



# CHILD MAINTENANCE - A KEY TO REDUCING POVERTY AMONG LONE PARENT FAMILIES?

“Social Policy in Recession and Recovery”

1<sup>st</sup> July 2016



# SPARK - Who we are?

- Single Parents Acting for the Rights of Kids
- Set up in December 2011 as a direct response to Budget 2012
- Peer advocacy and support group
- 2,200 members in our closed facebook group
- Independent - no funding

# Childhood poverty in Ireland

- In Ireland, the consistent poverty rate is disproportionately high for children, which would appear to suggest we are not providing adequate supports for families with children.
- The overall consistent poverty rate is 8%, yet for children it is 11.2%

## Consistent Poverty Rates by Age (SU SILC 2014)

Age	Rate
0-17	11.2%
18-64	7.9%
65+	2.1%

# Childhood Poverty in Ireland

- However, if we break down consistent poverty rates for children by household composition, a different story emerges.

Household Composition	Rate
1 adult with children aged under 18	22.1%
2 adults with 1-3 children aged under 18	7.9%
Other households with children aged under 18	11.9%

Child poverty in Ireland is concentrated in lone parent families and to a lesser extent, families with 4 or more children.

# The case for child maintenance payments

- The debate around alleviating poverty in lone parent families has centred on either social welfare benefits or paid employment, however child maintenance payments has largely been ignored as a possible solution in Ireland.
- Parents who pay child maintenance are more likely to have frequent contact with their children than those who do not pay child maintenance (Amato and Gilbreth, 1999; Wikeley et al, 2008).
- Research (Hakovirta,2011) has shown that in the UK, there was a 30 % reduction in the poverty gap as a result of child maintenance payments (where there was compliance with orders).

# Prevalence of child maintenance Payments in EU States

**Trends in single parenthood and single parents receiving Child maintenance payments in 1994, 2000 and 2004 in selected\* countries**

Country	Percentage of single parents			Percentage of single parents receiving child maintenance		
	1994	2000	2004	1994	2000	2004
<b>Austria</b>	9.9	12.9	-	51.6	69.8	-
<b>Belgium</b>	9.3	11.8	-	47.8	49.1	-
<b>Denmark</b>	15.9	13.7	15.7	99.2	99.2	98.8
<b>Finland</b>	12.7	14.9	13.0	74.2	72.7	83.4
<b>France</b>	10.0	12.6	-	55.9	46.3	-
<b>Germany</b>	8.0	13.9	-	-	30.1	-
<b>Greece</b>	3.4	3.1	-	17.2	24.5	-
<b>Hungary</b>	8.4	5.7	-	47.2	39.8	-
<b>Ireland</b>	10.4	14.4	-	23.7	20.1	-
<b>Italy</b>	3.6	3.7	-	12.3	25.2	-
<b>Luxembourg</b>	10.2	6.3	7.3	32.2	40.1	-
<b>Netherlands</b>	8.6	8.8	-	15.6	24.4	-
<b>Poland</b>	6.8	6.8	-	46.4	72.9	-
<b>Spain</b>	3.7	4.2	-	7.5	12.4	-
<b>Sweden</b>	24.1	21.2	21.9	84.4	92.6	100.0
<b>United Kingdom</b>	21.2	22.9	24.6	20.2	21.9	22.8

\*for which data was available

# Means Tested Social Welfare benefits and child maintenance

- A condition of receiving One parent Family Payment is that the recipient is obliged to seek maintenance from the other parent or provide the Department of Social Protection with their details, so that they can pursue them.
- The "Liability to Maintain Family" provisions came into effect on 29 November 1990 and amended in Part 12 of the Social Welfare (Consolidation) Act 2005 . The Maintenance Recovery Unit issues determination orders to a 'liable relative' and this can be paid directly to the custodial parent or to the DSP and offset against cost of the One Parent Family Payment.
- The liability to maintain a qualifying child is only contained in the legislation for One Parent Family Payment and excludes Job seekers Transitional Payment, Job Seekers Allowance or Family Income Supplement.

**THIS MEANS.....**

# Means Tested Social Welfare benefits and child maintenance

.....That when One Parent Family Payment ceases for parents with children aged 7 or older, the DSP determined that the non custodial parent was no longer responsible for their children (unless there was a court order in place).

