FINANCIAL SUPPORT FOR SINGLE PARENTS IN CARING FOR THEIR CHILDREN: PRIVATE CHILD SUPPORT AND SOCIAL ASSISTANCE

May 2015

DEBBIE BUDLENDER
Submitted to UN Women Multi-Country Office - Caribbean
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FINAL REPORT

FINANCIAL SUPPORT FOR SINGLE PARENTS IN CARING FOR THEIR CHILDREN: PRIVATE CHILD SUPPORT AND SOCIAL ASSISTANCE

Debbie Budlender

Submitted to UN Women Multi-Country Office - Caribbean and the UNICEF Office for the Eastern Caribbean Area
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INTRODUCTION

Motivation for this paper

This short paper examines international evidence of the relationship between child support payments and benefit payments. In particular, it examines the extent to which the receipt of child support payments affects child benefit (social assistance) payments to single parents (usually women) living with and caring for children.

The need for this paper arose from repeated accounts from different Caribbean countries of single parents who were denied or experienced difficulties accessing benefit payments on the grounds that they had not applied for child support from the father or that there was another man (not the father) that could and/or should support the child/ren. Pilot research conducted in Barbados in 2007 (United Nations Development Fund for Women (UNIFEM), 2007) exposed the strong links between the court processes associated with applying for child support and applications for—and receipt of—welfare payments. The research argued convincingly that these links reflected a strict view that governments should only provide for children and other vulnerable family members when parents were unable to do so. Expressed differently, provision of monetary and other forms of care for children should be seen as a private matter.

Subsequent research in Trinidad (Carter et al, 2008) found that both law and practice reflected this view even more strongly in that country. The Barbados report (2007) cites Rowley’s description of the lengthy process involved in Trinidad to ensure that fathers are not available before national assistance is granted:

They (female applicants) need an affidavit saying who is the father of the child or fathers of the children. When they’re proved that the father is whom the father is then we have to find out what happened to the father. If the father is dead you produce the birth certificate. If the father has deserted the home we have to find out if the person went away. If the father went away they have to prove that the person is out of the country by submitting a date that the man left Trinidad. We will send the date to immigration asking them to verify that this is the date that the person left. That is a long process but eventually that is our proof that the person is out of the country so we have to wait on that before we could process the application. We have to prove that the woman has tried to get maintenance from the man, because it was a mutual thing they had this child. So you have to prove that they’re trying to get some assistance from the man before they came in.

Rowley argues that underlying this approach is a “male breadwinner” assumption as to the shape of a desirable or normal household.

The Trinidad research found that, as in Barbados, children accounted for the majority of beneficiaries of the Public Assistance Programme in Trinidad. The mothers who applied for this assistance on their children’s behalf predominantly fell in the category of applications on the basis of a “deserting father.”

Section 4, subsection 2(ii) of the Public Assistance Act Regulations in Trinidad clearly states that public assistance is provided for a child on the condition that child support from the father is not readily available (Carter et al, 2008: 56):

Notwithstanding Regulation 3(i) and subregulation (i), public assistance may be provided to meet the needs of a child who is living in a household where that household may qualify for public assistance and (ii) the child is deserted or abandoned by a parent and

(a) An application for maintenance is made but

(i) Service of the application cannot be effected upon the respondent parent or

(ii) The application is refuted, or
Interviews with applicants saw these provisions as among the largest challenges to accessing public assistance. Applicants offered a range of reasons for not wanting to apply to the court for child support, including embarrassment; likely harassment or violence by the father; the time, energy and other resources required for the application; irregular payment of any amounts awarded; and the likelihood that that amount of child support awarded would be less than the amount payable as public assistance.

Despite agreeing with the women that child support grants tended to be lower than the public assistance amount, the majority of welfare officers said that a woman who had been awarded child support for her child would not be eligible for public assistance—even if the amount was lower than the public assistance amount. The mother would not even receive the difference between the amount of the child support award and what public assistance would have paid in the absence of child support. The research report categorized the need for poor women to choose between two sources, neither of which would provide an adequate amount, as a “cruel joke” played by the system against women (Carter et al, 2008: 60).

Reasons provided by applicants interviewed in the Trinidad research for opting for public assistance when confronted by the “cruel joke” included the regularity of the payments as well as the small amounts generally awarded for child support. Further, in doing so they might subject themselves to an intrusive investigation by a welfare officer, which could include “searching for male clothing or shoes during home visits; speaking to neighbours and shop owners in the community; and extracting information from young children” (Carter et al, 2008: 50).

