

Evaluate Support on a Single Computer Screen

Once case facts have been entered, a SINGLE ANALYSIS SCREEN is used to evaluate different alimony and child support alternatives. Change alimony and child support amounts and see after-tax cash impact on the settlement. Switch children under 17 at the top to see tax savings from dependency exemption and under age 17 child tax credit at the bottom. Once you have a case you want, store it in the Summary Report on Support. Change support amounts to structure a settlement that makes tax sense and gets the client to the share of AFTER-TAX CASH to meet living expenses which YOU WANT.

ALL KEY VARIABLES FOR SUPPORT DECISION ARE SHOWN ON THIS SCREEN

To get to this screen, choose: Support Analysis menu, Split Screen Summary Analysis.

Change Data at Top	John	Mary			
Filing Status	Single	Hd Hsld	% Inc > 30,000	0%	
No. of Children 17 and Over	0	0	Automatic Spt =	YES	Top part of screen is Input area
No. of Children Under Age 17	2	0	Child Support	0	
Monthly Budget Amount	2,800	3,600	Alimony	0	
Children Residing (Ch Spt)	0	2	NonTaxable Maint	9,260	
Salary	68,000	26,000	Software calculates OR child support.		
Self-Employment Income	5,000	0			

Recalculate & View Results	2009 Annual Numbers			Monthly Numbers		
	John	Mary	Total	John	Mary	
After-Tax Cash for Living Expenses	41,265	43,200	84,466	3,438	3,601	Bottom part Shows results
% Share	48.9%	51.1%	100%			
Budget Cash	33,600	43,200	76,800	2,800	3,600	
Over/Under Budget	7,665	1	3,800	638	1	
Child Support	(5,436)	5,436	443	Per Month		
Tax Saved Child Dep Exempt	2,177	0	1,758	Payor's Annual Guideline		
Tax Saved Under 17 Child Cr	2,000	0	2,000	Incl Other Items (5,436)		
Child Cr not Allowed	0	0				
Tax Savings from Alimony	0	0	0	Tax Savings – Alimony (If Negative, use Non-Taxable Maintenance) 0		
Alt Min Tax Incl in Fed Tax	0	0	0			
Marg Tax % Incl in State Tax	34.0%	24.0%				
Adjusted Gross Income	73,646	28,000				
Federal Income Tax	7,937	(2,494)	5,443	Max 2009 Alimony		
State Income Tax	5,193	0	5,193	No Recapture 15,000		

This is last case of Support Summary exhibit. You can immediately see the after-tax impact of using more alimony on bottom line cash flow for both parties. Different mixes of alimony and child support can be easily assessed. You instantly see taxes saved from the child dependency exemption and underage 17 child tax credit. You can determine the tax savings from the child dependency exemption and child tax credit if either party claims the children. It's simple to figure out who should "take the kids" and detailed reports are available to show how the numbers on this screen are computed. All the federal tax tables are available on-screen to make this analysis simple.

FinPlan Divorce Planner's single screen analysis lets you quickly determine how to get your clients to the best possible settlement because you KNOW the TAX IMPACT of different options is accurate.