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**CLIENT GUIDE TO CHILD MAINTENANCE**

Child maintenance

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 either:-

* Under 16
* 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).

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. Advice and assistance in relation to family based arrangements can be found at the Child Maintenance Options website: [www.cmoptions.org](http://www.cmoptions.org/).

Family Based Agreement

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 Child Maintenance Options website: [www.cmoptions.org](http://www.cmoptions.org/) or telephone 0800 9880 988.

Child Maintenance Service

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

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.

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 changes 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 (ie in excess of £156,000pa) 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 will begin to charge an application fee (believed to be £20), once the service is fully up and running. There will also be a 20% collection charge for non resident parents on top of their calculation and a 4% charge on payments to resident parents. 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.

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:

  **Percentage of Gross Weekly Income Payable**

**Rate** **Gross Weekly Income 1 child 2 children 3 or more**

**Basic** £200-£800 12% 16% 19%

**Basic Plus** £800.01 to £3,000 9% 12% 15%

 income up to £800 dealt with as per Basic Rate, plus additional % of excess

**Reduced** £100.01 to £199.99 19% 27% 33%

 Flat rate of £5 plus additional % of excess over £100.00

**Flat**  £5 to £100 £5 £5 £5

(or receives certain benefits)

**Nil** Less than £5 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.

Example:

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 £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 988 098.