The issue of child support and how it affects access to benefits is relevant from both a gender equality perspective and from the perspective of children’s rights. The Barbados and Trinidad research discusses the discriminatory concepts (including an assumed male head of household) that underlie the approaches to both public assistance and child support in the two countries. Lack of appreciation of gender inequalities in society is evidenced by the fact that working-age women are extremely unlikely to receive public assistance for themselves, rather than for their children. This is despite the fact that women tend to be poorer than men. This tendency is exacerbated for single women who are alone responsible for the physical, emotional and financial care of their children.

In the Trinidad research, for example, only two of the 30 women whose files were examined received public assistance for themselves alongside their children. In both cases, the assistance was awarded on the basis that the woman was medically unable to work and that there was no man in the household (Carter et al, 2008: 51). In other cases, the women were expected to fend for themselves despite unpaid care responsibilities in respect of their children. Although this report focuses on assistance with respect to children, the public assistance needs of the women themselves should not be forgotten.

In terms of children’s rights, Article 27 of the Convention on the Rights of the Child proclaims the right of every child to a standard of living adequate for the child’s physical, mental, spiritual, moral and social development. It requires that state parties “take all appropriate measures to secure the recovery of maintenance for the child from the parents or other persons having responsibility for the child…” (cited in Thompson-Ahye, 2004). Thompson-Ahye (2004) observes that children born outside of marriage are discriminated against in most Caribbean states in terms of maintenance legislation. She points, in particular, to the time limits imposed for applying for maintenance, the amounts that can be (or are) awarded and to the courts that determine liability. This paper suggests that further discrimination may occur in relation to accessing government grants.

**Terminology**

Discussion of the topic of this paper is complicated by the fact that the terms ‘maintenance’ and ‘child support’ are used differently across different countries. Thus, some countries use both terms for payments by non-custodial parents, while other countries use both terms for child benefit payments. Further complicating
the situation, the term ‘maintenance’ is sometimes used to refer to alimony, namely payments made by a previous spouse (usually the husband) to the other spouse after divorce. This complicated situation also makes Internet research on the topic more difficult, as searches produce unexpected results.

In this paper, the term ‘child support’ is generally used to refer to payments by the non-custodial parent; the term ‘maintenance’ is avoided. Payments by governments are referred to as ‘benefits’, ‘grants’ or the like. However, this rule is broken where instruments in particular countries have names that contradict the rule. For example, in South Africa the most common grant for children is known as the ‘child support grant’, and a range of countries have an ‘advance maintenance grant’ that provides for payment of child support to a custodial parent where the non-custodial parent has not paid for some specified time.

There is also a range of terms that can be used to distinguish between the two parents in cases where they are not both living with the child/ren and the non-resident parent may be liable for payment of child support. In this paper the term ‘custodial’ is used to refer to the parent who is usually living with the child and in a position to claim and receive child support; ‘non-custodial’ is used to refer to the parent who might be asked to pay child support. The simple case is thus assumed to be a sole parent who lives with the children while the other parent is non-resident.

The paper generally refers to parents who are living and bringing up their children alone, without the other partner, as ‘sole parents’. The literature, legislation and policies of many countries use the term ‘single parents’. In most cases, the term ‘single’ in this respect seems to include those who have never married as well as those who have been widowed or are divorced or separated. Jamaica’s Maintenance Act (no. 30 of 2005) defines a ‘single’ person to include a widow/wer and a ‘spouse’ to include people who have lived together for at least five years. It is likely that other Caribbean countries have similar definitions.

Sources

The paper is based on a desk review and draws mainly on material found through Internet searches. The evidential motivation for the study can be found in the research on child support commissioned by UNIFEM in Barbados and Trinidad in 2007 and 2008 respectively (UNIFEM, 2007; Carter et al, 2008). Material on developed countries predominates in the paper. This is to be expected, as these countries tend to have larger and more developed benefit and social security systems. Further, several of the countries have reformed their systems over recent decades, which increases the likelihood that material is available on the Internet.

The paper looks in some detail at the approach of countries that make up the British Commonwealth, including Australia, Canada and the United Kingdom (UK). These countries are interesting because the UK legal system has strongly influenced the legal and welfare systems of many Eastern Caribbean countries. Further, the refinements in systems introduced in these countries in recent decades can be seen as reflecting new thinking about child support, social security and child poverty. Evidence from the United States of America (US) is also included, given the economic and ideological dominance of the country in the global arena, as well as the country’s relative proximity to the Caribbean.

The next section of this paper discusses welfare and related provisions for sole-parent families in different countries. Most of the examples are of developed countries; the emphasis is on poor sole-parent families. This is followed by discussion of taxation in different countries. This is relevant both because welfare payments often have a strong link with taxation and because taxable income is often used as the basis for determining eligibility for welfare assistance. The paper then discusses whether and how child support affects receipt of welfare benefits in different countries, with case studies of seven developed countries and Jamaica. The final section discusses the implications of the material presented in earlier sections.
PROVISIONS FOR SOLE-PARENT FAMILIES

In terms of welfare beneficiaries, the main focus of this paper is on sole-parent families, as custodial parent applicants are the ones who might be asked to state their position in terms of receipt of child support when applying for welfare benefits.

