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COVID-19: Universal Credit and Child Maintenance concerns

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Families Need Fathers

www.fnf.org.uk

COVID-19: Universal Credit and Child Maintenance concerns

The coronavirus outbreak is wreaking financial havoc for a large proportion of the population. The Government has had to act in haste. In the last fortnight of March 2020, almost a million people applied for Universal Credit (UC). The Department of Work and Pensions (DWP), like most organisations, will have staff shortfalls due to illness and self-isolation. 10,000 staff have been redeployed with more being recruited to deal with claims and Universal Credit, leaving Child Maintenance (CM) under-resourced.

Official guidance on CM has, so far, been limited. Below are some suggestions on what you can do until more information is available, based on our experience and correspondence between FNF and Baroness Stedman-Scott, the Minister responsible for CM.

Response to unemployment and loss of income

- Apply for Universal Credit as soon as you either lose your job or end up on a low income that might entitle you to benefits. If possible, use this [Universal Credit website](#) to do this.
- Notify the [Child Maintenance Service](#) (CMS) of any change to your circumstances straight away. They may not adjust the amount you have to pay immediately, not least because of their resource difficulties, however, it is likely that any changes to CM assessments will only be backdated to when they were first reported.
- Keep copies of all your communications in case you need to provide evidence of notifications you have sent to CMS. You may need to retain screen-prints of your submissions.
- Even if you are going through great financial strain, however justified your frustrations, please keep your correspondence respectful. DWP staff are working under difficult conditions and required to follow rules and laws, even when these are plainly wrong. Where things need to change, the pressure needs to be applied to politicians rather than strained staff.
- Politely and respectfully tell your ex of any changes to your circumstances (unless there is a court order preventing direct communication). Ideally do this before the due date. Explain that you will increase payments as soon as your income goes up again. Keep copies of all correspondence, if possible with a Certificate of Posting which can be obtained free from the Post Office.

General Position on Paying Child Maintenance

The Government's most recent advice confirms that parents 'should continue to pay what they owe to support their children'. They say 'The Department is committed to ensuring no one loses out in the long term'. The implication is that there is a recognition that in the short-term paying and receiving parents may experience difficulties. There is also an implication that support may come in different forms e.g. a £1,040 increase in standard UC allowance for 12 months and Statutory Sick Pay that may be backdated to 13th March 2020 that includes self-isolation.

Specific Government Actions and Guidance on Child Maintenance To Date

The Government have made a number of changes to Child Maintenance, including some that Families Need Fathers recommended in recent weeks.

- **12 week change period now 2 weeks** – temporary reduction in time period for considering change in CM liability if your income changes. We do not know how long this will last, so don't wait if you have experienced a reduction of over 25% in your pay.
- **Evidence** – in the 'short-term' CMS will accept verbal evidence of changes of income. CMS will prioritise cases where parents have lost their jobs over those experiencing income reductions.

Please note that CMS will in due course seek evidence of changes of circumstances. They will pursue arrears based on revised calculations, if these do not square or if they consider someone to have abused the temporary relaxation of standards of evidence sought.

- **Deductions from Earnings Orders (DEOs)** – CMS will continue to seek to collect unpaid CM from employers, however, where this is difficult during the Covid-19 crisis there will be delays in arranging these. The best thing, for anyone who can afford to make the payments to support their children is to make them. DEOs are part of the CMS 'collect' scheme and you will be surcharged 20%.
- [Contact Child Maintenance Service online](#) whenever possible during this time.

Do these measures go far enough?

The short answer is "no". The above adjustments to the way CMS work are helpful and welcome, however, they fall a long way short of what is needed. Children need to be financially supported, however, tens of thousands more parents will struggle to fulfil their assessed CM obligations. On top of that there are real risks of ex-partners taking advantage of the situation to maximise their income e.g. by not making children available in accordance with existing arrangements, both those privately reached or those ordered by family courts. We have already heard of many such cases.

What more should be done about unaffordable assessments?

