

[SUPPORT LETTER & STATUTORY LEGISLATIVE PROPOSAL]

Subject: Support Letter & Request for Brief Zoom Call: The Child Support Integrity and Fraud Remediation Act (Amending KRS 403.211 and KRS 199.555)(Codifying KRS 403.XXX and KRS 413.XXX)

Kentucky's Child Support Integrity and Fraud Remediation Act

Dear Rep. [____],

I am writing to request your sponsorship for a ready-made fix to domestic relations disparities: the **Child Support Integrity and Fraud Remediation Act**. Under current family law, child support calculations rely on surface-level paper compliance that rewards work stagnation, ignores massive post-remarriage household income disparities, and misapplies child-specific entitlements—such as adoption subsidies (KRS 199.555, 922 KAR 1:060, and 42 U.S.C. § 673)—as custodial income, and arbitrarily penalizes parents on temporary or restricted time-sharing schedules by denying credit for daytime custodial periods. Furthermore, un-counseled, struggling parents bear an unfair burden to independently discover complex deviation rights.

This is a glaring trap. Families are destabilized, and loving, fit parents are alienated from their children due to avoidable disparities. Oftentimes, rulings *CREATE INEQUITY* and *DISPARITY*, contradicting the system's core mission, violating the Commonwealth's intent, failing child welfare needs, and undermining family integrity by pitting fit parents against overworked, exhausted ones.

Fortunately, solutions exist to dismantle these depriving traps. To bring actionable solutions rather than mere critique, I have drafted statutory remedies to close critical accounting, household income bifurcation, obligation cap-out, affirmative state disclosure, and anti-fraud loopholes in Kentucky law. I also kindly request a brief 10-to-15-minute Zoom call this week to walk you through how it works.

The initiative below solves these inefficiencies via mandatory deviation factors, strict financial transparency, adoption subsidy protections, equitable household income bifurcation, equitable custodial time-sharing credits, obligation cap-out tiers, an affirmative state duty to inform, and an independent civil remedy for support fraud. I welcome the opportunity to discuss the details and earn your support via Zoom.

Respectfully,
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BACKGROUND MEMO AND NEED FOR REFORM

Current child support enforcement models suffer from structural imbalances that reward financial concealment, penalize non-custodial parents, and leave families vulnerable to procedural traps. This Act provides the precise legislative corrections needed to restore fundamental fairness and transparency to Kentucky domestic relations law.

LEGISLATIVE FINDINGS AND PURPOSE OF PROPOSED ACT

It is the public policy of the Commonwealth that child support calculations must reflect true household economic realities, that adoption subsidies must be protected for their intended beneficiaries, that the state bears an affirmative duty to inform litigants of all available rights and offsets, and that deliberate financial fraud must carry explicit civil consequences.

STATUTORY LEGISLATIVE PROPOSAL

Kentucky's Child Support Integrity and Fraud Remediation Act

Drafted by: Jared McCarthy

AN ACT relating to child support calculation equity, financial transparency, adoption subsidy protections, household income bifurcation thresholds, affirmative state disclosure obligations, and civil remedies for support fraud.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 403 IS CREATED TO READ AS FOLLOWS:

403.XXX Affirmative State Duty of Disclosure; Furnishing of Rights, Deviations, and Offsets

(1) It is hereby declared to be in the best interest of the Commonwealth and the public welfare that parents involved in child support deliberations be fully, effectively, and thoroughly informed and furnished of all legal rights, statutory deviation factors, financial offsets, and equitable protections available under Kentucky law.

(2) The Department of Child Support Services, family court services, and presiding tribunals shall make every effective effort to affirmatively furnish, disclose, and explain to each parent—prior to the entry of any final or temporary support order—a comprehensive and accessible accounting of all rights, deviation categories, household income adjustments, and calculation offsets to which they may be entitled.

(3) The identification, explanation, and application of statutory rights and offsets shall be an affirmative administrative and judicial duty of the Commonwealth and its agencies, and shall not be construed as the independent procedural burden of unrepresented or pro se litigants to discover on their own.

SECTION 2. A NEW SECTION OF KRS CHAPTER 403 IS CREATED TO READ AS FOLLOWS:

403.XXX Child Support Integrity, Transparent Party Disclosures, Mandatory Offsets, HHI Bifurcation Factors, and Obligation Cap-Out

Enactment and Enforcement:

(1) **Mandatory Full-Spectrum Party Disclosure & Imputation:** In any action for the establishment, modification, or enforcement of child support under KRS 403.211, both parties shall submit sworn financial disclosures backed by primary source documentation, including tax returns, six-month bank ledgers, statements detailing the six largest household living expenses, and discretionary spending audits. Where a parent or step-parent is voluntarily underemployed below maximum earning capacity, income imputation shall apply strictly to the custodial parent, while an underemployed step-parent's economic impact shall provide appropriate household expense offsets to the non-custodial parent.

- (2) **Statutory Deviation Factors & HHI Disparities:** Pursuant to KRS 403.211(2) and (3), courts shall mandate deviations and apply specific financial offsets for:
- (a) Substantial household income (HHI) disparities and post-remarriage living expense restructuring;
 - (b) Child-related tax credit allocations based on actual contribution;
 - (c) Logistical commuting, transportation, and primary time-sharing burdens;
 - (d) Direct healthcare, insurance premium, and out-of-pocket medical burdens;
 - (e) Recurring personal upkeep, clothing, and secondary household maintenance;
 - (f) Agreed-upon, reasonable extracurricular enrichment;
 - (g) Childcare expenses; and
 - (h) The totality of financial circumstances balancing aid dependency against earning capacity.

