankruptcy calculations can be found on the website for the U.S. Trustee Program* [↗](#)

Download the [national standards for food, clothing and other items](#) [PDF](#) in PDF format for printing. Please note that the standard amounts change, so if you elect to print them, check back periodically to assure you have the latest version.

National Standards have been established for five necessary expenses: food, housekeeping supplies, apparel and services, personal care products and services, and miscellaneous.

The standards are derived from the Bureau of Labor Statistics (BLS) Consumer Expenditure Survey (CES) and defined as follows:

Food includes food at home and food away from home. Food at home refers to the total expenditures for food from grocery stores or other food stores. It excludes the purchase of nonfood items. Food away from home includes all meals and snacks, including tips, at fast-food, take-out, delivery and full-service restaurants, etc.

Housekeeping supplies includes laundry and cleaning supplies, stationery supplies, postage, delivery services, miscellaneous household products, and lawn and garden supplies.

Apparel and services includes clothing, footwear, material, patterns and notions for making clothes, alterations and repairs, clothing rental, clothing storage, dry cleaning and sent-out laundry, watches, jewelry and repairs to watches and jewelry.

Personal care products and services includes products for the hair, oral hygiene products, shaving needs, cosmetics and bath products, electric personal care appliances, and other personal care products.

The miscellaneous allowance is for expenses taxpayers may incur that are not included in any other allowable living expense items, or for any portion of expenses that exceed the Collection Financial Standards and are not allowed under a

## Related Topic

- [Collection Financial Standards](#)

deviation. Taxpayers can use the miscellaneous allowance to pay for expenses that exceed the standards, or for other expenses such as credit card payments, bank fees and charges, reading material and school supplies.

Taxpayers are allowed the total National Standards amount monthly for their family size, without questioning the amounts they actually spend. If the amount claimed is more than the total allowed by the National Standards for food, housekeeping supplies, apparel and services, and personal care products and services, the taxpayer must provide documentation to substantiate those expenses are necessary living expenses. Deviations from the standard amount are not allowed for miscellaneous expenses. Generally, the total number of persons allowed for National Standards should be the same as those allowed as dependents on the taxpayer's most recent year income tax return.

<b>Expense</b>	<b>One Person</b>	<b>Two Persons</b>	<b>Three Persons</b>	<b>Four Persons</b>
Food	\$400	\$724	\$838	\$955
Housekeeping supplies	\$41	\$76	\$69	\$79
Apparel & services	\$92	\$150	\$191	\$259
Personal care products & services	\$42	\$76	\$72	\$89
Miscellaneous	\$148	\$266	\$303	\$358
<b>Total</b>	<b>\$723</b>	<b>\$1,292</b>	<b>\$1,473</b>	<b>1,740</b>

<b>More than four persons</b>	<b>Additional Persons Amount</b>
For each additional person, add to four-person total allowance:	\$341

2021 Allowable Living Expenses Housing Standards

County	State Name	2021 Published Housing and Utilities for a Family of 1	2021 Published Housing and Utilities for a Family of 2	2021 Published Housing and Utilities for a Family of 3	2021 Published Housing and Utilities for a Family of 4	2021 Published Housing and Utilities for a Family of 5
Worcester County	Massachusetts	1,885	2,214	2,333	2,601	2,643
Alcona County	Michigan	1,039	1,220	1,286	1,434	1,457
Alger County	Michigan	1,185	1,391	1,466	1,635	1,661
Allegan County	Michigan	1,312	1,541	1,624	1,811	1,840
Alpena County	Michigan	1,037	1,218	1,283	1,431	1,454
Antrim County	Michigan	1,245	1,462	1,541	1,718	1,746
Arenac County	Michigan	1,067	1,254	1,321	1,473	1,497
Baraga County	Michigan	1,105	1,298	1,368	1,525	1,550
Barry County	Michigan	1,313	1,542	1,625	1,812	1,841
Bay County	Michigan	1,147	1,348	1,420	1,583	1,609
Benzie County	Michigan	1,233	1,448	1,526	1,701	1,729
Berrien County	Michigan	1,256	1,475	1,554	1,733	1,761
Branch County	Michigan	1,164	1,368	1,441	1,607	1,633
Calhoun County	Michigan	1,185	1,391	1,466	1,635	1,661
Cass County	Michigan	1,243	1,460	1,538	1,715	1,743
Charlevoix County	Michigan	1,278	1,501	1,582	1,764	1,792
Cheboygan County	Michigan	1,159	1,361	1,434	1,599	1,625
Chippewa County	Michigan	1,126	1,322	1,393	1,553	1,578
Clare County	Michigan	1,058	1,243	1,310	1,461	1,484
Clinton County	Michigan	1,445	1,697	1,788	1,994	2,026
Crawford County	Michigan	1,078	1,266	1,334	1,487	1,511
Delta County	Michigan	1,145	1,345	1,417	1,580	1,605
Dickinson County	Michigan	1,122	1,318	1,389	1,549	1,574
Eaton County	Michigan	1,357	1,593	1,679	1,872	1,902
Emmet County	Michigan	1,325	1,556	1,640	1,829	1,858
Genesee County	Michigan	1,260	1,480	1,560	1,739	1,767
Gladwin County	Michigan	1,142	1,341	1,413	1,575	1,601
Gogebic County	Michigan	1,022	1,200	1,265	1,410	1,433
Grand Traverse County	Michigan	1,381	1,622	1,709	1,906	1,936
Gratiot County	Michigan	1,129	1,326	1,397	1,558	1,583

