

A Quick Tutorial For the *Lawyer* Tab of Family Law Software

This tutorial will lead you through the *Lawyer* tab of Family Law Software. (For mediators, this tab will appear as the *Mediator* tab. Nothing else is different. We will use the word "Lawyer tab" throughout this tutorial for simplicity.)

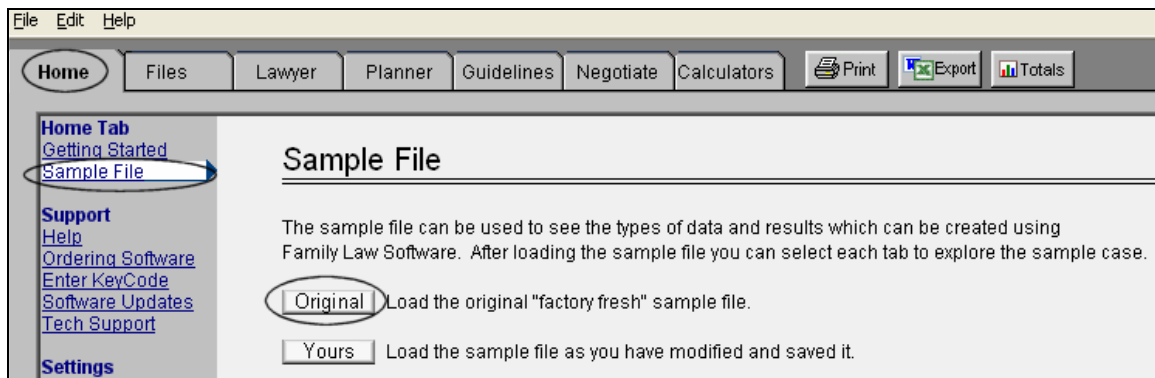
Other than the *Files* tab, where client files are started and loaded, the *Lawyer* tab is the primary tab of the software that attorneys and mediators will use.

The Lawyer tab is where attorneys and mediators enter client data, negotiate property division, figure fair alimony amounts; calculate child support, and review financial projections, and view tax projections.

This tutorial will step through each of these functions.

We will be using the Family Law Software Sample file. First, let's load the sample file. If you have not done so already, start Family Law Software by double-clicking on the Family Law Software icon on your desktop.

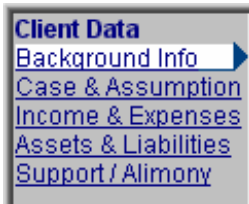
Now, click the Home tab, then click the link for Sample File, then click the button labeled "Original."



After the Sample File is loaded, click the *Lawyer* tab.

1. Client Data

Click on the *Lawyer* tab and look at the section entitled "Client Data." Scan the list of screens in that section. They are: Background Info, Case & Assumptions, Income & Expenses, Assets & the Liabilities, and Support/Alimony.



If your state's financial forms are included in the software, filling in all the entries in the Client Data section will complete all the numeric information that you need for your state financial forms. In some states, there is additional text information that you will fill in directly on the state financial forms.

Each of the screens in the Client Data section concerns one aspect of the client's information.

1.1. Background Info

Now look more closely at the Background Info screen. You see that it contains key items of personal information such as name, birth date, date married, and state of filing.

Let's change the state of filing now to be your own state. Click in the entry next to "state of filing" and change the state that is listed there to be the state where you live. Do the same for the state where the party lives. Do this also for the state where the other party lives. The fields are circled in the illustration below.

A screenshot of the "Background Info" screen. It shows a form with the following fields: "Birth date" (4/5/1970), "Date married" (3/7/1995), "Date separated" (4/17/2005), "The state of filing" (CT), and "The state where this party lives" (CT). The "CT" entries are circled. Below these fields is a link: "Click here to enter [More Info]". A section titled "Other Party's Background Information:" contains fields for "Name" (Marianne P Jones), "Birth date" (11/20/1973), and "The state where this party lives" (CT). The "CT" entry is circled. A note at the top right says "(For dates of which you are not sure, enter: MM/01/YYYY)".

In many states, the list of the screens on the left will change to be specific to your state.

Now click the link labeled [More info]. You will see additional name and address information for the parties.

Next, look at the bottom of this screen. This is where you enter information about the children.

Children				
Child's First Name	Date of Birth	Custody	Exemption	
Tiffany	4/5/1998	Marianne	Harold	More Info Delete
Amber	12/2/2000	Marianne	Harold	More Info Delete

Click the "More info" link at the end of the line about the children to enter additional information about the children.

1.2. Case & Assumptions

Now click on the link labeled "Case & Assumptions," as shown below.



In this section, you enter data about the case and of the court in the top half of the screen, as shown below.

Case:	
Docket Number...	<input type="text" value="44-32323"/>
Case Name:....	<input type="text" value="Harold J Jones VS. Marianne P Jones"/>
Court:	
Judicial District...	<input type="text" value="Family Court"/>
Court Address...	<input type="text" value="333 Monroe St"/>
Affidavit Setup:	
<input checked="" type="checkbox"/> Print Footnotes with Affidavit	

In the bottom half of the screen, shown below, you can view and change key assumptions about financial matters such as the inflation rate, tax filing status, and display decisions such as the number of years in the future to project financial data.

