



Child maintenance calculation





The Child Support Agency (CSA) was replaced (so far as new applications for maintenance are concerned) by the <u>Child Maintenance Service</u> (CMS) in late 2013.

The aim of the CMS is to encourage parents to agree on maintenance arrangements using a Family-Based Arrangement (a voluntary arrangement), rather than resorting to the statutory framework for calculating child maintenance.

However, if parents cannot agree, or if such an agreement breaks down, an application can be made to the CMS for a statutory child maintenance calculation. The CMS will then decide how much the absent parent should pay to the receiving parent based on a standard formula and can also collect and pass on payments if required.

How to calculate statutory child maintenance?

The starting point for statutory maintenance calculations is the gross weekly income of the absent parent for the previous tax year and applies to all new child maintenance applications made on or after 25 November 2013.

Details of an absent parent's gross weekly income can be obtained by the CMS directly from HMRC, rather than relying on the paying parent to provide it. Once the gross weekly income figures are known, the statutory maintenance calculation can then be applied:

- Nil: If the absent parent's gross weekly income is less than £10, there will be a nil assessment.
- Flat: If the absent parent's gross weekly income is less than £100, the child maintenance will be a flat rate of £7 per week.
- Reduced: If the absent parent's gross weekly income is between £100 £200, the paying parent will pay a standard amount of £7 per week for the first £100 of income, plus a percentage of their remaining gross weekly income based on the number of children that there are to support (1 child = 17%, 2 children = 25% and 3 or more children = 31%).
- Basic: If the absent parent's gross weekly income is more than £200 but less than £800, the amount of

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child maintenance will be calculated based on a percentage of their gross weekly income (1 child = 12%, 2 children = 16% and 3 or more children = 19%).

• Basic plus: If the absent parent's gross weekly income is more than £800, the "Basic" formula is used in relation to the first £800, and then an additional percentage is applied to the remaining income (1 child = 9%, 2 children = 12% and 3 or more children = 15%). Any income over £3,000 is ignored for the purposes of calculating the weekly maintenance.

Maintenance payments will be decreased if the child(ren) concerned stay with the paying parent for more than 52 nights per year, reducing the payments by 1/7th on a sliding scale.

Also, if there are other children living with the paying parent, the paying parent will be entitled to reduce their gross weekly income figure used for the purposes of the calculation as follows: (1 child = 11% reduction, 2 children = 14% reduction, and 3 or more children = 16% reduction).

Certain fees apply when making an application to the CMS for a statutory child maintenance calculation, and additional fees will also be applied if the CMS is required to collect and pay child maintenance payments, rather than payments being made directly to the receiving parent. It is therefore beneficial to both parents to try to reach a family-based arrangement.

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