2021 Allowable Living Expenses Housing Standards

County	State Name	2021 Published Housing and Utilities for a Family of 1	2021 Published Housing and Utilities for a Family of 2	2021 Published Housing and Utilities for a Family of 3	2021 Published Housing and Utilities for a Family of 4	2021 Published Housing and Utilities for a Family of 5
Hillsdale County	Michigan	1,148	1,349	1,421	1,584	1,610
Houghton County	Michigan	1,132	1,330	1,401	1,562	1,587
Huron County	Michigan	1,096	1,288	1,357	1,513	1,537
Ingham County	Michigan	1,341	1,575	1,660	1,851	1,881
Ionia County	Michigan	1,228	1,442	1,520	1,695	1,722
Iosco County	Michigan	996	1,170	1,233	1,375	1,397
Iron County	Michigan	1,041	1,222	1,288	1,436	1,459
Isabella County	Michigan	1,249	1,467	1,546	1,724	1,752
Jackson County	Michigan	1,230	1,444	1,522	1,697	1,724
Kalamazoo County	Michigan	1,363	1,601	1,687	1,881	1,911
Kalkaska County	Michigan	1,098	1,290	1,359	1,515	1,540
Kent County	Michigan	1,346	1,581	1,666	1,858	1,888
Keweenaw County	Michigan	1,096	1,288	1,357	1,513	1,537
Lake County	Michigan	1,062	1,247	1,314	1,465	1,489
Lapeer County	Michigan	1,326	1,557	1,641	1,830	1,859
Leelanau County	Michigan	1,444	1,696	1,787	1,993	2,025
Lenawee County	Michigan	1,256	1,475	1,554	1,733	1,761
Livingston County	Michigan	1,603	1,883	1,984	2,212	2,248
Luce County	Michigan	1,058	1,243	1,310	1,461	1,484
Mackinac County	Michigan	1,164	1,368	1,441	1,607	1,633
Macomb County	Michigan	1,408	1,653	1,742	1,942	1,974
Manistee County	Michigan	1,188	1,395	1,470	1,639	1,666
Marquette County	Michigan	1,241	1,458	1,536	1,713	1,740
Mason County	Michigan	1,193	1,401	1,476	1,646	1,672
Mecosta County	Michigan	1,191	1,399	1,474	1,644	1,670
Menominee County	Michigan	1,071	1,258	1,326	1,478	1,502
Midland County	Michigan	1,297	1,523	1,605	1,790	1,818
Missaukee County	Michigan	1,126	1,323	1,394	1,554	1,579
Monroe County	Michigan	1,364	1,602	1,688	1,882	1,913
Montcalm County	Michigan	1,130	1,327	1,398	1,559	1,584

