The 2017 Michigan Child Support Formula Manual section 3.05 (A) defines the Reasonable Cost of Coverage as follows:

(A) A reasonable cost to a parent for providing health care coverage for the children does not exceed 6 percent of the providing parent’s gross income. In applying this standard, the cost of providing health care coverage is the parent’s net cost of adding the children to the parent’s coverage (e.g. difference between self-only and family coverage) or adding the children to the existing coverage.

(1) Parents with a net income below 133 percent of the federal poverty level or whose child is covered by Medicaid based on that parent’s income should not be ordered to contribute toward or provide coverage, unless coverage is obtainable without any financial contribution by that parent.

(2) A parent’s cost for providing health care coverage is unreasonable if the parent’s total current obligation for support, child care expenses, ordinary health care expenses, plus the parent’s net share of health care insurance exceeds 50 percent of the parent’s regular aggregate disposable earnings.

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