
By: **Delegate Dumais**

Introduced and read first time: February 2, 2006

Assigned to: Judiciary

A BILL ENTITLED

1 AN ACT concerning

2 **Family Law - Child Support - Health Insurance**

3 FOR the purpose of requiring that, in determining the child support obligation for a
4 child, any actual cost of providing health insurance coverage for a child for
5 whom the parents are jointly and severally responsible be added to the basic
6 child support obligation and divided by the parents in proportion to their
7 adjusted actual incomes; altering a certain definition; and generally relating to
8 child support.

9 BY repealing and reenacting, without amendments,
10 Article - Family Law
11 Section 12-201(a), (b), (d), (e), and (f) and 12-204(a) and (g)
12 Annotated Code of Maryland
13 (2004 Replacement Volume and 2005 Supplement)

14 BY repealing and reenacting, with amendments,
15 Article - Family Law
16 Section 12-201(c) and 12-204(h)
17 Annotated Code of Maryland
18 (2004 Replacement Volume and 2005 Supplement)

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
20 MARYLAND, That the Laws of Maryland read as follows:

21 **Article - Family Law**

22 12-201.

23 (a) In this subtitle the following words have the meanings indicated.

24 (b) (1) "Actual income" means income from any source.

25 (2) For income from self-employment, rent, royalties, proprietorship of a
26 business, or joint ownership of a partnership or closely held corporation, "actual

1 income" means gross receipts minus ordinary and necessary expenses required to
2 produce income.

3 (3) "Actual income" includes:

4 (i) salaries;

5 (ii) wages;

6 (iii) commissions;

7 (iv) bonuses;

8 (v) dividend income;

9 (vi) pension income;

10 (vii) interest income;

11 (viii) trust income;

12 (ix) annuity income;

13 (x) Social Security benefits;

14 (xi) workers' compensation benefits;

15 (xii) unemployment insurance benefits;

16 (xiii) disability insurance benefits;

17 (xiv) for the obligor, any third party payment paid to or for a minor
18 child as a result of the obligor's disability, retirement, or other compensable claim;

19 (xv) alimony or maintenance received; and

20 (xvi) expense reimbursements or in-kind payments received by a
21 parent in the course of employment, self-employment, or operation of a business to
22 the extent the reimbursements or payments reduce the parent's personal living
23 expenses.

24 (4) Based on the circumstances of the case, the court may consider the
25 following items as actual income:

26 (i) severance pay;

27 (ii) capital gains;

28 (iii) gifts; or

29 (iv) prizes.

1 (5) "Actual income" does not include benefits received from
2 means-tested public assistance programs, including temporary cash assistance,
3 Supplemental Security Income, food stamps, and transitional emergency, medical,
4 and housing assistance.

5 (c) "Adjusted actual income" means actual income minus:

6 (1) preexisting reasonable child support obligations actually paid; AND

7 (2) except as provided in § 12-204(a)(2) of this subtitle, alimony or
8 maintenance obligations actually paid[; and

9 (3) the actual cost of providing health insurance coverage for a child for
10 whom the parents are jointly and severally responsible].

11 (d) "Adjusted basic child support obligation" means an adjustment of the basic
12 child support obligation for shared physical custody.

13 (e) "Basic child support obligation" means the base amount due for child
14 support based on the combined adjusted actual incomes of both parents.

15 (f) "Combined adjusted actual income" means the combined monthly adjusted
16 actual incomes of both parents.

17 12-204.

18 (a) (1) The basic child support obligation shall be determined in accordance
19 with the schedule of basic child support obligations in subsection (e) of this section.
20 The basic child support obligation shall be divided between the parents in proportion
21 to their adjusted actual incomes.

22 (2) (i) If one or both parents have made a request for alimony or
23 maintenance in the proceeding in which a child support award is sought, the court
24 shall decide the issue and amount of alimony or maintenance before determining the
25 child support obligation under these guidelines.

26 (ii) If the court awards alimony or maintenance, the amount of
27 alimony or maintenance awarded shall be considered actual income for the recipient
28 of the alimony or maintenance and shall be subtracted from the income of the payor
29 of the alimony or maintenance under § 12-201(c)(2) of this subtitle before the court
30 determines the amount of a child support award.

31 (g) (1) Subject to paragraphs (2) and (3) of this subsection, actual child care
32 expenses incurred on behalf of a child due to employment or job search of either
33 parent shall be added to the basic obligation and shall be divided between the parents
34 in proportion to their adjusted actual incomes.

35 (2) Child care expenses shall be:

1 (i) determined by actual family experience, unless the court
2 determines that the actual family experience is not in the best interest of the child; or

3 (ii) if there is no actual family experience or if the court determines
4 that actual family experience is not in the best interest of the child:

5 1. the level required to provide quality care from a licensed
6 source; or

7 2. if the custodial parent chooses quality child care with an
8 actual cost of an amount less than the level required to provide quality care from a
9 licensed source, the actual cost of the child care expense.

10 (3) Additional child care expenses may be considered if a child has
11 special needs.

12 (h) (1) ANY ACTUAL COST OF PROVIDING HEALTH INSURANCE COVERAGE
13 FOR A CHILD FOR WHOM THE PARENTS ARE JOINTLY AND SEVERALLY RESPONSIBLE
14 SHALL BE ADDED TO THE BASIC CHILD SUPPORT OBLIGATION AND SHALL BE
15 DIVIDED BY THE PARENTS IN PROPORTION TO THEIR ADJUSTED ACTUAL INCOMES.

16 (2) Any extraordinary medical expenses incurred on behalf of a child
17 shall be added to the basic child support obligation and shall be divided between the
18 parents in proportion to their adjusted actual incomes.

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
20 October 1, 2006.