

### Call for evidence

The committee would like to hear from anyone who has experience and evidence on the following and especially evidence and experience relating to non-resident parents.

1. How does the current tax and benefit system affect living standards and well-being of non-resident parents, resident parents and their children? This includes income and time spent with children and how people feel treated in the social security system.

Response: The system is hopeless inept at coping with dual access of children. It was clearly designed at a time when parental separation was exceptional, and one parent had sole custody of a child. Consider the following examples:

Mr X in Lambeth has sole custody of his three children. However, because his wife had the Child Benefit and Child Tax Credit paid directly to her, it took months to prove that the payments should be transferred to him as the main carer, mainly because his ex-wife lied and stated she was still the main carer.

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MS X and Mr. X in Lambeth have exactly equal childcare arrangements of their two children. Since Mr. X works part time, Ms X receives the child related benefits and splits this between them. However, whereas Mr. X would get a £25 lone parent earnings disregard in Housing Benefit, he cannot as he isn't recognized as a main carer, Ms X cannot surrender the child benefits over as she would be hit with the under-occupation penalty because she lives in a two-bedroom property. Whichever way they try to organize their lives, someone loses out, unless they each took a child to live with each parent.

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Mrs. X lives in Hillingdon and her partner, Mr. X lives in Islington. They exactly share childcare duties and have their working patterns reflect this. However, only Mr. X gets the Child Tax Credit and Working Tax Credit, as he was the initial claimant.

Mrs. X therefore gets no recognition for the fact that she is also restricted in her working hours, and has to pay the under-occupation penalty of 14% because she has a two-bedroom property. Their arrangement is more tenuous because sometimes Mr. X will give his ex-wife financial support and at other times he withholds this, and it is extremely frustrating for her.

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2. Are there any subgroups who are particularly affected by the tax and benefit system following separation? For example, type of benefit recipient, whether in work or out of work, shared care arrangements or protected characteristic, such as age?

There are a great many other informal arrangements, where extended family take on main carer status but struggle to get the benefits and allowances that should be payable, for fear of causing family discord. This is often the case where the parent has drug or alcohol issues and the extended family member fears formal intervention will mean the removal of the children.

The benefit system is all or nothing in the support it provides, so whomever is deemed the “main carer” gets earnings disregards, child related payments, additional room allowances when renting etc. Whilst the other parent receives nothing regardless of the percentage of time the dependents are in his/her care.

3. Is there any evidence of how this is changing under Universal Credit?

Response: Universal Credit broadly carries the system forward. Only one parent can be the “main carer” and the level at which conditionality is removed is reduced to the equivalent of 16 hours earnings at NMW. A parent without this status is expected to seek full time work at NMW regardless of whether they have 50% joint care responsibilities.

The under occupation penalty carries over into Universal Credit, so a bedroom kept for a child 50% of the week is still treated as a spare bedroom and reductions in Housing Costs are made.

4. What lessons or insights can we draw from other countries (in the design of their tax and benefit systems in relation to separated parents to support the needs and resources of separated parents and their children)?

Response: being a UK based Housing Association, I cannot provide comparative evidence relating to this issue.

**We are also interested in how shared care arrangements have changed over time and whether those trends were driven by the benefit system. Therefore, we would like to hear from anyone who has experience and evidence on the following.**

5. Is there any evidence to suggest how shared care arrangements have changed over time?

Anecdotally, speaking with residents of older generations, it would seem that men take a more active interest in access and custody of their children compared with previous generations.

6. Is there any evidence to suggest whether the benefit system drove these changes or that they were driven by something else?

Response: Certainly, the benefit system perpetuates a couple penalty, whereby two single claimants receive around a third more than a joint claimant couple. Expectations and conditionality are less for single parents than for couple parents in the benefit system.

However, this simply doesn't justify the changes that have widely been seen, and most lone parents would ideally like a partner and improved living standards that a relationship can bring about.

So other factors could include:

It would appear that the pattern of male full-time employment falling since the 1970s may have contributed to this, by giving men more opportunity to provide childcare. Additionally, when men got sole custody of children in the past, they tended to quickly re-marry, which was seemingly easier for men than for women.

Another possibility could be due to the rise of female employment, which may have led more mothers to seek to share childcare with fathers in order to enable them to work.

Societal changes stressing the value and importance of both parents may also have had an influence in the increasing amount of shared nonresident parenting that is witnessed.

7. Is there any evidence to suggest how Universal Credit may be having an impact on shared care arrangements?

Whilst UC has been rolled out for a period of time, no definite trend in parenting responsibility has been noticeable from the caseload at Peabody.

For further information please email xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx