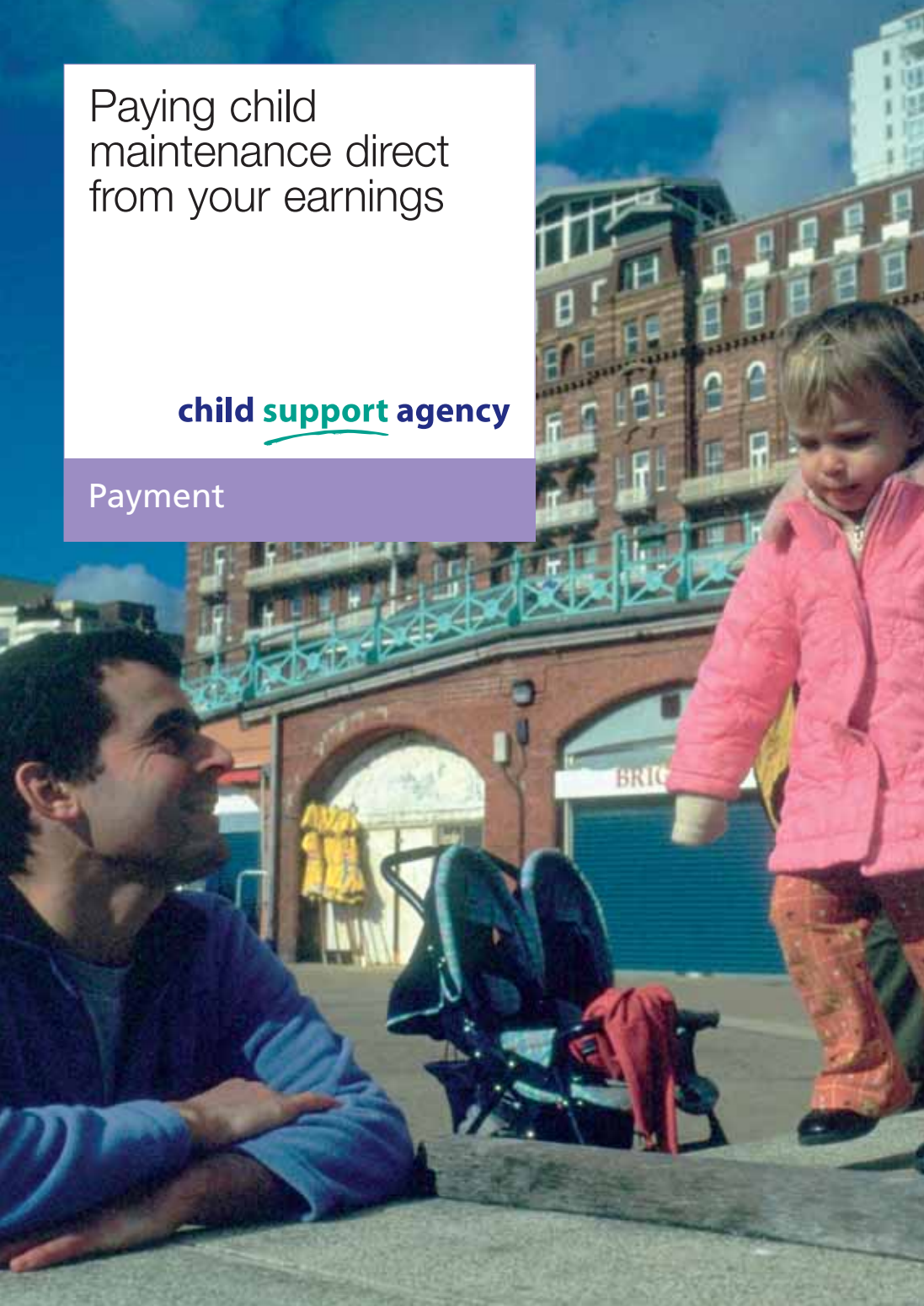


Paying child
maintenance direct
from your earnings

child support agency

Payment



What is this leaflet about?

This leaflet explains how child maintenance payments can be made directly from your earnings. It is for non-resident parents whose cases were set up between 5 April 1993 and 2 March 2003, known as ‘old scheme’ cases.

We use different rules for working out child maintenance on cases set up on or after 3 March 2003, which are known as ‘current scheme’ cases.

You have received this leaflet now because:

- you have asked for information about how you can pay child maintenance direct from your earnings instead of the way you are paying now, or
- you have not made child maintenance payments on time and we are now going to take child maintenance direct from your earnings.

To do this, we can set up a ‘deduction from earnings order’. This leaflet explains what this is and how it works.