A substantial number of countries have benefits that directly target sole-parent families. Some of the benefits are supplementary to existing benefits that reach other parents and/or children. Some are means-tested and some not. Some are delivered through the taxation system, some through grant systems and yet others through other channels.

Table 1 gives details of sole-parent benefits that are subject to a means test and thus clearly target poorer families. The examples come from a range of countries. Table 1 gives the name of the benefit, summarizes eligibility conditions, summarizes any conditions related to employment or training imposed on the parent, briefly describes the means test and also indicates any reductions that are imposed on the benefit amount (for example with increases in means). The reductions aspect is important, as these could include reductions based on the receipt of child support.
### TABLE 1

Non-tax-related Means-tested Benefits for Sole Parents

<table>
<thead>
<tr>
<th>Country</th>
<th>Benefit name</th>
<th>Eligibility</th>
<th>Work test</th>
<th>Income or asset test</th>
<th>Reductions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>Parenting Payment for Sole Parents</td>
<td>Residency for two years; sole-parenthood began in Australia. When work is tested, this can include looking for or engaging in employment, or undertaking training.</td>
<td>For Parenting Payment after age six until eight (when transferred to New Start Allowance, which is also work tested) for recent recipients</td>
<td>For 2008 - 2009, Parenting Payment is only paid if assets are below a given threshold. The limits are AUD 171,750 for a single homeowner and AUD 296,250 for a non-homeowner. Earned income reduces the level of payment above a given threshold based on family size.</td>
<td>The first AUD 162.60 of earned income per fortnight not applicable, plus AUD 24.60 for each additional child. Following this, the Parenting Payment is reduced by 40 cents for every dollar earned. Sole parents earning less than AUD 1519.50 a fortnight are entitled to a partial payment. Parenting Payment is taxed although a tax offset applies for lowest income earners in receipt. Child support payments may be counted as applicable income.</td>
</tr>
<tr>
<td>Belgium</td>
<td>Supplement to Social Assistance</td>
<td>Caring for a child under 18 or under 25 in education</td>
<td>None</td>
<td>Paid if trimester net income is below EUR 3,753.38 (the amount is increased by 20 per cent for the second child and each subsequent child)</td>
<td>Not reduced</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>Social Allowance Supplement (higher rate for sole parent)</td>
<td>Caring for a child less than 26 years of age</td>
<td>None</td>
<td>Paid if family income is less than two times the families’ living minimum (calculated based on the size of family)</td>
<td>Reductions are calculated on the basis of income and family size</td>
</tr>
<tr>
<td>France</td>
<td>Sole Parents Benefit - Long and Short</td>
<td>Pregnant single women and sole parents raising at least one child under three (long- to a maximum of three years) and people separated less than one year (short - for one year)</td>
<td>None</td>
<td>Yes; reduced by taxable income</td>
<td>The guaranteed benefit amount is reduced by the household net taxable income</td>
</tr>
<tr>
<td>Country</td>
<td>Benefit name</td>
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<tr>
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<td>-------------------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>France</td>
<td>Family Benefit for Young Children: Higher Income Disregard</td>
<td>Caring for a child less than three years</td>
<td>None</td>
<td>Income tested for all families, but the ceiling of net earnings is higher for sole parents (42,722 Eur) than for couple families (38,794 EUR)</td>
<td>Not reduced</td>
</tr>
<tr>
<td>Iceland</td>
<td>Supplement to the Family Allowance</td>
<td>To have a child under the age of 18</td>
<td>None</td>
<td>Yes—see reduced amounts</td>
<td>Total benefit is reduced after sole parent income passes ISK 1440000. The reduction rate for 1 child is 2 per cent, for 2 children it is 5 per cent and for 3 or more children it is 7 per cent.</td>
</tr>
<tr>
<td>Ireland</td>
<td>One-parent Family Benefit</td>
<td>Caring for a dependent child under 18, or aged 18 to 22 if in education</td>
<td>None</td>
<td>Yes—but benefit income is disregarded, as are earnings up to EUR 146.50 per week and half of the earnings up to EUR 425 a week</td>
<td>The benefit is taxed but not subject to social contributions. Benefit is reduced by EUR 2.50 for each EUR 2.50 of weekly regarded income.</td>
</tr>
<tr>
<td>Israel</td>
<td>Social Assistance Increase</td>
<td>Parent should be over 20 and an Israeli resident who meets employment and income tests</td>
<td>Must be registered with employment service. Refusal to take offered work results in a suspension of benefits for two months.</td>
<td>Income tested</td>
<td>Benefit is withdrawn for income above the payment level at rates between 60 and 70 per cent.</td>
</tr>
<tr>
<td>Japan</td>
<td>Sole Parent Benefit</td>
<td>Female sole parent with a child under 18</td>
<td>None</td>
<td>Tested on income</td>
<td>Full benefits are tapered according to income. Payments are reduced using income thresholds based on the number of dependents and the actual income of the beneficiary.</td>
</tr>
<tr>
<td>Republic of Korea</td>
<td>Child-raising Support</td>
<td>Caring for children under 10 and not in receipt of the National Basic Livelihood Security Benefits</td>
<td>None</td>
<td>Tested on income and property. Amounts vary as per family size (around KRW 1 million for a household with one child, and KRW 2.2 million for five children).</td>
<td>Not reduced</td>
</tr>
<tr>
<td>Country</td>
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</tr>
<tr>
<td>Netherlands</td>
<td>Social Assistance supplement</td>
<td>Registered with employment agency and looking for work, accept available work and training opportunities; caring for dependent children</td>
<td>Sole parents must look for work after the child reaches five years of age</td>
<td>Tested on income and savings over a threshold; family benefits are disregarded.</td>
<td>Not reduced</td>
</tr>
<tr>
<td>New Zealand</td>
<td>Domestic Purposes Benefits (replaced in 2013 by other benefits)</td>
<td>Child under 18 or aged 18 and still in secondary school</td>
<td>None</td>
<td>Tested on income</td>
<td>The benefit is taxable. The net rate of the Domestic Purposes Benefit is abated by 30 cents for each dollar of weekly earnings between NZD 80 and NZD 180. Earnings above NZD 180 per week abate the benefit by 70 cents for each dollar earned.</td>
</tr>
<tr>
<td>Norway</td>
<td>Transitional Benefit</td>
<td>Entitlement limited to three years after the birth of the youngest child. If undertaking training, this is extended by two years; if living with more than one child or being under 18, it is extended by three years.</td>
<td>None</td>
<td>Income (earnings plus unemployment insurance)</td>
<td>Reduced by 40 per cent of wage and unemployment insurance exceeding NOK 35 128.</td>
</tr>
<tr>
<td>Slovenia</td>
<td>Supplement to the Child Benefit</td>
<td>Caring for a child under 18 or under 26 and still in education</td>
<td>None</td>
<td>Higher income earners are paid at lower rates; all families with children receive the benefit.</td>
<td>Not reduced</td>
</tr>
<tr>
<td>Slovenia</td>
<td>Social Assistance Increase</td>
<td>Caring for a dependent child under 18</td>
<td>None</td>
<td>Income tested; recipient should not have a total monthly income above the Basic Minimum Income (EUR 221.70 for the adult and 30 per cent of this per child under 18).</td>
<td>Payment is difference between monthly income and applicable Basic Minimum Income (which is higher for sole parents)</td>
</tr>
</tbody>
</table>