2021 Allowable Living Expenses Housing Standards

County	State Name	2021 Published Housing and Utilities for a Family of 1	2021 Published Housing and Utilities for a Family of 2	2021 Published Housing and Utilities for a Family of 3	2021 Published Housing and Utilities for a Family of 4	2021 Published Housing and Utilities for a Family of 5
Montmorency County	Michigan	1,075	1,262	1,330	1,483	1,507
Muskegon County	Michigan	1,160	1,363	1,436	1,601	1,627
Newaygo County	Michigan	1,187	1,394	1,469	1,638	1,664
Oakland County	Michigan	1,664	1,954	2,059	2,296	2,333
Oceana County	Michigan	1,128	1,325	1,396	1,557	1,582
Ogemaw County	Michigan	1,065	1,251	1,318	1,470	1,493
Ontonagon County	Michigan	1,035	1,216	1,281	1,428	1,451
Osceola County	Michigan	1,092	1,282	1,351	1,506	1,531
Oscoda County	Michigan	1,006	1,182	1,245	1,388	1,411
Otsego County	Michigan	1,210	1,422	1,498	1,670	1,697
Ottawa County	Michigan	1,384	1,626	1,713	1,910	1,941
Presque Isle County	Michigan	1,056	1,240	1,307	1,457	1,481
Roscommon County	Michigan	1,048	1,231	1,297	1,446	1,470
Saginaw County	Michigan	1,194	1,403	1,478	1,648	1,675
St. Clair County	Michigan	1,307	1,535	1,617	1,803	1,832
St. Joseph County	Michigan	1,154	1,355	1,428	1,592	1,618
Sanilac County	Michigan	1,126	1,322	1,393	1,553	1,578
Schoolcraft County	Michigan	1,096	1,288	1,357	1,513	1,537
Shiawassee County	Michigan	1,214	1,425	1,502	1,675	1,702
Tuscola County	Michigan	1,169	1,373	1,447	1,613	1,639
Van Buren County	Michigan	1,276	1,498	1,579	1,761	1,789
Washtenaw County	Michigan	1,757	2,063	2,174	2,424	2,463
Wayne County	Michigan	1,360	1,597	1,683	1,877	1,907
Wexford County	Michigan	1,137	1,335	1,407	1,569	1,594
Aitkin County	Minnesota	1,312	1,541	1,624	1,811	1,840
Anoka County	Minnesota	1,613	1,894	1,996	2,226	2,261
Becker County	Minnesota	1,430	1,680	1,770	1,974	2,005
Beltrami County	Minnesota	1,325	1,556	1,640	1,829	1,858
Benton County	Minnesota	1,419	1,666	1,756	1,958	1,990
Big Stone County	Minnesota	1,122	1,318	1,389	1,549	1,574



# Local Standards: Transportation

**Disclaimer:** *IRS Collection Financial Standards are intended for use in calculating repayment of delinquent taxes. These Standards are effective on April 26, 2021 for purposes of federal tax administration only. Expense information for use in bankruptcy calculations can be found on the website for the U.S. Trustee Program [↗](#).*

Download the [transportation standards \(PDF\)](#) [PDF](#) in PDF format for printing. Please note that the standard amounts change, so if you elect to print them, check back periodically to assure you have the latest version.

The transportation standards for taxpayers with a vehicle consist of two parts: nationwide figures for monthly loan or lease payments referred to as ownership costs, and additional amounts for monthly operating costs. The operating costs include maintenance, repairs, insurance, fuel, registrations, licenses, inspections, parking and tolls (These standard amounts do not include personal property taxes).

## Ownership Costs

The ownership costs, shown in the table below, provide the monthly allowances for the lease or purchase of up to two automobiles. A single taxpayer is normally allowed one automobile. For each automobile, taxpayers will be allowed the lesser of:

- a. the monthly payment on the lease or car loan, or
- b. the ownership costs shown in the table below.

If a taxpayer has no lease or car loan payment, the amount allowed for Ownership Costs will be \$0.

## Operating Costs

In addition to Ownership Costs, a taxpayer is allowed Operating Costs, by regional and metropolitan area, as shown in the table below. For each automobile, taxpayers will be allowed the lesser of:

- a. the amount actually spent monthly for operating costs, or
- b. the operating costs shown in the table below.

### Related Topic

- [Collection Financial Standards](#)

## Public Transportation

There is a single nationwide allowance for public transportation based on Bureau of Labor Statistics expenditure data for mass transit fares for a train, bus, taxi, ferry, etc. Taxpayers with no vehicle are allowed the standard amount monthly, per household, without questioning the amount actually spent.

If a taxpayer owns a vehicle and uses public transportation, expenses may be allowed for both, provided they are needed for the health and welfare of the taxpayer or family, or for the production of income. However, the expenses allowed would be actual expenses incurred for ownership costs, operating costs and public transportation, or the standard amounts, whichever is less.

If the amount claimed for Ownership Costs, Operating Costs or Public Transportation is more than the total allowed by the transportation standards, the taxpayer must provide documentation to substantiate those expenses are necessary living expenses.

