

Periodic bonus income calculations

In situations where a payor receives periodic bonuses, the court or the parties should select a method for the inclusion and payment of additional child support from the gross bonus. Below are two optional methods the court or the parties may use. The court or the parties may choose either of these options or a different method, which language should be included in the order.

Option A Bonus averaging method. Under the bonus averaging method, the gross amount of the bonus must be reported when received and proof of the bonus provided to the noncustodial parent within ten days of receipt of the bonus. The gross amount of the bonus is divided by twelve and added to the recipient's regular monthly income. That combined amount shall be inserted on line D-3 for the payor's income for purposes of calculating the child support. That revised child support amount will then be paid to the KPC. After a change in bonus amount, either parent may request a child support modification.

Option B Percentage of Bonus method. Under the percentage of bonus method, the percentage that the Line N child support amount bears to the recipients Line C.1 income is determined, without including the bonus. The formula then multiplies the percentage with the gross amount of the bonus to determine the amount the payor is to pay from the gross bonus as additional child support.

Upon written agreement of the parties or a good cause finding by the court, within ten days of receipt, the payor shall disclose to the noncustodial parent, the gross amount of the bonus, to include documentary verification of the gross amount of the bonus. Within ten days of receipt of the bonus, the payor must pay the calculated share of the bonus directly to the payee pursuant to K.S.A. 23-3004. The payor is responsible for maintaining proof of payment of the percentage of bonus amount. The payment of the percentage of bonus amount is considered additional current child support. Failure to disclose or pay the percentage of bonus may result in sanctions.

CALCULATION OF PERCENTAGE OF BONUS FORMULA

Line F 6.b child support amount of parent receiving bonus ÷ Line D-1 monthly gross income of paying parent receiving bonus = percentage of bonus x total amount of bonus to be paid as additional child support.

EXAMPLE

\$750 (Line F 6.b child support amount) ÷ \$6,000 (D-1 monthly gross income) = **12.5%**
percentage of bonus to be paid

\$8,500 bonus is paid to paying parent. **\$8,500 x 12.5% = \$1,063** (amount of percentage of bonus to be paid as additional child support).