

# Withdrawn

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# Managing your payments with Collect & Pay

The Child Maintenance Service offers two different types of child maintenance arrangement:

- **Direct Pay** – where you manage payments directly with the other parent (once we've worked out a child maintenance amount)
- **Collect & Pay** – where we set up and manage your payments for you.

This factsheet tells you about Collect & Pay.

## What is Collect & Pay?

If you need to use Collect & Pay, the Child Maintenance Service will collect payments from the paying parent<sup>†</sup> and then pass them on to the receiving parent.

We will also:

- try to find the other parent and help sort out parentage disputes if you need us to
- work out how much child maintenance should be paid
- look at your payments again if your circumstances change
- check your payments every year in an Annual Review
- take action if payments are missed.

## Collection fees

Paying parents who use our **Collect & Pay** service must pay a **collection fee** each time we collect a payment from them. Receiving parents who use Collect & Pay are also charged a fee each time we pass a payment on to them.

- For **paying parents**, a **20 per cent** fee is **added** to each amount of child maintenance we collect from them, if Collect & Pay is used.
- Paying parents are charged a fee even if they miss a payment.
- For **receiving parents**, a **4 per cent** fee is **taken away** from each amount of child maintenance they are due to receive, if Collect & Pay is used.
- Receiving parents are only charged a fee when we pass a payment on to them.

## How can I avoid paying the collection fees?

If parents work together to arrange child maintenance, we don't charge any collection fees.

**There is no fee to pay if you use our Direct Pay service.** Direct Pay is when we work out the amount of child maintenance a paying parent must pay, but parents agree between themselves how and when payments are made.

Paying parents or receiving parents can ask us to change from a Collect & Pay arrangement to a Direct Pay arrangement. Call us on **0845 266 8792\*** to talk about this. We will change their arrangement unless we have a reason to believe it is not in the child's best interests to do this.

You won't pay fees if you and the other parent make a **family-based arrangement** and do not use the Child Maintenance Service at all. This is when parents work together to sort out child maintenance between themselves without our getting involved. Find out more about this by going to the Help and Support for Separated Families section at [www.cmoptions.org](http://www.cmoptions.org)

## What will this mean for me?

This example shows how the fees work.

### Example:

David is a paying parent. Vicky is a receiving parent. Vicky paid £20 to make an application to the Child Maintenance Service. David and Vicky have a Collect & Pay arrangement.

### David's fees

We work out that David must pay **£50** a week in child maintenance. He must also pay a collection fee of **20 per cent** on top of his weekly payment. This fee works out at **£10** for each weekly payment.

After the fee is added, this means David must pay a total of **£60** a week to us.

Because David and Vicky use Collect & Pay, if David pays child maintenance for 10 years and his weekly payment stays the same, he would pay a **total of £5,200 in fees.**



## Vicky's fees

Vicky is due to receive **£50** a week in child maintenance. We charge a collection fee of **4 per cent** each time we pass on David's payment to her. This fee works out at **£2.00** for each weekly payment.

After the fee is taken away, this means we pay out **£48.00** each week to Vicky.

Because David and Vicky use Collect & Pay, if David pays child maintenance for 10 years and his weekly payment stays the same, Vicky would lose **a total of £1,040** in child maintenance because of the fees.

**David and Vicky could both avoid paying fees if they worked together to arrange child maintenance.**

## How does the Child Maintenance Service collect and pass on payments?

We can collect payments in several ways, including:

- by Direct Debit
- direct from a paying parent's earnings
- direct from a paying parent's benefits.

Child Maintenance payments can be made every week or every month – whichever option is most suitable for your circumstances.

When we receive a child maintenance payment, we'll transfer it to the receiving parent's bank or building society account.

## What happens if a payment is missed?

When a child maintenance payment is missed, we will get in touch with the paying parent to find out more about the missed payment.

If they don't make the payment, or keep missing payments, we will refer the case to a specialist team. They have a wide range of legal powers that can be used against parents who avoid paying the child maintenance they owe.

## Is Collect & Pay the right choice for me?

This type of arrangement may be right for you if you don't think you can reach an agreement with the other parent and you can't make a Direct Pay arrangement.

## What else do I need to know about Collect & Pay?

If you need to use Collect & Pay, you will be able to manage your child maintenance case online with a self-service account.

For example, you'll be able to track payments and report changes in your circumstances. Plus, if you are the paying parent, you can make online payments by credit and debit card.

## Where can I get more information?

Go to [www.gov.uk/child-maintenance](http://www.gov.uk/child-maintenance) for more information, or call us on **0845 266 8792\*** if you have any questions.

## Important information about this factsheet

This factsheet is only a guide and does not cover every circumstance. It only refers to the statutory child maintenance scheme provided by the Child Maintenance Service. It does not refer to any child maintenance schemes provided by the Child Support Agency. 'Statutory' means set up under the law.

We have done our best to make sure the factsheet is correct as of 1 October 2013, but it may not reflect changes to the law or to our procedures after this date. You may want to get independent advice before making financial decisions based on the content of this factsheet.

## \*Call charges

Calls to 0845 numbers from BT land lines should cost no more than 4p a minute with a 15p call set-up charge. 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.

Charges were correct as of the date of this factsheet.

\*You may have heard different terms used to describe the parents in a child maintenance case.

In child support law:

- the parent who receives child maintenance is known as the 'parent with care' - we call them the 'receiving parent'
- the parent who pays child maintenance is known as the 'non-resident parent' - we call them the 'paying parent'.