



Child Maintenance
Service

How we work out child maintenance

A step-by-step
guide

About this leaflet

This leaflet explains how the Child Maintenance Service works out child maintenance. It tells you the information we use and the things that can affect how we work it out.

Important information

This leaflet is only a guide and does not cover every circumstance. It only refers to the statutory child maintenance scheme provided by the Child Maintenance Service. It does not refer to any child maintenance schemes provided by the Child Support Agency.

We have done our best to make sure the leaflet is correct as of 25 November 2013, but it may not reflect changes to the law or to our procedures after this date. You may want to get independent advice before making financial decisions based on the content of this leaflet.

About us

The Child Maintenance Service is the government's statutory child maintenance service. We work out, collect and pay out child maintenance payments on behalf of some separated parents in England, Wales and Scotland.

Our role is to make sure that parents who live apart from their children contribute towards their children's upkeep by paying child maintenance.

What is child maintenance?

Child maintenance is regular, reliable financial support that helps towards a child's everyday living costs.

In most cases, the parent who does not have the main day-to-day care of the child pays child maintenance to the parent who does have the main day-to-day care. In child support law the parent who receives child maintenance is known as the 'parent with care' - we call them

the 'receiving parent' - and the parent who pays child maintenance is known as the 'non-resident parent' - we call them the 'paying parent'. In some cases, the receiving person can be a grandparent or guardian.

If they live in Scotland, a child aged 12 to 19 and in full-time, non-advanced education or training can apply for child maintenance.

Get in touch

If you can't find the information you need in this leaflet, you can contact us or find out more in the following ways:



On the web:

www.gov.uk/child-maintenance



By phone:

Call us on **0345 266 8792***. Our TextBox and textphone number is **0345 266 8795***.

Our opening hours are:

8am to 7:30pm - Monday to Friday

9am to 4:30pm - Saturday



By letter:

Write to us at:

Child Maintenance Service

PO Box 249

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GL17 1AJ

*Please see the information about call charges at the back of this leaflet.

Contents

- 5 How is child maintenance worked out?
- 7 The six steps
 - 7 Step 1 – Income
 - 12 Step 2 – Things that affect income
 - 15 Step 3 – Child maintenance rates
 - 15 Step 4 – Children we take into account
 - 17 Step 5 – Weekly amount of child maintenance
 - 26 Step 6 – Shared care
- 29 What happens next?
- 32 The six steps – an example
- 36 Frequently asked questions
- 46 Useful information

How is child maintenance worked out?

In most cases, we follow **six steps** when we work out how much child maintenance a paying parent must pay.

Step 1 – Income

We find out a paying parent's yearly gross income or we check if they are getting benefits

Step 2 – Things that affect income

We check for certain things that could change this gross income amount, such as pension payments, or other children who the paying parent supports

We also convert the yearly gross income amount to a **weekly** figure

Step 3 – Child maintenance rates

We apply one of **four** rates, based on the amount of gross weekly income

Step 4 – Children we take into account

We take into account **the number of children who the paying parent must pay child maintenance for** and any **family-based arrangements**

Step 5 – Weekly amount of child maintenance

Using information from the first four steps, we make a decision about a **weekly child maintenance amount**

Step 6 – Shared care

Finally, if this applies, we make a deduction to this weekly amount of child maintenance depending on the average number of ‘shared care’ nights a week. ‘Shared care’ is when a child a paying parent must pay child maintenance for stays overnight with them

Following all six steps gives us a total weekly amount of child maintenance.

This decision lasts until the date of the **Annual Review**. See page 43 for more on this.

Even though child maintenance may be paid monthly, fortnightly or weekly, child support law says we have to work it out as a weekly amount.

Before the Annual Review happens, the amount of child maintenance could change if either a paying parent or a receiving parent tells us about a change of circumstances. See page 40 for more information about this.

This leaflet explains more about each of the six steps and also gives examples of how they affect the way we work out child maintenance.

The six steps

Step 1 – Income

Unless a paying parent gets certain benefits, we work out child maintenance using their **taxable gross annual income** as the starting point.

By ‘income’, we mean earnings from employment, self-employment (profits from a business), occupational or personal pensions and certain benefits.

Gross annual income is the paying parent’s yearly income **before** Income Tax and National Insurance are taken off, but **after** occupational or personal pension scheme contributions are taken away.

Where do we get the income information we use?

In most cases, the gross annual income figure we use to work out child maintenance comes from information given to the government’s revenue and customs department, HM Revenue & Customs (HMRC), by the paying parent, their employer or a third party such as their accountant.

We always use the latest available information and make sure it is for a complete tax year. A tax year is any 12-month period for which the government works out an amount of income tax that must be paid. In the UK the tax year runs from 6 April in one year to 5 April in the next.

We will always tell the paying parent and the receiving parent which tax year has been used to get the gross annual income information.

8 How we work out child maintenance

What if I don't agree with the amount of gross income you have used?

A paying parent, their employer or their accountant can send proof of gross annual income direct to us if they want.

But we will only use this amount to work out child maintenance if it is **at least 25 percent more or less** than the income figure given to HMRC by the paying parent, their employer or their accountant.

The proof we need to confirm a change to income of at least 25 percent is a single taxable gross income figure. You can get this from your employer or from a recent self-assessment tax return. The figure you give us should allow us to work out a weekly amount of income. The change to your income should be one that is likely to be a permanent or long-term change.

We find out the annual income figure in Step 1. We then convert this to a weekly amount in Step 2.

Example

We are given a paying parent's gross annual income amount to use when we work out child maintenance. This is converted to a weekly figure of **£250** for the tax year 2010/11.

If the paying parent doesn't agree with this they must give us proof that their up-to-date amount of gross weekly income is **25 percent more or 25 percent less than £250** if we are to use a different amount to work out child maintenance.

