

## 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           | James    | Martha  |                                       |         | <b>Top part of screen is Input area</b> |
|------------------------------|----------|---------|---------------------------------------|---------|---|
| Filing Status                | Mar, Sep | Hd Hsld | Automatic Spt =                       | YES     |   |
| No. of Children 17 and Over  | 0        | 0       | Child Support                         | 43,000  |   |
| No. of Children Under Age 17 | 0        | 2       | Alimony                               | 108,000 |   |
| Children Residing (Ch Spt)   | 0        | 2       | NonTaxable Maint                      | 0       |   |
| Monthly Budget Amount        | 7,000    | 11,000  |                                       |         |   |
| Salary                       | 500,000  | 0       | Software calculates PA child support, |         |   |
| Self-Employment Income       | 0        | 0       | Including Melzer.                     |         |   |

| Recalculate & View Results   | 2011 Annual Numbers |          |         | Monthly Numbers                |        | <b>Bottom part Shows results</b> |
|------------------------------|---------------------|----------|---------|--------------------------------|--------|----------------------------------|
|                              | James               | Martha   | Total   | James                          | Martha |                                  |
| After-Tax Cash for           |                     |          |         |                                |        |                                  |
| Living Expenses              | 211,254             | 141,325  | 352,579 | 17,604                         | 11,776 |                                  |
| % Share                      | 59.9%               | 40.1%    | 100%    |                                |        |                                  |
| Budget Cash                  | 84,000              | 132,000  | 216,000 | 7,000                          | 11,000 |                                  |
| Over/Under Budget            | 127,254             | 9,325    | 136,579 | 10,604                         | 776    |                                  |
| Child Support                | (43,000)            | 43,000   | 3,583   | Per Month                      |        |                                  |
| Spousal Support Annual       | (108,000)           | 108,000  | (9,000) | Per Month                      |        |                                  |
| Tax Saved Child Dep Exempt   | 0                   | 1,850    | 1,850   |                                |        |                                  |
| Tax Saved Under 17 Child Cr  | 0                   | 0        | 0       | <b>Guideline Child Support</b> |        |                                  |
| Child Cr not Allowed         | 0                   | 0        | 0       | <b>Per Year</b>                |        | 33,132                           |
| Tax Savings from Alimony     | 30,240              | (19,368) | 10,872  |                                |        |                                  |
| Alt Min Tax Incl in Fed Tax  | 8,742               | 0        | 8,742   |                                |        |                                  |
| Marg Tax % Incl in State Tax | 37.0%               | 28.1%    |         | <b>Max 2011 Alimony</b>        |        |                                  |
| Adjusted Gross Income        | 402,000             | 118,000  |         | <b>No Recapture</b>            |        | 123,000                          |
| Federal Income Tax           | 115,353             | 19,368   | 134,721 |                                |        |                                  |
| State Income Tax             | 15,657              | 307      | 15,964  |                                |        |                                  |
| Local Tax                    | 5,000               | 0        | 5,000   |                                |        |                                  |

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.