You may also decide which party or parties should appear on the software's financial reports.

Assumptions:	
1. Party to include on financial reports.....	<input type="text" value="Both Parties"/>
2. Number of years to show in the financial reports.....	<input type="text" value="5 Years"/>
3. Tax filing status in current year:	
Harold.....	<input type="text" value="MFS"/>
Marianne.....	<input type="text" value="HofH"/>
4. Tax filing status in future years:	
Harold.....	<input type="text" value="Single"/>
Marianne.....	<input type="text" value="HofH"/>
5. State tax rates: State tax rates for the parties	
6. Inflation rate.....	<input type="text" value="3.1"/>
7. After-tax rate of return on accumulated (re-invested) savings.....	<input type="text" value="3.0"/>
8. Interest rate on borrowing to cover excess spending.....	<input type="text" value="8.0"/>

At the top of this screen, there are four links you may click (see below).

Click here to [Enter Professional Information](#), [Set Report Options](#), [View Footnotes](#), or [Modify Report Labels](#).

Click each one, then the “Back” button to return to the Case & Assumptions screen. The purposes of these links is as follows:

- “Enter Professional Information” lets you enter professional information about yourself.
- “Set Report Options” lets you view and change report options relating to graphs, headers, footers, report covers, etc.
- “View Footnotes” lets you view all your footnotes.
- “Modify Report Labels” lets you enter your own labels for key program reports. Report labels are useful if you have created several different versions of the case and want to identify which version of the case a particular report is from.

1.3. Income & Expenses

Now click on the link labeled “Income & Expenses.”

- [Client Data](#)
- [Background Info](#)
- [Case & Assumption](#)
- [Income & Expense](#) 
- [Assets & Liabilities](#)
- [Support / Alimony](#)

This is where you enter the income and expenses of each party. You choose whose income and expenses you are entering by clicking a link at the top of the screen, as shown below.

Income and Expenses for Harold	
Enter Income and expenses for Harold.	Click here for Marianne

Note that there are columns for annual, monthly, and weekly expenses. You may enter a number in any one of these three columns, and the software will instantly calculate the other two. Enter “10” in the first line, in the “Weekly” column. The monthly and annual will calculate instantly.

3. <u>Non-Wage Income for Harold</u>	Weekly	Monthly	Annual
Support from previous relationship.....	10	43	520 [Fn]

To the right of each column is a link labeled [Fn]. Click that link if you wish to enter a footnote.

The following sections discuss additional details of Income & Expenses.

1.3.1. Selecting a Party

In the illustration below, you are currently entering income and expenses for Harold. Every single entry on that screen is for Harold. If you wish to enter income and expenses for Marianne, you would click the link and that is circled in the illustration below.

Income and Expenses for Harold	
Enter Income and expenses for Harold.	Click here for Marianne

Scroll down and look at each line on the screen.

These are the entries for income and expenses.

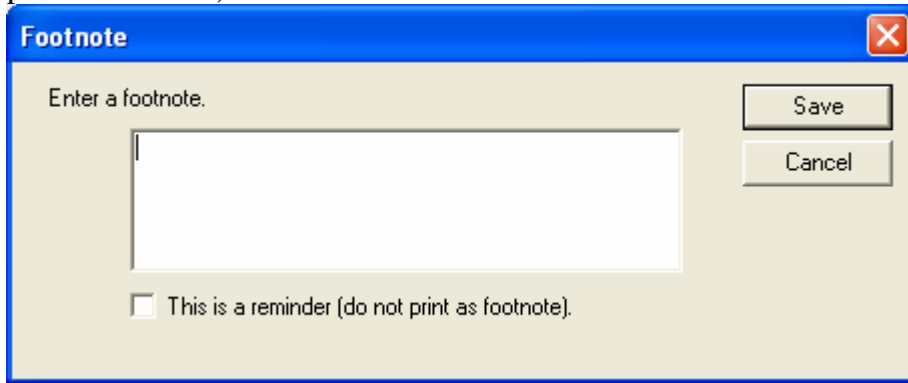
The look of this screen will vary from state to state. If we complete the state’s financial forms, we often vary the expense list to look like the official state list, to give you a list with which you may be more familiar.

The results carry to the financial calculations. To facilitate that, if you see a box like the one below, “X” it.

4. <u>Expenses for Harold</u>
<input checked="" type="checkbox"/> Click here to use New York expenses throughout the program [Strongly Recommended]. Click here to explain

1.3.2. “More Info” and “Footnote” screens

Whenever you see a [Fn] symbol, you may click there to enter a footnote for that line. A dialog box will pop up like the one below. If you do NOT want the note to print with the reports, “X” the box at the bottom of this dialog box that says, “This is a reminder (do not print as footnote).”



