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February 8, 1991

To: Members of the Committee on Administrative Policies

From: The Committee Secretary

Subject: Spouse and Dependents' Allowances

There is attached for consideration by the Committee on Administrative Policies a paper proposing certain changes in spouse and dependents' allowances. This subject will be taken up at a meeting of the Committee to be held on a date to be announced.

Ms. D. Anderson (ext. 7257) is available to answer technical or factual questions relating to this paper prior to the Committee meeting.

Att: (1)

Other Distribution:
Members of the Executive Board
Department Heads

INTERNATIONAL MONETARY FUND

Spouse and Dependents' Allowances

Prepared by the Administration Department

Approved by Graeme Rea

February 8, 1991

I. Introduction

Fund salaries are paid on a net-of-tax basis. However, because most national tax systems differentiate between individuals on the basis of their marital status and dependents, it 'as always been the policy of the Fund to pay staff members an allowance over and above net salary for a spouse and other family dependents, with the aim of approximating the relevant tax reductions in typical income tax regimes. In 1979, the report of the Joint Committee on Staff Compensation Issues recommended that the spouse and dependents allowances be brought more closely into line with the U.S. tax system; in accordance with that recommendation, since March 1, 1980 the spouse allowance has been set at 5 percent of staff net salary up to a maximum allowance of $3,000 for net salaries of $60,000 and above. The children's allowance of $420 per child, which had been in effect from March 1, 1976, was found to be reasonably in line with the U.S. tax system in 1980 and was left unchanged.

Since 1980 there have been a number of changes in the U.S. tax system, including the far-reaching tax reform in 1986. This paper reviews the existing basis for spouse and dependents' allowances and the relationship between these allowances and current U.S. tax law. The following changes in the present system are recommended:

(a) The salary ceiling at which the full 5 percent spouse allowance is payable would be raised from $60,000 to $70,000, which would increase the maximum spouse allowance from $3,000 to $3,500 per year;

(b) the annual amount of the child allowance would be increased from $420 to $600;

(c) the threshold at which spouse income begins to be taken into account and allowances prorated would be raised from $10,000 to $30,000 gross, and the prorating method used to adjust allowances would be simplified;

(d) the eligibility criteria for the dependents' allowance would be brought in line with eligibility criteria for MBP, home leave, education allowances and relocation benefits;

(e) the annual allowance of $210 for other dependents would be eliminated; and

(f) the age cutoff for the augmented child's allowance, currently 19 years of age would be raised to 24 years of age.

The management of the Bank is making almost identical proposals to the Bank's Executive Board. One minor difference between Fund and Bank proposals is noted in this paper.

Because the changes under (a), (b), and (c) above would need to be incorporated in the methodology to be used in the 1991 Compensation Review, there is some urgency in reaching decisions on those issues. Decisions on (d), (e) and (f) are not subject to the same requirement.

II. The Present System of Spouse and Dependents' Allowances

1. Administration of the system

Under the present system, a staff member holding a regular or fixed-term appointment receives certain allowances for a spouse and for qualifying dependent family members.

The full spouse allowance is 5 percent of the staff member's annual net salary, up to a maximum allowance of $3,000. The full allowance is paid to a staff member when the spouse's gross income for the year does not exceed $10,000.

When the spouse's gross income exceeds $10,000, a partial spouse allowance is paid. Specifically, the amount is the percentage of the full allowance that the staff member's net income bears to the combined net income of the staff member and his/her spouse.

As regards children and other dependents, the full dependency allowance for each qualifying child of a staff member is $420 per year and for each other qualifying close relative it is $210 per year, subject to a limit of two such close relatives per family. These allowances are paid in full when a staff member has no spouse or is receiving the full spouse allowance.

Prorated dependents' allowances are paid when a staff member is receiving a reduced prorated spouse allowance. The allowances are reduced on the same percentage basis as the spouse allowance.

The present system is very cumbersome to administer. Staff members must submit annual applications for spouse and dependency allowances and make an estimate of what the spouse income will be for the coming year. In addition, at the end of that year, staff must provide evidence of the spouse's actual earned income for the year. The Treasurer's Department then adjusts spouse income, recalculates allowances, and either pays or collects additional amounts. Personal details of marital status, such as separation or divorce proceedings, as well as custody questions, must often be brought to the attention of the Staff Benefits Division to clarify the status of dependents.

2. Relationship to the salary-setting process

It must be stressed that spouse and dependents allowances are not simply an arbitrary 'add-on' to salaries but are an integral part of the system of determining compensation in the Fund and the Bank.

