

4. **SPOUSAL SUPPORT.**

a. **Basic provision.** Harold agrees to pay Winifred as spousal support the sum of \$5,416 per month. These payments shall be made as \$2,500 every two weeks to coincide with Harold's biweekly pay checks. Payments shall commence on May 7, 2017 and shall continue every two weeks for so long as spousal support remains due. Both parties are aware that Harold's payments under this provision may be deducted by him and are taxable to Winifred for tax for tax purposes.

b. **Future formula.** After 30 months from the effective date of this agreement, spousal support shall be modified to be determined on the basis of the following formula: 30% of Harold's gross monthly income less 50% of Winifred's gross monthly income. The resulting figure shall be multiplied by 26 and divided by 12 to determine the biweekly figure. Each party shall notify the other of any changes in his or her gross monthly income together with verification, and the modification shall take effect as of the date of such change.

c. **Other modifications.** If a material change in circumstances not envisaged by the above formula takes place, either party shall have the right to request a modification of spousal support. The test shall be whether there has been such a change in circumstances, and if so, whether the change justifies a modification. Whitney's cohabitation in a marriage-like situation shall be deemed one example of such a change in circumstances.

d. **Assistance with college expenses.** In order to assist Winifred with her expenses of obtaining a Master's degree so as to enable her to move toward being self-supporting, Harold agrees to pay her the sum of \$24,000 per year for the two academic years 2017-18 and 2018-19. This provision shall apply during this period for so long as Winifred continues to be enrolled in the program and make progress toward her degree. Harold's payments under this provision shall be made to correspond with the timing of Winifred's tuition bills from the institution. The parties understand that these payments toward tuition shall not be treated as spousal support for tax purposes.

e. **Term of spousal support.** Spousal support shall terminate on the death of either party or Winifred's remarriage, and in no event shall continue for more than 10 years from the effective date of this agreement. They may also be suspended or effectively terminated as a result of the above formula or a material change in circumstances.

Notes: There are some issues that will need to be discussed in advance, such as the tax treatment of the college assistance provision. Also, check on pages 17-18 of IRS Publication 504 to see if there is a recapture of alimony problem.