When you print your reports and affidavits, the software will automatically append the footnote to the end of the report or affidavit.

Whenever you see a [More info] symbol, you may click there to add more information about of the line item.

At this point, you should click every [More info] that you see, to see the types of additional information that you may enter.

In some cases, as with residences and pensions, you will definitely need to completely fill out all the information on the [More info] screen.

1.3.3. Mortgage Expenses

There are two entries in the Expenses section that merit special notice. They are the entries for mortgage payments and the entries for education expenses.

The software gets mortgage information together with the residence with which the mortgage is associated.

☞ You enter mortgage payments with the residences, not with income & expenses.

To enter mortgage payment amounts, go to the "Assets & Liabilities" screen, scroll down to the entry for Real Estate, and click "More Info."

4. Real Estate

Description	Current Value	Title Form		Harold Marianne		
		HWJ	HWJ	Separate	Separate	
40 Winding Way	450,000	W	W	0	50,000	More Info Fn* Delete
Vacation Home	100,000	H	H	0	0	More Info Fn Delete

You will see a screen where you may enter mortgage information for that residence. This information will carry to the screen for expenses.

Is there a first mortgage? Yes No

1. Will the mortgage will be a new / refinancing mortgage? Yes No

2. Current mortgage balance 320,000

3. Monthly payment 3,750.00

4. Interest rate (for 8.3%, enter 8.3) 7.20

5. Month/year of this mortgage statement 4 / 2005

6. Who will pay the mortgage? Marianne

7. Legally, who is the mortgagor?

1.3.4. Education Expenses

Education expenses are also a special case. The software tracks those expenses on a school by school basis.

To enter education expenses, even if there is only one school, click the link below the education expense line that says "click here to enter another school" or "click here to enter another major expense," or something similar.

Below is the education expense section of the screen for New York.

(k) EDUCATIONAL for Harold:

	Weekly	Monthly	Annual	
Nursery / Pre-School				Fn
Primary and Secondary	0	0	0	Fn
click here to add a primary or secondary expense				
College	0	0	0	Fn
Description	Tiffany's prep school			Fn Delete
Cost per year	\$ 18,000	Number of years. 8		
Percent paid by Harold	0 %			
Description	Amber's prep school			Fn Delete
Cost per year	\$ 18,000	Number of years. 8		
Percent paid by Harold	0 %			
click here to add a college expense				

The look of this line will vary from state to state. In some states, the education expenses will be at the bottom of the screen, as shown below.

10. Schools, Colleges, Camps, and Other Major Expenses.

Description	Start Date	# Years	Cost Today	% Paid by Harold	
Tiffany's prep school	9/1/2004	8	18,000	0	[Fn] [Delete]
Amber's prep school	9/1/2007	8	18,000	0	[Fn] [Delete]

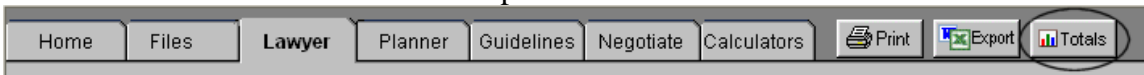
Click here to enter another [major expense](#)

For each school, you will enter the date the payments starts, the number of years the payment lasts, and the amount of tuition in today's dollars.

The software will figure out not only the current payments, which are useful for the financial forms, but future payments as well. Knowing the future payments is useful for the financial projections.

1.4. Assets & Liabilities

Now click the “Totals” button at the top of the screen.



This gives you a picture of each item of income and expense, the tax amount, and the after-tax cash and net worth of each party.

After-Tax Cash and Net Worth Totals							
Harold After-Tax Cash Spreadsheet							
Year	Age	Wages & Salary	Non-Wage Income	Business Income	Fin. Invest.	Interest on Accm Svg	Real Est. Income
2005	35	175,000	8,520		500	0	4,000
2006	36	180,425	8,520		500	2,561	4,000
2007	37	186,018	8,520		500	5,512	4,000

If you want to quickly see the impact of changing any number, click this button and examine the results.

Click the “Back” button at the bottom of the screen to return.

Harold Net Worth Spreadsheet

Year	Age	Fin. Assets	Real Estate
2005	35	7,826	22,500
2006	36	8,377	22,500
2007	37	8,972	22,500
2008	38	9,615	22,500
2009	39	10,309	22,500

◀ Back

1.5. Assets & Liabilities

Now click the link for Assets & Liabilities.

- Client Data**
- [Background Info](#)
- [Case & Assumption](#)
- [Income & Expenses](#)
- [Assets & Liabilities](#)
- [Support / Alimony](#)

This screen is where you enter the stocks, residences, pensions, retirement plans, and other assets of the parties.

Assets and Liabilities

You may enter items here or on the "Net Worth Smt Data - Assets" or "Liabilities" screens, below.

Select "Yes" to enter separate property amounts: Yes No

Use the "Form" column to specify the party on whose New York Statement of Net Worth the property is to be included.