For the Fund to establish a net salary structure, compensation data for the comparator market must be converted from gross to net, using the appropriate tax tables. To do so, broad assumptions must be made about the tax and family status of employees in the comparator organizations. For support staff, gross salaries in the comparator market are converted to net salaries on the assumption that all comparator employees are single. For professional and managerial salaries, it is assumed that comparator employees are married with a nonworking spouse and two children. These tax assumptions were reviewed by the Joint Compensation Committee in 1987 and deemed to be the most appropriate for the time being.

Thus, having converted gross salaries in the comparator markets into net salaries, the intention is that the spouse and dependents' allowances paid to Fund staff, over and above their net salary, should place individual staff income at a level roughly comparable to employees in comparator organizations with similar family status. To illustrate how the system works, the example below compares the net pay of Fund employees in different family circumstances with the average for employees in the U.S. comparator market with the same family status.

	Fund Net Pay System		U.S. Comparator Pay
1. Market gross	$60,000	Gross	$60,000
2. Net down assuming married & 2 children	- 11,180		
net	$48,820		
3. Deduct Fund spouse allowance &	- 2,280		
dependents allowance for 2 children	- 840		
net salary	$45,700		
Net pay to single	$45,700	Net Single	$45,240
Net pay married no children	$47,980	Net Married	$47,600
Net pay married 1 child	$48,400	Net Married 1 child	$48,210
Net pay married 2 children	$48,820	Net Married 2 children	$48,820

It is the line headed 'Net pay to single' that would be reflected in the salary structure based on the comparator market. As the subsequent lines illustrate, adding a spouse and children brings into play the allowances, and the total of salary plus allowances must then be compared with net pay shown in the 'U.S. Comparator Pay' column.

As the example shows, the net pay of staff (plus allowances where relevant) is reasonably related to the net pay of U.S. comparator staff in similar marital and family circumstances.

The way the system works means that any adjustment to the amounts of spouse or dependents' allowances will automatically produce an offsetting adjustment in the salary-setting process: for example, if at 'step 3', allowances were only half their present level, 'net pay to single' would be that much higher, but the smaller allowances would result in the same net pay on each subsequent line.

3. Relationship to the U.S. Tax System

As noted earlier in the paper, spouse and dependents' allowances were closely related to the tax effects of the U.S. system as it was in 1980. Since that date, there have been significant changes in U.S. taxes.

The tax effects of marital status and dependents under the current U.S. tax system are shown in Table 1, which compares the Fund's current allowances with the reductions in U.S. taxes that are applicable to a spouse and two children at various levels of net salary.

It will be seen from Table 1 that the allowance for the spouse, at 5 percent of net salary, continues to bear a fairly reasonable relationship to the U.S. tax effect for staff earning up to an income of about $60,000 net, the allowance is above the tax effect at $20,000 net salary, but it is less than the tax effect at higher salaries, with the most marked shortfall lying between $70,000 and $90,000.

The present children's allowance, $420 per child, is somewhat higher than the tax effect at the lowest net income levels, but it begins to fall significantly below the tax effect at about $40,000 of net income.

Table 1. Comparison of U.S. Tax Effect of Spouse and Children with the Fund's Spouse and Dependents' Allowances

Staff Net Income	U.S. Tax Effect			Fund Allowances		
	Spouse	2 Children	Total	Spouse	2 Children	Total
$ 20,000	719	748	1467	1000	840	1840
$ 30,000	1850	734	2584	1500	840	2340
$ 40,000	2253	1226	3479	2000	840	2840
$ 50,000	2651	1222	3873	2500	840	3340
$ 60,000	3270	1224	4494	3000	840	3840
$ 70,000	4003	1234	5237	3000	840	3840
$ 80,000	3826	1420	5246	3000	840	3840
$ 90,000	3750	1422	5172	3000	840	3840
$100,000	3315	1446	4761	3000	840	3840

The differences shown in Table 1 have arisen primarily because of recent changes in U.S. taxation, which significantly increased the value of exemptions for dependents. At the same time, differences related to spouse income have emerged between Fund allowances and the U.S. tax effect, mainly because the Fund's current system begins to prorate the spouse and children's allowances when the spouse earns more than $10,000. The $10,000 figure has not been adjusted since March 1975, and it is clear that the current figure represents too low a point to begin the proration of the allowances under the present U.S. tax system. A comparison of the tax effect of a spouse and two children assuming spouse income of $20,000 is shown in Table 2.

