



BRIEFING PAPER

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Child maintenance: fees (UK excluding NI)

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1. Introduction

There are currently three statutory child support schemes operating in Great Britain under the *Child Support Act 1991*: the 1993 and 2003 schemes are both legacy schemes closed to new applicants and administered by the Child Support Agency (CSA); and the 2012 scheme, open to new applicants and administered by the Child Maintenance Service (CMS). The Department for Work and Pensions (DWP) is the responsible Government department.

Fees only apply to CMS cases, including both new cases and also those cases that are now managed under the 2012 scheme but which were previously administered under the legacy schemes.

The underlying legislation for the fee regime is the *Child Support Fees Regulations 2014* (SI 2014/612).

Fees were introduced:

- from 30 June 2014 in respect of applications and enforcement action;¹
- from 11 August 2014 for collection (“Collect and Pay”) fees.²

2. The current fee rates

The rates set out in this section were correct at the time of publication (10 January 2017).

2.1 Application fee

The fee for applying to the CMS for it to calculate child maintenance is a one-off charge of **£20**. However, some people don't have to pay this (see section 4 below).

The fee is payable by all applicants, including those whose child maintenance cases are administered by the CSA (i.e. 1993 and 2003 scheme cases) where, as part of the move of

¹ GOV.UK, [Fairness for families, children and taxpayers as new child maintenance system is launched](#), Press release, 30 June 2014

² GOV.UK, [Use the Child Maintenance Service or Child Support Agency \(CSA\) – 1. Overview](#), webpage [accessed on 10 January 2017]

2 Child maintenance: fees (UK excluding NI)

all cases to the CMS, their cases are being closed and are being invited to apply to the CMS.³

2.2 “Collect and Pay” scheme fees

Box 1: Different ways of receiving child maintenance from the Non-Resident Parent

In terms of payment arrangements through the statutory child maintenance scheme administered by the CMS, it is possible to choose between either “Direct Pay” – where, as the name suggests, the non-resident parent, or NRP (also known as the “paying parent”) pays child maintenance direct to the parent with care, or PWC (also known as the “receiving parent”) – or “Collect and Pay”, where the NRP pays child maintenance to the CMS who then forwards it to the PWC. Alternatively, private arrangements can be made.

The recurring fees are:

- for the NRP, an extra **20%** of the amount of child maintenance due i.e. the NRP pays 120% of the child maintenance for which they are liable;
- for the PWC, **4%** of the child maintenance they receive i.e. the PWC receives 96% of the child maintenance paid by the NRP.⁴

The DWP provides the following example:

A maintenance liability is calculated as £100 per month. The PWC collection charge is £4 per month and the NRP collection charge is £20 per month. The NRP’s payment schedule is then set up as £120 per month. When the monthly payment of £120 is received, £20 is allocated to the NRP collection charge, £100 to maintenance paid. £4 is then allocated to the PWC collection charge and £96 is passed to the PWC.⁵

3. Enforcement fees

If a child maintenance case is under the “Collect and Pay” scheme and the NRP does not pay their child maintenance liability in full, the CMS can undertake enforcement action.

The fees for enforcement action (correct at the time of writing) are:

- **£50** for a deduction from earnings order (DEO) or deductions from earnings request (DER);⁶
- **£50** for a regular deduction order;
- **£200** for a lump sum deduction order;
- **£300** for a liability order.⁷

4. Exemptions from fees

The only fee from which is it possible to be exempt is the **application fee**; the following groups do not have to pay the application fee:

³ GOV.UK, [Use the Child Maintenance Service or Child Support Agency \(CSA\) – 3. How to apply](#), webpage [accessed on 10 January 2017]

⁴ GOV.UK, [Use the Child Maintenance Service or Child Support Agency \(CSA\) – 4. How to pay](#), webpage [accessed on 10 January 2017]

⁵ Department for Work and Pensions, [Impact Assessment – The Child Support Fees Regulations 2014](#), 31 March 2013, p12, para 72

⁶ A deductions from earnings request is made when the NRP is serving in the Armed Forces.

⁷ GOV.UK, [Use the Child Maintenance Service or Child Support Agency \(CSA\) – 5. Non-payment](#), webpage [accessed on 10 January 2017]

- anyone aged 18 years or under; or
- a victim of domestic abuse or violence (see below).⁸

The DWP notes that that domestic violence or abuse “can encompass but is not limited to the following types of abuse: psychological, physical, sexual, financial, emotional”.⁹ The abuser can be the applicant’s current or former partner, or a family member of the applicant or their current or former partner. Further information is set out in the DWP’s guidance, [How the Secretary of State will determine if an applicant is a victim of domestic violence or abuse](#) (December 2013).

In order to be classed as a victim of domestic abuse or violence for these purposes, a person must:

- declare to the Secretary of State that he or she is a victim of domestic violence or abuse; and
- state to the Secretary of State the appropriate person to whom he or she has reported the domestic violence or abuse;
- have reported the domestic violence or abuse to an appropriate person.¹⁰

In regard to who constitutes an “appropriate person” to whom domestic violence or abuse has been reported, the DWP has [published a list of such people and organisations](#) (December 2013).

5. Policy background on fees

5.1 Rationale for the introduction of fees

As noted above, the CSA did not charge fees in regard to either applying, collecting or enforcing payments.