1. Investments, Checking Accounts, Etc.

Description	Investment Type	Current Value	Annual Income	Title HWJ	Form HWJ	Harold Separate	Marianne Separate	
First Union		1,875	0	J	J	0	0	[More Info] [Fn] [Delete]
Vanguard Index 500		12,755	1,000	J	J	0	0	[More Info] [Fn] [Delete]
Florida Condo		45,000	8,000	H	H	0	0	[More Info] [Fn] [Delete]
Inheritance		25,000		W	W	0	25,000	[More Info] [Fn] [Delete]

Each asset has entries appropriate to that asset. Some of the entries may be customized for your state's financial forms.

At the end of each line, you will see a "More Info" link. Click that link for each asset type to see the kinds of information requested.

1.5.1. Marital and Non-Marital Assets

If you know that there will not be any non-marital (“separate”) property in this case, you may click “No” at the top of the Assets & Liabilities screen, as shown below, to remove the columns where you enter separate property amounts.

Assets and Liabilities

Select "Yes" to enter separate property amounts: Yes No

The fields for separate property will disappear from the Assets & Liabilities page.

If there is some separate property, enter it in the fields provided, as shown below.

Description	Investment Type	Current Value	Annual Income	Title HWJ	Harold Separate	Marianne Separate
First Union		1,875	0	J	1,875	

New York, Connecticut, New Jersey, and a few other states have a “Form” column. The options in this column are H/W/J. Use the “Form” entry to control on which party’s financial form (NY Net Worth Statement, NJ CIS, CT Affidavit, etc.) an item appears. Select “H” to have the item appear only on the husband’s form, “W” to have the item appear only on the wife’s form, and “J” to have the item appear on both forms.

This selection is independent of any other entries, including who has title to the item and who will keep the item (or how it will be divided). This gives you complete flexibility in putting on the financial form of each party exactly those items you wish to put there.

Next to each item you will see a “More Info” link. Click that link to see what pieces of additional information you may add for that asset.

☞ For the Defined Benefit Pension asset, the “More Info” link leads to the dates, benefit amount, and other entries for the valuation of the defined benefit plan. This is where you do defined benefit pension valuation in the software.

1.6. Support & Alimony

Click the Support & Alimony screen.

Client Data

[Background Info](#)

[Case & Assumption](#)

[Income & Expenses](#)

[Assets & Liabilities](#)

[Support / Alimony](#) ▶

The Support & Alimony screen will vary somewhat from state to state, but it looks something like this:

Support / Alimony

On these screens, enter the child support, alimony, and property settlement payments that the parties negotiate.

(Property settlement payments are non-alimony property transfers that will occur over the next six years.)

If your state's child support guidelines are available in the software, you may carry the current child support number from the Guidelines to the Child Support screen.

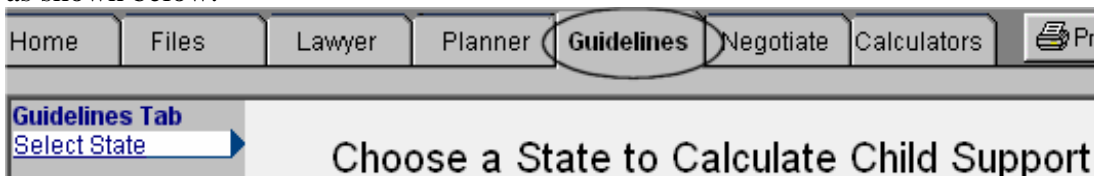
Click to use Family Law Software's child support calculation.
The calculated value is: 2,327 per month.

The numbers that you enter on these screens will be carried back to the financial reports, so you may view and print the parties' cash flow and net worth after these payments are taken into account.

[Child Support](#)
[Alimony](#)
[Property Settlement](#)

If this is a state for which we calculate child support guidelines, in the middle of the screen there will be an option to use the guideline amount we calculate (see the "X" box above).

Please take a moment at this point to digress and click the **Guidelines** tab of the software, as shown below.



Choose your state on the first screen. Then, click each screen (each link on the left) on that tab.

On these screens, which are different for each state, you will see how the child support guidelines are calculated, in some detail.

☞ *Important note:* You may also see one or two fields on these screens that need to be entered directly on screens on the **Guidelines** tab. These are guideline-specific entries, such as the number of nights that are spent with the custodial parent, or aspects of health insurance or child care. If there are any fields like this, that are not filled in on the **Lawyer** tab, remember these fields, and enter them on the **Guidelines** tab when the need arises.

Now return to the **Lawyer** tab. You will see the option to use the guideline amount that is calculated on the **Guidelines** tab.

In a few states, there will appear an “X” box for alimony as well. This will happen only in states that have temporary alimony calculations.

If your state's child support guidelines are available in the software, you may carry the current child support number from the Guidelines to the Child Support screen.

Click to use Family Law Software's child support calculation.
The calculated value is: 1,602 per month.

Click to use Family Law Software's alimony calculation.
The calculated value is: 1,506 per month.

