

Alimony: Reimbursement Support

Reimbursement support is one way in which a spouse (the paying spouse) who received the other spouse's (the receiving spouse's) monetary support during marriage repays that support after the parties divorce. The benefit rendered could be in the form of educational costs, money spent toward establishing or operating a business for the supported spouse, and similar types of support. To be eligible for reimbursement support, the benefits should have been received during the marriage, and the receiving spouse should have provided most of the family support during the marriage period in question. Reimbursement support is not the same as basic alimony. Alimony, also called "spousal support," is intended to allow the spouse who receives the alimony to live in a lifestyle similar to what he or she enjoyed during marriage.

Reimbursement support may be provided for employment opportunities that the receiving spouse forfeited in order to care for the family while the paying spouse advanced his or her education or career. The sacrifice in the form of foregoing personal or professional goals in order to support the marriage is taken as the key factor for determining the reimbursement amount. Reimbursement support usually is based on the amount of money spent by the receiving spouse during the marriage, not on the enhanced future earning capacity of the paying spouse. The divorce court has discretion to grant reimbursement support and to quantify it. Either party may petition to modify the reimbursement support amount as time passes.

Remarriage does not terminate the reimbursement support obligation. It is tax deductible for the payer, and is taxable as income to the receiving spouse. The paying spouse's death terminates the reimbursement obligation, so it is wise to assure that the paying spouse carries life insurance payable to the receiving spouse.

Courts consider the paying spouse's ability to pay and the receiving spouse's financial situation when awarding reimbursement support. Other factors may include the parties' ages, health, retirement benefits, wastage of marital assets, and grounds for separation.