We are calling on the DWP and Government to:

1. Immediately suspend liability for CM payment and arrears payment requirements from those now on Universal Credit or legacy benefits.
 2. Change the income reduction for re-assessment from 25% to, say 10%. Many people will have experienced reductions of income of 20%, but will still be expected to pay the same rate of CM. Regardless of Covid-19, this threshold is causing financial hardship to many low-income, paying parents.
 3. Universal Credit must be reformed to take into account statutory Child Maintenance payments. The principle underpinning UC is that 'work should always pay', however, this omission means that for separated paying parents, this is not the case, and hundreds of thousands of these parents are pushed into deep poverty as recognised in the recommendations of the [Centre for Social Justice \(CSJ\)](#) and the [Social Security Advisory Committee \(SSAC\)](#).
 4. Currently, CM assessments of self-employed parents are based on historic accounts. It remains unclear whether this basis of assessment will be changed. The majority of these people were on low incomes already. Many are part of the 'gig-economy'. It is not at all clear that their self-declared income reductions will affect CM assessments straight away, as they certainly should. As many will not have prepared annual accounts yet for 2019-20, there will be great scope for wrongful assessments.
 5. Given the above difficulties, DWP must suspend sending of threatening letters without first assessing the affordability of those assessments. Many parents will have loans that, even if offered 'payment holidays' will still need to be repaid. These costs must be taken into account through affordability assessments once the immediate crisis eases.
 6. Until detailed affordability assessments are made, paying parents must not be transferred to the 'Pay and Collect' scheme. Anyone experiencing difficulties as a result of recent changes in earnings need to be protected, rather like the current ban on landlords evicting tenants. Both parents, whether paying or receiving CM, need to be able to survive themselves as well as contributing to their children's financial security.
 7. The 20% surcharge for paying parents and 4% for receiving parents during this time should be waived for parents on low or highly variable incomes. Most parents in the Pay and Collect scheme have been on Universal Credit or legacy benefits rather than high net-worth individuals evading CM. Most have simply found the assessments to be unaffordable. As millions of parents lose their jobs and suffer serious income losses, the number who will struggle to make unaffordable CM payments will grow. The total number affected is likely to be in the range of 1 to 2 million.
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8. CMS must reflect existing court orders for assessing CM payments to discourage breaking of such orders, unless a parent applies for a variation of the order. Any changes in CM assessments should reflect what the subsequent order states, backdating to the date of the application.

9. Where parents share care through private arrangements, CMS should take into account evidence of the parties, other than court orders, where there are disagreements as to the time children spend in each home. Currently, CMS only accept evidence of family court orders and refer people to court in these situations. Courts are not the best place to resolve such issues at the best of times and certainly not during the pandemic and lockdown period.

10. We are hearing every day during the current crisis of parents who are with a range of intents, undermining child-parent relationships by not following official guidance on shared parenting. Current CM arrangements often act to undermine shared parenting as the non-compliant parent is effectively 'rewarded' with increased CM if they reduce contact, thus failing to comply with orders. Such re-assessments by CMS are usually based solely on the word of the main carer alone. Unless arrangements are varied by mutual agreement or a parent applies for and is granted a variation of an Order, CMS should honour the ordered arrangement for at least a 12 month periods.

We have been calling on the Government to change many of the Child Maintenance and state benefit arrangements irrespective of the Covid-19 crisis – there are fundamental flaws in the formula that hit the poorest parents in society the hardest. However, the pandemic is bringing these deficiencies into sharp focus as a there has been a surge of parents on state benefits.

FURTHER ACTION

- **Share your story with us.** If you are struggling with Child Maintenance because of the issues above and are willing for us to use it for anonymised case studies please send details of your situation to us at admin@fnf.org.uk with 'Covid-19 Child Maintenance Problems' in the subject line.
- **Write to your MP** and ask them to consult with the Minister, Baroness Stedman-Scott. You can find your [MP's details on the parliamentary website](#).

IN SUMMARY

1. Do not delay in making application for [Universal Credit](#) if you qualify
2. Tell [CMS](#) as soon as your circumstances change
3. Inform your ex of any changes to Child Maintenance payments
4. These are difficult times, remain polite, considerate and respectful
5. Keep copies of all correspondence
6. [Share your experiences with your MP](#) and ask them to contact the Minister
7. Complete the [Work and Pension Committee survey](#) before 15th April 2020
8. Share your experiences with us at admin@fnf.org.uk

Families Need Fathers - because both parents matter

FNF is a registered UK charity providing information and support on shared parenting issues arising from family breakdown, and support to divorced and separated parents, irrespective of gender or marital status.

FNF is NOT a fathers' rights group - we support the best interests of children - namely mature and collaborative parenting by both parents - an objective which is inadequately promoted in the family court system and associated services.

FNF receives approximately 30,000 calls a year to our Helpline and thousands more rely on our local branch network and online support.

Our primary concern is the maintenance of the child's meaningful relationship with both parents. Founded in 1974, FNF helps thousands of parents every year.

Further information may be contacted on 0300 0300 110 or by email at media@fnf.org.uk.

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