In this leaflet, we use some standard terms to talk about our services and the way we work. The glossary at the end explains them.

Important information about this leaflet

This leaflet is only a guide and does not cover every circumstance. We have done our best to make sure the leaflet is correct as of 31 October 2009, but it may not reflect changes to the law or our procedures after this date. You may wish to get independent advice before making financial decisions based on the leaflet.

Paying child maintenance direct from your earnings

About us

The Child Support Agency (CSA) is the Government's child maintenance service. It is provided by the Child Maintenance and Enforcement Commission.

Our role is to make sure that parents who live apart from their children contribute towards their children's upkeep by paying child maintenance.

We use a standard process to work out how much child maintenance should be paid in each case, and to manage the payments. We can take legal action if the right amount of money is not paid at the right time.

To get help or more information, visit our website **www.csa.gov.uk** or call us on **0845 713 3133** or **0845 713 8924** (textphone). For details of call charges, opening times and our Welsh-language helpline, see page 23.

If you want to make child maintenance arrangements privately, rather than through the CSA, contact Child Maintenance Options for impartial information and support. Visit their website at **www.cmoptions.org** or call them on **0800 988 0988** or **0800 988 9888** (textphone).

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Paying child maintenance direct from your earnings

How do I pay child maintenance direct from my earnings?

If you are employed, you can pay child maintenance direct from your earnings through a deduction from earnings order. Your child maintenance is taken from your earnings before you receive them, so whatever you get as take-home pay, you don't have to pay child maintenance from it.

We can also use deduction from earnings orders to make sure that non-resident parents pay their child maintenance. If a non-resident parent who is employed misses a payment or fails to pay the full amount, this is normally our first step.

We will tell your employer how much to take from your earnings or pension. Your employer must take this amount and pass it to us on your behalf. If they do not take your child maintenance from your earnings and pass it to us, we can take them to court.

Your employer may also take an extra £1 every time they have to take money from your earnings, to help with their administration costs.

Your employer must tell you the amount they take from your earnings, including any amount taken for administration, on or before the pay day after the one on which they took it. This information may be on your wage slips.

How does a deduction from earnings order work?

A deduction from earnings order (DEO) is made up of 2 parts.

- **The normal deduction rate** – this is the amount of child maintenance we take from your net earnings in each pay period. It includes the child maintenance you normally have to pay in that period, plus an amount towards any missed payment or underpayments.
- **The protected earnings rate** – this is the amount you are allowed to keep to pay for your own living costs. It is the same as the exempt income used to work out how much maintenance you must pay. For more information about this, read our leaflet *Your child maintenance assessment and help in meeting exceptional circumstances* (CSA2024). See the back page for how to get a copy.

We'll work out the normal deduction rate and the protected earnings rate based on the information we have been given. We'll then tell you and your employer the amounts.

Paying child maintenance direct from your earnings

What counts as 'earnings' when setting up a deduction from earnings order?

When setting up a deduction from earnings order, we count the following as earnings:

- wages, fees, bonus, commission, overtime pay or any payments on top of wages
- private or occupational pensions, and compensation payments
- Statutory Sick Pay
- contractual sick pay
- contractual maternity pay
- contractual paternity pay
- contractual adoption pay
- contractual redundancy pay.

Contractual pay is pay that has been agreed between a company and their employee that is extra to their statutory pay. Statutory pay is money that you are entitled to by law.

This earnings figure is **not** the same as what we count as earnings when we work out a non-resident parent's net income to help us work out how much child maintenance must be paid. For more information about what counts as earnings when we work out net income, read our leaflet *Your child maintenance assessment and help in meeting exceptional circumstances* (CSA2024). See the back page for how to get a copy.

What does not count as earnings when setting up a deduction from earnings order?

We don't count the following as earnings and they cannot be used for a deduction from earnings order:

- money paid to you by a public department of the Government of Northern Ireland or any country outside the UK
- any social security pension, allowance or benefit
- any disability pension or allowance
- a guaranteed minimum pension within the Social Security Pensions Act 1975
- Tax Credits
- Statutory Maternity Pay
- Statutory Paternity Pay
- Statutory Adoption Pay
- Statutory Redundancy Pay.

If the only earnings you receive fall into these categories, you cannot pay by deduction from earnings order.

Paying child maintenance direct from your earnings

Example

Dwayne has decided to use a deduction from earnings order to pay the right amount of maintenance for his children.

