

## Child Maintenance

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Child maintenance is financial support that helps towards a child's everyday living costs when the parents have separated. It is for children who are under 20 and in full time education (but not higher than A-level or equivalent).

You can agree child maintenance directly with the other parent and enter a Family Based Agreement or go through the Child Maintenance Service (previously the CSA).

Since 25 November 2013, the way child maintenance is calculated has altered. Whereas the previous calculation was carried out on the non-resident parent's net income, it is now based on gross income. Gross income is classed as income from earnings, pensions and certain benefits, and is the total amount of income **before** tax and NI is taken off, but **after** pension deductions. See below for further information on how child maintenance is calculated.

You may be able to reach an agreement with your former partner in relation to the issue of child maintenance. This could be a verbal or written agreement.

## Family Based Agreement

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One of the main benefits is that it provides flexibility providing you are both in agreement. You don't have to follow a set of rules to work out child maintenance and you can agree when the payments are made i.e. weekly, monthly, yearly and can include payments in kind for things like school uniform, clothes, food, school fees or mortgage payments. Most people find it easier to budget by paying or receiving maintenance at the same time as their wages or benefits. It is helpful to keep a record of payments paid and received. A standing order may be best to ensure that payments are paid on time and recorded. Whatever you agree it is important that you write it down so that there is no misunderstanding. The arrangement is not legally binding but is a way of showing your strong personal commitment.

In order to figure out what should be paid a good starting point is to use the calculator on the government website at <https://www.gov.uk/calculate-child-maintenance>

Advice and assistance in relation to family-based arrangements can be found at <https://www.gov.uk/making-child-maintenance-arrangement> or by contacting Child Maintenance Options on 0800 953 0191

## Child Maintenance Service

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If, however, no agreement can be reached with regards to child maintenance, then a referral can be made to the Child Maintenance Service (CMS).

If a referral is made through the CMS, calculations will be based on information obtained from HMRC, the non-resident parent, their employer and any other relevant third party, such as their accountant.

Reassessments will only be carried out if the non-resident parent's income increases or reduces by over

25% during the year. An annual review is, however, carried out.

Income of up to £3,000 per week can be dealt with through the CMS. If the non-resident parent's income is higher than this (i.e. in excess of £156,000 per annum) then a Court Application could be made for additional child maintenance.

If the CMS is involved in your case, and the non-resident parent fails to provide the information required, or provides false information, this is a criminal offence and if convicted, they can be fined up to £1000.

The CMS charge an application fee of £20 (unless the resident parent is the victim of domestic violence or is under 19 years old). There is also a 20% collection charge for non-resident parents on top of their maintenance calculation and a 4% deduction from payments to resident parents if the Collect & Pay service is used. These ongoing charges can be avoided if parents opt for Direct Pay, where parents pay each other directly at arms-length from the CMS. If payments stop, the CMS will step in and enforce payments.

## Should I make a private agreement?

### Advantages

Doing things yourself can be quicker and easier than through the Child Maintenance Service (as long as you and the other parent are able to work together). There is bureaucracy to deal with or set rules to follow. You can be more flexible about how, what and when payments should be made.

If you can keep lawyers and the Child Maintenance Service out of it, it's a lot easier to keep things friendly. It can be a good way to rebuild trust for the future.

People tend to respect their own promises more. When both parents agree things together, payments are more likely to be made in full and on time.

A private agreement is totally private. No-one else needs to get involved in your affairs.

It's far more flexible, because you can make special arrangements or changes at any time, quickly and easily.

It's not final. If it doesn't work out, you can consider asking the Child Maintenance Service to set up an arrangement.

### Disadvantages

If the other parent isn't willing to cooperate, or refuses to take responsibility, then a private agreement won't work. It takes both of you to make it work.

A private agreement is not generally legally binding and overdue child maintenance payments cannot be enforced or collected, if your private agreement breaks down.

If you've failed to make a private agreement work before, it's less likely to succeed the second time.

If the other parent won't give you accurate information about their income, you won't be able to work out a figure based on their income.

If you don't know where the other parent lives, or don't want to have any contact with them, it's hard to make a private agreement work.

For the purpose of the maintenance calculation, there are five rates of income, Basic, Basic Plus, Reduced, Flat and Nil.

A non-resident parent's maintenance liability is calculated as follows:

Rate	Gross Weekly Income	Percentage of Gross Weekly Income Payable		
		1 child	2 children	3 children or more
<b>Basic</b>	£200.00 to £800.00	12%	16%	19%
<b>Basic Plus</b>	£800.01 to £3,000.00	9%	12%	15%
	income up to £800 dealt with as per Basic Rate, plus additional % of excess			
<b>Reduced</b>	£100.01 to £199.99	19%	27%	33%
	Flat rate of £5 plus additional % of excess over £100.00			
<b>Flat</b>	£5.00 to £100.00	£5	£5	£5
	(or receives certain benefits)			
<b>Nil</b>	Less than £5.00	0%	0%	0%

A deduction is also made if the non-resident parent has overnight stays with their children of at least 53 nights per year. For example, if the non-resident parent has overnight staying contact for, on average, one night per week, a 1/7th deduction is made to their maintenance liability; two nights per week, a 2/7th deduction and so on.

If the non-resident parent has other children residing in their current household eg step children, then a reduction in child maintenance liability is made for these children.

Examples:

A non-resident parent with a gross weekly income of £150 falls into the Reduced Rate. If they are liable for maintenance for two children, with no overnight stays taking place, they will pay 27% of the balance of their income over £100 ie  $£50 = £13.50$ , plus the flat rate of £5 = £18.50 per week, which is rounded up to £19 per week.

A non-resident parent with a gross weekly income of £900 falls into the Basic Plus Rate. If they are liable for maintenance for three children, they will pay 19% of their income up to £800 = £152, plus 15% of their income over £800 ie 15% of £100 = £15, making a total of £167. The children stay overnight for one night every week. A deduction is therefore made of 1/7th, making the liability £143 per week.

For more information on the Child Maintenance Service visit: [www.gov.uk/child-maintenance](http://www.gov.uk/child-maintenance) or call 0800 988 0988.