This means the paying parent must give us proof that their gross weekly income is at least £312.50, or is £187.50 or less, for us to take it into account.

A receiving parent can also tell us if they have a reason to believe the paying parent's income is different to the amount we've used to work out child maintenance.

Income questions and answers

Q: How do pension contributions affect the paying parent's income?

A: Gross weekly income is reduced by a paying parent's contributions to an occupational pension scheme (sometimes called an 'employer pension scheme') or a personal pension scheme (sometimes called a 'private pension scheme').

If the contributions are made to the employer's pension scheme, the employer will have already taken this into account when working out the paying parent's taxable income. We will use this information when working out the amount of the child maintenance payments. This means the paying parent does not need to tell us about contributions they make to occupational or employer schemes.

But we need to know if a paying parent pays contributions in another way, for example by making payments direct to a private pension scheme provider. This is taken into account in Step 2. For more information on how private pension payments affect how child maintenance is worked out, see page 12.

If you are not sure which pension payments you should tell us about, call us on **0345 266 8792***.

Q: What if a paying parent gets benefits?

A: In most cases, we will know if a paying parent gets one of the benefits listed on page 23 and 24.

If this is the case, the Flat rate of child maintenance will usually apply and a fixed weekly amount of **£7** will be paid by the paying parent. This is usually taken direct from the benefit. Only one £7 payment will be taken each week, no matter how many children are involved in the case.

10 How we work out child maintenance

We still follow the six-step process to work out a final amount. This is because the Flat rate can sometimes be reduced if there is shared care.

For more information about the Flat rate, see **Step 3 – Child maintenance rates**.

Q: What's the highest amount of a paying parent's gross weekly income that we can take into account?

A: The most we can take into account is £3,000. If the paying parent's gross weekly income is more than this, the receiving parent can apply to the court for extra child maintenance. You can find more information about this at www.gov.uk/child-maintenance.

Q: What happens if the paying parent refuses to provide information about their income if we ask for it?

A: If the paying parent, their employer or their accountant has not supplied any income information to HMRC that we can use to make a child maintenance decision, there are steps we can take.

Firstly, we can ask the paying parent directly to give us information about their gross income – their employer or their accountant can also provide this.

If we do not get the information we need, we can either:

- make a 'best evidence assessment', or
- make a 'default maintenance decision'.

Best evidence assessment

This is when we use previous information held about a paying parent's gross weekly income, or official statistics (such as the government's Annual Survey of Hours and Earnings) to work out an amount of child maintenance that must be paid.

The Annual Survey of Hours and Earnings (ASHE) has information about the levels, distribution and make-up of earnings and hours worked for employees in all industries and occupations. ASHE is based on a one percent sample of employee jobs taken from HMRC records.

Default maintenance decision

This is when we apply a default rate based on the number of children the paying parent must pay child maintenance for. These rates are:

- £39 a week for one child
- £51 a week for two children
- £64 a week for **three or more** children.

Important: these amounts are weekly totals, not an amount ‘per child’.

This means the paying parent might have to:

- pay a higher amount of child maintenance than they need to, until they give us the information we need to work out the correct amount
- pay extra child maintenance to make up for the amounts they should have paid before we worked out the correct amount.

We may also use any previous income information that was given to HMRC by the paying parent, their employer or a third party such as an accountant.

It is a criminal offence if a person:

- **doesn't give us information when we ask for it, or**
- **gives us information that they know is untrue.**

If convicted, they can be fined up to £1,000.

Step 2 – Things that affect income

A paying parent's gross income at Step 1 can be adjusted if certain things apply that we can take into account.

Payments into a pension scheme made by a paying parent

The amount of gross weekly income at Step 1 is reduced if a paying parent pays contributions into a private pension scheme.

For example, if a paying parent has gross income of £300 a week at Step 1 but pays private pension contributions of £20 a week, the amount of gross income we now take into account is £280 a week.

Remember that contributions to an occupational or employer pension scheme by deductions from pay are usually made by an employer. If this is the case, we will have already taken these into account in Step 1 and the paying parent does not need to tell us about them.

But a paying parent can tell us if they pay their contributions in another way – for example, direct to a private pension provider.

If a paying parent makes payments into a private pension scheme, we will usually reduce the income figure we use by the full amount they pay, including the value of any tax relief.

A paying parent's expenses or other income

If we are asked to take into account certain costs or expenses a paying parent pays, or any other income they may receive, this is called applying for a **variation**.

A paying parent can ask us to take certain expenses into account. These are called 'special expenses' and can **reduce** the paying parent's gross income figure that we use to work out child maintenance.

The receiving parent (or the paying parent) can ask us to look at certain types of the paying parent's income that are not included in the main rules we use to work out child maintenance. This is called 'additional

income' and can **increase** the paying parent's gross income figure we use to work out child maintenance.

You can only apply for a variation for certain types of expenses and income. You can find more information about these and how to apply on page 36.

If a paying parent's income is not in pounds sterling

If a paying parent receives income in a currency other than pounds sterling, this can affect the amount of income we use to work out child maintenance.

This is because we can take into account the charges a paying parent pays when converting the foreign currency into pounds sterling.

After checking if we need to take pension payments, foreign exchange costs and variations into account, we then convert the annual gross income amount into a **weekly figure**.

We do this by dividing the gross annual income figure at this point by 365. We then multiply that amount by 7.

This allows us to look at the last thing that can affect a paying parent's income – the number of other children the paying parent supports.

The number of other children who the paying parent supports

If the paying parent or their partner gets Child Benefit for children who may or may not live with them, we can take them into account. We call these 'other children the paying parent supports'.

If a paying parent has gross weekly income **of £200 or more, up to and including £3,000**, we take these children into account in Step 2.