Table 2. Comparison of U.S. Tax Effect of "Married with Two Children" with the Fund's Allowance Assuming Spouse Gross Income of $20,000

	U.S. Tax Effect- Married + 2		Fund Allowances	
Staff Net Income	Tax on Combined Family Income	Tax Prorated to Staff Income	Maximum Allowance Payable	Actual Allowances after Proration
$ 20,000	3307	1793	1840	997
$ 30,000	3686	2358	2340	1497
$ 40,000	4299	3022	2840	1997
$ 50,000	4931	3686	3340	2496
$ 60,000	5246	4093	3840	2996
$ 70,000	5210	4197	3840	3093
$ 80,000	4948	4085	3840	3170
$ 90,000	4242	3572	3840	3233
$100,000	3589	3070	3840	3285

The columns in Table 2 that need to be compared are the 'Tax Prorated to Staff Income', which shows the allowance that would be needed under the Fund system to match precisely the tax effect, and 'Actual Allowances after Proration', which show the actual allowances paid by the Fund.

It is clear that the proration of spouse and dependents' allowances under the current system reduces the maximum allowances payable far below what the prorated U.S. tax effect would indicate. The reduction in allowances at the lowest pay level is greater in absolute amount than at the highest pay level; it also represents a significantly greater proportional reduction in the allowance.

This result is partly due to the relatively low level of spouse income at which proration begins, but it is also partly due to the proration methodology itself. The current methodology prorates the allowance based on the percentage relationship of staff net pay to the family's combined net income. Therefore, if staff earn the same net income as their spouse, the allowance is halved. But if the staff member earns twice as much as the spouse, the allowance is reduced by only one-third even if spouse income is identical in the two examples cited. The proration methodology at present runs counter to the effect of the U.S. tax system.

III. Recommended Changes to Spouse and Dependency Allowances

The formulation of recommendations to revise the current spouse and dependents allowance system focused on:

(a) the current differences between the Fund's allowances and the U.S. tax effects of a spouse and dependents; and

(b) the administrative complexity of the current system.

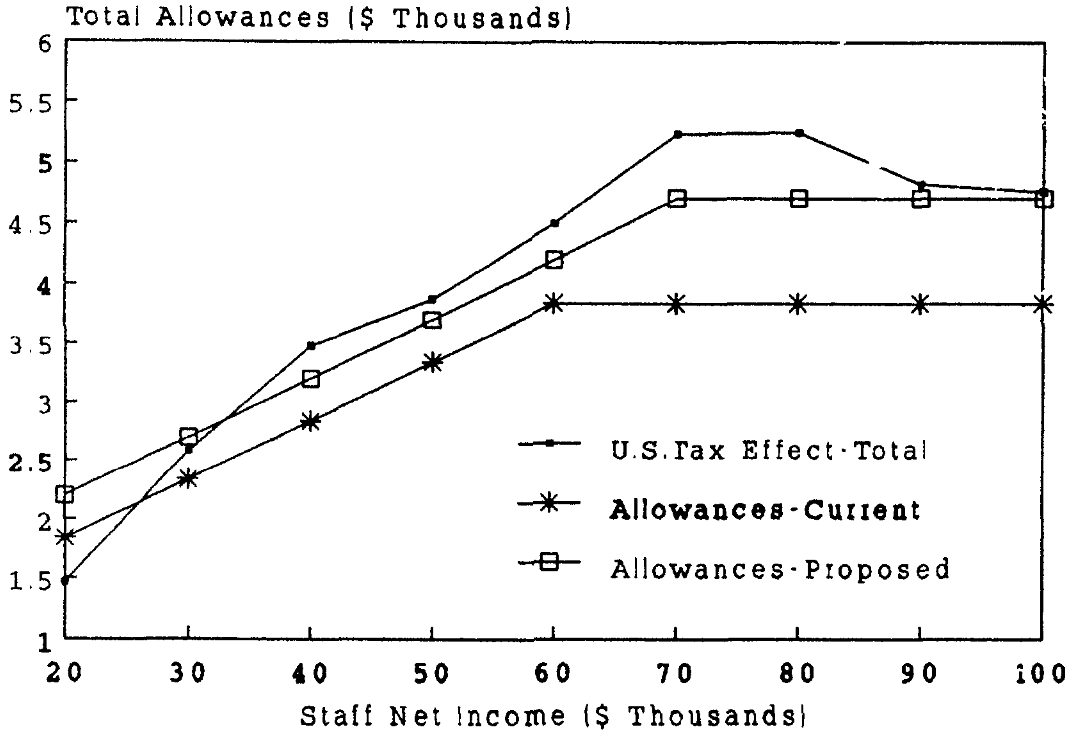
1. Update of current allowances in relation to U.S. tax system