Notes to the source table used for Table 1 record that child support is not taken into consideration in Australia except for family tax part A (see later discussion); child support benefits are taxable in Canada, and child support payments are taken into consideration for social assistance benefits in both Canada and the Czech Republic.

Table 1 excludes the tax-related benefits (such as tax credits and tax relief) that are available in many countries. Some countries also treat sole parents differently when calculating the base tax amount. In some countries, tax-related benefits are paid in the form of tax credits to individuals and families that do not pay personal income tax. For this to happen, the individual and/or family needs to be registered with the tax authorities. Such benefits are excluded from the table because poorer women in Caribbean countries are unlikely to pay—or even be registered for—personal income tax, and these credits would then not be applicable.

In addition to the benefits shown in the table above, many countries have benefits for sole-parent families that are not means-tested. For these policies, any income from child support would presumably not be taken into account. The countries and relevant policies include:

- Austria: Maintenance if unpaid by non-custodial parent for more than six months
- Denmark, Estonia, Finland and Hungary: Supplement to the family allowance for children up to specified ages.
- Estonia: Maintenance (child support) allowance for 90 days maximum.
- Greece: Supplement to the family allowance for widowed parents of children aged 18-22 years.
- Iceland: Mother/fatherhood allowance if living alone with two or more children under 18 years.
- Norway: Family benefit if caring for a child under 18 years. Sole parents receive the benefit for one child more than the actual number.

Finland, Germany, Norway, the Slovak Republic (only for those below the income threshold), Sweden and Switzerland provide for payment of advance maintenance (child support) when the non-custodial parent does not pay. In Finland, for example, the government will pay maintenance if the other parent does not pay or underpays and the child’s income is under a specified (high) amount. For children born to married parents or where paternity has been confirmed, the government will pay only if there is an agreement confirmed by the municipal social welfare office or specified by a court. The government then (tries to) recover the amount from the parent who was meant to pay.