14 How we work out child maintenance

We do this by reducing the paying parent's gross weekly income by a percentage, depending on the number of children who they or their partner get Child Benefit for. We make:

- an **11 percent** reduction to a paying parent's gross weekly income at Step 2 if there is **one** other child the paying parent supports
- a **14 percent** reduction to a paying parent's gross weekly income at Step 2 if there are **two** other children the paying parent supports
- a **16 percent** reduction to a paying parent's gross weekly income at Step 2 if there are **three or more** other children the paying parent supports.

For example, if a paying parent has gross weekly income of £300 at Step 2 and has two other children they support, we reduce the amount of gross weekly income by 14 percent. This means we now take into account a gross weekly income amount of £258.

If the paying parent has **gross weekly income between £100 and £200** we take other children they support into account during Step 5. Please see page 17 for more details.

At the end of Step 2 we now have a weekly amount of income.

This means we can follow the remaining steps to work out how much child maintenance a paying parent must pay.

Step 3 – Child maintenance rates

In Step 1 we look at the paying parent's gross income. In Step 2, we look at other things that affect this income amount.

The next thing we do is apply a child maintenance rate to the amount of gross weekly income at Step 2.

The rate allows us to find out how much child maintenance must be paid by the paying parent.

The rates are different depending on the gross weekly income amount:

Rate	Paying parent's gross weekly income
Basic	£200 to £800
Basic Plus	£800.01 to £3,000 (the first £800 of income is taken into account using the Basic rate)
Reduced	£100.01 to £199.99
Flat	£7 to £100 (or receives benefits)
Nil	Less than £7

Step 4 – Children we take into account

Children who a paying parent must pay child maintenance for

Once we know the rate of child maintenance to apply, we look at the number of children living with a receiving parent, for whom an application for child maintenance has been made. These are the children we have decided that a paying parent must pay child maintenance for.

The number of these children affects how much a paying parent must pay in weekly child maintenance.

Q: Do you take family-based arrangements into account?

A: Yes, we do.

A family-based arrangement is when two parents decide between themselves on how best to support a child or children without involving the Child Maintenance Service. This can either be a formal arrangement, such as an order for maintenance made by a court, or an informal one, when the parents have made their own personal agreement.

If a paying parent pays child maintenance for a child through a family-based arrangement, we take this responsibility into account.

We do this by:

- 1 counting the child with a family-based arrangement as a child that a paying parent must pay child maintenance for when we work out payments
- 2 reducing the amount of child maintenance that must be paid through us to take into account the family-based arrangement.

First, we work out the weekly amount of child maintenance that must be paid in Step 5. This amount is then split between the number of children the paying parent must pay child maintenance for.

We then adjust the final weekly amount of child maintenance in Step 5 to take any family-based arrangement into account.

If a paying parent pays the Flat rate of child maintenance, we don't take family-based arrangements into account.

Q: Do you take children living abroad into account?

A: If a paying parent pays child maintenance for a child or children they support that lives outside the UK, we can also take this into account.

For us to do this, we must see proof of either a court order or payments to a state child maintenance scheme in another country.

We take a child or children living abroad into account in the same way as if they are supported through a family-based arrangement. See page 16 for more information.

Step 5 – Weekly amount of child maintenance

In the first four steps, we found out the following:

- the gross weekly income
- any other things that change that figure
- the child maintenance rate that applies
- the children we take into account.

Using all this information, in Step 5 we work out the weekly amount of child maintenance.

Weekly amount – Basic rate and Basic Plus rate

Basic rate

The Basic rate of child maintenance applies if a paying parent's gross weekly income after Step 2 is **£200 or more, up to £800**.

If the Basic rate applies, the amount of child maintenance depends on the number of children the paying parent must pay child maintenance for at Step 4:

18 How we work out child maintenance

Number of children needing child maintenance	Percentage of gross weekly income
1	12%
2	16%
3 or more	19%

This means that:

- If a paying parent has to pay child maintenance for **one child**, they must pay 12 percent of their gross weekly income.
- If a paying parent has to pay child maintenance for **two children**, they must pay 16 percent of their gross weekly income.
- If a paying parent has to pay child maintenance for **three or more children**, they must pay 19 percent of their gross weekly income.

Basic rate example

Steve has two children for whom he must pay child maintenance. He also has a gross weekly income of £600 after reductions for pension payments at Step 2. Because of this we work out his maintenance using the Basic rate.

This means he pays 16 percent of his gross weekly income in child maintenance. **This works out at £96.**

The content of the examples in this leaflet is for illustrative purposes only.

Basic Plus rate

If a paying parent's gross weekly income after Step 2 is **more than £800 up to a limit of £3,000**, the Basic Plus rate of child maintenance applies as well as the Basic rate.

If the Basic Plus rate applies, the amount of child maintenance depends on the number of children the paying parent must pay child maintenance for at Step 4:

Number of children needing child maintenance	Percentage applied to the first £800 of gross weekly income	Percentage applied to gross weekly income over £800 (up to a limit of £3,000)
1	12%	9%
2	16%	12%
3 or more	19%	15%

What this means:

If a paying parent has gross weekly income of more than £800 and they pay child maintenance for **one child**:

- they must pay 12 percent of their gross weekly income up to £800, **and**
- they have to pay 9 percent of their gross weekly income between £800 and £3,000.

If a paying parent has gross weekly income of more than £800 and they pay child maintenance for **two children**:

- they must pay 16 percent of their gross weekly income up to £800, **and**
- they have to pay 12 percent of their gross weekly income between £800 and £3,000.

If a paying parent has gross weekly income of more than £800 and they pay child maintenance for **three or more children**:

- they must pay 19 percent of their gross weekly income up to £800, **and**
- they have to pay 15 percent of their gross weekly income between £800 and £3,000.