- Dwayne's net weekly earnings are: £160
- The weekly maintenance needed is: £30
- Dwayne's weekly protected earnings rate is: £100
(this means Dwayne has enough income from which to pay child maintenance)
- The weekly amount Dwayne's employer takes under the deduction from earnings order is: £30
- The weekly amount Dwayne's employer can take towards administration costs is: £1
- So Dwayne's weekly income after he pays child maintenance and his employer's administration costs under the order is: £129

When is money taken from my earnings under a deduction from earnings order?

Your employer will normally take the money each time you are paid. So if you are paid weekly, they will take an amount every week. If you are paid monthly, they will take the money once a month.

If your employer takes money once a month, they must send us the money by the 19th of the month after the month when they took it from your earnings. So if your employer takes child maintenance from your earnings in February, they must send this payment to us by 19 March.

When we have received the money from your employer, we will pass it to the parent with care.

Paying child maintenance direct from your earnings

How will my employer know they have to take child maintenance direct from my earnings?

We'll send your employer a deduction from earnings order telling them how much to take from your earnings or occupational pension. Your employer must take this amount and send it to us.

The deduction from earnings order will include the following information:

- your name and address
- your employer's name
- your place of work, the type of work you do and your works or payroll number, if any
- your National Insurance number
- the amount or amounts to be taken, and the dates of any change to these amounts in the next 52 weeks
- your protected earnings rate
- the address of the CSA office where your employer must send the payments.

Each year, we will send you and your employer a letter which reminds you how much must be paid and when.

If your circumstances change, we will send you and your employer a revised deduction from earnings order.

What happens if my employer does not or cannot take the full amount?

If your employer does not take the full amount direct from your earnings or pension, we'll ask them why. There may be a good reason – for instance, because you did not earn enough during the pay period to take the full amount after income tax, National Insurance payments and any money needed to pay for other court orders.

In these circumstances, your employer must take as much as possible from your earnings but leave you with an amount that is the same as your protected earnings rate, so that you have enough money to live on. Any difference between the amount they can take and the amount of child maintenance needed is called a shortfall.

This shortfall will be carried over to the next time you are paid and added to the regular amount of child maintenance we ask your employer to take.

Example

Because Ed has not paid child maintenance in full or on time, we have decided to use a deduction from earnings order to make sure he pays the right amount for his children.

- The weekly maintenance needed is: £35
- Ed's weekly protected earnings rate is: £110

Week 1

- Ed's net weekly earnings are £130.
- Because his protected earnings are £110, Ed's employer can only take £20 from his earnings for child maintenance.
- So there is a £15 shortfall this week.

Week 2

- Ed's net weekly earnings are £190.
- The maintenance needed is £50 (his normal amount of £35 plus £15 shortfall from week 1).
- Because his protected earnings are £110, Ed has £80 from which child maintenance can be taken.
- Ed's employer takes £50 under the deduction from earnings order.
- Ed has now caught up with his payments.

If your income regularly falls below the protected earnings rate, you should tell us because we may need to re-calculate how much child maintenance you should pay.

If there's a shortfall and you don't make other arrangements to pay it, we can take you to court. If the full amount of child maintenance isn't taken by your employer and they can't give us a good reason for this, we can take them to court and they could be fined. You will still have to pay the child maintenance you owe. Employers can find more about this on our website at **www.csa.gov.uk** or in our leaflet for them, *Advice to employers* (CSA2002). See the back page for how to get a copy.

Paying child maintenance direct from your earnings

What happens if my employer already has to take money from my earnings for other court orders?

Courts can make several orders that mean your employer must take money direct from your earnings, in a similar way to our deduction from earnings orders.

In England and Wales, these include:

- attachment of earnings orders, and
- Council Tax attachment of earnings orders.

In Scotland, these include:

- earnings arrestments
- current maintenance arrestments, and
- conjoined arrestment orders.

There are rules to follow so that employers know which money to take first. In England and Wales, they start with the earliest order. In Scotland, a deduction from earnings order will always be taken first, before any others. They should then follow later orders, using any earnings you have left after taking payment under the first order.

What happens if I stop working for my employer?

If you are paying child maintenance under a deduction from earnings order and you stop working for your employer, change jobs, become unemployed or self-employed, you **must** tell us within one week.

You must also tell us the name and address of your new employer (if any), the amount you expect to earn, and your payroll or employee number (if any). **It is a criminal offence not to tell us of this change within 7 days of it happening.** Also, your employer must tell us if you stop working for them.

If you move to a different employer, we'll normally set up a new deduction from earnings order when we have all the information we need. We may also change the amount of child maintenance needed if your earnings have gone up or down.

If we cannot use a deduction from earnings order any more, we'll arrange a different way for you to pay child maintenance.

