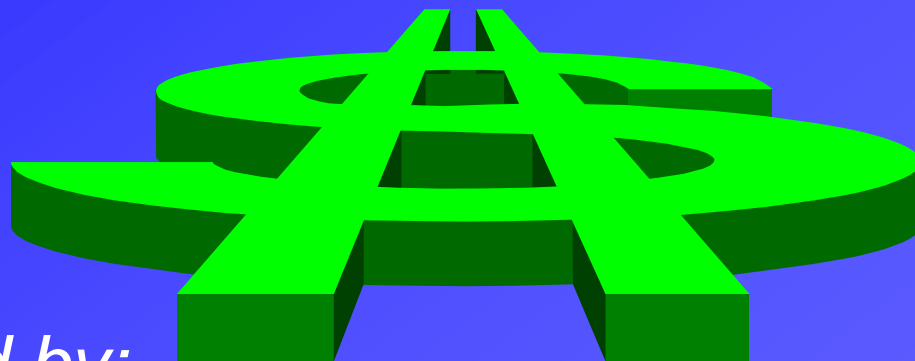


# Marital Standard of Living and Support Needs Analysis



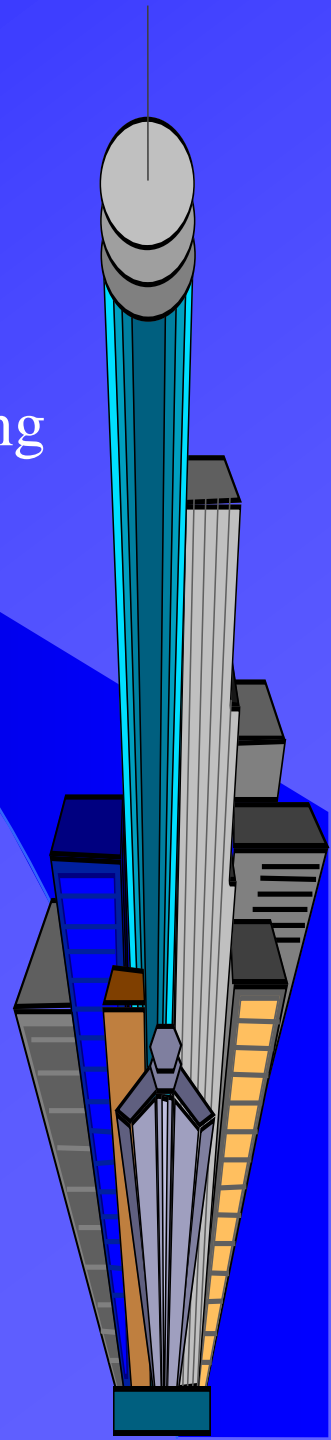
*Presented by:*

- Ron J. Anfuso, CPA, ABV, CFF, CDFIA, FABFA



# Outline

1. Introduction
2. Selected cases
3. Sources of Income for Marital Standard of Living
  - a) Sources Of Cash Flow from Tax Returns  
Analysis of individual income tax returns
4. Marital Standard of Living - Expenses
  - a) Adjustments to expenses
  - b) Normalization adjustments
  - c) Non-recurring items
5. Required Spousal Support to Meet the MSOL
  - a) Use of DissoMaster® program to calculate required spousal support.
6. Bonus Income



# Marital Standard of Living

- After-tax expenses for housing, food, entertainment, clothing, vacations, transportation, etc.
- In re Marriage of Zywieciel (2000) 83 Cal.App.4th 1078, 100 Cal.Rptr.2d 242 held: "The marital standard of living is relevant as a reference point against which the various statutory guidelines are to be weighed [citation], but it is not in and of itself sufficient to sustain an award of permanent support."

ALL OF THE §4320 FACTORS  
MUST BE CONSIDERED

**JOHN AND MARY SMITH**  
**ESTIMATED CASH FLOW**  
**2003 Through 2004**

	<i>Per Income Tax Returns</i>		
	2003	2004	Total
<b>INCOME</b>			
Wages	\$ 171,000	\$ 188,000	\$ 359,000
Interest income	40	20	60
Dividend income	226	-	226
Capital gains (losses)	-	427	427
<b>Total Income</b>	<u>171,266</u>	<u>188,447</u>	<u>359,713</u>
<b>ADJUSTED GROSS INCOME</b>	<u>171,266</u>	<u>188,447</u>	<u>359,713</u>
<b>TAX LIABILITIES</b>			
Federal Tax	28,000	36,000	64,000
State Tax	8,700	11,000	19,700
<b>Total Taxes</b>	<u>36,700</u>	<u>47,000</u>	<u>83,700</u>
Non-taxable income	-	-	-
Net, after-tax income available for living expenses and investment	134,566	141,447	276,013
Living expenses deducted as <u>itemized deductions</u>			
Real Estate Taxes	3,300	3,400	6,700
Other Taxes	710	649	1,359
Mortgage Interest/Points	12,000	12,500	24,500
Contributions	800	900	1,700
Medical and Miscellaneous	9,000	9,000	18,000
<b>Total living expenses deducted as     itemized deductions</b>	<u>25,810</u>	<u>26,449</u>	<u>52,259</u>
<b>Cash Flow Available for Other Living Expenses and Investment</b>	<u>\$ 108,756</u>	<u>\$ 114,998</u>	<u>\$ 223,754</u>
<b>Total Cash Flow</b>			<u>\$ 276,013</u>
<b>Average Monthly</b>			<u>\$ 11,501</u>



# Marital Standard of Living

See Additional Info on  
Presentations Page

MARY SMITH  
REQUIRED MONTHLY SPOUSAL SUPPORT  
TO MEET MARITAL STANDARD OF LIVING

<b>Required Spousal Support</b>	<b>\$ 1,873</b>
Guideline Child Support	2,747
Salary/Earning Capacity	<u>3,000</u>
Total Income	7,620
Income taxes	<u>490</u>
Net Spendable Income/MSOL	<u><u>\$ 7,130</u></u>



# BONUS INCOME

- In re Marriage of Ostler & Smith (1990) 223 Cal.App.3d 33, 272 Cal.Rptr. - Payor of support may be ordered to pay percentage of future bonus as additional child support.
- In re Marriage of Hall (2000) 81 Cal.App.4th 313, 96 Cal.Rptr.2d 772 – Cannot use a percentage of bonus in cases where both parties have fluctuating incomes.