20 How we work out child maintenance

Basic Plus rate example

Chris has two children he must pay child maintenance for. He has a gross weekly income of £1,000 after reductions for pension payments at Step 2.

Because of this we work out child maintenance using the Basic Plus rate.

This means Chris pays 16 percent of his gross weekly income up to £800 in child maintenance. This amount is £128.

Chris also pays 12 percent of £200 (the rest of his gross weekly income) in child maintenance. This amount is £24.

This means the amount of child maintenance Chris pays (before we take into account Step 6) is £128 + £24. **This works out at £152.**

The content of the examples in this leaflet is for illustrative purposes only.

Weekly amount – Reduced rate

This rate of child maintenance applies if a paying parent's gross weekly income after Step 2 is **more than £100 but less than £200**.

With the Reduced rate, a paying parent pays a standard amount of £7 a week for the first £100 of their income, **plus a percentage of the gross weekly income for the rest of their income**.

The percentage depends on:

- the number of children the paying parent must pay child maintenance for at Step 4, **and**
- if there are any other children the paying parent supports.

If there are no other children who the paying parent supports to take into account

We use this table to work out the amount of child maintenance:

Number of children the paying parent must pay child maintenance for	Standard amount (for the first £100 of income)	Percentage of remaining gross weekly income (up to £200)
1	£7	17%
2	£7	25%
3 or more	£7	31%

This means that:

If a paying parent must pay the Reduced rate of child maintenance for **one child**, they must pay:

- a standard amount of £7, **and**
- 17 percent of their gross weekly income of more than £100 (up to £200).

If a paying parent must pay the Reduced rate of child maintenance for **two children**, they must pay:

- a standard amount of £7, **and**
- 25 percent of their gross weekly income of more than £100 (up to £200).

If a paying parent must pay the Reduced rate of child maintenance for **three or more** children, they must pay:

- a standard amount of £7, **and**
- 31 percent of their gross weekly income of more than £100 (up to £200).

22 How we work out child maintenance

If we take other children who the paying parent supports into account

We use this table to work out the amount of child maintenance:

Number of children the paying parent pays child maintenance for	Number of other children who the paying parent supports	Standard amount (for the first £100 of income)	Percentage of remaining gross weekly income (up to £200)
1	1	£7	14.1%
1	2	£7	13.2%
1	3 or more	£7	12.4%
2	1	£7	21.2%
2	2	£7	19.9%
2	3 or more	£7	18.9%
3 or more	1	£7	26.4%
3 or more	2	£7	24.9%
3 or more	3 or more	£7	23.8%

This means that if the paying parent has one child that gets child maintenance and one other child they support, they must pay:

- a standard amount of **£7 a week** for the first £100 of income, **and**
- **14.1 percent** of the rest of their gross weekly income (up to £200).

Reduced rate example

Ian has two children that he must pay child maintenance for, and one other child he supports. His gross weekly income after Step 2 is **£173**.

Because of this we work out his maintenance using the Reduced rate.

This means he pays a standard child maintenance amount of **£7** for the first £100 of his income.

He also pays **21.2 percent** of **£73** (the rest of his gross weekly income). This works out at £15.48.

This means Ian's total weekly amount of child maintenance before Step 6 is £7 + £15.48. This works out at **£22.48**.

The content of the examples in this leaflet is for illustrative purposes only.

Weekly amount – Flat rate

The paying parent pays the Flat rate of £7 a week for child maintenance if:

- their gross weekly income is **£100 or less**
- or**
- they, or their partner who they live with, receive any of the following income-related benefits:
 - Income Support
 - Income-based Jobseeker's Allowance
 - Income-related Employment and Support Allowance
 - Pension Credit

or

- they receive one of the following benefits:
 - Contribution-based Jobseeker's Allowance
 - Contribution-based Employment and Support Allowance
 - Category A, B, C or D Retirement Pension
 - State Pension
 - Incapacity Benefit
 - Training allowance (other than work-based training for young people or, in Scotland, Skillseekers training)
 - Armed Forces Compensation Scheme payments
 - War Disablement Pension
 - War Widow's Pension, War Widower's Pension, or Surviving Civil Partner Pension
 - Bereavement Allowance
 - Maternity Allowance
 - Carer's Allowance
 - Severe Disablement Allowance
 - Industrial Injuries Benefit
 - Widowed Mother's Allowance
 - Widowed Parent's Allowance
 - Widow's Pension
 - A social security benefit paid by a country other than the United Kingdom.

If the paying parent or their partner are getting any of these benefits, we normally take the child maintenance direct from the benefit or Pension Credit.

If the benefit is paid by the Department for Work and Pensions, we will automatically get information about it. But if you are getting a benefit paid by someone else – for example, an Armed Forces Compensation Scheme payment paid by the Service Personnel and Veterans' Agency – you will need to tell us about that.

Nil rate

If the Nil rate applies, the paying parent does not have to pay any child maintenance. This rate may apply if the paying parent:

- has a gross weekly income of less than £7
- is under 16 years old
- is a 16- to 19-year-old who has left school but is registered for certain types of government-approved training courses
- is a 16- to 19-year-old who is in full-time, non-advanced education (up to and including A-level or equivalent standard)
- is a 16- to 17-year-old who receives Income Support, Income-based Jobseeker's Allowance or Income-related Employment and Support Allowance
- is a 16- to 17-year-old who is included in their partner's claim for Income Support, Income-based Jobseeker's Allowance or Income-related Employment and Support Allowance
- is in prison
- lives in a care home or independent hospital (or equivalent services in Scotland) and is getting help with the fees.

Step 6 – Shared care

Finally, we take into account 'shared care'.

This is when a child who qualifies for child maintenance stays overnight with the paying parent **on average at least one night a week**.

