

Child Maintenance



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The Child Maintenance Service (CMS) makes sure parents who live apart from their children contribute financially to their 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. The parent without the main day-to-day care of the child (the paying parent or 'PP') pays child maintenance to the parent with the main day-to-day care (the receiving parent or 'RP'). In some cases the person receiving child maintenance can be a grandparent or guardian.

Options Available

- Family based arrangement: this is where you agree with the other parent how much child maintenance should be paid and how often payments will be made.
- Through the CMS: the CMS can help you by working out how much maintenance should be paid and, if necessary, by collecting the maintenance payments on your behalf.
- Benefits: if you claim income-related benefits, the amount of child maintenance you pay or receive could affect the level of these benefits.



Who can apply?

A receiving parent (RP) or a paying parent (PP) can ask the CMS to work out child maintenance and set up a payment arrangement. In some circumstances, the CMS may not be able to accept an application. For example, they may not accept cases where:

- The RP or the children are living abroad.
- The PP lives abroad and does not work for a UK-based employer, the civil service or the armed forces.
- A court order instructing the PP to pay child maintenance where the order was made before 3 March 2003.
- A court order covering child maintenance which was made after 3 March 2003 but has been in force for less than 12 months.
- There is a written maintenance agreement which was made before 5 April 1993.

How is child maintenance arranged through a private agreement?

A family based arrangement is when you agree with the other parent how much child maintenance should be paid and how often. You do not have to involve the CMS or any other organisation in setting up such agreement, but you may want to seek independent legal advice before doing so.

If you have access to the internet you should visit www.cmoptions.org where you will be able to access the free advice provided by the Government to assist parents in reaching their own agreement for Child Maintenance.

Transition

All new applications for child maintenance will be dealt with by the CMS in accordance with the formula set out below.



Existing cases will continue to be dealt with by the Child Support Agency (CSA) under the old “net income” scheme, however cases under the old scheme will be transferred to the new scheme over the next few years with the Government intending all cases will have been transferred to the new “gross income” scheme by the end of 2017. The only exception to this will be cases where the youngest qualifying child will be 20 years old before the 21st December 2017.

Those cases will be allowed to run their course under the old Scheme. Parents will be given six to nine months notice that their cases are being closed, and if necessary they will then need to contact the CMS for a new calculation.

How is it worked out?

The CMS will contact Her Majesty’s Revenue and Customs (HMRC) to obtain the gross income recorded for the PP at the end of the most recent Tax Year. The CMS then deduct any Pension contributions and use what is left to calculate the PP’s gross weekly income. The only exceptions to using

that information are where there are no Tax records within the last 6 years, or the PP’s current income is at least 25% more or less than the figure given in the most recent Tax return, in which case the CMS will attempt to establish or estimate their current income.

The CMS work out child maintenance by applying the following rates to the PP’s gross weekly income.

If the PP has a gross weekly income of less than £7, or they fall into one of the following categories, then they do not pay anything (Nil rate). The categories are as follows:-

- Under 16.
- 16 to 19 and in full-time non-advanced education (ie. Up to and including A-Level or equivalent).
- 16 to 19 and registered for certain training courses.
- 16 or 17 and on certain income based or income related benefits.
- If they are in prison.

- If they're living in a care home, or independent hospital, and are getting help with their fees.

above £3,000 a week is excluded as this is the cap for Child Maintenance. However the RP can apply to the Court for a 'top-up' if necessary.

If the PP has a gross weekly income of less than £100 per week then they would have to pay £7 per week (Flat rate).

If the PP has a gross weekly income of between £100 and £200 then they will pay £7 plus 17%, 25% or 31% of the gross income over £100 per week for 1, 2, or 3 or more children respectively (Reduced rate). However, where the PP supports other children either living with him or another parent then they will pay a reduced percentage. Unfortunately there are too many permutations to repeat that information here.

Where the PP has a gross weekly income of between £200 and £800 they will have to pay 12% of that amount for one child, 16% for 2 children or 19% for 3 children or more (Basic rate).

Where the PP has a gross weekly income of £800 or more they will pay 12%, 16% or 19% of the first £800 per week, and then they will pay 9% for one child, 12% for 2 children and 15% for 3 children or more, of anything they earn a week over £800 up to £3,000 (Basic Plus rate). Any amount earned above

Deductions

Shared care

The PP's liability is reduced by 1/7th per child if the child spends between 52 and 103 nights per year with them, 2/7ths if the child spends between 104 and 155 nights per year and 3/7ths if the child spends between 156 and 174 nights per year. Where the child spends more than 175 nights per year with the PP then the liability per child is reduced by 50% plus an extra £7 per week per child.

Other children

Where the PP has other children living in their household (for example children of a new partner or stepchildren) then the amount of their gross weekly income used to calculate their liability is reduced by 11% for 1 child, 14% for 2 children, or 16% for 3 or more children.

Where the PP has to pay child maintenance for children living with different parents the CMS will work

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Family Law Client

out the total child maintenance based upon the total amount of children, then divide it by the number of children, and then allocate it between the RPs in equal parts per child.

How long will it take?

You will usually get a response from the service managing your application within 6 weeks, however it can take up to 26 weeks, for example if there is a problem with the contact details you have provided for the PP, or if it is necessary for the Child Maintenance Service to trace the PP.

Payments

The first child maintenance payment is usually made with 6 weeks of the Child Maintenance Service making payment arrangements with the PP.

Fees

For either parent to apply to the Child Maintenance Service for a calculation, they must pay an application fee of £20. There are however exemptions to having to pay this fee - where the Applicant is less than 19 years old or is the victim of domestic violence perpetrated by the PP.

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