

High income child support in PA

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All states calculate child support using guidelines, meaning that the award involves a set mathematical calculation based upon the combined income of both parents. By adhering to strict guidelines rather than evaluating a list of factors, we can ensure that people in similar situations are consistently treated the same. States generally use one of two guideline models. The most common, also used in Pennsylvania, is called the income shares model.

The income shares model looks at the combined monthly income of the parents, how many children will be under the support order, and what percentage each parent contributes to the total monthly income. Based on the total income of the parents and how many children they have, the guideline provides an amount which constitutes the basic support obligation. Each parent is responsible for contributing the same percent to the basic support obligation as they contribute to the total monthly income. For example, if one parent contributes 75% of the total monthly income, he or she will be responsible for 75% of the amount set forth in the guideline.

Sometimes, however, the parents earn so much money that their income isn't even listed in the guideline. In Pennsylvania, the guideline only reaches \$30,000. So, how do courts calculate child support for high net worth individuals earning more money than guidelines seem to contemplate? Common sense might say that courts should do an extrapolation of the chart, meaning they should simply do the math and see how much support the guideline would provide for, if it kept going past \$30,000. In Pennsylvania, we have a separate support guideline for high income parents that does just that. However, there are a few problems with strictly adhering to the guideline in these high net worth cases.

In fashioning child support for high net worth parents, the guideline provides a formula to calculate the basic support obligation. Like cases involving standard income, the law permits courts to deviate from the guideline in certain cases, such as for substantial or shared custody, or allocation of other expenses, other income in the household, other support obligations that are already in place, and more. Even so, the award may still end up being excessive. Parents who have two children and earn a combined total monthly income of \$30,000 have a basic support obligation of \$3,902. You might already think this is a pretty high number, but imagine if the parents earned a combined income of \$120,000. In this case, if we are strictly adhering to the guideline for high income cases, the basic support obligation would be over \$14,000 per month. Think about it, do you know any kids that spend \$14,000 per month? Is that really a reasonable amount to pay in child support?

A recent Pennsylvania Supreme Court case has helped alleviate some of the confusion in this area. In a case brought before the court, the father's annual income had recently increased from about \$2 million to approximately \$15 million. As such, his child support obligation also increased from almost \$8,000 per month, to \$60,000 per month (yes—you read that correctly.) As you can imagine, the father wasn't too happy about this, and argued that the court's strict

adherence to the Pennsylvania guideline did not produce a reasonable result. The Pennsylvania Supreme Court agreed. Now, in addition to considering the guideline in high income cases, courts should engage in additional scrutiny of the reasonable needs of the particular child(ren).

This additional step of scrutiny could mean several things with regards to child support calculations in high income cases. On one hand, courts may decide that the child does not reasonably need the amount produced by the guideline, thus deviating downward. On the other hand, it gives courts the discretion to consider the lavish lifestyle that the child is accustomed to, and if the child's reasonable needs therefore preclude a downward deviation from the guideline. If the child is used to expensive vacations, lavish dinners, and the like, is it fair that the child must drastically change the way he or she has grown accustomed to living, simply because the custodial parent can no longer afford it and the wealthier parent doesn't want to foot the bill alone? Either way, one thing is for certain. Unlike in cases of standard income, where adherence to the guideline ensures the like treatment of those similarly situated, additional scrutiny regarding the reasonable needs of children in high income support cases gives the courts discretion to treat wealthy families differently, despite similar circumstances. (Blog by: Kim Seskin)