We ask both parents to give us formal, informal or spoken evidence of any agreement they have reached about shared care. We will also accept a court order setting out shared care details.

If we accept that there is shared care, the weekly amount of child maintenance worked out in Step 5 may be reduced.

How we work this out

The reduction for shared care works differently depending on the child maintenance rate which we worked out in Step 5.

Basic, Basic Plus or Reduced rate

The paying parent's weekly amount of child maintenance at **Step 5** is divided between the number of children they must pay child maintenance for.

We then take shared care into account, based on the number of nights of shared care for each child.

The more nights that the child or children stay overnight with the paying parent, the more we take off the weekly amount of child maintenance:

Number of nights of shared care each year	Reduction to child maintenance (for each child with shared care)
52 to 103 nights	1/7 th
104 to 155 nights	2/7 th
156 to 174 nights	3/7 th
More than 175 nights	½ (50%) plus an extra £7 a week reduction for each child in this band

We don't need to know about every change to the number of nights of agreed shared care.

We only need to know if the change affects the 'shared care band' used to work out the reduction.

This means that if the number of nights of shared care a year changes from **140 to 150** we **would not** need to know.

But if the number of nights of shared care a year changes from **150 to 160**, this change **would** need to be reported to us by either parent.

Shared care example

Mark has two children that he pays child maintenance for (David and Sarah). He also has two receiving parents in his case group. We've worked out that his weekly amount of child maintenance before shared care is **£22.50**.

Mark has overnight care of David for 54 nights a year.

We divide £22.50 between Mark's two children. This works out at £11.25 for each child.

We then reduce the amount of child maintenance Mark pays each week for David by 1/7th (£1.61).

28 How we work out child maintenance

This means Mark pays **£20.89** in child maintenance each week after shared care for David is taken into account.

Sarah receives **£11.25** and David receives **£9.64**.

The content of the examples in this leaflet is for illustrative purposes only.

If child maintenance is set at Basic, Basic Plus or Reduced rate, a paying parent will always pay at least £7^t a week in child maintenance after shared care has been taken into account. Even allowing for shared care, their weekly payment can't fall below this amount.

Flat rate

If child maintenance is set at the Flat rate because the paying parent receives one of the benefits, allowances or entitlements listed on pages 23 and 24, then shared care for at least 52 nights a year reduces their child maintenance to £0 for that child. The paying parent also does not have to pay child maintenance for any other children who live in the same household as that child.

If child maintenance is set at the Flat rate because the paying parent's income is £100 a week or less, we don't take shared care into account at all.

Q: What if we can't reach agreement about shared care?

A: If both parents agree in principle that they share the care of a child or children a paying parent must pay child maintenance for, but cannot agree on the number of nights, then we may make an assumption of shared care of one night a week. We call this 'assumed shared care'.

This means we reduce the amount of child maintenance that must be paid for that child by 1/7th.

This decision will not change unless both parents reach an agreement on shared care.

Q: Do you take local authority care into account?

A: We only take local authority care into account if the paying parent must pay child maintenance at the Basic, Basic Plus or Reduced rates (or has a Flat or Nil rate case, which has been adjusted following an additional income variation).

If we are able to take it into account, we reduce the amount of child maintenance a paying parent must pay if the local authority provides overnight care **for at least 52 nights a year**.

Number of nights of local authority overnight care each year	Reduction to child maintenance (for each child with overnight care)
52 to 103 nights	1/7 th
104 to 155 nights	2/7 ^{ths}
156 to 207 nights	3/7 ^{ths}
208 to 259 nights	4/7 ^{ths}
260 to 262 nights	5/7 ^{ths}

If the local authority has overnight care for **263 nights a year or more**, the paying parent does not have to pay any child maintenance for that child.

Q: What happens if the day-to-day care of a child is equal between a paying parent and a receiving parent?

A: In this situation, the paying parent does not have to pay any child maintenance for that child.

What happens next?

By following all six steps, we work out a weekly amount of child maintenance that must be paid by the paying parent.

30 How we work out child maintenance

The letter we send to you when we've worked out your child maintenance payments gives you a step-by-step breakdown of the information used to reach this amount.

We also send the paying parent a schedule which shows the dates on which child maintenance payments will be collected. We send the receiving parent a schedule which shows the amounts we will collect.

If the paying parent pays child maintenance through the Child Maintenance Service and has a **Collect & Pay** arrangement, we collect the money from the paying parent and then pass it on to the receiving parent. There are collection fees for paying parents and receiving parents for using Collect & Pay (see below / over the page).

If the paying parent has a **Direct Pay** arrangement, they pay the money direct to the receiving parent. There are no collection fees for using Direct Pay.

For more information on Collect & Pay and Direct Pay, see our leaflets *Paying child maintenance* and *Receiving child maintenance*.

Collect & Pay collection fees

Paying parents who use **Collect & Pay** must pay a **collection fee** each time we collect a payment from them. Receiving parents who use Collect & Pay are also charged a fee each time we pass a payment on to them.

- For **paying parents**, a **20 per cent** fee is **added** to each amount of child maintenance we collect from them, if Collect & Pay is used
- Paying parents are charged a fee even if they miss a payment
- For **receiving parents**, a **4 per cent** fee is **taken away** from each amount of child maintenance they are due to receive, if Collect & Pay is used
- Receiving parents are only charged a fee when we pass a payment on to them.

How can I avoid paying the collection fees?

If parents work together to arrange child maintenance, we don't charge any collection fees.

There is no fee to pay if you use our Direct Pay service. Direct Pay is when we work out the amount of child maintenance a paying parent must pay, but parents agree between themselves how and when payments are made.