In recent years, changes in U.S. tax codes have increased the tax benefit of a spouse and dependents. In relation to net income, the tax benefit of a spouse remains at about 5 percent up to a salary of $60,000 net; but, rather than declining above $60,000, as was the case in 1980, the value remains close to 5 percent even above $70,000 net. It begins to fall as a percentage of net income at about $75,000. The maintenance of a 5 percent spouse allowance combined with an increase in the salary ceiling from $60,000 ($3,000 maximum spouse allowance) to $70,000 ($3,500 maximum spouse allowance) would bring the system reasonably close to the U.S. tax effect of a dependent spouse.

For dependent children, the U.S. tax effect and the Fund allowance of $420 are similar at the lowest net pay levels but rise to between $600 and $700 above a net income of $40,000. The tax effect for children tends to be fairly flat, and at most income levels it is close to $600, which would represent a reasonable adjustment to the current system.

These two changes--an increase in the maximum allowance from $3,000 to $3,500 and an increase from $420 to $600 per child--would bring the dependency allowance system much closer to the U.S. tax system. The effects of the proposed changes in relation to the U.S. tax line compared with the current allowances for a spouse and two children are set out in Graph 1.

Graph 1. Current and Proposed Spouse and Dependents' Allowances Compared with the U.S. Tax Effect



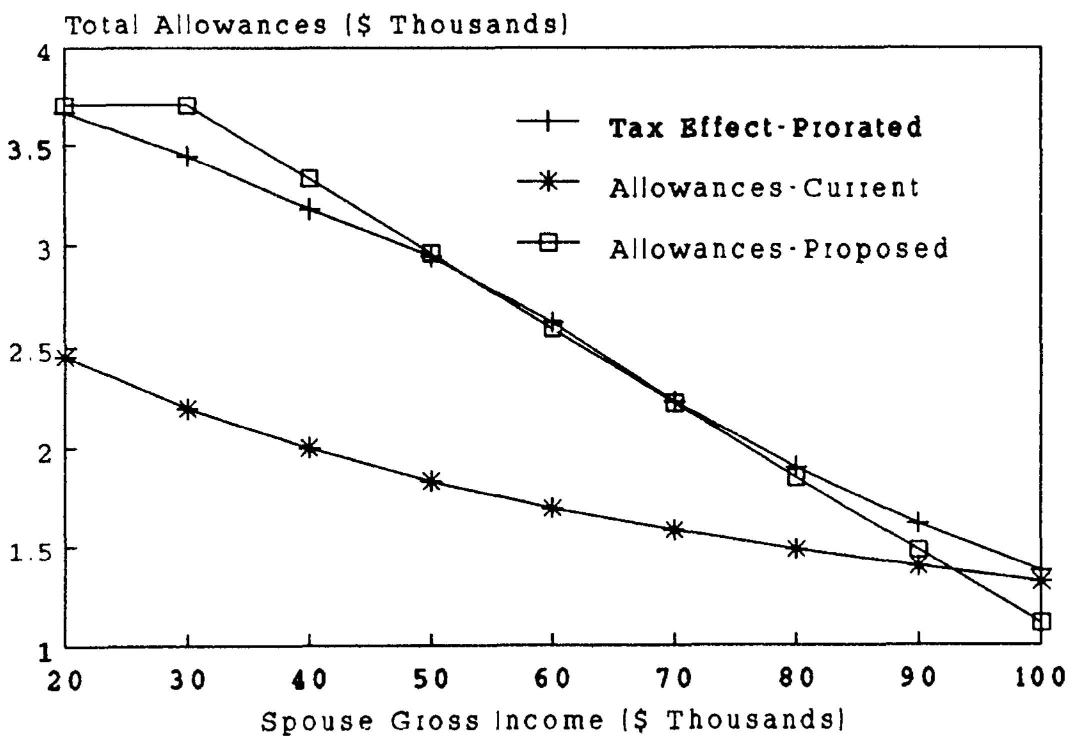
NOTE: Fund current and proposed allowances and U.S. tax effect are calculated based on a nonworking spouse and two children. The proposed spouse allowance equals five percent of net staff salary to a maximum of $3,500: the proposed children's allowance equals $600 each child.

