

## 2013 Conference Memorial M30 Child support payments

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The Reading and Silchester (26/13) Circuit Meeting (Present: 48; Voting 47 for, 0 against) supports the Government belief that children in separated families do better if both parents continue to be involved in their lives; it acknowledges and welcomes the important steps the Government is taking to encourage this. However, the Circuit records their concern that some aspects of Government legislation are causing severe financial difficulties for non-resident parents, especially those on a low income. The Circuit request that the Methodist Church pass on this concern and request the Government

- to rectify the errors in the child support maintenance calculation regulations to ensure that the statutory maintenance liabilities are fair and affordable
  - to ensure that welfare provision for both parents after separation is appropriate, in accordance with Article 34.3 of the Charter of Fundamental Rights of the European Union.
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**Reply:** The Conference thanks the Reading and Silchester Circuit Meeting for its memorial.

Under current arrangements, parents who are separated can arrange, or be required to arrange, financial contributions, often through the Child Support Agency (CSA). The CSA calculates the amounts to be paid by the non-resident parent to support their children. As this memorial highlights, the interaction between the benefits system and maintenance payments often leaves low-income non-resident parents with insufficient money to subsist.

Non-resident parents should contribute financially to their children's upbringing, but it is clear that deductions which leave a parent with too little to live on are not in the interests of the children. Such circumstances damage children's ongoing relationship with their parents as well as the parent themselves. The Conference has previously supported the concept of minimum income standards, a calculation of what a person or family needs to live, which should be the basis of decisions made about benefits or the level of income needed after deductions (including child support payments).

The Conference therefore directs that appropriate representation be made to write to the government raising the concerns outlined in the memorial, and reaffirms its commitment to promoting the concept of minimum income standards.

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### **Background Information** (Provided by Christine Dugdale, Caversham Heights Methodist Church, Reading)

There are serious problems concerning the financial situation of the parents on low incomes who, after the breakup of a relationship, are not the main carer of the children. These parents have been given the label 'non-resident parent' although this term carries unhelpful connotations. Christine was made aware early in 2011, through the case of a particular individual, that some non-resident parents were being asked by the Child Support Agency to pay maintenance amounts that could not possibly be met. The young man in question was desperate to remain involved in his children's lives. However, after paying the costs of his housing, travel to work and child maintenance, he was left with just £30 a month to live on.

Investigations showed that the young man was not alone. As a result of errors made in the formulation of the 2003 Regulations, many thousands of parents on low pay are being asked to contribute far more than was originally intended; the amounts cannot be met. Inability to pay is interpreted as refusal to pay and enforcement follows.

The situation is made worse by the fact that, despite paying maintenance and caring for the children for some of the time, the non-resident parent is treated as a single adult for tax credit purposes. This is a serious problem for those on low income.

Christine has worked since then to get the problems recognised and resolved. The human consequences of the situation are extremely damaging.

It is acknowledged that there are some non-resident parents who want nothing to do with their children after separation, just as there are 'parents with care' who abuse or neglect the children. There are also some non-resident parents who can afford to pay maintenance but try to avoid doing so, just as there are people who use tax avoidance schemes to reduce their liabilities to the state. However, none of these should be taken as the norm.

In most families both parents love their children; the children in turn love both their mother and their father. In most cases, after separation, both parents want to continue to be involved in the lives of their children. The courts bear witness to this, in the struggles for custody and for access. In the majority of cases, custody is granted to the mother and it is a sad fact that many of these mothers seek to deny the father access and to exclude him from their children's lives.

The Government is keen that both parents should continue to be involved in their children's lives after separation. For this to be a practicality the problems referred to above need to be addressed. Non-resident parents must be able to afford that involvement and, of course, must be able to support themselves. The Government's current work on welfare reform and support for separating families provides a unique opportunity to put the situation right. Welfare support for the two parents needs to be allocated fairly. Errors in legislation need to be corrected. This would be for the good of all concerned, children, parents and society in general.

## Separated Families – Essential Facts

- It is estimated that a third of children (over four million) now live in separated families<sup>1</sup>.
- It is widely accepted that children do better if both parents continue to play an active role in their children's lives after they separate<sup>2</sup>.
- In March 2012<sup>3</sup> there were 1,128,400 non-resident parents (live and assessed cases) on the Child Support Agency books. The majority of these have few qualifications and many are either unemployed or in low paid work. Those with better qualifications and higher paid jobs usually come to their own maintenance arrangements.
- In March 2012<sup>4</sup>, 46% (518,700) of these non-resident parents were not in employment, 26% (290,000) were in employment with an income below the minimum income standard for a single adult and for a further 13% (144,100) the residual income after paying maintenance for three children would be below the minimum income standard for a single adult.
- The 2003 Child Support Maintenance Calculation Regulations give the standard ('basic') rate of maintenance as 15, 20 or 25% of the weekly net income of the non-resident parent, according as there are 1, 2 or 3+ children. In setting up the regulations, it was recognised that these percentages would be unaffordable for those on low income so the Regulations contain two thresholds; below the first parents pay only a nominal amount, above the second they pay the full amount and there is a smooth transition in between.
- Unfortunately, the two thresholds were given **fixed** values; the net weekly income values of £100 and £200 assigned in 1998 are still in place today. As a result, calculated payments are unaffordable for those on low income. The same fixed values have been retained in the 2012 Regulations which are currently being trialled.
- In March 2012<sup>5</sup> there were 1,210,500 parents with CSA arrears. This is larger than the current caseload but includes some cases that are not "live and assessed".
- If arrears have accumulated the parent can be asked to pay up to 40% of their net income.
- As of December 2012<sup>6</sup> there were 141,940 active Deduction from Earnings Orders. (This does not include any arising from the 106,200 cases administered off system.)

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<sup>1</sup> Government press release 29 November 2012

<sup>2</sup> Cm 8399 DWP Public Consultation *Supporting separated families; securing children's futures* July 2012

<sup>3</sup> CSA Quarterly Statistics

<sup>4</sup> Freedom of Information Request

<sup>5</sup> Freedom of Information Request

<sup>6</sup> CSA Quarterly Statistics