Paying child maintenance direct from your earnings

What happens if I give the parent with care money for another reason?

Exceptionally, a non-resident parent who normally pays child maintenance through us will agree to pay money to or for the parent with care for a particular reason. If you do this, you can ask us to count this payment towards the amount of child maintenance you have to pay or any arrears you owe.

We may be able to count this payment if it was made, with the agreement of the parent with care, for one of the following reasons:

- to pay a mortgage or loan which is taken out to buy or pay for essential repairs or improvement to the home where the child lives, and which is secured on that home
- to pay rent or council tax for the home where the child lives
- to pay gas, water or electricity charges for the home where the child lives, or
- to make essential repairs to the heating system or fabric of the home where the child lives.

If you regularly give the parent with care money for another reason – such as to pay bills each month – then both parents should think about changing the way you arrange child maintenance. You could make a private agreement, where you would not have to use the CSA. For more information, contact Child Maintenance Options by visiting www.cmoptions.org or call them on **0800 988 0988** or **0800 988 9888** (textphone).

What changes to my circumstances must I tell the CSA about?

If either parent's circumstances change, this can mean that we need to change the amount of maintenance that must be paid. So you should tell us if there is a change to any of the information you gave us to work out child maintenance, such as how much income you get.

In particular, as a non-resident parent, you **must** tell us if:

- your address changes (you must tell us about this within 7 days from the date that your address changes)
- you pay child maintenance through a deduction from earnings order and you leave your job. You must tell us:
 - the name and address of your new employer (if any)
 - how much you expect to earn, and
 - your payroll number (if any).

The parent with care **must** tell us if there is a change to:

- the number of children living with them that you must pay child maintenance for, or
- the number of nights a child regularly stays overnight with you.

Paying child maintenance direct from your earnings

If you fail to give us the information we need, or you give us information that you know is false, we can take you to court and you could be fined up to £1,000. This applies to any person or organisation who, by law, must give us information – such as employers and accountants as well as parents.

Not all changes of circumstance will mean we need to change the amount of child maintenance that must be paid.

What happens if I still don't pay?

If you fail to pay child maintenance under a deduction from earnings order (for example, if you stop working for your employer and do not tell us), we can:

- **take money direct from your bank or building society account, or**
- **take you to court.** Taking action through the courts is costly and you could end up paying our court costs as well as your own, being forced to sell your home or other assets, having your driving licence confiscated or even going to prison.

Paying child maintenance direct from your earnings

Can I appeal against a deduction from earnings order?

Yes you can, but only if:

- the deduction from earnings order does not have the correct information on it or the payments your employer makes to you are not classed as earnings
- you cannot pay child maintenance by direct debit, and we have said that you don't have a good reason not to pay by a deduction from earnings order.

Appeals against deduction from earnings orders must be made to a magistrates' court in England and Wales or sheriff court in Scotland, not the First-Tier (Social Entitlement Chamber) Tribunal.

Normally, you will need to appeal within 28 days of the date on the deduction from earnings order that we sent your employer. If you live abroad, you have 56 days to appeal.

Until your appeal is decided, your employer will continue to take child maintenance payments using the deduction from earnings order.

If you want to know more about how to appeal against your child maintenance decision, read our leaflet *How to appeal* (CSA2006(A)). See the back page for how to get a copy.

Where can I get more help and information?

If you want to know more about child maintenance and how we work it out, visit our website at **www.csa.gov.uk**. You can download all our leaflets from there.

If you would like to talk to someone about your case, you can call our national helpline on **0845 713 3133** from 8am to 8pm Monday to Friday and 9am to 5pm on Saturdays.

Please have your National Insurance number with you when you call.

We may record our phone calls to check our service and to train our employees.

Textphone services

If you have speech or hearing difficulties, a textphone service is available on **0845 713 8924**.

Textphones are for people who find it hard to speak or hear clearly. If you do not have a textphone, some libraries or citizens advice bureaux may have one. Textphones do **not** receive text messages from mobile phones.

Paying child maintenance direct from your earnings

Welsh-language helpline

If you want to speak to us in Welsh, you can ring our Welsh-language helpline on **0845 713 8091**. The line is open from 9am to 5pm, Monday to Friday. There is also a Welsh-language textphone service on **0845 713 8099**.

Other languages

If English is not your first language, you can use your own interpreter or one we provide.

Call charges

Calls to **0845** numbers from BT landlines should cost no more than 4p a minute. You may have to pay more if you use another phone company or a mobile phone, or if you are calling from abroad. Calls from mobile phones can cost up to 40p a minute, so check the cost of calls with your service provider.