### Public Transportation

<b>National</b>	\$217
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### Ownership Costs

	<b>One Car</b>	<b>Two Cars</b>
<b>National</b>	\$533	\$1,066

### Operating Costs

	<b>One Car</b>	<b>Two Cars</b>
<b>Northeast Region</b>	\$274	\$548
Boston	\$271	\$542

	<b>One Car</b>	<b>Two Cars</b>
New York	\$355	\$710
Philadelphia	\$293	\$586
<b>Midwest Region</b>	\$201	\$402
Chicago	\$226	\$452
Cleveland	\$201	\$402
Detroit	\$305	\$610
Minneapolis- St. Paul	\$203	\$406
St. Louis	\$233	\$466
<b>South Region</b>	\$224	\$448
Atlanta	\$251	\$502
Baltimore	\$262	\$524
Dallas-Ft. Worth	\$277	\$554

	<b>One Car</b>	<b>Two Cars</b>
Houston	\$309	\$618
Miami	\$379	\$758
Tampa	\$238	\$476
Washington, D.C.	\$247	\$494
<b>West Region</b>	\$242	\$484
Anchorage	\$203	\$406
Denver	\$267	\$534
Honolulu	\$210	\$420
Los Angeles	\$313	\$626
Phoenix	\$246	\$492
San Diego	\$280	\$560
San Francisco	\$267	\$534
Seattle	\$242	\$484

## For Use with 2021 Allowable Transportation Table

The data for the Operating Costs section of the Transportation Standards are provided by Census Region and Metropolitan Statistical Area (MSA). The following table lists the states that comprise each Census Region. Once the taxpayer's Census Region has been ascertained, to determine if an MSA standard is applicable, use the definitions below to see if the taxpayer lives within an MSA (MSAs are defined by county and city, where applicable). If the taxpayer does not reside in an MSA, use the regional standard.

### MSA Definitions by Census Region

**Northeast Census Region:** Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, Pennsylvania, New York, New Jersey

<b>MSA</b>	<b>Counties</b>
<b>Boston</b>	<i>in MA:</i> Essex, Middlesex, Norfolk, Plymouth, Suffolk
	<i>in NH:</i> Rockingham, Strafford
<b>New York</b>	<i>in NY:</i> Bronx, Dutchess, Kings, Nassau, New York, Orange, Putnam, Queens, Richmond, Rockland, Suffolk, Westchester
	<i>in NJ:</i> Bergen, Essex, Hudson, Hunterdon, Middlesex, Monmouth, Morris, Ocean, Passaic, Somerset, Sussex, Union
	<i>in PA:</i> Pike
<b>Philadelphia</b>	<i>in PA:</i> Bucks, Chester, Delaware, Montgomery, Philadelphia
	<i>in NJ:</i> Burlington, Camden, Gloucester, Salem

	<i>in DE: New Castle</i>
	<i>in MD: Cecil</i>

**Midwest Census Region:** North Dakota, South Dakota, Nebraska, Kansas, Missouri, Illinois, Indiana, Ohio, Michigan, Wisconsin, Minnesota, Iowa

<b>MSA</b>	<b>Counties (unless otherwise specified)</b>
<b>Chicago</b>	<i>in IL: Cook, DeKalb, DuPage, Grundy, Kane, Kendall, Lake, McHenry, Will</i>
	<i>in IN: Jasper, Lake, Newton, Porter</i>
	<i>in WI: Kenosha</i>
<b>Cleveland</b>	<i>in OH: Ashtabula, Cuyahoga, Geauga, Lake, Lorain, Medina, Portage, Summit</i>
<b>Detroit</b>	<i>in MI: Lapeer, Livingston, Macomb, Oakland, St. Clair, Wayne</i>
<b>Minneapolis-St. Paul</b>	<i>in MN: Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Le Sueur, Mille Lacs, Ramsey, Scott, Sherburne, Sibley, Washington, Wright</i>
	<i>in WI: Pierce, St. Croix</i>

<b>St. Louis</b>	<i>in MO:</i> Franklin, Jefferson, Lincoln, St. Charles, St. Louis county, Warren, St. Louis city
	<i>in IL:</i> Bond, Calhoun, Clinton, Jersey, Macoupin, Madison, Monroe, St. Clair

**South Census Region:** Texas, Oklahoma, Arkansas, Louisiana, Mississippi, Tennessee, Kentucky, West Virginia, Virginia, Maryland, District of Columbia, Delaware, North Carolina, South Carolina, Georgia, Florida, Alabama