After the changes to the One Parent Family Payment in July 2015, the DSP wrote out to non custodial parents advising them that they were no longer obliged to pay maintenance, unless there was a court order in place.

In reply to a Parliamentary Question (April 6<sup>th</sup> 2016), Minister Burton stated the following.....

*Currently, once the one-parent family payment recipient's youngest child reaches age 7, and their entitlement to the one-parent family payment ceases, the liability assessed under the liable relative provisions no longer applies. The Department advises the liable relative accordingly. It is important to note that this does not affect any other maintenance arrangements that may be in place.*



# Why parents are reluctant to seek court orders?

1. Parents are reluctant to go to court as this is adversarial by nature
2. Courts will not issue a summons for maintenance unless custodial parent has a current address for the non custodial parent
3. No statutory guidelines on maintenance - Payments awarded on a discretionary basis
4. If there is non compliance with a maintenance order, the custodial parent must issue enforcement proceedings, however if the other parent fails to turn up, a bench warrant issues.
5. Bench warrants are seldom executed in Family Law cases as there is no prosecuting Garda, but the courts will not issue any further proceedings until the bench warrant is executed.
6. DSP treat orders as if they are being paid, so a custodial parent risks being worse off.

# Court Orders and Means Tested Social Welfare Benefits

- Once a court order is issued, the DSP assesses court ordered maintenance as means, regardless of whether it's paid or not.
- 100% of maintenance is deducted from rent allowance; 50% from JST/JSA ; 60% from Family Income Supplement
- There is a huge risk that if a non custodial parent gets a court order and it is not complied with, the custodial parent will be significantly worse off than had they **not** pursued maintenance. The DSP assesses awarded payment even when it is proven that it is not being paid.
- The risk versus return (considering how child maintenance is assessed) means that many lone parents will not go through the courts to get a risky payment and instead accept no maintenance payments in lieu of guaranteed and secure payment.

# SPARK survey on child maintenance \*

- 94 Survey Responses
- 16% parents received direct maintenance
- 8% were assessed as receiving maintenance, but received no direct payment, (This was either when the other parent paid towards their half of the mortgage or paid a creche directly for childcare fees).
- 14% were assessed as receiving maintenance on foot of a Court Order but were not in receipt of it. Participants said they were losing out weekly, however they could not enforce/ vary maintenance order either because they had no address for the other parent or a bench warrant had issued and was not executed.
- 22% had been in receipt of maintenance while in receipt of OPFA, but this had stopped once they changed payments and the DSP had written to the 'liable relative'.

\*March/ April 2016

# Key Findings

- The child maintenance system in Ireland places too much burden on the custodial parent, with very little rewards
- The DSP are rigid in their assessment of child maintenance which discourages custodial parents seeking maintenance
- IN UK, child maintenance is seen as benefit for the child and is not assessed as income for means tested payment, in Ireland a parent on social welfare receives €29.80 per week for a child, yet if a parent receives higher maintenance than this, the payment is taken off the adult's job seeker payment instead of benefitting the child.
- In Nordic countries the state advances court ordered maintenance and then recoups it directly from the non custodial parent - this ensures consistent income for custodial parent.

# SPARK - Submission

1. Child maintenance is a potential key to lifting one parent families out of poverty but at the moment the system is not fit for purpose and is failing our children.
1. We believe there is a need for a complete overhaul of how child maintenance is awarded , assessed and collected.
1. As a matter of urgency, we believe that legislation needs to be introduced reversing the obligation of a 'liable relative' to only support their child until they turn 7.

# References;

Amato, P. and Gilbreth, J. (1999) 'Non-resident fathers and children's well-being: a meta-analysis', *Journal of Marriage and the Family*, 61 (3): 557–73.

Wikeley, N., Ireland, E., Bryson, C. and Smith, R. (2008) Relationship separation and child support study, DWP Research Report No 503, London: DWP, <http://campaigns.dwp.gov.uk/asd/asd5/rports2007-2008/rrep503.pdf>

Hakovirta,(2011) 'Child maintenance and child poverty: a comparative analysis', *Journal of Poverty and Social Justice*, Volume 19, Number 3, pp. 249-262(14)

Directorate General for Internal Policies, 2014, "Child maintenance systems in EU Member States from a gender perspective", FEMM Committee

Maintenance Survey - Conducted through SPARK closed facebook group March/April 2016