If you wish to enter your own child support amount, clear the “X” box referring to the Family Law Software’s child support calculation, then click the link labeled “Child Support,” as shown below.

The numbers that you enter on these screens will be carried back to the financial reports, so you may view and print the parties' cash flow and net worth after these payments are taken into account.

[Child Support](#)
[Alimony](#)
[Property Settlement](#)

To enter an alimony amount to be used in the financial calculations, click the link labeled “Alimony,” as shown below.

The numbers that you enter on these screens will be carried back to the financial reports, so you may view and print the parties' cash flow and net worth after these payments are taken into account.

[Child Support](#)
[Alimony](#)
[Property Settlement](#)

You may enter support or alimony monthly, and the software calculates the annual amount. You enter a starting year and month, so the software can appropriately prorate the first year’s payments.

Payment Amounts and Dates for This Order

Enter alimony payment amount for this order.
 Payments are per month, or per year.

Click to use Family Law Software's alimony calculation.
The calculated value is: per month.

/ Month (1-12) and year these payments started (or will start).

Year through which this initial level of alimony will continue.
(Click [here](#) for an important legal consideration.)

Both the Child Support and Alimony screens allow you to enter up to three tiers of support (i.e., as children turn age 18) or alimony (i.e., declining after the first and second years).

Planned Modifications and Termination of Alimony

After the initial level of alimony ends, alimony may continue but at a different level (e.g., when a parent completes his or her education):

Enter the modified level (may be zero).
 Running through and including what year? (Leave blank if all years.)

Second modified level of alimony:

Enter the next level's amount of alimony (may be zero).
 Running through and including what year? (Leave blank if all years.)

At the bottom of the Child Support and Alimony screens, you may override the annual support or alimony amount for each year, so you may specify a different support or alimony amount for each year, if you wish.

Alimony payments (based on entries above)

You may override these in order to make the payments shown match the actual payments planned

Year	Amount
2005	<input type="text" value="18,072"/>
2006	<input type="text" value="18,072"/>
2007	<input type="text" value="18,072"/>
2008	<input type="text" value="18,072"/>
2009	<input type="text" value="18,072"/>
2010	<input type="text" value="0"/>

To enter non-taxable alimony, known formally as a “Property Settlement,” click the “Property Settlement” link.

The numbers that you enter on these screens will be carried back to the financial reports, so you may view and print the parties' cash flow and net worth after these payments are taken into account.

[Child Support](#)

[Alimony](#)

[Property Settlement](#)

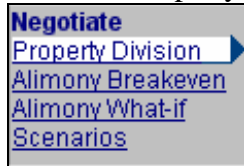
Any of these amounts may be “trial runs,” only for the purposes of generating trial version financial reports.

2. Negotiate

Once you have entered the client's data, you may click each link in the Negotiate section, to see the screens there.

2.1. Property Division / Equitable Distribution

Click the Property Division screen.



The “Property Division” (or “Equitable Distribution”) screen enables you to allocate each item of property to one party or another (in the bottom part of the screen).

Residences:						
40 Winding Way	<input type="text" value="100"/>	<input type="text" value="80,000"/>	<input type="text" value="80,000"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="50,000"/>

When you change a percent or amount for any property (or debt) item, you can instantly see the impact on the bottom line totals (in the top part of the screen, shown below).

4. Total (1+2-3):	\$ 283,915 (53.0%)	\$ 251,448 (47.0%)	\$ 324,615 (49.9%)	\$ 326,448 (50.1%)
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The items shown are marital items only (or the marital portion of items with some separate property). Separate items are assumed allocated to the party whose separate property it is.

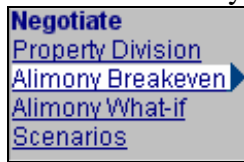
At the bottom of this page are links to useful reports based on the division on this page.



Click each of these reports to see what is on it.

2.2. Alimony Breakeven

Click the Alimony Breakeven screen.



If the alimony recipient spouse is not bringing in enough income to cover expenses and taxes (without alimony) this tool shows how much alimony would be needed to get the spouse to the point where he or she was just breaking even, after all expenses and taxes. The calculation takes into consideration the taxes on the alimony itself and has increased the alimony payments sufficiently to cover them.

The alimony breakeven amount is: \$2,099 per month.

The alimony breakeven calculation is limited to the first (current) year.

For projections of the after-tax effect of different alimony levels, use the “Alimony What-If” screen.

2.3. Alimony What-If

On this screen, you enter different amounts of alimony and support, and see the after-tax cash (i.e., net cash after all expenses and taxes) for each of the next five years.

What-If	Amount (\$/mo.)	Through (year)	Amount (\$/mo.)	Through (year)
Alimony:	1500	2034	3,500	2034
Child Support:	2,000	2008	0	2034

You can use this screen to see what would be the difference to both parties if all the support were designated as alimony. Just add support+alimony, and enter that as the alimony amount, while entering support as zero.