In Norway, the government provides child support for a child under 18 who is living with one parent if the other parent is not paying, or not paying at the level of the standard “maintenance advance.” Advance payments are made whenever the non-custodial cannot pay for financial reasons, paternity is not established, an adopted parent is single or if one parent has died and no other related benefit (pension) is paid.

There are other relevant benefits that are not shown above. For example, Temporary Assistance for Needy Families (TANF) in the US is not targeted explicitly at sole parents, but many of the beneficiaries fall in this category. TANF provides for a cash grant for two years maximum and has work requirements. The work requirements are less onerous if there is a child under the age of six. New Zealand provides means-tested Sole Parent Support to single parents with dependent children under 14 years of age. The support includes a weekly payment as well as education and training assistance. Conditions in respect of taking up offers of employment may be imposed.

The above examples are useful in highlighting the widespread existence of special provisions for sole parents that acknowledge the burdens that these parents face and the potential impact on their children. The examples also illustrate the lack of clear patterns across countries in the shape of the benefit.

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However, while cross-country comparisons of financial amounts are fraught with difficulties, it is likely that in most of the countries shown, governments will provide a larger benefit to the children of sole parents than that provided through standard social security benefits in Caribbean countries. Where reductions occur on account of child support, the reduction is off a much higher base rather than off an amount that constitutes only a small proportion of the amount needed to support a child.

In South Africa, the Child Support Grant (CSG) is the most common form of child assistance. The grant was first introduced in 1998, and in 2015 was being paid to the primary caregivers of more than 11 million children (of a total of less than 19 million children in the country). The CSG is not targeted only at sole parents, and indeed is not targeted only at parents. Instead, it is available to the primary caregiver of any child under 18 years if the primary caregiver passes a means test. The means test is based on the income of the applicant (or of the applicant and their spouse if the applicant is married). In the case of a married applicant, the means test cut-off is double that for a single applicant.

The Lund Committee (appointed by the then-Minister of Welfare and Population Development) that came up with the proposal for the CSG included in-depth research on the child support system within its activities. This was done on the understanding that parents have the primary responsibility for providing for their children. However, the Lund Committee rejected the requirement related to applications for the state maintenance grant that the CSG replaced, which required that an applicant prove that she had applied for private child support. Reasons for rejecting this included recognition of the large number of women bringing up children alone, high rates of extramarital childbearing and large numbers of men who were unemployed or earning very small and irregular amounts and thus unable to contribute meaningfully. The requirement that women prove that they had tried to get child support was thus seen as an unnecessary barrier to children receiving the assistance that was sorely needed.

A process of engagement with officials responsible for dealing with applications for grants, which was organized by the responsible government agency in 2004, found differing interpretations across provinces as to whether the receipt of child support should render a caregiver ineligible. Contributing to the confusion was a clause in the regulations that stated that a person would be eligible for a child support grant as long as they did not receive remuneration for the care of the child concerned. The question then arose as to whether child support constituted remuneration, given that the latter term was not defined. The report produced at the close of the process of research and workshops concluded that receipt of private child support should not render an applicant ineligible, as the child support did not constitute remuneration (Community Agency for Social Enquiry, 2004).

The current situation in South Africa is that when applying the means test, child support received from the non-custodial parent is considered to be income in terms of Regulation 19(1)(j) to the Social Assistance Act. However, it is only considered when a court order for maintenance has been made or when it is provided for as part of a divorce order. This is so because the regulation states that child support is considered to be income when it is received “from a person obliged in law to provide such maintenance.” If there is a court order but payments are not made, the applicant is required to complete an affidavit confirming that she does not receive the money. The child support amount is then disregarded when applying the means test.

The South African Social Security Agency, which is responsible for administering grants, reports that they have received calls from irate fathers saying that they do not understand why the grant is awarded when they pay child support for the upkeep of their children. The agency then explains that the child support paid is often less than the means test threshold. The responsible government department has proposed that the grant be universalized so as to avoid the administrative cost involved in applying the means test and so as to ensure that every child who requires support from the state receives it (Dianne Dunkerley, personal communication, 17 June 2015).
TAXATION

As noted above, taxation is important for our purposes for two reasons. First, as seen above, benefits to sole parents are often incorporated into the tax system. Second, means tests for benefits are often based on taxable income. (Countries such as Australia and, more recently, the UK also use tax records as a source of data on parents’ income when calculating child support obligations.) The key questions considered here are whether and how child support is treated when assessing custodial and non-custodial parents’ tax obligations. A third reason, not discussed here in detail, is that some will argue that the receipt of child support should remove the need for public assistance on the basis that the government should not spend the limited resources it has available from taxation and other sources on children when there are other sources of support for children. As discussed below, this was the argument advanced in the past in the US (and which has since been largely overturned).