<b>MSA</b>	<b>Counties (unless otherwise specified)</b>
<b>Atlanta</b>	<i>in GA:</i> Barrow, Bartow, Butts, Carroll, Cherokee, Clayton, Cobb, Coweta, Dawson, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Haralson, Heard, Henry, Jasper, Lamar, Meriwether, Morgan, Newton, Paulding, Pickens, Pike, Rockdale, Spalding, Walton
<b>Baltimore</b>	<i>in MD:</i> Anne Arundel, Baltimore county, Carroll, Harford, Howard, Queen Anne's, Baltimore city
<b>Dallas-Ft. Worth</b>	<i>in TX:</i> Collin, Dallas, Denton, Ellis, Hood, Hunt, Johnson, Kaufman, Parker, Rockwall, Somervell, Tarrant, Wise
<b>Houston</b>	<i>in TX:</i> Austin, Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, Waller
<b>Miami</b>	<i>in FL:</i> Broward, Miami-Dade, Palm Beach

<b>Tampa</b>	<i>in FL:</i> Hernando, Hillsborough, Pasco, Pinellas
<b>Washington, D.C.</b>	<i>in DC:</i> District of Columbia
	<i>in MD:</i> Calvert, Charles, Frederick, Montgomery, Prince George
	<i>in VA:</i> Arlington, Clarke, Culpeper, Fairfax county, Fauquier, Loudoun, Prince William, Rappahannock, Spotsylvania, Stafford, Warren, Alexandria city, Fairfax city, Falls Church city, Fredericksburg city, Manassas city, Manassas Park city
	<i>in WV:</i> Jefferson

**West Census Region:** New Mexico, Arizona, Colorado, Wyoming, Montana, Nevada, Utah, Washington, Oregon, Idaho, California, Alaska, Hawaii

<b>MSA</b>	<b>Counties (unless otherwise specified)</b>
<b>Anchorage</b>	<i>in AK:</i> Anchorage, Matanuska-Susitna
<b>Denver</b>	<i>in CO:</i> Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson, Park
<b>Honolulu</b>	<i>in HI:</i> Honolulu

<b>Los Angeles</b>	<i>in CA:</i> Los Angeles, Orange, Riverside, San Bernardino
<b>Phoenix</b>	<i>in AZ:</i> Maricopa, Pinal
<b>San Diego</b>	<i>in CA:</i> San Diego
<b>San Francisco</b>	<i>in CA:</i> Alameda, Contra Costa, Marin, San Francisco, San Mateo
<b>Seattle</b>	<i>in WA:</i> King, Pierce, Snohomish

For the 2017 version ALE, Boston and Cleveland used their regional “car operating expense allowance” because the BLS did not publish the needed CES raw data for those two MSAs.

For the 2018 version ALE, BLS made numerous changes to their CES MSA definitions including renewing publication of CES data for the Boston MSA (as redefined) but not the Cleveland MSA.

For the 2019-2021 ALE updates, BLS used the same MSA definitions for their CES data as they had used for the prior year’s CES data. No MSA definition updates are necessary for these years’ ALE.

# LIFESTYLE ANALYSIS

Review historical financial records (check registers, bank statements, credit card statements, etc) and complete the following:

AMOUNT		
Monthly		Annually

## SOURCES - RECEIPTS - INCOME

### EMPLOYMENT INCOME

Gross Salaries/Wages/Bonuses		
FICA/Medicare	(            )	(            )
<b>NET EMPLOYMENT INCOME BEFORE INCOME TAX AND OTHER DEDUCTIONS</b>		

### OTHER INCOME

Self employment income		
Child support received		
Alimony (from previous marriage)		
Interest/Dividends		
Capital gains		
Rental		
Partnership income		
Social Security/disability benefits		
Pension distributions		
Trust distributions		
IRA required minimum distributions		
Gifts		
Other - describe		
_____		
_____		
<b>TOTAL OTHER INCOME</b>		
_____		
<b>TOTAL INCOME</b>		

## NEEDS - PAYMENTS - EXPENSES

### HOUSING:

Mortgage/rent payment		
Interest		
Principal		
Real estate tax		
Homeowner's/renter's insurance		
Homeowner association assessments		
Other - describe		
_____		
<b>TOTAL HOUSING</b>		

Review historical financial records (check registers, bank statements, credit card statements, etc) and complete the following:

AMOUNT	
Monthly	Annually

**UTILITIES:**

Electricity	_____	_____
Natural gas	_____	_____
Water & sewer	_____	_____
Trash collection	_____	_____
Telephone Expense	_____	_____
Cellular	_____	_____
Cable TV	_____	_____
Internet service	_____	_____
Other - describe	_____	_____
<b>TOTAL UTILITIES</b>	=====	=====