As the graph illustrates, the proposed changes would bring spouse and children's allowances closer to the U.S. tax system in cases where there is no spouse income. However, as noted earlier, the present methodology for reducing allowances where there is spouse income also requires adjustment to bring the result of that process closer to the U.S. tax effect. The adjustment proposed is an increase in the level at which proration begins from $10,000 to $30,000, which is an increase that would broadly reflect the change in the index of consumer prices since 1975.

In addition to the increase in the proration point to $30,000, it would also help to bring allowances closer to the U.S. tax effect if the allowances paid to staff were reduced by a set percentage of spouse income rather than by the percentage of the combined staff and spouse net income, which is the basis of the current system. The methodology proposed is that each $1,000 of spouse gross income over $30,000 would reduce the maximum allowance payable to staff by 1 percent. This results in similar levels of spouse income producing similar percentage reductions in allowances.

Comparisons of the results of the proposed changes with the current system are included in tables in Attachment I that show the effect of spouse income at levels from $20,000 to $100,000 gross. To illustrate the effect of the changes in the treatment of spouse income, Graph 2 below compares the allowances for a spouse and two children under the current system with (i) the proposed allowances, and (ii) the tax effect of the U.S. system. The graph uses staff net salary of $50,000 and shows the allowances that would be payable with spouse income levels ranging from $20,000 to $100,000 gross.

Graph 2. Current and Proposed Spouse and Dependents' Allowances Compared with the U.S. Tax Effect



NOTE: Fund current and proposed allowances and U.S. tax effect are calculated assuming two children and a working spouse with gross income levels ranging from $20,000 to $100,000. The proposed spouse allowance equals five percent of net staff salary to a maximum of $3,500: the proposed children's allowance equals $600 each child. The proposed proration reduces the allowance by one percent per $1,000 of spouse income above $30,000 gross.

2. <u>Other administrative issues</u>

There are a number of elements of the current system of applying spouse and dependency allowances that add significantly to the administrative complexity of the system.

a. <u>Augmented child allowance</u>

An augmented child allowance, equal to a spouse allowance, is currently payable to a staff member not receiving a spouse allowance (typically, a single parent who has 'Head of Household' status) provided that the child is under 19 years of age. It is proposed to increase the age ceiling to 24 if the child is a full-time student. In addition to tracking more closely the definition of a dependent under the U.S. tax system, this change would bring this particular provision into line with the Fund's definition of dependent children and applicable age limit. The Bank is making the same proposal, but in the Bank the proposed age cutoff for the dependency allowance is 25 as compared with 24 in the Fund. This is not a change of major significance: augmented allowances are presently paid in respect of 79 staff members.

b. <u>Eligibility Requirements</u>

Another important area where administration can be streamlined is the area of eligibility for the dependents' allowance. It may be recalled that in January 1990 revised eligibility requirements were approved for children under the home leave, education allowance, medical benefits, education loans, and relocation benefits policies.1/ At that time it was noted that eligibility under the dependency allowance policy would be reviewed as part of the study of spouse and dependency allowances. It is now proposed that the eligibility requirements for dependency allowance be brought into line with the requirements for those benefits listed above. Specifically, it is recommended that: children under 19 years of age be eligible for dependency allowance regardless of income, student status, residence, or marital status; and children who are aged 19 or more, but under 24 years of age be eligible for dependency allowance if they:

(i) are unmarried;

(ii) reside with the staff member; 2/ and

1/ The relevant information may be found in EB/CAP/89/5, October 31, 1989, Supplements 1-4, and Revision 1; EBAP/89/302, December 15, 1989 and Supplement 1, all entitled "Eligibility of Staff Members' Dependent Children for Certain Benefits".

2/ A child in residence at his/her school location during the academic year will be deemed to be residing with staff member, if the other parent does not live at the school location.

(iii) have an earned gross income not exceeding $7,500 per calendar year; provided that if the earned income exceeds $7,500, the child may remain eligible if he/she is a full-time student and the staff member affirms that more than half of the child's total support is provided by the staff member. (Specific evidence of such support may be required in the case of children with a particularly high earned income.)