For countries for which information was available, it seems that in most cases, the non-custodial parent cannot deduct child support paid from their taxable income, and the custodial parent is not required to include child support received when calculating taxable income. This is the case in Canada, Ireland, Singapore, and the US.

There are, however, variations as follows:

- In Belgium, taxable income includes earned income, property income, income from movable assets and miscellaneous income. Miscellaneous income includes 80 percent of alimony and child support payments.
- In France, income for the impôt sur le revenu (income tax) is made up of seven categories: industrial and commercial profits, non-commercial and agricultural profits, land income, salaries and wages, pensions and annuities, movable income and capital gains. Tax is calculated at the household level. The amount of taxable income, or revenu fiscal de référence, is calculated by dividing the income by the number of what are essentially adult equivalents, adjusted by various deductions. Child support is taxed at standard tax rates.
- In the Netherlands, social assistance is reduced if there is other income, including alimony and “income of other persons within your family.” Earnings of children under 18 years are not included, which suggests that child support payments would also not be included.
- In South Africa, child support payments are explicitly exempt from taxation in the hands of the recipient.

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9 http://en.wikipedia.org/wiki/Taxation_in_France
11 https://www.government.nl/documents/leaflets/2011/10/20/q-a-social-assistance
CONSIDERATION OF CHILD SUPPORT AS A CRITERION FOR BENEFITS

Several of the key developed countries have introduced formulae to determine child support amounts. Such formulae are most easily applied when all child support is administered by a central child support agency. However, even where formulae exist, parents may be permitted to use other channels, including determining their own amounts. The formulae are important because they reduce the subjectivity and power plays that are rife in systems where the amount to be paid is dependent on the information and persuasive power of the two parents and on the views (and possible prejudices) of the official or judicial officer who makes the determination. This should also help to reduce the conflict that usually accompanies determination of the amount where the mother and father have to present evidence before a magistrate or other government official.

Other reforms in developed countries have related to stronger enforcement mechanisms, including the development of agencies that take responsibility for the collection of money and that, in some cases, have access to information such as tax records. The formulae are also important for our purposes because the variables that are taken into account give an indication of the way in which the country sees child support and the obligations of parents. The formulae also give an indication as to whether or not it might be relevant to consider child support when implementing means tests for benefits. For example, where the custodial (applicant) parent’s income is not taken into account when determining the amount of child support, it might be deemed irrelevant for benefit purposes.

In Eastern Caribbean contexts there is no set formula. The UNIFEM (2007) research in Barbados found that judges and magistrates seemed to assume that parents must contribute equally, irrespective of their relative incomes or to the extent to which they contribute through unpaid care work. This involves a blunt understanding of equality that, in effect, discriminates against women in most cases as they tend to earn less than men and also contribute the bulk of the unpaid care work. In Barbados, courts reportedly prescribe an amount to be paid even if the non-custodial parent is unemployed.

Belize’s Family and Children Act Chapter 173 (revised 2000) states that the duty of maintenance is not affected by whether or not a parent has parental responsibility (such as visiting rights) for the child. The duty of maintenance is also not affected by whether or not the parents have ever been married. The duty of maintenance does, however, differ in terms of gender. Men are required to maintain their own children, and also any child his wife has living with him when they marry, and any children or his own children if the parents are unable to do so. Single women (including widows and married women living apart from their husbands) are required to maintain their own children, as well as any children for whom a man is responsible if he fails to do so. Both parents are required to maintain and educate their children after a marriage breaks down, but subject to the circumstances and ability to do so.

In Jamaica, the Maintenance Act (no. 30 of 2005) states that the amount of child support is to be determined by taking the “capacity” of both parents into account.

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12 Except where otherwise indicated, the information for this section of the report is sourced mainly from Parkinson (2007) and Dalrymple (2011).
The determination is also meant to take unpaid care work into account.

**Australia**

In the late 1980s, Australia introduced a formula to calculate the amount payable, and transferred responsibility for enforcement to the Australian Taxation Office. Subsequent years saw various amendments, including in respect of how the system interacted with tax and income support benefits. Key aspects of the formula are that:

- It is based on the empirically determined costs of raising children;
- Both parents’ incomes are taken into account;
- The same self-support amount is deducted from each parent’s income before the child support amount is calculated;
- The amount of care provided by each parent is taken into account; and
- Children from first and later families are all treated similarly.

The calculation as to how much child support must be paid takes into account the following components for each parent: taxable income, reportable fringe benefits, reportable superannuation (pension) contributions, total net investment losses, tax-free pensions and benefits and foreign income.

