

CH Legal Moment Denis Burns - Are child or spousal support payments tax deductible?

[phone ringing]

Receptionist: Cohen Highley

Announcer: And now the Cohen Highley Legal Moment on 980CFPL

Announcer: I'm here with Denis Burns from Cohen Highley Lawyers. Are child or spousal support payments tax deductible?

Denis Burns: Child support payments are not deductible for the payor nor taxable to the recipient.

Announcer: And spousal support?

Denis Burns: Periodic spousal support (which is usually paid monthly) paid according to the terms of either a written Separation Agreement or a Court Order are taxable to the recipient and deductible by the payor. However, a lump sum of spousal support (support which is prepaid) is not included in the income of the support recipient nor is it deductible by the support payor.

Announcer: How is child support decided?

Denis Burns: There are child support guidelines which provide for a basic level of support which is based on the payor's income, and a second level to cover special or extraordinary expenses such as child care, extraordinary education and extra-curricular activity costs, health expenses and post-secondary education costs.

Announcer: And how is spousal support decided?

Denis Burns: Spousal support is much more complicated, but there are spousal support advisory guidelines that give assistance.

Announcer: Thanks Denis. This has been the Cohen Highley Legal Moment.

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Singers: Cohen Highley, we're listening. cohenhighley.com