**HOUSEHOLD MAINTENANCE:**

Repairs & maintenance	_____	_____
Lawn care/landscape/indoor plants	_____	_____
Domestic/maid service	_____	_____
Furniture and furnishings	_____	_____
Appliances/appliance repair/tools	_____	_____
Plumbing/electrical	_____	_____
Security alarm	_____	_____
Pest control	_____	_____
Air Cond/Furnace seasonal hookup	_____	_____
Pool expense	_____	_____
Household Supplies	_____	_____
Other - describe	_____	_____
<b>TOTAL HOUSEHOLD MAINTENANCE</b>	=====	=====

**FOOD:**

Groceries	_____	_____
Meals out	_____	_____
School Lunches	_____	_____
Other - describe	_____	_____
<b>TOTAL FOOD</b>	=====	=====

**CLOTHING**

Yours	_____	_____
Children	_____	_____
Other - describe	_____	_____
<b>TOTAL CLOTHING</b>	=====	=====

Review historical financial records (check registers, bank statements, credit card statements, etc) and complete the following:

AMOUNT		
Monthly		Annually

**MEDICAL:**

Medical/dental insurance	_____	_____
COBRA premium for non-employee spouse	_____	_____
Medicare	_____	_____
Medigap	_____	_____
Insurance deductible/uncovered expenses	_____	_____
Physicians and hospitals	_____	_____
Counseling/therapy	_____	_____
Dentist/Orthodontist	_____	_____
Prescription medication	_____	_____
NonRX medication / other supplies	_____	_____
Vision care/eye doctors	_____	_____
Eyeglasses/contact lenses	_____	_____
Other - describe	_____	_____
<b>TOTAL MEDICAL</b>	=====	=====

**TRANSPORTATION:**

Loan/lease payment	_____	_____
Gasoline & oil	_____	_____
Repairs & maintenance	_____	_____
Insurance	_____	_____
Parking	_____	_____
AAA membership	_____	_____
Registration	_____	_____
Car wash	_____	_____
Commuting/public transportation	_____	_____
Other - describe	_____	_____
<b>TOTAL TRANSPORTATION</b>	=====	=====

**INSURANCE**

Life insurance	_____	_____
Umbrella insurance	_____	_____
Disability insurance	_____	_____
Other - describe	_____	_____
<b>TOTAL INSURANCE</b>	=====	=====

Review historical financial records (check registers, bank statements, credit card statements, etc) and complete the following:

AMOUNT	
Monthly	Annually

**PERSONAL ITEMS:**

Hair/beauty services	_____	_____
Health spa/ exercise class	_____	_____
Dry cleaning	_____	_____
Personal grooming supplies	_____	_____

<b>TOTAL PERSONAL ITEMS</b>	_____	_____
	=====	=====

**CHARITABLE CONTRIBUTIONS**

_____	_____
=====	=====

**ENTERTAINMENT:**

Newspapers/magazines	_____	_____
Movies/videos	_____	_____
Sports events/equipment	_____	_____
Entertainment	_____	_____
Season tickets	_____	_____

<b>TOTAL ENTERTAINMENT</b>	_____	_____
	=====	=====

**MISCELLANEOUS**

Hobbies	_____	_____
Dues	_____	_____
Vacation/travel	_____	_____
Film, music	_____	_____
Gifts	_____	_____
Flowers	_____	_____
Postage/cards/stationary	_____	_____
Pet expenses	_____	_____
Miscellaneous	_____	_____

<b>TOTAL MISCELLANEOUS</b>	_____	_____
	=====	=====

**EDUCATIONAL COSTS (DEPENDENTS OR SELF)**

Room and meals	_____	_____
Tuition/Fees	_____	_____
Books and supplies	_____	_____
Private lessons	_____	_____
Other - describe	_____	_____

<b>TOTAL EDUCATIONAL COSTS</b>	_____	_____
	=====	=====

Review historical financial records (check registers, bank statements, credit card statements, etc) and complete the following:

AMOUNT		
Monthly		Annually

**CHILDREN/DEPENDENT COSTS**

Childcare	_____	_____
Allowances	_____	_____
Activities	_____	_____
Care of parents/other relatives	_____	_____
Other - describe	_____	_____