Bifurcation, Cap-Out Mandate and Prior Agreements' Presumption of Enforceability:

- (3) **Bifurcation and Income-Tier Reduction Factors:** After all standard deviations, adjustments, and offsets under this section and child support calculations have been carried out, the final monthly child support obligation due from the non-custodial parent (if any) shall be subject to a mandatory fifty percent (50%) reduction if either of the following conditions is met:
- (a) **Bifurcation Factor 1:** The custodial household's combined household income (HHI) is double or more than double the combined household income of the non-custodial household; or
 - (b) **Bifurcation Factor 2:** The custodial household's total gross household income (HHI) exceeds \$90,000 annually.
 - (c) **Fifteen Percent (15%) Cap-Out Multiplier:** The final calculated monthly support obligation shall be capped and multiplied by fifteen percent (15%) if the custodial household's combined household income (HHI) triples or more than triples that of the non-custodial household, accounting for full vocational and experiential trades earning capacity.
 - (4) **Enforceability of Prior Agreements:** Valid prior written contracts and mediated settlement agreements executed by the parties shall carry a strong presumption of enforceability, and a party shall be barred from manufacturing artificial legal disputes absent a material, involuntary change in circumstances amounting to unconscionability under KRS 403.213.

Addressing Post-Remarriage Work Suppression and Dual-Income Subsidization:

- (5) **Mandatory Workforce Participation, Post-Remarriage Equity, and Anti-Stagnation Safeguards:**
- (a) **Duty of Continuous Earning Capacity Maintenance:** Both parents maintain an affirmative, ongoing legal duty to exercise reasonable and diligent efforts to maintain gainful employment or pursue vocational/educational skill development aligned with their historical training, physical ability, and professional experience, independent of household marital status.
 - (b) **Strict Prohibition on Post-Remarriage Work Suppression:** No parent shall voluntarily reduce, suppress, or abandon their employment, labor, or earning capacity—relying instead upon a new spouse's income or a dual-income household safety net—for the purpose of shifting a disproportionate financial obligation onto an un-remarried, single-income opposing parent.
 - (c) **Post-Remarriage Earning Capacity Imputation & Lifestyle Insulation Audits:** In any action for the establishment or modification of child support under KRS 403.211, where a custodial parent reduces their work hours, exits the workforce, or stagnates their earning capacity following remarriage or cohabitation within a dual-income household, the court shall not treat the resulting drop in personal income as involuntary. Absent verifiable, incapacitating medical justification, the court shall impute full historical or median vocational earning capacity to that parent to prevent the single, non-remarried opposing parent from being forced to subsidize a household insulated by secondary marital income.

(d) **Periodic Verification and Job Search Compliance:** The court or the Cabinet may mandate documented job-search verification or workforce participation logs whenever a parent's contribution drops significantly below their demonstrated vocational capacity while their household enjoys dual-income support, ensuring both parents maintain a fair duty of contribution.

SECTION 3. AMENDMENTS TO EXISTING STATUTES

(1) **KRS 199.555** is amended to read as follows:

State or federal adoption assistance subsidies, maintenance stipends, and special needs allocations received for a child shall be applied exclusively to the direct care, therapeutic, and developmental needs of that specific child. Adoption subsidies shall not be calculated as personal income, disposable revenue, or unearned cushion revenue for either parent, and any diversion of such funds for personal enrichment shall trigger mandatory support recalculation.

(2) **KRS 403.211** is amended to insert explicit statutory requirements for courts to enter written findings when deviation is warranted by extraordinary equity, household financial disparities, or the bifurcation reduction factors set forth in KRS 403.XXX.

(3) **KRS 403.211 is further amended to include provisions governing parenting time calculation and possession periods, to read as follows:**

"For the purposes of calculating child support, parenting time, possession periods, or custodial allocations, a parent shall be credited with a custodial day for any possession period or custodial period lasting **four (4) consecutive hours or more** in a calendar day, regardless of whether an overnight stay occurred. This standard shall apply universally to prevent the disenfranchisement of parents operating under temporary, restricted, or supervised schedules that do not currently permit overnight custody."

SECTION 4. A NEW SECTION OF KRS CHAPTER 413 IS CREATED TO READ AS FOLLOWS:

413.XXX Civil Cause of Action for Child Support Fraud; Damages and Remand

(1) An independent civil cause of action is established against any individual who intentionally does any of the following to secure, maintain, or enforce a fraudulent, inflated child support order:

- (a) Submits false financial disclosures;
- (b) Conceals true earning capacity;
- (c) Suppresses vocational output;
- (d) Exploits dual-income household insulation or post-remarriage work suppression;
- (e) Misapplies adoption subsidies; or
- (f) Manufactures artificial financial, logistical, or parental need.

(2) A prevailing plaintiff in a civil support fraud action is entitled to full restitution of overpaid funds, reimbursement of legal and forensic accounting costs, and injunctive relief. Upon a civil finding of fraud, the court shall vacate the fraudulent support judgment and remand the matter to the family court for immediate recalculation.

SECTION 5. SEVERABILITY CLAUSE

If any provision of this Act or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of the Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.