

# DIVORCEmate News & Views

## For Users of DIVORCEmate Software

#47 – Sept 2003

[www.divorcemate.com](http://www.divorcemate.com)

email: [sales@divorcemate.com](mailto:sales@divorcemate.com)

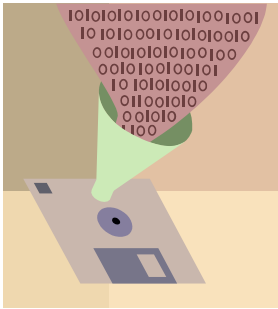
Information - call (416) 718-3461 Ext. 420

### SPECIAL ISSUE

## Precedents+ 2003 Separation Agreement Software

For over 15 years, our DIVORCEmate News & Views newsletter has been an important source of information for our 6,000+ software users. Our newsletter has something for everyone - productivity hints, seminar, update and new product announcements, Family Law and technology information, humour and more. Please ensure that it is circulated to all family law professional staff including support staff, law clerks, justices, judges, mediators, professors, accountants and lawyers.

### DIVORCEmate Prepares to Launch NEW Precedents+ 2003 Separation Agreement Software on September 30th



Precedents+ 2003 is a brand-new *document assembly* software program from DIVORCEmate Software Inc. The software utilizes a checklist format to select clauses and create a customized and comprehensive “draft” separation agreement. The

updated clauses are based on information originally contained in the Law Society of Upper Canada’s CLE book Separation Agreement Annotated (Epstein, Grant, Sadvari).

The Precedents+ 2003 software enables family law professionals to create better and more comprehensive separation agreement drafts in less time. The draft agreement is then reviewed, completed and customized using the lawyer's experience and skills.

#### What is “document assembly” software?

- Document assembly software merges repetitive information into selected clauses in order to create a manageable “draft” document fit for a specific purpose.
- The draft document contains only relevant clauses, including repetitive information properly inserted throughout with verb and pronoun usage adjusted appropriately.
- The professional then thoroughly reviews and applies his or her drafting and legal talents in order to craft a finished document.
- The finished document is comprehensive, it reflects the needs and the understandings of the client.

“The Precedents+ Separation Agreement project is a huge opportunity for DIVORCEmate to bring timely knowledge and information ‘off the page’ and into the lawyer's mind and electronic environment.” says Mark Harris, President, DIVORCEmate Software Inc. “We are excited about this initiative to develop, market, sell and support software based on this incredible book.”

“The release of Precedents+ 2003 Separation Agreement software is an important step in helping lawyers provide better service to their clients. We believe that proactive software solutions, which guide and educate the user, complement LawPRO’s loss prevention initiatives for the family law profession.”

#### Precedents+ 2003 Features

- Uses your Word or WordPerfect word-processing software and DIVORCEmate Forms+ interface.
- Uses the Client Merge File to merge repetitive information into the separation agreement draft.
- Uses a simple checklist format in order to select relevant clauses.
- Builds index or table of contents of all selected clause headings on screen.
- “Document Preview” shows draft separation agreement prior to actual merge in word-processor.
- Commentary or annotation for most clauses discusses associated legal issues.
- Based on the updated and reorganized content, substantial and substantive, including Miglin.
- Separation Agreement draft is simply a Word or WordPerfect document, formatted and set-up for automatic paragraph and sub-paragraph numbering.
- Content will be updated on a regular basis with downloads from the Internet.
- “Clause Manager” gives the ability to add missed clauses even after merging into your word-processor.
- Ability to add your own clauses into draft document using “cut” and a special “paste” function.

## Pre-Release Pricing

Registered Forms+ 2003 users (to date of release): \$299.00, extra licenses \$44.85, + taxes.

All-In subscribers (to date of release): \$269.10, extra licenses \$40.37, + taxes.

If no Forms+ module: \$599.00, extra licenses \$89.85, + taxes.

Supreme All-In subscribers will receive their Precedents+ 2003 software automatically by mail upon release.

## A Few Words of Caution...

Please keep in mind that although Precedents+ 2003 will be easy-to-use, comprehensive and a time-saver, it will NOT think for you, nor will it draft a completed separation agreement in ten minutes.

If you don't take the appropriate time to review your Precedents+ draft, then with luck, any errors will be merely an embarrassment, instead of outright negligence.

## B.C. Precedents+ Coming in 2004

Although the book was written for Ontario's family law bar, many of the clauses are applicable to other provinces. DIVORCEmate is planning to release a B.C. version of Precedents+ in 2004.

---

## Simon Says...

Q. How does spousal support affect a child support guidelines amount calculation?

A. If there are no special expenses, then spousal support has no effect on a child support guidelines amount. However, if there are Special Expenses, the answer may surprise even the most seasoned family lawyer!