Paying parents or receiving parents can ask us to change from a Collect & Pay arrangement to a Direct Pay arrangement. Call us on **0345 266 8792*** to talk about this. We will change their arrangement, unless we have a reason to believe it is not in a child's best interests to do this.

You won't pay fees if you and the other parent make a **family-based arrangement** and do not use the Child Maintenance Service at all. This is when parents work together to sort out child maintenance between themselves without our getting involved. Find out more about this by going to the Help and Support for Separated Families section at **www.cmoptions.org**

What will this mean for me?

This example shows how the fees work.

Example:

David is a paying parent. Vicky is a receiving parent. Vicky paid £20 to make an application to the Child Maintenance Service. David and Vicky have a Collect & Pay arrangement.

David's fees

We work out that David must pay **£50** a week in child maintenance. He must also pay a collection fee of **20 per cent** on top of his weekly payment. This fee works out at **£10** for each weekly payment.

32 How we work out child maintenance

After the fee is added, this means David must pay a total of **£60** a week to us.

Because David and Vicky use Collect & Pay, if David pays child maintenance for 10 years and his weekly payment stays the same, he would pay a total of **£5,200** in fees.

Vicky's fees

Vicky is due to receive £50 a week in child maintenance. We charge a collection fee of **4 per cent** each time we pass on David's payment to her. This fee works out at **£2** for each weekly payment.

After the fee is taken away, this means we pay out **£48** each week to Vicky.

Because David and Vicky use Collect & Pay, if David pays child maintenance for 10 years and his weekly payment stays the same, Vicky would lose **a total of £1,040** in child maintenance because of the fees.

David and Vicky could both avoid paying fees if they worked together to arrange child maintenance.

The content of the examples in this leaflet is for illustrative purposes only.

The six steps – an example

Here's an example of how we use the six steps to work out child maintenance.

Stephen is a paying parent with two children who qualify for child maintenance. There are two receiving parents in Stephen's case group: Sue and Nicola.

Step 1 – Income

Gross annual income

We are given information provided to HM Revenue & Customs that Stephen's gross annual income for the tax year 2011/12 is **£70,000**.

But Stephen gives us proof that his current gross annual income is actually **£30,000**. Because there is at least a 25 percent difference between the two amounts, we use this lower figure to work out his child maintenance.

Step 2 – Things that affect income

Reduction for private pension payments

Stephen gives us proof that his yearly payments into a private pension are **£3,000**. His gross annual income figure is reduced by this amount to **£27,000**.

There is nothing else that affects Stephen's income, so we **convert** Stephen's gross annual income figure of £27,000 to a **weekly amount**. (We divide £27,000 by 365, and then multiply the result by 7)

Stephen's **gross weekly income** is **£517.81**.

Reduction for other children the paying parent supports

Because Stephen has **one** child who he receives Child Benefit for, his gross weekly income of £517.81 is reduced by **11 per cent**.

This works out to be a reduction of **£56.96**.

This means the **new amount of gross weekly income** we use to work out Stephen's maintenance after the reduction is **£460.85**.

34 How we work out child maintenance

Step 3 – Child maintenance rates

The amount of Stephen's gross weekly income after Step 2 is **£460.85**. This means the **Basic rate** is used to work out his payments.

Step 4 – Children we take into account

Stephen has **two children** who he must pay child maintenance for.

Step 5 – Weekly amount of child maintenance

Because Stephen has two children who he must pay child maintenance for, he pays **16 per cent** of his gross weekly income after Step 2 as child maintenance.

16 percent of **£460.85** works out at **£73.74**. This is the weekly amount of child maintenance that Stephen must pay before we look at shared care in the next step.

Step 6 – Shared care

One of the children Stephen pays child maintenance for lives with Nicola. The other one lives with Sue.

Stephen has shared care of the child who lives with Nicola for 115 nights a year.

To work out the shared care reduction, Stephen's weekly amount of maintenance (**£73.74**) is split between the two children he pays child maintenance for.

This works out at **£36.87** for each child.

To take shared care into account, the amount of child maintenance Stephen pays for the child who regularly stays overnight with him is reduced.

Stephen has shared care of one child for between 104 and 155 nights a year. Because of this, the reduction for shared care of that child is **2/7ths** of £36.87. This works out at **£10.53**.

This means we deduct **£10.53** from **£73.74** (Stephen's weekly amount of child maintenance at Step 5).

As a result, Stephen's **total weekly child maintenance** payment after all six steps is **£63.21**.

From this total, Nicola should receive **£26.34** each week after the reduction for shared care.

Sue should receive **£36.87** each week.

The content of the examples in this leaflet is for illustrative purposes only.

Important: Most of the figures that you will see at the end of each step in this example are not exactly the same as the figures we would use when actually working out someone's child maintenance. Here we have 'rounded' them to the nearest penny. Our computer system doesn't do this until it works out the total weekly amount of child maintenance that you will see at the end of Step 6.

Frequently asked questions

Q: What happens if the paying parent has to pay child maintenance to more than one receiving parent?

A: In this situation, the total amount of child maintenance the paying parent must pay is shared between the receiving parents. The amount each receiving parent gets depends on the number of children they receive child maintenance for.

For example, paying parent Matthew must pay £60 a week in child maintenance and has three children for whom he pays child maintenance. Two of the children live with receiving parent Alison and the other child lives with receiving parent Kathryn.

This means that Alison receives two-thirds of Matthew's weekly child maintenance total (£40), and Kathryn gets one third (£20).

The content of the examples in this leaflet is for illustrative purposes only.

Q: Do you take any other information into account when you work out child maintenance?

A: Yes, but you have to ask us first. We call this 'applying for a variation'.

You can apply for a variation at any time during the life of a child maintenance case.

A variation can take circumstances into account which are not part of the standard way we work out child maintenance.

Paying parents and receiving parents can apply for a variation.