The custodial parent’s income is considered only if it is more than the average weekly wages and salaries. In practice, this means that it is only considered in about 12 per cent of cases.

Dalrymple (2011) suggests that there were four main reasons for the reforms in Australia:

1. To ensure sufficient support for children whose parents do not cohabit;
2. To reduce the financial burden on government welfare and related systems; and
3. To reduce the burden on the court system; and
4. To avoid subjectivity in the determination of the amount to be paid.

In Australia, low-income sole parents with a child under eight years and non-sole parents with a child under six years are eligible for a Parenting Payment (Parkinson, 2007). The amount decreases as earned income increases, but is not affected by any child support received as the Parenting Payment is seen to support the parent rather than the child. Low-income parents are also eligible for the Family Tax Benefit (FTB). This has two forms, A and B. FTB A is available for families that pass a means test. The test is high enough that most families pass it. Poorer families receive an additional payment. The amount of the additional payment decreases by 20 cents for every extra dollar of income. The amount is calculated per child. If families receive child support that is more than what is specified as a “free area,” 50 cents for every dollar is retained by government. Parkinson argues that this approach encourages child support payments, whereas a fixed “disregard” amount (as in the UK, see below) discourages payments.

The income test for Family Tax Benefit A and B is based on adjusted taxable income. Any child support paid by the person is deducted from the sum of other components. Where parents can enter into a private child support agreement, the government will struggle to know exactly how much is paid for each child. Australia solves this problem by assuming that the amount is that determined by the formula used for those who go through the government agency.

In Australia, lone parents must usually apply for child support if they want to receive more than the basic FTB. There are, however, grounds for being exempt from this requirement. The requirement that applicants try to get child support from the non-custodial parent is called the Maintenance Action Test or “reasonable maintenance action.” Applicants ‘pass’ this test by applying for a child support assessment. Those who feel unable to apply for an assessment must explain their reasons. Child support does not affect the Family Tax Benefit.

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Family violence is specified as grounds for exemption from the maintenance action test, as are rape and incest. However, exemption is not automatically assumed to be appropriate in cases of family violence on the grounds that exemption can result in total payments being less than they would be if child support was paid. Social workers are meant to assist parents make informed decisions on whether to pursue child support in these cases, including assurance that contact between the parents is not necessary if child support is arranged through the Child Support Agency.

Canada

In Canada, child support amounts are calculated based on income, residence of the children, number of children and province or territory of the non-custodial father. The amount is derived from tables (similar to income tax tables) that reflect a formula based on the parent’s gross income, cost of living, provincial income tax and average national amounts spent by families on care for children. In practice, the amount is based on gross total world income and the other amounts are only considered if the parent tries to get the amount reduced. The income of the resident parent is of less importance. As in Australia, a self-support amount is deducted from the non-custodial parent’s income before the child support amount is determined. Each parent is expected to be responsible for a share of the total determined by their share of the two combined incomes.

Canada has a National Child Benefit for low-income families. It aims to reduce child poverty, assist parents in covering the costs of children and encourage workforce participation. The benefit involves a partnership of federal and provincial and territorial governments. The benefit takes the form of monthly case payments made through the Canada Child Tax Benefit. The amount is determined by family net income and number of children; the amount is increased each year. There are variations in different provinces and territories. For example, in Alberta the amount varies by age of the child/ren. The National Child Benefit acts as a supplement to the basic Child Tax Benefit that is available for all children.

In Canada receipt of child support does not affect eligibility for any social security benefits, housing benefits or tax credits.

Germany

In Germany, the government pays a child allowance to all parents to assist with the burden of raising children. Wealthier parents receive smaller amounts than those who are poorer. Child benefits are tax exempt, and there is a further annual tax exemption for each dependent child. Further means-tested payments are available for parents who are un- or under-employed (in terms of hours worked per week). A sole parent who receives inadequate support from the other parent is eligible for maintenance payments for children under 12 years, for a maximum of six years. It is not clear whether child support is considered when determining the amount of the child allowance.

Ireland

In Ireland, both spousal and child maintenance are included when people apply for various payments, including the One-Parent Family Payment. Half of the maintenance amount is then disregarded when the means test is applied; rent and mortgage payments up to a specified maximum can also be deducted from the maintenance payments. All maintenance amounts paid by the applicant to others are included when assessing means.

Half of all child support received is disregarded (not taken into account) in the means test. In addition, rent or mortgage payments up to a maximum of EUR 95.23 per week can be offset against child support payments.

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Half of the remaining balance of child support is then deducted from any welfare payment due.