In a White Paper that set out the policy on fees, the then DWP Minister, Steve Webb, contended that while there was, at the time, “no financial incentive for parents to make their own arrangements or even to pay in full and on time within the statutory system. A system of fees will change this; application and collection fees will nudge parents to collaborate and non-resident parents will be faced with steep fees if they fail to comply”.¹¹ The White Paper added:

Collection fees are intended to provide an ongoing incentive for both parents in the collection service to consider making payments direct rather than via the Government, as evidence shows that collaboration results in the best outcome for children. The collection fees work as a percentage surcharge on top of maintenance liability for the non-resident parents and as a small deduction from maintenance otherwise received for the parent with care.¹²

The DWP note that the amounts charged for enforcement do not cover the full costs involved:

⁸ GOV.UK, [Use the Child Maintenance Service or Child Support Agency \(CSA\) – 3. How to apply](#), webpage [accessed on 10 January 2017]

⁹ Department for Work and Pensions, [Guidance on regulation 4\(3\) of the Child Support Fees Regulations 2014: How the Secretary of State will determine if an applicant is a victim of domestic violence or abuse](#), December 2013, p2

¹⁰ As above, p1

¹¹ Department for Work and Pensions, [Government response to the consultation Supporting separated families: securing children's futures](#), Cm8742, November 2013, p6

¹² Department for Work and Pensions, [Government response to the consultation Supporting separated families: securing children's futures](#), Cm 8742, November 2013, p14, para 6

4 Child maintenance: fees (UK excluding NI)

Where enforcement action is required the CMS will impose appropriate fees on the NRP [non-resident parent] with a primary aim of driving behavioural change rather than generating revenue (which is a secondary aim of the policy). Therefore the proposed fee levels will increase in line with the severity of the action taken rather than the actual cost. The following table shows the proposed fee levels which have been used in this impact assessment together with the estimated costs of each action:¹³

Table 1: Estimated costs of enforcement actions and proposed fees

	Estimated cost per action	Proposed charge
Deduction from Earnings Order	£200	£50
Regular deduction order	£1,400	£50
Lump sum deduction order	£1,400	£200
Liability order	£600	£300

5.2 Decision not to exempt victims of domestic abuse or violence from recurring collection fees

As noted in section 2.2, where child maintenance is paid through “Collect and Pay”, there are recurring charges to both the NRP and the PWC.

During the consultation on fees, the Government noted that “many respondents expressed concerns over collection fees for victims of domestic violence, including Barnardo’s, Gingerbread, CHILDREN 1ST, One Parent Families Scotland, Relationships Scotland and Resolution who were: ‘... concerned that victims of domestic violence can only be exempt from the application fee, with no provision provided for free access to the collection service, regardless of the type of abuse which has taken place’”.¹⁴

The DWP noted that in order to determine if someone had been a victim of domestic abuse or violence, it had to choose between either a “low-threshold, declaration approach” or “require the applicant to produce evidence which demonstrates they have been the victim of domestic violence, a process that would be time consuming, distressing for the applicant and would exclude many applicants, but thereafter waive all fees”.

The former approach was taken on the basis that the DWP had “listen[ed] to the concerns of stakeholders that an evidence-based approach could disadvantage victims, since many alleged incidents of domestic violence may never have resulted in a conviction”.

The Government’s *Impact Assessment* on the fees legislation proposed that “to safeguard PWCs who do not wish their details to be known to the NRP, a free to use money transfer option will be available to enable payments to be made between parents without the need for any contact information to be divulged”.¹⁵

However, the Child Maintenance Options website¹⁶ indicates that a fee may be charged to use a money transfer service:

¹³ Department for Work and Pensions, [Impact Assessment – The Child Support Fees Regulations 2014](#), 31 March 2013, p13, para 78 and table 1

¹⁴ Department for Work and Pensions, [Government response to the consultation Supporting separated families: securing children’s futures](#), Cm 8742, November 2013, p11, para 8

¹⁵ Department for Work and Pensions, [Impact Assessment – The Child Support Fees Regulations 2014](#), 31 March 2013, p12, para 73

¹⁶ Child Maintenance Options is a service provided on behalf of the Department for Work and Pensions.

Another option is to use a money transfer service. As well as the advantages mentioned above, with this payment method, you don't have to share your bank details with the other parent.

There are several different money transfer services that you can choose from, such as:

- PayPal – PayPal offers an online or "e-money" transfer service.
- MoneyGram – With MoneyGram you can transfer money through the Post Office, or you can do it online.

Important - some of these services may charge a fee. Check with the service provider to make sure you understand if any charges will apply.¹⁷

6. Total amount of fees paid

The Government has published the amount of fees paid to the CMS from the period June 2014 (when fees were first introduced) to March 2016:

- application fee receipts: £2.52 million
- collection fee receipts –
 - from the NRP: £7.22 million
 - from the PWC: £1.41 million
- enforcement fee receipts: £0.14 million.¹⁸

Data for the 2016/17 financial year "will not be available until audit of the 2016/17 Client Funds Account has been completed".¹⁹

¹⁷ Child Maintenance Options, [Ways to pay child maintenance](#), webpage [accessed on 10 January 2017]

¹⁸ [PQ 51323 4 November 2016](#)

¹⁹ [PQ 57808 20 December 2016](#)

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