

INGHAM COUNTY FRIEND OF THE COURT
FAMILY DIVISION
THIRTIETH JUDICIAL CIRCUIT
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REASONABLE COST OF HEALTH COVERAGE

The 2004 Michigan Child Support Formula Manual section 3.07(B) (2) defines the Reasonable Cost of Coverage as follows:

(a) A reasonable cost for providing private health care coverage does not exceed five percent of the gross income of the providing parent.

(c) A providing parent's costs for private health care coverage are unreasonable if the parent's total share of child support, child care, ordinary health care expenses, and net share of health care insurance (not including arrearage payment) exceeds 50% of the parent's net income as defined in the Michigan Child Support Formula Manual.

There is not a different standard for custodial parents and non-custodial parents.

The test is whether it exceeds 5% of the parents' gross income. If the cost does not exceed 5% of the parent's gross income, then you look to see if Child Support + Child Care + Ordinary Health + Health insurance exceed 50% of the parents Net Income. If it does, then it is an unreasonable expense. It is not an either or, it is a two part analysis.