Click “Show Another Alternative.” This gives you a second column. You may have up to three columns.

[Show Another Alternative]

Click “Show More Tiers” to show support or alimony step-downs. If you click “Hide Tiers,” the step-downs you entered will still be calculated, but will not appear on-screen..

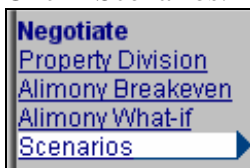
[Show More Tiers]

☞ The What-If after-tax cash will differ from “actual” after-tax cash (entered on the Income & Expenses and Assets & Liabilities screens) if:

- A residence with a mortgage is being sold in the “actual” situation. (To prevent income distortions, the residence is assumed not sold in “What-If”); or
- Support or alimony starts mid-year. (To prevent distortions, a full year of alimony and support is assumed for each year).

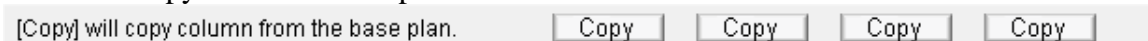
2.4. Scenarios

Click “Scenarios.”



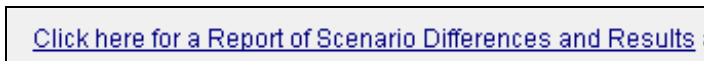
This screen lets you vary things other than alimony and support.

Click the Copy button at the top of each column.



Then vary some key data in each column, such as alimony, support, exemptions, etc.

Then click the link “Click here for a report of Scenario Differences and Results at the top of the screen.”



You will see at the top of the screen the variations you created, and at the bottom the impact of those variations on after-tax cash in the current year.

3. Form Data and Forms

The next sections contain data for financial forms. It may have the name of the financial form in your state (NY Net Worth, NJ CIS, CT Affidavit, etc.)

If we have state-specific forms, you may enter data directly on the forms.

☞ In the case of forms that have descriptive data (dates, descriptions, certain addresses, etc.), the forms may be the only place you enter that descriptive data.

There may also be a separate section for printing the forms.

If there is a separate section for printing the forms, then select which party's forms you wish to print. Then "X" the box to indicate which page you wish to print, Then click the "Print" button to print the forms.

Select Pennsylvania Financial Affidavit pages to print and then click the "Print" button.

Click here to print Pennsylvania Financial Affidavit.
(*"X" the boxes below to indicate which sections to print.*)

Family Law Software Pennsylvania Reports (*click on any link below to preview*)

- [Case Statement](#)
- [Income and Expenses for Wife](#)
- [Income and Expenses for Husband](#)
- [Assets and Liabilities](#)

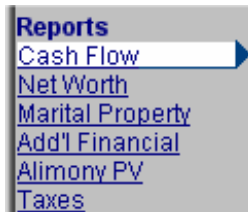
4. Financial and Tax Reports

The bottom section contains financial and tax reports.

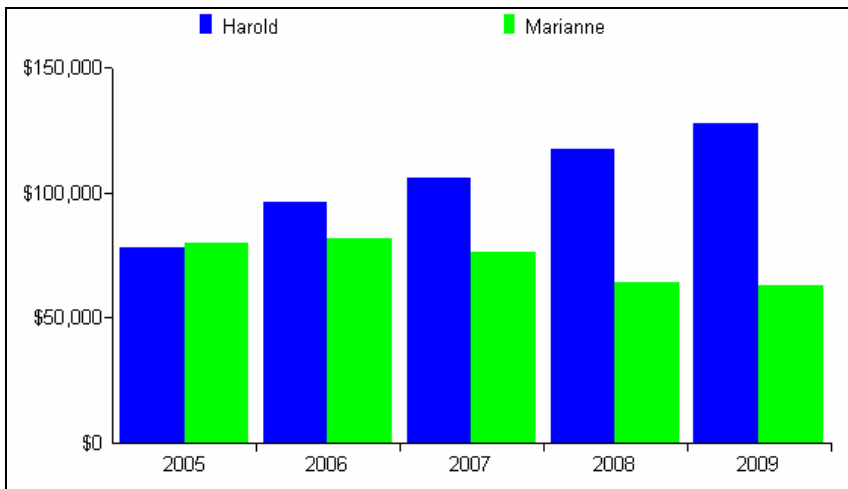
We will click each link in this section to see the items that are reported there.

4.1. Cash Flow

Click the "Cash Flow" screen.



The Cash Flow report shows cash flow after all expenses and taxes for both parties for the next five years.



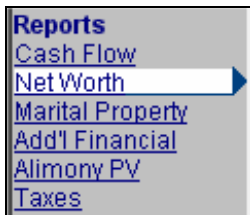
☞ If you wish to show only one party, you may click “Case & Assumptions” screen, then select the party whose data you wish to show.

