



Inflation increase: Is your spousal maintenance worth more?

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Inflation is back at 2% for the first time since 2018 – this figure is based on CPI – the Consumer Prices Index.

Divorcees who have obtained spousal maintenance orders in their financial settlements are likely to have an inflation increase provision built into their order. This could relate to either the Consumer Prices Index (CPI) or the Retail Prices Index (RPI).

What is the difference between CPI and RPI?

CPI – this measures the changes in the basket price of consumer goods and services purchased by households. In April 2019 the CPI was 2%

RPI – this measures the change in the cost of a representative sample of retail goods and services. It takes into account the cost of private rentals, mortgage interest costs, council tax etc. whereas the CPI does not. No other country in the EU uses the RPI to calculate inflation but it is often used in matrimonial orders. In April 2019 the RPI was 3%

Do I lose out because of inflation?

Generally speaking, the value of money reduces over time and therefore the value of any spousal maintenance can reduce over the years as the price of goods increase. So long as your spousal maintenance order provides for an annual CPI or RPI increase then your income from this source should increase in line with inflation (and perhaps slightly above it if your spousal maintenance is linked to the RPI).

The longer the term of the maintenance, the more there is to be gained by a CPI/RPI increase as the increases are compound. It is not uncommon however for these increases to never take place due to the seemingly complex wording of the financial order. It can also be difficult to approach your ex-spouse to discuss the annual increase and you may feel you can manage on the flat rate of spousal maintenance. This could mean you are missing out on significant sums of money which you are entitled to and it could be more difficult to retrospectively seek increases if you have not ensured the annual increase actually happens. Those paying

spousal maintenance may find themselves unknowingly in breach of an order simply because they have continued to pay the original amount of spousal maintenance specified in the order.

I receive spousal maintenance but have never had an inflation linked increase

Advice should be sought from a solicitor if you receive spousal maintenance under the terms of an order but the sum has never increased. Your solicitor will need you to provide a copy of the order to check whether an indexing provision was included.

A solicitor will be able to advise you on (a) whether you are entitled to an inflation increase and (b) can assist you in calculating this.

The [Family Law team](#) at Lester Aldridge can provide you with confidential legal advice, please contact [Rosemary Sharp](#) or another member of the Family Law team to discuss how the rise in inflation could affect your spousal maintenance.