

How to Calculate your maintenance

Child maintenance is calculated on the Paying Parent's 'Gross Weekly Income' This is the amount of income **before** any deduction for tax and national insurance, although any contributions for pensions are deducted. If additional voluntary payments into a pension are made, it is important that CMS are notified and verification submitted. Voluntary pension contributions can only be included if CMS has evidence of them.

CMS ascertain your annual income, and average this into a weekly rate by dividing the annual salary into 365 days, and then multiply by 7. This is the weekly income used for the child maintenance award.

The Gross Income Scheme has a Two Tier System for calculating maintenance:

For the first £800 of gross income the following rates are applied:

- 12% one child
- 16% two children
- 19% three+ children

For income above £800 the following rates apply

- 9% one child
- 12% two children
- 15% three+ children

Example: Richard has 1 qualifying child to pay maintenance for. His income is £1000pw. The calculation would be

$$£800 \times 12\% = £96 \text{ PLUS } £200 \times 9\% = £18$$

Total maintenance liability is £114pw

There are different rates for Relevant Other Children, ie children that live in the paying parents household. These rates are:

- 11% one child
- 14% two children
- 16% three+ children

If Richard now moves in with his girlfriend Victoria who has 2 children, child maintenance would calculate as;

$$£1000 \times 14\% = £140. \quad £1000 - £140 = £860.$$

$$£800 \times 12\% = £96 \quad \textbf{PLUS} \quad £60 \times 9\% = £5.40.$$

Total maintenance liability is now £101.40pw

The child maintenance amount can be varied by any of the grounds under the Variation Scheme, details of which can be found on our main website.

Variation for special expenses may cause the maintenance to reduce, whilst additional income variations may cause the maintenance to increase. A variation is often necessary to secure an accurate level of child maintenance.

Example: William has a salary of £45,000 pa and 2 qualifying children. He was awarded a variation for £1256 per annum contact costs. Child maintenance would calculate as;

$$£45,000 - £1256 = £43,744 \text{ which equates to } £838.93 \text{ pw}$$

$$£800 \times 16\% = £128 \quad \textbf{PLUS} \quad £38.93 \times 12\% = £4.67$$

Total maintenance liability is now £132.67

William's ex-partner Rebecca contested the income being used in the calculation, and makes an 'Additional income' variation. CMS confirm William also received £25,000 dividends from his company and so Rebecca's variation is also successful.

CMS would now calculate the maintenance using the aggregate sum for both variations;

$$£45,000 \textbf{ LESS} £1256 \textbf{ PLUS} £25,000 = £68,744 \text{ which equates to } £1318.38\text{pw}$$

$$£800 \times 16\% = £128 \quad \textbf{PLUS} \quad £518.38 \times 12\% = £62.21$$

Total maintenance liability is now £190.21

Once a child maintenance calculation has been made, further adjustments might apply if the Paying Parent has any overnight contact with the qualifying child/ren for more than 52 nights per year. This is known as Shared Care.

The amount of reduction for shared care depends on the number of overnight stays per year.

No of nights	Shared Care Band	Reduction
52 -103	A	1/7 th
104-155	B	2/7 th
156-174	C	3/7 th
175+	Equal	50% reduction with a further £7pw per child reduction.

Note: Band Equal shared care does not necessarily produce a situation where no maintenance is payable at all. For CMS to end their jurisdiction in making child maintenance decisions, there must be evidence that both parents provide the day to day care of their child to an equal extent.

Using our last example, where William was liable to pay Rebecca £190.21 per week, but he also has overnight access to the children for 110 nights per year, his liability would be reduced by 2/7ths

£190.21 / 2 children = £95.11 per child.

£95.11 / 7 nights = £13.59 x 2 = £27.17

£190.21 LESS £27.17 (child 1) LESS £27.17 (child 2)

Total maintenance liability is now £135.87pw

If you are unsure if your maintenance is calculated correctly you may benefit from purchasing a Preliminary Consultation so that we can look at your circumstances and compare them to the information used in the calculation.