

These notes refer to the Child Support, Pensions and Social Security Act 2000 (c.19) which received Royal Assent on 28th July 2000

CHILD SUPPORT, PENSIONS AND SOCIAL SECURITY ACT 2000

EXPLANATORY NOTES

Part 1: Child Support

Commentary on Sections

Maintenance calculations and interim and default maintenance decisions

Section 4: Default and interim maintenance decisions

61. There will be circumstances in which a final maintenance calculation cannot be made straightaway, for example, when sufficient details are not made available, or need to be verified. The reformed scheme will allow for maintenance to be collected:
 - where the information needed to complete a maintenance calculation (apart from information needed in relation to a variation application) is not immediately available, using a *default rate*; and
 - where the calculation cannot be completed because an application for a variation is outstanding, using an *interim rate*.
62. The system of *default rates* will allow the CSA to get maintenance flowing quickly where there is no information about the non-resident parent's current earnings. It is intended that these will be set at 15%, 20% or 25% of average non-resident parent's weekly earnings (currently around £200) according to the number of qualifying children.
63. When the information needed to complete a proper assessment is provided, the default rate will be replaced by a new maintenance calculation. For non-co-operative non-resident parents, maintenance liability for the past will only be recalculated if the full rate is higher than the default maintenance rate. This will both provide an incentive to those non-resident parents to provide information quickly and avoid creating overpayments which have to be recovered from the parent with care.
64. The *interim rate* will be set at the same level as the normal maintenance calculation pending a decision on the variation application. If a variation is allowed, the interim rate will be replaced, with retrospective effect, by the new rate of maintenance liability resulting from the variation.
65. This section substitutes a new section 12 of the 1991 Act which provides for decisions to set liability at a default or interim rate. The section provides the power to make regulations which will define the way that these decisions are made and subsequently altered.

New section 12: Default and interim maintenance decisions

66. *New section 12(1)* provides for a default maintenance decision that will establish a maintenance liability calculated in accordance with regulations made under *subsections (4) and (5)*. This decision may be made where there is insufficient information (apart from information needed in relation to a variation application) to decide maintenance liability.
67. Decisions on maintenance liability are covered by section 11 of the 1991 Act (as substituted by section 1 of this Act) which requires Secretary of State to make a decision on an application for a maintenance calculation, and by sections 16 and 17 of the 1991 Act which provide for the revision and supersession of maintenance decisions.
68. *New section 12(2)* provides for interim maintenance decisions in cases where an application for a variation has been made which has not yet been determined. Sections 28A and 28B of the 1991 Act, inserted by section 5 of this Act, provide for applications for a variation and the preliminary consideration of such applications.
69. *New section 12(3)* provides that the amount of child support maintenance payable by virtue of an interim maintenance decision will be fixed in accordance with Part I of Schedule 1.
70. *New section 12(4) and (5)* provide for regulations to define the way that default and interim decisions are made. The Government intends to provide by regulations that default rates will be £30 per week for one qualifying child, £40 for two children and £50 for three or more children.