Spousal support income is included in the Recipient's income before line 150 in the T1 General Form (line 128); the deduction from the Payor's income does not occur until after line 150 (line 220). Therefore the beginning numbers for Income in a Guideline calculation for the Payor and Recipient are quite different. The Recipient's line 150 income includes the spousal support, while the Payor's has not had it removed!

Schedule II Adjustments to income, s. 3.(1) and 3.(2) supposedly takes care of this inequity: s.3.(1) directs you to remove the spousal support received from the other spouse from line 150 income if you are using this line 150 income to look up a Table amount. Therefore if the Recipient of the spousal support is the Payor of child support, you remove the spousal support before you

look-up the table amount (Although this sounds improbable, I am told that it does happen occasionally).

However, if you are using the Payor's income to look up a Table amount, you do not remove the spousal support paid to the other spouse!

Remember that this odd adjustment would come into play whenever you have a split or shared custody, which has a spousal support component! This is because you must calculate a Table child support payable by each spouse and therefore each spouse is both a Payor and a Recipient.

S.3(2) directs you to adjust the line 150 income by deducting spousal support paid to the other spouse, if and only if, you are using the line 150 income to calculate the apportioning of the net Special Expenses. Therefore, if there is spousal support paid, it is adjusted off of the Payor's line 150 income for apportioning purposes only.

Fortunately, our Tools+ software does these complicated adjustments to income for you, where and when applicable - as long as you input the spousal support information properly on page 1.

**But there's more to this answer!** What else does spousal support affect in a proper Guideline Calculation. Since the Recipient of spousal support has more taxable income as a result of receiving "taxable" spousal support; the tax relief considerations associated with certain Special Expenses will change, and the total Guideline child support amount (Table + Special Expenses) will change.

Increased taxable income affects the amount of Canada Child Tax Benefit, usually the benefit will decrease and therefore the change in Child Tax Benefit will shrink. This change in Child Tax Benefit is a significant factor in the calculation of a child care Special Expense.

Also, increased taxable income affects the amount of a refundable medical credit and will affect the tax relief associated with a medical-related Special Expense.

To summarize, the payment of taxable / deductible spousal support does not have an effect on the Table amount, however it does affect the apportioning formulae and "netting" out of the Special Expense component of a child support Guideline calculation.

And therefore, logically, you may not be able to figure out a *final* child support amount if Special Expenses are involved, until you figure out the spousal support amount.

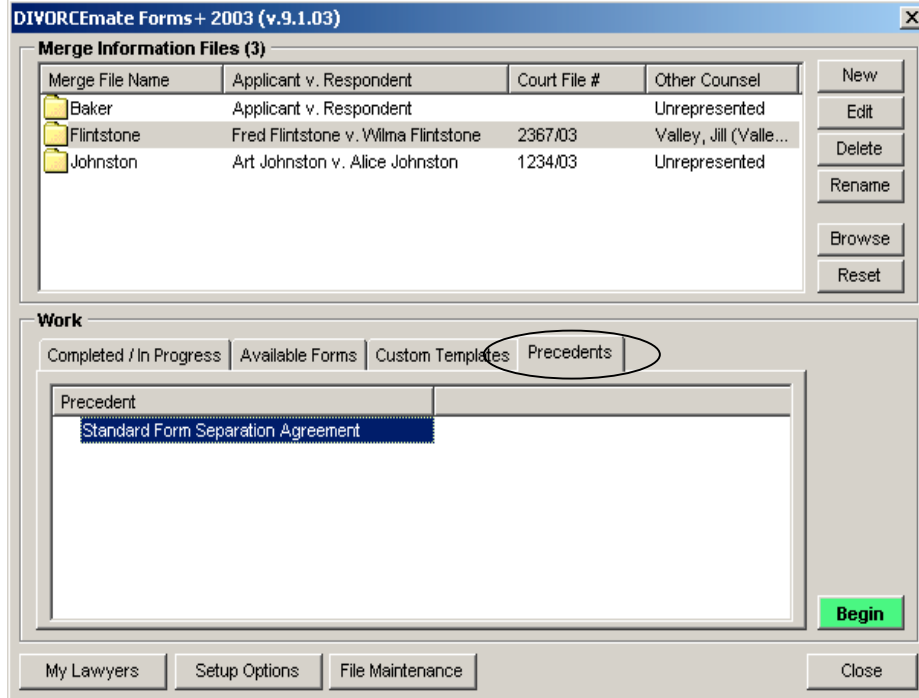
### Steps to follow:

Table amount first; Spousal Support second: "net" apportioned Special Expenses third!