As with the changes approved in January 1990, the change in eligibility will not materially affect the level of benefits although a few more children may be regarded as dependents. However, the administrative simplification will be welcomed by the administrators and the staff.

c. Secondary dependents

One area of administrative concern for many years has been that of the dependency allowance for close relatives, which is payable to a maximum of $210 per year per secondary dependent, for a maximum of two such dependents. This provision has traditionally been rationalized as a social benefit, although there is a U.S. tax provision that does recognize other dependents under certain specified circumstances. The allowance is not factored into the salary setting process, and it is also administratively complex in the requirements for documentation.

In particular, trying to get evidence of support payments from staff has been a problem. In some cases staff have genuine difficulty obtaining objective evidence of payments for dependents who reside in other countries, such as copies of bank drafts, etc. Moreover, given the differences in living standards, it is very difficult to determine whether the staff member provides more than half annual living expenses. Originally, the Fund had no limit on the number of close relatives that could be claimed as dependents, but in recent years a limit of two was established. However, even with this limitation, an inordinate amount of time is still spent in processing claims for what is a relatively small benefit.

Currently 223 staff receive allowances for 302 close relatives: there is little proration involved and the actual annual cost of the allowances is close to the $63,420 that results from 302 allowances of $210 each.

Given the small amounts that are involved, and the significant burden of administering the benefit, it is recommended that the allowance for secondary dependents be abolished.

It is, however, recognized that some 'cushioning' of the effects on staff members currently receiving the allowance is called for. Three possibilities have been considered:

(i) full 'grandfathering' for as long as the existing dependent retains that status;

(ii) limited 'grandfathering' for, say, three or four years, again so long as the existing dependent retains that status; and

(iii) the 'buyout' of all existing dependents by the immediate lump-sum payment of four years' allowances at the rate presently paid.

Both the Fund and Bank administration staff gave consideration to complete grandfathering. This however, would prolong for the longest period the administrative burden of the benefit and would also involve the largest continuing cost. Continued payment for three or four more years would also postpone the easing of the administrative burden. Although the four-year 'buyout' would be a somewhat more expensive option than continued payment for the same period, it would lift the administrative burden immediately, and it is proposed that this approach be followed. The Bank is making the same proposal to its Executive Board.

IV. Summary of Recommendations

To summarize with respect to spouse and dependency allowances, it is proposed that:

(a) the rate of the spouse allowance be maintained at 5 percent of net pay, and the maximum allowance be raised from $3,000 to $3,500 a year;

(b) the amount of the child allowance be increased from $420 to $600 a year;

(c) the level of spouse income at which the proration of the allowance takes effect be raised from $10,000 to $30,000 and the method of proration be changed to reduce the allowance by one percent for each $1,000 of gross income above $30,000.

(d) the eligibility requirements for children would be revised as described in paragraph 2(b) of Section III above;

(e) the allowance of $210 a year for secondary dependents be eliminated, with a lump-sum payment of four years' allowance per eligible dependent (at the present rate) being paid to each staff member who currently receives allowances;

(f) the augmented child allowance payable to single parents would continue as long as the child remains eligible under the Fund's definition of dependent child.

It is proposed that the recommended changes take effect as of January 1, 1991.

The direct annual cost of changes under (a), (b) and (c) above would be approximately $750,000. The savings involved in discontinuing the secondary dependents' allowance would be approximately $60,000 per year. However, the immediate cost of a four-year buyout would be about $240,000.

It will be necessary to continue to monitor the system of spouse and dependents allowances. Indexation of income levels and the phasing out of deductions for dependents at the highest family income levels are new aspects of U.S. income tax legislation and the effect of these provisions will have to be studied in the future to determine whether additional changes to the system of dependency allowances are warranted. Moreover, considerable simplifications, and a further easing of the administrative burden, could be achieved if spouse income were to be disregarded altogether; although this might appear to move away from the U.S. tax system, it is believed a reasonable relationship to that system could still be maintained. The staff will be examining this possibility over the coming year.

As noted earlier the Bank's Executive Directors will be taking up virtually identical proposals in late February 1991.