<b>TOTAL CHILDREN/DEPENDENT COSTS</b>	=====	=====
---------------------------------------	-------	-------

**CREDIT CARDS/CHARGE ACCOUNTS**

_____	_____	_____
_____	_____	_____

<b>TOTAL PAYMENTS CREDIT CARDS</b>	=====	=====
------------------------------------	-------	-------

**OTHER LOANS/DEBT (LIST)**

_____	_____	_____
_____	_____	_____

<b>TOTAL PAYMENTS OTHER DEBT</b>	=====	=====
----------------------------------	-------	-------

**OTHER TAXES**

Back taxes	_____	_____
Describe - Other	_____	_____

<b>TOTAL OTHER TAXES</b>	=====	=====
--------------------------	-------	-------

**INVESTMENT AND OTHER EXPENSE (LIST)**

_____	_____	_____
-------	-------	-------

<b>TOTAL INVESTMENT EXPENSE</b>	=====	=====
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<b>TOTAL EXPENSES</b>	=====	=====
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# Information to Document When Imputing a Potential Income

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## 2017 MCSF 2.01(G)

Evaluate the following to determine a parent's ability and likelihood of earning. In order to adequately document the court's decision, the following information should be made a part of the record.

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MCSF Relevant Factors	Model Questions
(a) Employment experience/history, incl. reasons for any termination or changes in employment.	<p><b>Has the individual ever had a job?</b></p> <ul style="list-style-type: none"><li>• <u>If not</u>, have the person explain why they have not previously worked.</li><li>• <u>If yes</u>, starting with the most recent, have the person list employers and positions that they have held.<ul style="list-style-type: none"><li>○ For prior employers, what caused the person to change employment?</li></ul></li></ul> <p><b>In what vocations or industries has the individual worked?</b></p> <p><i>Explain how the individual's employment history positively or negatively affects his/her ability to work in the immediate future</i></p>
(b) Educational level and any special skills or training	<p><b>Is person able to read and write?</b></p> <p><b>What is the highest education level that the individual attained?</b></p> <ul style="list-style-type: none"><li><input type="checkbox"/> Attend high school <input type="checkbox"/> graduated, <input type="checkbox"/>GED</li><li><input type="checkbox"/> Attend vocational training / certificate program / apprenticeship [list area of study and when] <input type="checkbox"/> completed</li><li><input type="checkbox"/> Attend College or graduate school? [area of study and when] ] <input type="checkbox"/> completed</li></ul> <p><b>What certifications/licenses/etc. does the individual have?</b></p> <p><b>What additional licenses/certifications/training does the person need to work in vocation/occupation?</b></p> <p><b>If previously employed, what did person do? Did person receive on the job traing or training courses?</b></p> <p><b>Does the person have limited English proficiency?</b></p>

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# Information to Document When Imputing a Potential Income

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## MCSF Relevant Factors

## Model Questions

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**Is the individual proficiently multi-lingual?**

*Explain how the individual's training and education positively or negatively affects his/her ability to work in the immediate future.*

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(c) Physical and mental disabilities that may affect a parent's ability to work, or to obtain or maintain gainful employment.

**What physical restrictions or conditions affect the individual's ability to work or obtain/maintain a job?**

**What cognitive, emotional, or mental conditions affect the individual's ability to work or obtain/maintain a job?**

**If physical, mental, or other condition exists, does the person receive or applied for any disability-based income (e.g., lawsuit proceeds, worker's comp, insurance, disability, Soc. Sec, SSI, etc.)?**

**Specifically which doctors, counselors, and therapists does the individual see for their conditions? How often?**

**Do any conditions currently require prescribed medications? Do the meds the person takes have any side-effects that affect the ability to drive, operate machinery, work, sit, stand, etc.?**

*Explain how the individual's physical and mental health affects his/her ability to work or obtain employment in the immediate future.*

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(d) Availability for work (exclude periods when a parent could not work or seek work, e.g., hospitalization, incarceration, debilitating illness, etc.).

