

FREETHS

Family Law

Child Maintenance

Dealing with separation or divorce can be upsetting and confusing.

Trying to sort out the financial consequences of separation or divorce can also be difficult and historically, for many people, the involvement of the Child Support Agency, has often increased that difficulty.

Various Governments have invested a huge amount of time and money in creating and developing the child support system through the Child Support Agency and the rebranded Child Maintenance Service (CMS). The "gross income" scheme introduced new rules in 2013 to try and simplify the system and improve the quality of the service given to families.

The old scheme, introduced in March 2003, created a child support liability so that the parent who did not have the children living with them i.e the non-resident paying parent, had to pay, as a starting point, a percentage of their net income by way of child support as follows:

- 15% for one child
- 20% for two children
- 25% for three children or more

Net income was salary after tax and National Insurance have been deducted. This payment was then adjusted as appropriate, for example to take into account overnight stays by the children with that parent.

As from 29 July 2013 applications to the Child Support Agency will be dealt with under the new scheme. This involves an assessment based on gross rather than net income, and for the Child Support Agency's purposes this is their income before tax and national insurance but after pension contributions.

The current basic formula is:

Number of children for whom maintenance	Percentage of gross weekly income payable claimed
1	12%
2	16%
3 or more	19%

These figures are for the paying parent who has an income of between £200 and £800 per week.

A parent with an income of between £800 and £3,000 per week will have to top up the above basic maintenance with a further payment. The further payment is calculated by taking any income they earn above £800 and applying the appropriate rate as follows:

Number of children for whom maintenance	Percentage of gross weekly income payable claimed
1	9%
2	12%
3 or more	15%

Certain adjustments may then be made by the Child Support Agency, such as taking into account how often the children stay overnight with that parent.

The level of the income of the parent with whom the children are living makes no difference to the assessment.

You do not have to go to the Child Support Agency. You can agree a payment with the other parent. Often, if a couple are divorcing the agreed payment is recorded in a court document called a Consent Order. However, twelve months after the date of the Consent Order, either parent can make an application to the Child Support Agency for a revised assessment.

If we can help you with any of these issues please call to speak with Rachael Oakes, who is the head of our family team.



Rachael Oakes

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