Expenses a paying parent can ask us to consider

A paying parent can ask us to take certain expenses into account.

These are called ‘special expenses’ and can **reduce** the paying parent’s gross income figure at Step 2.

You can apply for a ‘special expenses variation’ for:

- the cost of keeping up regular contact with a child or children you are paying child maintenance for – for example, the cost of fuel to travel between your home and the child’s home (must be at least £10 a week)
- costs connected with supporting a child with a disability or a long-term illness who lives with the paying parent or their partner
- repaying debts from a former relationship – for example, if you are paying a car loan for a car the receiving parent has kept (must be at least £10 a week)
- boarding school fees for a child or children that qualify for child maintenance – but only the everyday living costs or ‘boarding’ part of the fees (must be at least £10 a week)
- making payments on a mortgage, loan or insurance policy for the home that the paying parent and receiving parent used to share – the receiving parent and the child or children must still live in the home and the paying parent must have no legal or ‘equitable’ interest in it (must be at least £10 a week).

A paying parent can’t ask us to take special expenses into account if their gross income is less than £7 a week or if they are getting benefits.

Other types of a paying parent's income we can be asked to consider

The receiving parent (or the paying parent) can ask us to look at certain types of the paying parent's income that are not included in the main rules we use to work out child maintenance.

This is called 'additional income' and can **increase** the paying parent's gross income figure at Step 2.

You can apply for an 'additional income variation' for:

- 'unearned' income – such as rental income from property or land, or dividends and interest from savings and investments. This type of income must be at least £2,500 a year
- 'earned' income – when the paying parent or their partner receives benefits and has gross income from a pension or employment/self-employment/taxable benefits (this income must be at least £100 a week)
- 'diversion' of income – this is when the paying parent may be able to control the amount of income they receive by diverting it to another person or other purpose, which means it is not being included in the income we use to work out child maintenance.

When either parent applies for a variation, we share the information they give us with the other parent. This allows us to get information from everyone involved before we make a decision.

We will also use other sources of information such as Companies House.

Also, we must consider whether the variation application is 'just and equitable'. This means that we look at whether it is fair to everyone involved in the child maintenance case for the amount of child maintenance to go up or down because of a variation decision.

How to apply

You can apply for a variation at any time. You can make an application for a variation over the phone in most cases. However, if the application is complicated we may ask you to apply in writing, on an application form.

It is very important that the application contains as much information as possible. The person applying must say why they are applying for a variation, or give us enough information for us to be able to see why they are applying. The only reasons for applying for a variation are given above and are set out in child support law.

Q: What happens if I disagree with the Child Maintenance Service's decision?

A: If you think a decision is wrong, or have any information that would affect it that we haven't already considered, we'll always be happy to look at it again. Just get in touch with us **within 32 days of the date of the letter telling you about the decision** and ask us to look at our decision again.

When we look at one of our decisions again we call it a '**mandatory reconsideration**'.

In a mandatory reconsideration we'll look again at how we worked out the amount. If we find that the amount is wrong, we'll change it. If we cannot change it, we'll tell you why. Then we'll send you a letter that explains our decision and tries to answer any questions you may have about it. We call this a 'mandatory reconsideration notice'.

If you still feel our decision is wrong after you receive your mandatory reconsideration notice, you will be able to appeal to an independent appeal tribunal against our decision. Your mandatory reconsideration notice will include all the information you need to do this. You **cannot** appeal against our decision until we have done your mandatory reconsideration.

40 How we work out child maintenance

If the decision you think is incorrect was given to you on a letter dated before 28 October 2013 then you don't have to ask us for a mandatory reconsideration before you appeal, but you will need to appeal within one month of the date of the letter telling you about the decision.

You can find more information about asking us to look at our decision again or appealing against our decisions in our leaflet *What to do if you're unhappy with the Child Maintenance Service.*

Q: What changes in my circumstances must I tell the Child Maintenance Service about?

A: If either parent's circumstances change, it can mean that we need to change the amount of maintenance that must be paid.

If you are a paying parent, you must tell us about the following changes:

Changes to your income

If we use a gross income amount given to us by you, your employer or your accountant to work out child maintenance, **you must tell us within seven days** of the change if:

- the gross weekly income amount **goes up by 25 percent or more** (Important: you do not have to tell us about this if your child maintenance payments are based on a gross income figure given to HM Revenue & Customs by you, your employer or your accountant – although you can if you want to)
- you qualify for the Nil rate of child maintenance and your gross weekly income goes up to £7 or more.

The change to your income should be one that is likely to remain the same for the foreseeable future

Important: If you do not tell us about these types of change within **seven days**, you may be prosecuted. If you are found guilty you could be **fined up to £1,000**. Your child maintenance payments may also be backdated to the date when the change happened.

Changes to your job or employment

If you are employed and we've used gross income information given to us by you, your employer or your accountant to work out child maintenance, **you must tell us within seven days of the change** if you change your employer or your working hours and your gross income **goes up by 25 percent or more**.

Important: If you do not tell us about this type of change within **seven days**, you may be prosecuted. If you are found guilty you could be **fined up to £1,000**. Your child maintenance payments may also be backdated to the date when the change happened.

If you pay child maintenance through a deduction from earnings order and you leave your job, you must tell us within **seven days**:

- the name and address of your new employer (if you have one)
- how much you earn or expect to earn (if you are working)
- your new payroll number (if any)
- the type of work you are doing
- the address where you are working.

Important: If you do not tell us about this type of change within **seven days**, you may be prosecuted. If you are found guilty you could be **fined up to £500** (this amount may change in the future). Your child maintenance payments may also be backdated to the date when the change happened.

Changes to your address

You must also tell us within seven days of the change if:

- your address changes.