Assumptions:

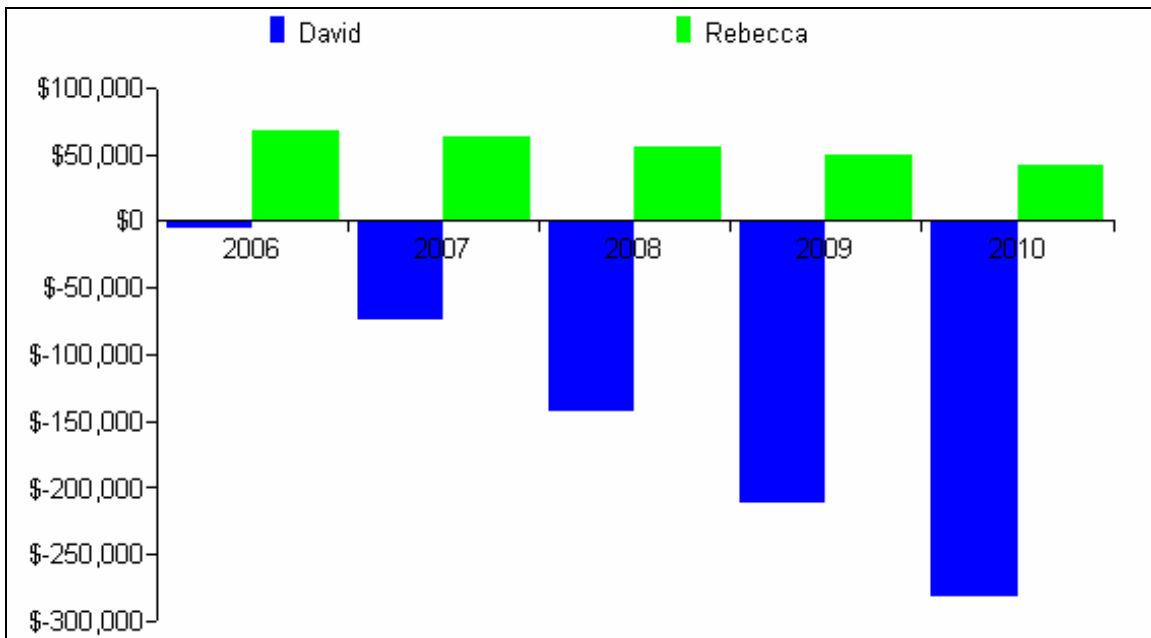
1. Party to include on financial reports..... Harold Only

4.2. Net Worth

Click the “Net Worth” screen.



This will give you a snapshot of the parties’ worth, projected over the next five years, as shown below.



4.3. Marital Property

Click "Marital Property" screen.



This will give you a nice report that shows of the division of each asset and then asset totals.

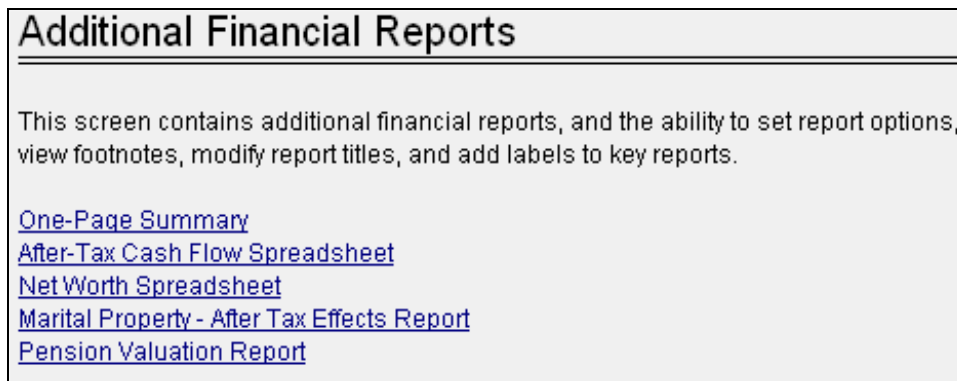
Division of Marital Property						
Property division report for David Santner and Rebecca Burdett Santner.						
This report shows each item of property, its current value, and who is keeping it. It also shows totals for each property type.						
	David Amount	Pct	Rebecca Amount	Pct	Total Amount	
Residence Equity						
South St., Highland	\$45,672	50%	\$45,671	50%	\$91,343	
Investments						
M&T Bank	\$0	50%	\$0	50%	\$0	
Janus Mutual Fund	\$125	50%	\$125	50%	\$250	
Harbor Fund	\$0	50%	\$0	50%	\$0	

4.4. Add'l Financial

Click the screen for Additional Financial reports.



This will give you a screen with several additional reports. Click each of these to see what they are.



4.5. Alimony PV

Click the screen for Alimony Present Value (in some states, this will be changed to read "Support Present Value," depending on what phrase is most common in your state).



This screen shows the present value, also known as the lump sum buyout amount, of the alimony or spousal support.

Alimony Present Value ("Buyout")

This report shows the present value of Alimony and lets you ask "what if" for

The present value of Alimony is \$ 52,992 to Harold.
The present value of Alimony is \$ 51,659 to Marianne.