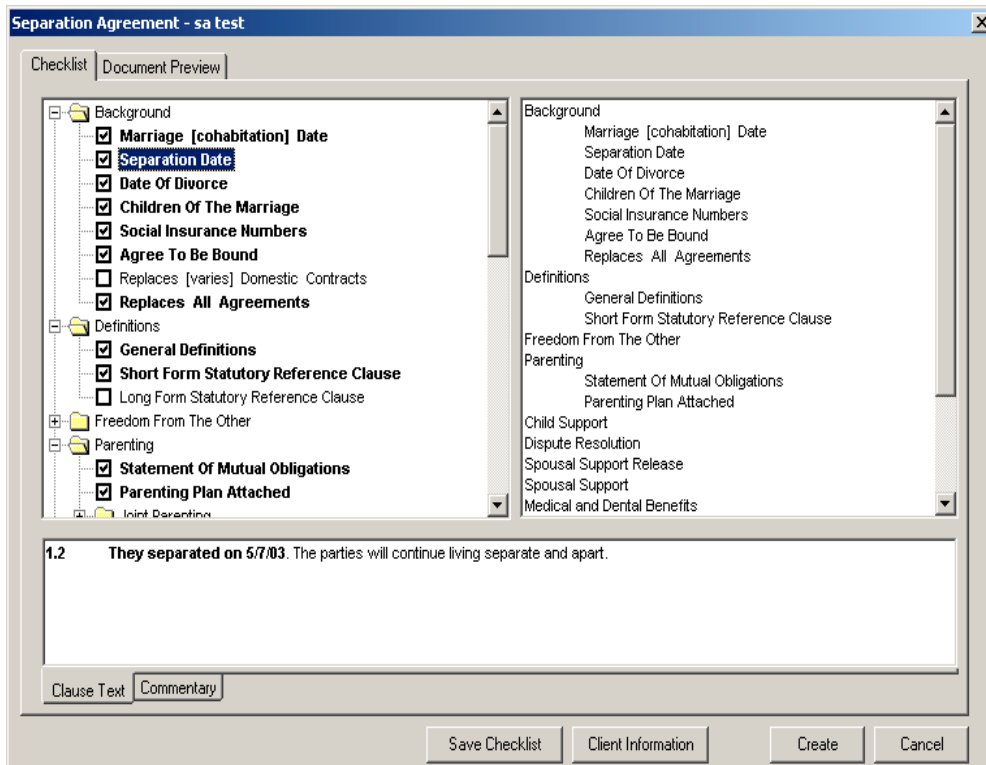
## Precedents+ 2003 Here is How it Works

### Steps:

1. Start your word-processor and start Forms+;
2. Edit Client File in Forms+ and confirm information is complete and correct;
3. Complete *NEW* Separation Agreement tab information for Client Merge Information File, close Client File;



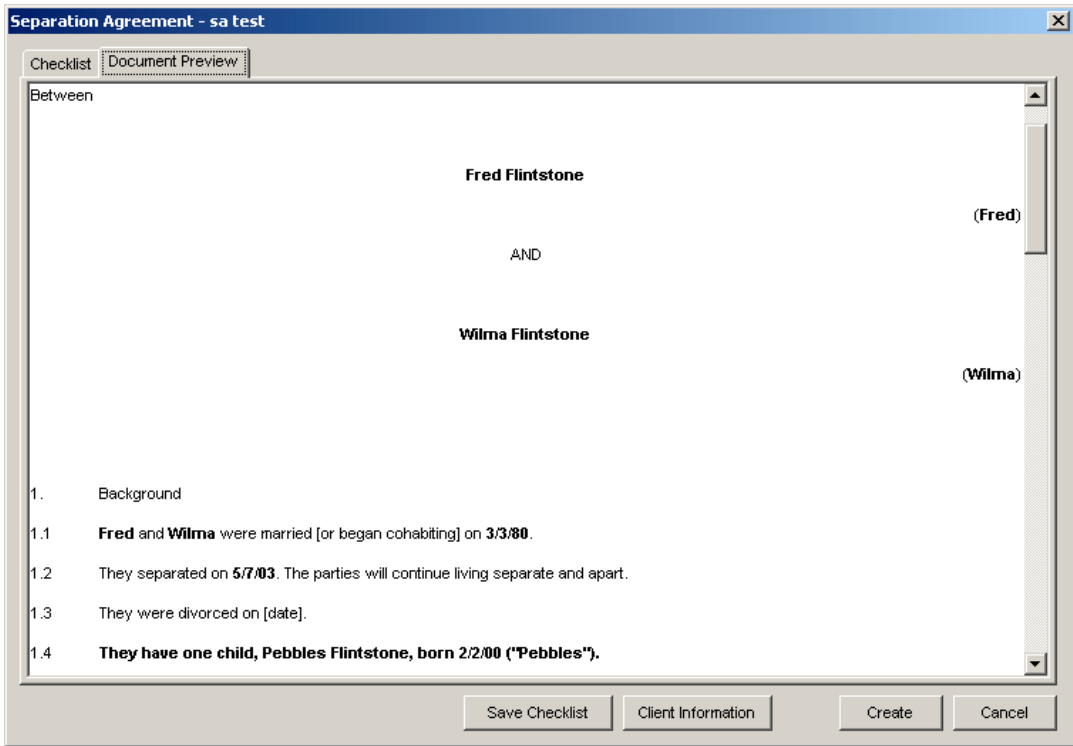
4. Click *NEW* Precedents tab, select Standard Form Separation Agreement, click "Begin";