Attachment

COMPARISON OF THE U.S. TAX EFFECT FOR DEPENDENTS AND THE FUND'S DEPENDENCY ALLOWANCE FOR VARYING LEVELS OF SPOUSAL INCOME

	MARRIED WITH NO DEPENDENTS				MARRIED WITH TWO DEPENDENTS			
STAFF NET	U.S. TAX EFFECT		DEPENDENCY ALLOWANCE		U.S. TAX EFFECT		DEPENDENCY ALLOWANCE	
INCOME	TOTAL	PRORATED	CURRENT	PROPOSED	TOTAL	PRORATED	CURRENT	PROPOSED
SPOUSE INCOME: $10,000 Gross ($8,933 Net)								
20,000	1,678	1,160	691	1,000	2,418	1,671	1,272	2,200
30,000	2,231	1,719	1,156	1,500	3,457	2,664	1,803	2,700
40.000	2,586	2,114	1,635	2,000	3.808	3,113	2,322	3,200
50,000	3,203	2,717	2,121	2,500	4,428	3,757	2,634	3,700
60,000	3,723	3,241	2,611	3,000	5,060	4,404	3,342	4,200
70,000	3,820	3,388	2,660	3,500	5,247	4,653	3,405	4,700
80,000	3,770	3,391	2,699	3,500	5,185	4,664	3,454	4,700
90,000	3,402	3,095	2,729	3,500	4,842	4,405	3,493	4,700
100,000	2,660	2,442	2,754	3,500	4,095	3,759	3,525	4,700
SPOUSE INCOME: $20,000 Gross ($16,894 Net)								
20,000	2,185	1,184	542	1,000	3,307	1,793	997	2,200
30,000	2,462	1,575	960	1,500	3,686	2,358	1,497	2,700
40,000	3,076	2,163	1,406	2,000	4,299	3,022	1,997	3,200
50,000	3,653	2,730	1,869	2,500	4,931	3,686	2,496	3,700
60,000	3,817	2,978	2,341	3,000	5,246	4,093	2,996	4,200
70,000	3,808	3,068	2,417	3,500	5,210	4,197	3,093	4,700
80,000	3,514	2,901	2,477	3,500	4,948	4,085	3,170	4,700
90,000	2,763	2,343	2,526	3,500	4,242	3,572	3,233	4,700
100,000	2,169	1,856	2,566	3,500	3.589	3.070	3,285	4,700
SPOUSE INCOME: $30,000 Gross ($24,315 Net)								
20,000	2,342	1,057	451	1,000	3,568	1,610	830	2,200
30,000	2,916	1,611	829	1,500	4,137	2,285	1,292	2,700
40,000	3,542	2,203	1,244	2,000	4,768	2,965	1,766	3,200
50,000	3,817	2,568	1,682	2,500	5,241	3,526	2,247	3,700
60,000	3,848	2,738	2,135	3,000	5.237	3,727	2,733	4,200
70,000	3,612	2,681	2,227	3,500	5,044	3,744	2,850	4,700
80,000	2,960	2,270	2,301	3,500	4,432	3,399	2,945	4,700
90,000	2,330	1,834	2,362	3,500	3,738	2,943	3,023	4,700
100,000	1,727	1,389	2,413	3,500	3.162	2,544	3,089	4,700
SPOUSE INCOME: $40,000 Gross ($31,269 Net)								
20,000	2,728	1,064	390	900	3,948	1,540	718	1,980
30,000	3,350	1,640	734	1,350	4.575	2,240	1,146	2,430
40,000	3,802	2,134	1,123	1,800	5.208	2,923	1,594	2,880
50,000	3,832	2,358	1,538	2,250	5,243	3,226	2,055	3,330
60,000	3,727	2,450	1,972	2,700	5,157	3,390	2,524	3,780
70,000	3,210	2,219	2,074	3,150	4,664	3,224	2,654	4,230
80,000	2,518	1,810	2,157	3,150	3,927	2,823	2,761	4,230
90,000	1,905	1,414	2,226	3,150	3,338	2,477	2,850	4,230
100,000	1,549	1,180	2,285	3,150	2,990	2,278	2,925	4,230