Important: If you do not tell us about a change of address within seven days, you may be prosecuted. If you are found guilty you could be **fined up to £1,000**.

You should also tell us if:

- a child who receives child maintenance leaves full-time, non-advanced education or approved training, gets married or enters into a civil partnership
- anyone involved in the child maintenance case dies or
- you have a **Collect & Pay** arrangement (where you pay collection fees) and want to switch to a **Direct Pay** arrangement (where you don't pay collection fees).

If you are a receiving parent, you must tell us if:

- there is a change affecting a child or children living with you which would mean that the paying parent no longer has to pay child maintenance for them
- anyone involved in the child maintenance case dies.

You should also tell us if:

- your contact details change
- your personal information or bank or building society account details change
- you want to change from a **Collect & Pay** arrangement to the **Direct Pay** service (there are no collection fees if you use **Direct Pay**), or
- you want to change from the **Direct Pay** service to a **Collect & Pay** arrangement (there are collection fees if you use **Collect & Pay**).

If any of these changes happen, or if you are not sure if a change will affect your payments, please call us straight away on the number on page 3 of this leaflet.

If we ask for information and you don't provide it, or you give us information that you know is untrue, we can take you to court. If you are found guilty you could be **fined up to £1,000**. This also applies to any person or organisation who, by law, must give us information – such as employers and accountants – as well as parents.

You can find more information about what happens if your circumstances change in our leaflet *Changes you need to tell us about*.

Q: What happens during the Annual Review?

A: This is when we look again at the paying parent's income, benefits and other circumstances. This helps us to work out if the amount of child maintenance they pay for the next year should stay the same, or if it should go up or down.

- An Annual Review is carried out for every case for which regular child maintenance is due
- The 'Annual Review period' lasts for 20 days
- The Annual Review date decision lasts until the next Annual Review 12 months later, unless changes happen that affect payments before then.

44 How we work out child maintenance

How it works

The Annual Review period lasts for 20 days.

There are two parts to the review – these happen on the actual date of the Annual Review decision and during the 20-day period before this date.

30 days before the Annual Review date

- We find out the latest available gross income information for the paying parent from HM Revenue & Customs and check whether they are getting any benefits
- We use this information to work out a **proposed** amount of child maintenance **that will take effect on the Annual Review date**
- We write to the paying parent and the receiving parent to let them know the decision we plan to make from the Annual Review date
- Each parent has 20 days to reply

On the Annual Review date

- We write to both parents, giving them the child maintenance decision and a schedule of payments (if there are any payments)
- We also send a child maintenance statement showing payments made or received during the previous 12 months

The paying parent must carry on paying the child maintenance set out in their Payment Plan until the date of the Annual Review.

You can find much more information about the Annual Review in our leaflet *The Annual Review – how it works*.

Q: What happens if payments are missed by the paying parent?

A: Paying parents must pay the right amount of child maintenance on time. If they don't, we can and will take action to get the money owed.

If a paying parent uses Collect & Pay and they miss a payment, we can take collection action straight away.

If they use Direct Pay, the receiving parent needs to ask us to take action before we can do so.

We will then contact the paying parent to:

- find out why they haven't paid
- arrange for them to pay what they owe
- warn them about possible enforcement action if they don't pay.

We will take the action that we think will be most effective. We can take more than one action at a time.

If you're a paying parent and you know you're going to be late making a payment or you miss a payment, please tell us straight away.

There are three things we can do to get unpaid child maintenance from a paying parent:

- take the money direct from their earnings
- take the money from their bank or building society account
- take action through the courts.

There are several actions we can take through the courts to get unpaid child maintenance from a paying parent. For example, we can ask the court to:

- ask bailiffs to seize the paying parent's property (in England and Wales)
- sell a paying parent's property
- send a paying parent to prison.

Under child support law, we may charge a paying parent for taking some enforcement action. This is on top of the child maintenance they owe.

We will always tell a paying parent if we will charge them when we take action. We will confirm the charge in writing.

If we have to take action through the courts, the paying parent may also have to pay their own legal costs and our legal costs. This is on top of the child maintenance they owe.

For more details, see the leaflets *What happens if you don't pay child maintenance?* or *What happens if the paying parent doesn't pay child maintenance?*

Useful information

Help and information

If you want to know more about child maintenance, go to **www.gov.uk/child-maintenance**. You can find information and leaflets here, and find out more about our services.

If you would like to talk to someone about your case, please call us on **0345 266 8792***. Our TextBox and textphone number is **0345 266 8795***.

Please have your customer reference number with you when you call. This is a 12-digit number starting with the number 12. It will be shown as 'your reference' at the top of any letter we've sent you.

We may record our phone calls to check our service and to train our employees.

If you don't have a case with us, you can call Child Maintenance Options on **0800 988 0988*** between 8am and 8pm, Monday to Friday, and between 9am and 4pm on Saturdays. The person taking your call can help you with general questions about child maintenance.

Other languages

If English is not your first language, you can use your own interpreter or one that we provide. Call us on **0345 266 8792*** for more information.

Information in other formats

This leaflet is available in other languages and in Braille.

Contact us on **0345 266 8792*** for more information. Our TextBox and textphone number is **0345 266 8795***.

*Call charges

Calls to **0345** numbers cost no more than a standard geographic call, and count towards any free or inclusive minutes in your landline or mobile phone contract.

Calls to **0800** numbers are free from BT land lines but you may have to pay if you use another phone company, a mobile phone or if you are calling from abroad.

Charges were correct as of the date of this leaflet.

48 How we work out child maintenance

The Child Maintenance Service administers the statutory 2012 Child Maintenance Scheme (2012 Scheme) and is part of the Department for Work and Pensions.

www.gov.uk/child-maintenance

We print on recycled paper. This keeps costs down and helps look after the environment.

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