



iGuide: **Child Maintenance**



The Child Support Agency (run now by the Department for Work & Pensions) has power to make assessments for child support where the child and the 'Non –Resident Parent' (NRP) are in England and Wales. The family court can only make orders for child maintenance in limited circumstances e.g. where the parents agree on what the figure is or where the parents are not yet separated or any are abroad or a “top-up” is needed. In any event, a court order can be overturned by an application to the CSA 14 months later.

There are now three completely different formulae for calculating child maintenance. There was one formula when the CSA was first created in 1991, which was found to be too complicated and unworkable. So a new simplified formula was put in place in 2003. With the new scheme now being phased in there is a third formula.

Parents who are currently operating under the current CSA system may continue under that scheme or may re-apply. It is envisaged that the new system will continue to be rolled out during 2013 with all existing CSA cases due to be closed by 2017.

The Current Calculations

CSA payments were made up of a flat percentage of a NRP's net pay. The income and assets of the parent with care (PWC) are completely ignored.

- 1 child = 15%
- 2 children = 20%
- 3 children = 25%

So a NRP earning £30,000 net per annum would pay:

- 1 child = 15% or £4,500
- 2 children = 20% or £6,000
- 3 children = 25% or £7,500

However pension payments can be deducted in full before the percentage calculation. There can be no other deductions.

The amount of contact that the NRP has with his children also affects the sum, see below.

Stays of not less than	Reduction of Child support
52 nights p/a	1/7
104 nights p/a	2/7
156 nights p/a	3/7
175 nights p/a	50%

Special arrangements may apply if there is genuine equal shared care

The New Calculations

These began in October 2012 and are being gradually rolled out during 2013 and onwards. There are two important changes to the calculations.

First, it is assessed on gross weekly income.

Secondly, the amount payable will now be based on what range of income the NRP falls into, in much the same way as tax. The brackets and corresponding child maintenance payments to be paid by the NRP are as follows:



Gross Weekly Income of NRP	CMEC Calculation (payable from NRP to resident parent)
Less than £7 per week	Nil
£8 - £100 per week (£416-£5,200 pa)	£7 per week
£101 - £200 per week (£5,200 - £10,400 pa)	A tapered rate upward of £7 per week.
£201 - £3000 per week (£10,400 - £156,000)	<p>For the first £800 per week:</p> <ul style="list-style-type: none"> - 12% of that income for 1 child; - 16% of that income for 2 children; and - 19% of that income for 3 or more children. <p>And on the income over and above £801 per week (but capped at £3,000 per week):</p> <ul style="list-style-type: none"> - 9% of that income for 1 child - 12% of that income for 2 children; and - 15% of that income for 3 or more children.
Over £3,000 per week	The above applies to the first £3,000 of that income. No account is given for any income over and above £3,000 per week.

Enforcement

One of the main aims of the new system is to give the agency more ways of enforcing payments. Powers include:

- To apply for the following Court Orders:
 - To commit the NRP to prison.
 - An Order deducting the NRP's earnings from their bank account;
 - Freezing the NRP's bank account;
 - Liability Orders which are treated as County Court Judgments which can ultimately lead to CMEX applying to repossess the NRP's home to pay off the debt;
 - Suspending the NRP's driving licence;
 - Removing the NRP's passport;
 - Curfew Orders;
 - Charging Orders
 - Against a deceased NRP's estate;
- To seek information disclosed within any financial proceedings upon divorce (this was previously contempt of court);
- To seek certain information from credit reference agencies;
- To appoint Inspectors to enter homes of NRPs with the aim of gaining information on the parent who is to be paying child maintenance.



- To publish the names of NRPs who are successfully prosecuted

Parents are encouraged to reach agreement on matters concerning their children wherever possible. A starting point is to use the Child Support Agency calculators available online.

In some circumstances it may be possible to apply to the court for financial provision over and above that provided for by the CSA.

For more information about child maintenance, or other questions you may have, please contact a member of our specialist family law team. You can do so via our website, by email to enquiries@iflg.uk.com or telephone on +44 (0) 203 178 5668.

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