We calculate this by seeing what amount is exactly equal to the sum of the payment stream of alimony payments, discounted both for interest and taxes.

The software looks up the actual marginal tax rates of the parties and uses those rates. It also has a default interest rate which represents a general safe rate of return.

Pre-tax rate of return for Harold.
 Pre-tax rate of return for Marianne.

2. Marginal tax rates. (This is the current marginal federal tax rate
Feel free to enter different rates to see the impact on the calculati

Marginal federal and state tax rates for Harold.
Marginal federal and state tax rates for Marianne.

You may change any of those rates.

If you wish to find at the present value of nontaxable alimony, you may set the tax rates to zero.

4.6. Taxes

Click the screen for Taxes.

Fin & Tax Reports
[Cash Flow](#)
[Net Worth](#)
[Marital Property](#)
[Add'l Financial](#)
[Alimony PV](#)
[Taxes](#)

This screen shows a list of tax reports.

Taxes

On these screens, you can see what the parties' taxes will be, see who should claim the tax exemptions for children, and see whether the tax penalty of "Alimony Recapture" applies in this situation.

[View/Edit Taxes](#)
[State Tax Report](#)
[Alimony Savings Exemptions](#)
[Alimony Recapture](#)

Click each report in turn to see what it offers.

The "View/Edit Taxes" report allows you to see a detailed picture of the Federal Income Tax calculation. You may also override any entries on this report, if that is appropriate in a particular situation.

View/Edit Taxes for 2005

You may change the entries for 2005 on this report. Click on a year
[2005](#) [2006](#) [2007](#) [2008](#) [2009](#)

Harold		Marianne		
Filing Separate	Head Hsld	Filing Status in 2005		
<input type="text" value="3"/>	<input type="text" value="1"/>	Number of exemptions		
Income:				
<input type="text" value="175,000"/>	<input type="text" value="49,400"/>	Wages and salary.		
<input type="text"/>	<input type="text"/>	Taxable interest income		

The State Tax Report shows the software's calculation of state taxes. We use the actual tax rates and tax brackets from each state. If the parties live in different states, we use the appropriate tax rates and brackets for each party's state.

State Tax Report for 2005

You may change the entries for 2005 on this report. Click on the year you wish to view.

[2005](#)
[2006](#)
[2007](#)
[2008](#)
[2009](#)

Connecticut

Below is the rate table for Connecticut, showing tax rates.

Rates: % %

Single	<input type="text" value="0"/>	<input type="text" value="10,000"/>
Married Filing Jointly	<input type="text" value="0"/>	<input type="text" value="20,000"/>
Married Filing Separately	<input type="text" value="0"/>	<input type="text" value="10,000"/>
Head of Household	<input type="text" value="0"/>	<input type="text" value="16,000"/>
Surviving Spouse	<input type="text" value="0"/>	<input type="text" value="20,000"/>

The Alimony Savings report shows how much money a party saves in tax is due to the payment of alimony. It also shows how much additional tax the alimony recipient is paying as a result of the alimony.

Tax Savings Due to Alimony

The net tax savings due to alimony are \$11,082 over 5 years.

Analysis:

The chart below shows the net tax savings to alimony.

Year	Net Tax Savings Due to Alimony			
	(a) Harold's Tax Reduction Due to Alimony	(b) Marianne's Tax Increase Due to Alimony	(c) Net tax change Due to Alimony (a) - (b)	(d) Cumulative Net Tax Savings. Total (c) to date.
2005	\$4,062	\$1,658	\$2,404	\$2,404
2006	\$3,773	\$1,667	\$2,106	\$4,510
2007	\$3,914	\$1,650	\$2,264	\$6,774
2008	\$4,058	\$1,808	\$2,250	\$9,024
2009	\$4,061	\$2,003	\$2,058	\$11,082
Totals:	\$19,868	\$8,786	\$11,082	

The Exemptions screen shows whether it is better for the husband or the wife to claim the children as the tax exemptions going forward. If you wish to conduct a more fine grain analysis, you may use the Scenarios screen and very which children are claimed by which spouse.

Who Should Claim the Exemptions

Exemption report for Harold J Jones and Marianne P Jones.

According to our analysis, the parties can save \$24,213 over 15 years by switching the exemption(s) to Marianne.

The Alimony recapture screen shows the Alimony Recapture tax to be paid, if any.

Alimony Recapture

Alimony Recapture Tax Harold J Jones or Marianne P Jones.

The amount of alimony that has to be recaptured in this case is \$15,000.

This is made up of \$15,000 to recapture from year 1 to year 2, and \$0 to recapture from year 2 to year 3.

At the payer's marginal tax rate, this "recaptured" income will result in \$4,950 of tax.

This tax would be payable in the third year after the divorce.

Each of these screens also includes an analysis that explains how the software got its results.

5. Conclusion

You have now concluded the Family Law Software *Lawyer* tab tutorial.

You are now ready to use the software to help your clients make smarter financial decisions at this difficult time, and to prepare the forms you need to help them.

Last revised: 1/19/2006