**What circumstances or conditions presently limit when the individual is available to work?**

**[Transportation restrictions, pending criminal charges, parole/probation restrictions, caregiver responsibility (children, parent, etc.).]**

*Explain how the individual's circumstances or conditions affect his/her availability to work in the immediate future. If applicable, also explain what parent is reasonable for parent to do to improve availability.*

---

# Information to Document When Imputing a Potential Income

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MCSF Relevant Factors	Model Questions
<p>(e) Availability of opportunities to work in the local geographical area.            [Note: “area” considered based on parent’s location and reasonable distance to travel (given individual’s ability and for income earned); area is not based on court’s location]</p>	<p><b>What local sources does the parent use to identify places to work?</b></p> <p><b>What specifically has the parent done to actually look for local employment?</b></p> <p><b>Compare parent’s attempts to find work to information about jobs available in parent’s vocations and area. [Note distance that the parent travel for other activities and services]</b></p> <p><b>If parent’s location limits employment opportunities in the parent’s vocation, does the parent have options to find and accept employment elsewhere?</b></p> <p><i>Explain how local work opportunities affect the parent’s likelihood or ability to work or obtain employment.</i></p> <p><i>Explain how the parent’s location and ability to change location affect work opportunity.</i></p>
<p>(f) The prevailing wage rates and number of hours of available work in the local geographical area.</p>	<p><b>What are the prevailing wages (rates and hours) available for jobs that the parent is qualified to perform?</b></p> <p><i>(May look at comparable positions, industry information, or government occupational data. Like Bureau of Labor Statistics “Occupational Employment Statistics”).</i></p>
<p>(g) Diligence exercised in seeking appropriate employment.</p>	<p><b>What has the person actually done to seek employment? (how many attempts, regularity, and how recently)</b></p> <p><b>Applied at Michigan Works, local temporary employment agencies?</b></p> <p><b>Has the parent looked for opportunities in different vocations, or other locations?</b></p> <p><b>Has the parent turned down any work, whether in chosen vocation, or other opportunity? Why?</b></p> <p><i>Explain how the individual’s diligence or lack thereof affects his/her ability to work or obtain employment in the immediate future.</i></p>

# Information to Document When Imputing a Potential Income

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## MCSF Relevant Factors

## Model Questions

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(h) Evidence that the parent in question is able to earn the imputed income.

**What work has the parent done in the past?  
Has anything regarding the parent's ability changed since they last worked?**

**What does the parent do while they are not working?**

**Any conditions documented in other factors that enhance or restrict the parent's ability, or likelihood of working?**

*Explain how parent is or is not able to work or find employment in the immediate future.*

---

(i) Personal history, including present marital status, present means of support, criminal record, ability to drive, and access to transportation, etc.

**Document the basic questions of personal history: age; marital status; location, living arrangements, criminal record, etc.**

**List any impacts that those have on the person's likelihood or ability to work or obtain employment.**

**Does the person have a driver's license?  
Access to a vehicle? Access to transportation?**

**What is the person's present means of support, and providing for self? Ask questions about lifestyle.**

*Explain how the individual's personal history thereof affects his/her ability to work or obtain employment in the immediate future.*

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(j) The presence of the parties' children in the parent's home and its impact on that parent's earnings.

**Document the ages of the children, and the needs and times parental care is necessary (pregnancy, breast-fed infant, young children, school age children).**

**Review the health needs of the children that could impact employment or ability to maintain employment (special needs, major illness, etc. ).**

*Explain how the parties' children affect the individual's ability to work.*

*Compare amounts that the parent would earn to the estimated cost of child care, of the other parent would not provide care.*

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# Information to Document When Imputing a Potential Income

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## MCSF Relevant Factors

## Model Questions

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(k) Whether there has been a significant reduction in income compared to the period that preceded the filing of the initial complaint or the motion for modification.

**When possible, utilize income tax returns and at least 8 pay stubs showing both pre- and post-petition income. If any decrease in income, inquire about reason for the decrease.**

*If it appears that the parent reduced income, was it done to avoid child support, explain that determination and reasoning.*

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**Based on the above information, the court should specifically find that the parent is: [\[2017 MCSF 2.01\(G\)\]](#)**

- is voluntarily unemployed.
- is voluntarily underemployed.
- has unexercised ability to earn.

[Explain the facts and reasoning for determining that the above is true]

**Based on the information determined using the MCSF factors, does this individual have an actual ability and a reasonable likelihood to earn additional income?**

- If not, record that fact and explain why.
- If so, record that fact, and use the following steps to record how the amount imputed was determined.

**Step 1: Make sure that amount of potential income meets all of the following:**

- does not exceed the level it would have been if there was no reduction in income,
- is not based on more than a 40 hour work week,
- does not include potential overtime or shift premiums, and does not to replace overtime or a second job for an individual who is employed 35 hrs or more per week

**Step 2: State the amount and explain how you figured the gross imputed income (incl. what was the source of underlying information). Also state the amounts deducted, and explain how you determined any additional costs associated with earning the potential income (e.g., how taxes on imputed income were figured, explain adjustment for child care, etc.).**