

**441—99.1(234,252B,252H) Income considered.** Child support services will consider all regularly recurring income of both legal parents to determine the amount of the support award in accordance with the child support guidelines prescribed by the Iowa Supreme Court. Spousal support will be considered as specified in the Iowa Supreme Court guidelines and prior obligation spousal support actually paid or received will be calculated in the same manner as the deductions for support in subrule 99.2(1). These rules on child support guidelines will not apply if child support services is determining the support amount by a cost-of-living alteration as provided in Iowa Code chapter 252H, subchapter IV.

**99.1(1) Exempt income.** The following income of the parent is exempt in the establishment or modification of support:

- a. Income received by the parent under the family investment program (FIP).
- b. Income or other benefits derived from public assistance programs funded by a federal, state, or local governmental agency or entity that are listed in 441—41.27(239B) as exempt from consideration in determining eligibility under FIP.
- c. Income such as child support, social security dependent benefits received by a parent for a child because of the other parent's disability, and veteran's dependent benefits received by a parent on behalf of a child.
- d. Stepparent's income.
- e. Income of a guardian who is not the child's parent.
- f. Income of the child's siblings.
- g. Earned income tax credit.

**99.1(2) Determining income.** Any of the following may be used in determining a parent's income for establishing or modifying a support obligation:

- a. Income reported by the parent in a financial statement.
- b. Income established by any of the following:
  - (1) Income verified by an employer or other source of income.
  - (2) Income reported to the department of workforce development.
  - (3) For a public assistance recipient, income reported to the department of health and human services caseworker assigned to the public assistance case.
  - (4) Other written documentation that identifies income.
- c. Income as determined through occupational wage rate information published by the Iowa workforce development department or other state or federal agencies.
- d. The median income for parents on the child support services caseload, calculated annually.
- e. Social security dependent benefits. Social security dependent benefits paid for a child because of a parent's disability will be included in the disabled parent's income. Social security dependent benefits paid for a parent due to the other parent's disability will be included in the receiving parent's income.

**99.1(3) Verification of income.** Verification of income and allowable deductions from each parent will be requested.

- a. Verification of income may include but is not limited to the following:
  - (1) Federal and state income tax returns.
  - (2) W-2 statements.
  - (3) Pay stubs.
  - (4) Signed statements from an employer or other source of income.
  - (5) Self-employment bookkeeping records.
  - (6) Award letters confirming entitlement to benefits under a program administered by a government or private agency such as social security, veterans' or unemployment benefits, military or civil service retirement or pension plans, or workers' compensation.
- b. Cases in which the information or verification provided by a parent is questionable or inconsistent with other circumstances of the case may be investigated. If the investigation does not reveal any inconsistencies, the financial statement and other documentation provided by the parent will be used to establish income.
- c. If discrepancies exist in the financial statement provided by the parent and additional income information is not available, child support services may:

(1) Request a hearing before the court if attempting to establish a support order through administrative process.

(2) Conduct discovery if a parent places the matter before the court by answering a petition or requesting a hearing before the court.

(3) When attempting to establish a default order, provide the court with a copy of the parent's financial information and the reasons the information may be questionable.

*d.* If child support services is unable to obtain verification of a parent's income, the financial statement provided by the parent may be used to establish support.

**99.1(4)** *Use of occupational wage rate information or median income for parents on the child support services caseload.* Child support services will use occupational wage rate information or median income for parents on the child support services caseload to determine a parent's income when the parent has failed to return a completed financial statement when requested, and when complete and accurate income information from other readily available sources cannot be secured. If a parent's most recent residential address is in Iowa, child support services will use Iowa workforce development regional data to determine income. If a parent's most recent residential address is in another state, the District of Columbia, or Puerto Rico, child support services will use wage data from the place of the parent's most recent residence to determine income. For all other cases, child support services will use Iowa statewide occupational wage rate or median income for parents on the child support services caseload to determine income.

*a. Occupation known.* When child support services can reasonably ascertain the current or last-known occupation of a parent, child support services will use occupational wage rate information to determine income. Wage rate information will be converted to a monthly amount in accordance with subrule 99.3(1).

*b. Occupation unknown.* When child support services cannot reasonably ascertain the current or last-known occupation of a parent, child support services will determine the income of a parent using the median income amount for parents on the child support services caseload, based upon the parent's most recent residential address.

**99.1(5)** *Self-employment income.* A self-employed parent's adjusted gross income, rather than the net taxable income, will be used in determining net income. The adjusted gross income will be computed by deducting business expenses involving actual cash expenditures that affect the actual dollar income of the parent.

*a.* A person is self-employed when the person:

(1) Is not required to report to the office regularly except for specific purposes such as sales training meetings, administrative meetings, or evaluation sessions.

(2) Establishes the person's own working hours, territory, and methods of work.

(3) Files quarterly reports of earnings, withholding payments, and FICA payments to the Internal Revenue Service (IRS).

*b.* In calculating net income from self-employment, child support services will deduct only those items allowed by the child support guidelines. Amounts from a prior period claimed as net losses will not be allowed as deductions.

*c.* Net profits from self-employment may be determined through a review of self-employment bookkeeping records, sales and expenditure records, quarterly reports filed with the IRS, previous year's federal or state income tax returns, or other documentation. The parent must provide records of bookkeeping, sales, and expenditures for the most recent 12-month period or, if the self-employment is less than 12 months old, for the period since the self-employment began.

**99.1(6)** *Fluctuating income.* A person has a fluctuating income when the calculated gross income or the adjusted gross income, as defined in subrule 99.1(5), for the current year varies from the gross or adjusted gross income of the previous year by more than 20 percent.

*a.* If requested, child support services will average the income of a person whose income fluctuated because the nature of the person's occupation is of a type that normally experiences fluctuations in income.

*b.* In determining a person's average income, the following procedures will be used:

(1) For non-self-employed persons, child support services will estimate the gross income for the current year and add the amount to the gross income from relevant years that would accurately depict

fluctuations in the person's income. Child support services will divide this sum by the number of years added, prior and current, to arrive at an average gross annual income. Child support services will divide the average gross annual income by 12 to arrive at the person's average gross monthly income.

(2) For income from self-employment, child support services will compute the adjusted gross annual income as defined in subrule 99.1(5) for the relevant years that would accurately depict fluctuations in the person's income. Child support services will use the adjusted gross annual income to compute the average adjusted gross monthly income in the same manner as the computation of average gross monthly income for a non-self-employed person.

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