Information in other formats

This leaflet is available in other languages, in Braille and on audio cassette. You can order information in these formats online or by contacting our national helpline.

We also have large-print versions of this leaflet available for you to download from our website, **www.csa.gov.uk**.

Leaflets available from us

For parents who live apart

(Reference: CSA2001) For all parents

Your child maintenance assessment and help in meeting exceptional circumstances

(Reference: CSA2024) For all parents

How to appeal

(Reference: CSA2006(A)) For all parents

Notes for non-resident parents who are self-employed

(Reference: CSA2095) For non-resident parents

What action can the Child Support Agency take if parents don't pay?

(Reference: CSL306) For all parents

How do I complain about the service I get from the Child Support Agency?

(Reference: CSL308) For all parents

My case is moving to the child maintenance scheme introduced in 2003 – what will change?

(Reference: CSL310) For any parent whose case is moving to the current scheme

How does the Child Support Agency use and store information?

(Reference: CSL311) For all parents

Paying child maintenance direct from your earnings

Glossary

Assessable income

The assessable income is the net income, less the exempt income. We use assessable income to work out the amount of maintenance that must be paid. We do this by using a standard formula on the assessable income of the non-resident parent and the parent with care.

Child

For child maintenance purposes, a child is anyone under 16 or someone between 16 and 19 who:

- is not, nor has ever been, married or in a civil partnership, and
- is in full-time non-advanced education.

However, in certain circumstances, someone under 19 can still be regarded as a child for child maintenance purposes even if they are not in full-time non-advanced education.

Child maintenance

Money paid by the non-resident parent to the parent with care to help pay for their child's everyday living costs.

Deduction from earnings order

One of the ways we normally set up payments if the non-resident parent is employed. Under a deduction from earnings order, we ask the non-resident parent's employer to take child maintenance direct from the non-resident parent's earnings and send it to us.

We can also set up a deduction from earnings order if the non-resident parent is employed and they have not kept to other payment methods or failed to agree a payment method.

Exempt income

The amount of net income each parent is allowed to keep to pay for their basic living costs, including paying for the living costs of any of their own children living with them.

Interim maintenance assessment

If the non-resident parent does not give us the information we need to work out how much child maintenance must be paid, we can make an interim maintenance assessment. This assessment means that the non-resident parent may have to pay child maintenance at a higher rate until they give us the information we need to work out the right amount.

Paying child maintenance direct from your earnings

Net income

Net income is the weekly amount of income (usually pay or salary) left after taking off:

- income tax
- National Insurance
- half of any amount you pay into an occupational or personal pension. If the pension is set up to repay a mortgage, only 37.5% of the money paid into the pension scheme is taken away.

Income can also include certain benefits, tax credits and occupational or personal pensions. Bonuses and commission also count as pay or salary.

We count Working Tax Credit as income if the **non-resident parent's** earnings are higher than their partner's earnings. If the non-resident parent and their partner's earnings are the same, we include half of the Working Tax Credit in the child maintenance calculation. We don't count Working Tax Credit as income if the non-resident parent earns less than their partner.

Non-resident parent

The parent who the child does not normally live with.

Normal deduction rate

This is the amount of child maintenance we take from the non-resident parent's net earnings in each pay period if they are paying child maintenance by a deduction from earnings order. It includes the child maintenance they normally have to pay in that period, plus an amount towards any missed payments or underpayments.

Parent with care

The parent or carer who the child normally lives with and who therefore pays for most of the child's everyday living costs. In some cases this can be a grandparent, guardian or other family member – who is known as the 'person with care', rather than the parent with care.

Protected earnings rate

If the non-resident parent is paying child maintenance by a deduction from earnings order, this is the amount of earnings they are entitled to keep to pay for their own living costs. It is the same as the exempt income we use to work out how much child maintenance must be paid.

Protected income

We work out a minimum amount of weekly income for the non-resident parent to make sure they are left with enough money to live on, and to support any second family they have, after paying child maintenance. This amount is known as protected income.

CSA leaflets are also available in other languages, in large print, in Braille and on audio cassette.

You can get any of these leaflets:

- by phone on **0845 713 3133** (the line is open from 8am to 8pm Monday to Friday and 9am to 5pm on Saturdays)
- by textphone on **0845 713 8924**, or
- from our website at **www.csa.gov.uk**.

Where textphone numbers are provided, these are for people who find it hard to speak or hear clearly. If you do not have a textphone, some libraries or citizens advice bureaus may have one. Textphones do not receive text messages from mobile phones.

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