STAFF NET INCOME	MARRIED WITH NO DEPENDENTS: U.S. TAX EFFECT: TOTAL	PRORATED	DEPENDENCY ALLOWANCE: CURRENT	PROPOSED	MARRIED WITH TWO DEPENDENTS: U.S. TAX EFFECT: TOTAL	PRORATED	DEPENDENCY ALLOWANCE: CURRENT	PROPOSED
SPOUSE INCOME: $50,000 Gross ($38,368 Net)								
20,000	3,167	1,085	343	800	4,392	1,505	630	1,760
30,000	3,703	1,625	658	1,200	5,025	2,205	1,027	2,160
40,000	3,817	1,948	1,021	1,600	5,249	2,679	1,450	2,560
50,000	3,780	2,139	1,415	2,000	5,192	2,938	1,890	2,960
60,000	3,459	2,110	1,830	2,400	4,893	2,985	2,342	3,360
70,000	2,694	1,740	1,938	2,800	4,136	2,672	2,480	3,760
80,000	2,078	1,404	2,028	2,800	3,504	2,368	2,595	3,760
90,000	1,688	1,113	2,103	2,800	3,027	2,122	2,692	3,760
100,000	943	682	2,168	2,800	2,391	1,728	2,775	3,760
SPOUSE INCOME: $60,000 Gross ($45,236 Net)								
20,000	3,600	1,104	307	700	4,926	1,480	564	1,540
30,000	3,817	1,522	598	1,050	5,242	2,090	933	1,890
40,000	3,853	1,808	939	1,400	5,235	2,457	1,333	2,240
50,000	3,577	1,878	1,313	1,750	5,010	2,630	1,754	2,590
60,000	2,884	1,644	1,710	2,100	4,362	2,487	2,189	2,940
70,000	2,273	1,381	1,822	2,450	3,685	2,238	2,333	3,290
80,000	1,673	1,069	1,916	2,450	3,109	1,986	2,453	3,290
90,000	1,272	847	1,997	2,450	2,717	1,808	2,556	3,290
100,000			2,066	2,450			2,644	3,290
SPOUSE INCOME: $70,000 Gross ($51,905 Net)								
20,000	3,824	1,064	278	600	5,249	1,460	512	1,320
30,000	3,836	1,405	549	900	5,242	1,920	857	1,620
40,000	3,715	1,617	870	1,200	5,150	2,241	1,236	1,920
50,000	3,158	1,549	1,227	1,500	4,615	2,264	1,639	2,220
60,000	2,479	1,329	1,609	1,800	3,892	2,081	2,059	2,520
70,000	1,868	1,073	1,723	2,100	3,301	1,895	2,205	2,820
80,000	1,540	934	1,819	2,100	2,962	1,809	2,329	2,820
90,000			1,903	2,100			2,435	2,820
100,000			1,975	2,100			2,528	2,820
SPOUSE INCOME: $80,000 Gross ($58,525 Net)								
20,000	3,817	972	255	500	5,249	1,337	469	1,100
30,000	3,778	1,280	508	750	5,190	1,759	793	1,350
40,000	3,453	1,402	812	1,000	4,888	1,984	1,153	1,600
50,000	2,685	1,237	1,152	1,250	4,124	1,900	1,539	1,850
60,000	2,068	1,047	1,519	1,500	3,496	1,770	1,944	2,100
70,000	1,586	864	1,634	1,750	3,025	1,648	2,091	2,350
80,000	926	535	1,733	1,750	2,375	1,372	2,218	2,350
90,000			1,816	1,750			2,327	2,350
100,000			1,892	1,750			2,422	2,350

STAFF NET INCOME	MARRIED WITH NO DEPENDENTS				MARRIED WITH TWO DEPENDENTS			
	U.S. TAX EFFECT		DEPENDENCY ALLOWANCE		U.S. TAX EFFECT		DEPENDENCY ALLOWANCE	
	TOTAL	PRORATED	CURRENT	PROPOSED	TOTAL	PRORATED	CURRENT	PROPOSED
SPOUSE INCOME: $90,000 Gross ($65,104 Net)								
20,000	3,852	905	235	400	5,235	1,230	432	880
30,000	3,582	1,130	473	600	5,015	1,582	738	1,080
40,000	2,895	1,102	761	800	4,371	1,663	1,081	1,280
50,000	2,281	991	1,086	1,000	3,693	1,604	1,451	1,480
60,000	1,681	806	1,439	1,200	3,117	1,495	1,842	1,680
70,000	1,286	666	1,554	1,400	2,731	1,415	1,990	1,880
80,000			1,654	1,400			2,117	1,880
90,000			1,741	1,400			2,228	1,880
100,000			1,817	1,400			2,326	1,880
SPOUSE INCOME: $100,000 Gross ($71.676 Net)								
20,000	3,711	810	218	300	5,143	1,122	401	660
30,000	3,177	937	443	450	4,633	1,367	690	810
40,000	2,493	893	716	600	3,898	1,396	1,017	960
50,000	1,881	773	1,027	750	3,314	1,362	1,372	1,110
60,000	1,543	703	1,367	900	2,985	1,360	1,750	1,260
70,000			1,482	1,050			1,897	1,410
80,000			1,582	1,050			2,025	1,410
90,000			1,670	1,050			2,138	1,410
100,000			1,747	1,050			2,237	1,410