

STATE REPRESENTATIVE • 3rd ASSEMBLY DISTRICT

Testimony in Support of Assembly Bill 153/Senate Bill 163 May 7, 2025 Joint Public Hearing

Chairman Snyder, Chairman James, and committee members,

Thank you for hearing testimony on Assembly Bill 153/Senate Bill 163, which takes a commonsense step toward fairness, transparency, and timely accountability in our child support system.

Under current law, only one side in a child support or maintenance arrangement, the person making the payments, is required to notify the other party of a substantial income change within ten days. The recipient, on the other hand, can experience a major increase in income and has no obligation to disclose that until the annual financial exchange, which can be unfair to the person making the payment.

Raising a child is a shared responsibility, and so is the duty to ensure that child support payments reflect each parent's actual financial situation. When only one party is held accountable for timely updates, the system becomes unbalanced, and in some cases, that imbalance means children are caught in the middle of a dispute that could have been avoided with better communication.

This bill brings that accountability to both sides. By requiring both the payer and the payee to report substantial income changes, we reduce the chances of overpayments, underpayments, or drawn-out legal disputes. It also protects good-faith actors on both sides, especially those who may be unaware that certain forms of income are relevant or that changes should be reported outside the annual exchange.

Just as importantly, this bill provides safeguards. It ensures sensitive information can be redacted when safety or privacy concerns exist, and it exempts cases where income data isn't used in child support calculations, maintaining flexibility without sacrificing fairness.

Assembly Bill 153/SB 163 ensures child support obligations are based on accurate, timely information from both parties. That's what kids deserve, and it's what Wisconsin families should expect from our laws.

I respectfully urge you to support this bill, and I am happy to take any questions.

STATE SENATOR

May 7th, 2025

Representative Snyder, Chair Senator Wanggaard, Vice-Chair Representative Penterman, Vice-Chair Members of the Senate Committee on N

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Members of the Senate Committee on Mental Health, Substance Abuse Prevention, Children and Families Members of the Assembly Committee on Children and Families

AMES 23RD DISTRICT

<u>Testimony on 2025 Senate Bill 163/Assembly Bill 153</u> Relating to: income change notifications for child support or maintenance.

Thank you, Chairman Snyder, and members of both Senate and Assembly committees for listening to my testimony today. This bill makes an important and necessary update to Wisconsin's family law by requiring both parties in a child support or maintenance case to notify the other party of a substantial change in income.

Right now, Wisconsin law requires that only the individual who pays child support report any significant income change. This must be done within 10 days. However, the recipient may also experience a substantial shift in income at any time during the year, but is under no obligation to report it until the annual financial exchange. That imbalance creates a system where accurate child support calculations are delayed, and in some cases, one party may unknowingly pay more or less than what is fair.

Senate Bill 163 corrects that imbalance by doing three critical things. Firstly, it ensures parity by requiring both parties to disclose substantial changes in income. This ensures that either party can seek a timely adjustment in support, reflecting accurate financial circumstances as they occur. Secondly, it brings clarity to the definition of income. The Department of Children and Families has already defined gross income by rule. SB 163 confirms that definition, giving certainty to individuals about what may or may not qualify. We have also included protections for privacy and safety. This bill allows for the redactions of sensitive personal information and ensures the confidentiality of disclosed information.

This bill reflects how the real world works. Income can change at any time, and financial support should reflect that. By ensuring both parties share responsibility for transparency, we improve fairness, accuracy, and the credibility of the entire process. Thank you all again for your consideration. I would be happy to answer any questions you might have.

Respectfully,

Senator Jesse James 23rd Senate District <u>Sen.James@legis.wisconsin.gov</u>

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Shared - Placement Cases Worksheet

This worksheet does not include payments for the children's variable costs.

		Parent A	Parent B
Line 1	Enter each parent's monthly income	\$	\$
Line 2	 Enter the percent based on the number of children below: For 1 child, enter 17% For 2 children, enter 25% For 3 children, enter 29% For 4 children, enter 31% For 5 or more children, enter 34% 		X %
Line 3	Multiply Line 1 by Line 2	S	\$
Line 4	The 150% multiplier accounts for each parent's share of the children's basic support costs	X 150%	X 150%
Line 5	Multiply the amount in Line 3 by 150% (1.5) for each parent	\$	\$
Line 6	Enter percent of time the children spends with the other parent	X %	X %
		Parent B's percent of time	Parent A's percent of time
Line 7	Multiply Line 5 by Lines 6 (The parent with the higher dollar amount on this line will be the parent who pays support.)	\$	\$
Line 8	Enter the higher of the two dollar amounts in Line 7	\$	
Line 9	Enter the lower of the two dollar amounts in Line 7	- \$	
Line 10	Subtract Line 9 from Line 8. Line 10 is the estimated amount of support paid by the parent with the higher dollar amount in Line 7. This amount does not include payments for the children's variable costs.	\$	

To:	Assembly Committee on Children and Families	
	Senate Committee on Mental Health, Substance Abuse Prevention, and Children and Families	
From:	Family Law Section Board, State Bar of Wisconsin	
Date:	May 7, 2025	
Re:	Support for AB 153/SB 163 – income change notification	

The State Bar of Wisconsin's Family Law Section Board requests your support of AB 153/SB 163, legislation requiring both parties involved in a child support or maintenance order provide notification when a substantial change of income has occurred. The proposal also codifies what is considered a source of income and ensures proper safeguards of information apply.

To ensure accurate child support or maintenance payments, current law requires parties to exchange financial information on an annual basis. Yet, in real life, income changes significant enough to impact support payments may occur at any time of year. In recognition of that, statute also requires a person paying child support or maintenance to notify the payee and child support agency when a substantial change of income occurs within 10 days of the change.

Current law is somewhat problematic though, because in cases of shared placement, payees may also experience a change of income significant enough to necessitate modification to the order. In other situations, payors may not realize their change in income was substantial enough to warrant a notification or may not believe income from a certain source required notification, as sources of income are not clearly defined in current statute.

To address these common issues, the Family Law Section is proposing two primary changes. The first requires both the payor and payee to provide notification when there is a significant change in income. This would allow either party to seek a change in the amount of child support. Secondly, the proposal provides a clear definition of what the parties shall consider "income" by referencing DCF 150.02(13) which provides a detailed definition of income.

In addition, to reflect changes recently made to the annual financial exchange statute, (Wis. Stat. 767.54), this proposal carries over provisions allowing for certain information to be redacted for privacy or safety purposes to this notification process as well.

Lastly, the proposal outlines that the notification requirement does not apply in specific instances involving child support orders where certain income is not a factor in child support calculations or if the payor is not considered a shared-placement parent.

Providing clear guidance to both parties, as well as ensuring both payors and payees are expected to be transparent with their income, will provide parity between parties and ensure accuracy of child support or maintenance payments in a timely fashion, while also providing safeguards when appropriate. For these reasons, the State Bar's Family Law Section seeks your support of AB 153/SB 163.

For more information, please do not hesitate to contact our Government Relations Lobbyist, Lynne Davis, <u>ldavis@wisbar.org</u> or 608.852.3603.

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The views expressed on this issue have not been approved by the Board of Governors of the State Bar of Wisconsin and are not the views of the State Bar as a whole. These views are those of the Section alone.



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