

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE

House Bill 648
Judiciary

(Delegate Dumais)

Family Law - Child Support - Health Insurance

This bill expands what comprises the basic child support obligation by providing that any actual cost of providing health insurance coverage for a child for whom the parents are jointly and severally responsible must be added to the basic child support obligation and divided by the parents in proportion to their adjusted actual incomes.

The bill conforms the definition of “adjusted actual income” under the child support guidelines by excluding the actual cost of providing health insurance for a child for whom the parents are jointly and severally responsible from the definition of adjusted actual income.

Fiscal Summary

State Effect: The bill’s requirements could be met with existing resources.

Local Effect: The bill’s requirements could be met with existing resources.

Small Business Effect: None.

Analysis

Current Law: “Actual income” generally means income from any source and includes the types of compensation specified in statute. A court is also authorized to consider severance pay, capital gains, gifts, or prizes as actual income, depending on the circumstances of the case. “Actual income” does not include benefits received from

means-tested public assistance programs. “Adjusted actual income” means actual income minus obligations as specified:

- preexisting reasonable child support obligations actually paid;
- except as otherwise provided, alimony and maintenance obligations actually paid; and
- the actual cost of providing health insurance coverage to a child for whom the parents are jointly and severally responsible.

The basic child support obligation must be determined in accordance with the schedule of basic child support obligations as specified in statute and divided between the parents in proportion to their adjusted actual incomes. Child care expenses must be determined by actual family experience, unless the court determines that this is not in the best interest of the child. If there is no family experience, or if the court determines that using actual family experience is not in the best interest of the child, then the court must determine, from a licensed source, the level of expenditures required to provide quality care.

If the child has special needs, additional child care expenses may be considered. Any extraordinary medical expenses incurred on behalf of a child must be added to the basic child support obligation and must be divided between the parents in proportion to their adjusted actual incomes.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Human Resources, Judiciary (Administrative Office of the Courts), Department of Legislative Services

Fiscal Note History: First Reader - February 21, 2006
mam/jr

Analysis by: Karen D. Morgan

Direct Inquiries to:
(410) 946-5510
(301) 970-5510