### This is the main Precedents+ 2003 screen.

- Expand Section Headings: single click on "+" checkbox or double click on heading text
- To view a clause, click once on the clause, read at screen bottom.
- To select a clause, double click on the clause or checkbox, the clause will now be bolded, and the checkbox checked.
- Clause heading will be shown on the right side of screen, like an "index" or "table of contents".
- If you want to see the annotation or commentary that goes with a clause, click on the "Commentary" tab near bottom of screen. An explanation of the clause will appear.

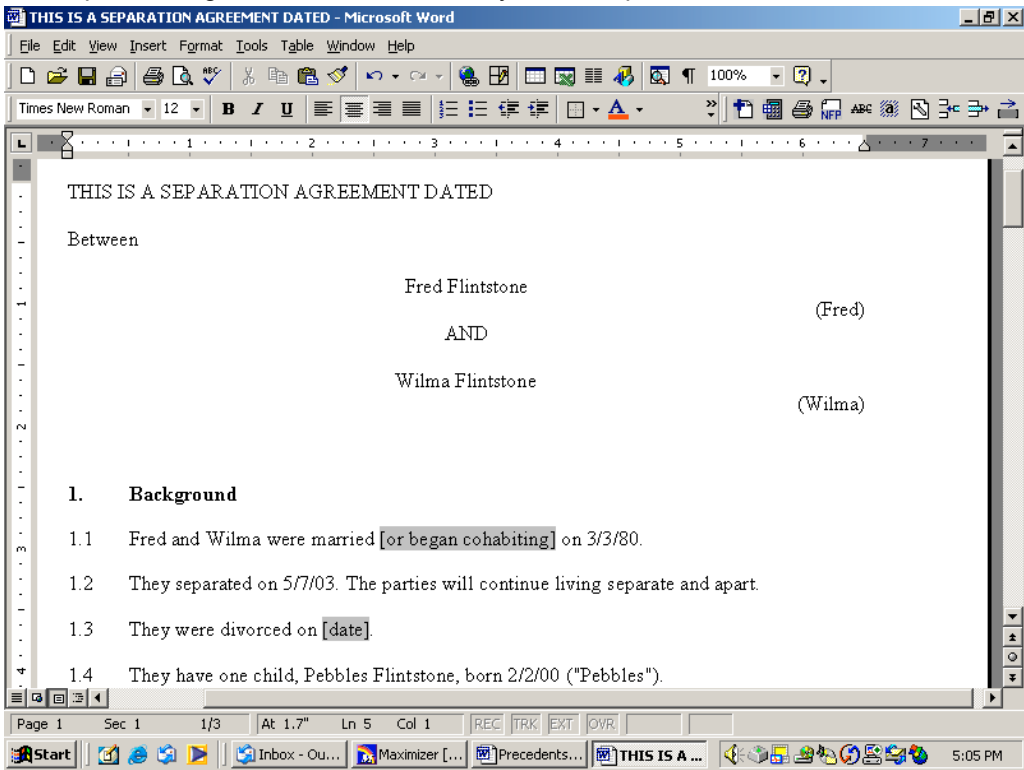
5. Read, evaluate and select applicable clauses and read the commentary; note running index on right half of screen;



This is the “Document Preview” window; it allows a look at the draft separation agreement, as it will appear in your word-processor.

Please note that the parties’ names, dates, etc. have been merged into this preview.

6. Select “Document Preview” to browse a print preview of the actual draft agreement;
7. When you are satisfied with your selected clauses and draft, click “Create”, Precedents+ will create your draft separation agreement and move it to your word-processor for further review;



8. After you have saved the draft, review in order to complete (or delete) information in shaded areas or add missed clauses using Clause Manager feature;

9. Use legal and drafting skills to complete draft agreement in order to ensure consistency and accuracy;

10. Complete any additional clauses you may wish to add and print.

Precedents+ 2003 Separation Agreement software will be available the week of 9/29/03, please place your order today.