**New Zealand**

New Zealand’s Domestic Purposes Benefit Act of 1974 provides for government financial support (the Domestic Purposes Benefit) for all single mothers, whether or not the father contributes. The Child Support Agency, which since 1992 falls under the Inland Revenue Department, determines how much non-custodial parents must pay and then keeps part of each payment to offset the Domestic Purpose Benefit payment to single mothers. As in Australia and Canada, a ‘living allowance’ is first deducted from the non-custodial parent’s taxable income before the amount of child support is calculated. The income of the custodial parent is not considered. New Zealand has a minimum child support amount that must be paid even if the calculation produces a smaller amount.

**United Kingdom**

In the UK, the Child Maintenance Enforcement Commission (C-MEC), which replaced the Child Support Agency in 2007, oversees child support (Parkinson, 2007). C-MEC falls under the Secretary of State for Public Works and Pensions.

The UK has a more complex formula than some other countries for calculating child support due. The formula explicitly takes into account situations in which parents have and/or are responsible for children in different families. The formula takes the incomes of both parents into account and considers earnings, pension money and tax credits. There is an explicit provision for calculating the income of self-employed people. The formula does not consider the custodial parent’s income at all.

In the UK, there was previously a universal Child Benefit for which there was no means test and thus no consideration of child support, as well as a Child Tax Credit that was received by a large proportion of parents.

Before April 2010, child support was disregarded when determining eligibility for the Housing Benefit and the Council Tax Benefit (but only GBP 20 per week of child support was disregarded in calculating the various out-of-work benefits). After April 2010, all income from private child support is ignored (or ‘disregarded’) in calculating the amount of Income Support, Jobseekers Allowance and income-related Employment and Support Allowance due. This applies whether the child support arrangement was reached through a private agreement, a court-based order or a statutory determination.  

A government press release estimated that the disregard and other changes to child maintenance would “lift 100,000 more children out of poverty.” As the Secretary of State explained, “this will mean that money meant for children actually goes to the children.” The new arrangement was expected to encourage payment by non-custodial parents as they would know that the full amount would go to their children rather than to government.

In early 2013, the UK started means testing of child benefits for the first time. Families with adjusted net income of less than GBP 50,000 were not affected. Adjusted net income includes earnings (including bonuses and benefits in kind), rental income and investments.

**United States of America**

Hatcher (2007) traces the origins of child support in the US to a range of different sources, including common law, state poor laws, divorce codes, bastardy laws and criminal non-support legislation. As far back as 1601, England’s Poor Laws (the US legal system is rooted in English common law) allowed towns to sue fathers for expenses incurred on public aid (i.e. welfare). The motivations for child support varied according to source, with support for children and

24 Information for the US is sourced from Hatcher (2007) unless otherwise indicated.
custodial parents not always prioritized. However, with motivations varying from reducing illegitimate births to criminalizing non-supportive fatherhood, the money was generally paid to the custodial parent and/or child. In the US, the idea that child support should be used to reduce the cost of welfare began with a 1950 amendment to the Social Security Act.

Later, Title IV-D of the Social Security Act of 1974 established a federal and state partnership to collect child support. The approach used in determining the amount differs across states, but most parts of the US use an "income shares" approach, which has some similarities to the Australian formula. The US system collects child support for families on welfare (as well as from some who are not on welfare). However, Hatcher (2007) sees the primary motivation for its establishment as maximising government revenue through cost recovery of welfare payments.

In 1996, the Personal Responsibility and Work Opportunity Reconciliation Act replaced Title IV-A of the Social Security Act. The 1996 Act provided the Aid to Families with Dependent Children (AFDC) programme, with cash block grants to US states for Temporary Assistance for Needy Families (TANF). Both AFDC and TANF require that any child support that programme beneficiaries receive from other people is signed over to the state. With AFDC, states generally allocated the first US$50 of the support per month to the family, and kept the rest to cover its own costs. Once costs were covered, the family would receive any amount left over. With TANF, states may choose to pay either more or less than the first $50 to the family. Before TANF was established, welfare applicants who did not pursue child support had their welfare payment reduced. Under TANF, applicants who do not pursue child support can lose the full benefit. For Supplemental Security Income, a benefit payable to poor children and adults with disabilities, one third of any child support payments made in respect of the child is excluded when determining eligibility.25

The signing over to the government of child support payments by TANF applicants results in half of the national child support payments being owed to the government rather than to children. Hatcher (2007) argues that this is not in the best interests of children and harms families and society more generally. “Every dollar taken from a child in the name of welfare cost recovery is a dollar that does not serve the best interests of the child.” He notes that while the Maryland Department of Human Resources publicly states that the best interests of the child is ranked highest when considering individual cases, in a court case they argued that cost recovery had always been and still remains the main concern. He argues that the goals of cost recovery and the best interests of the child will always conflict. He argues further that forcing low-income mothers to sue fathers is paternalistic and disallows her choice as to what is best for her family. A blog published in December 2008 in the US noted that not even the government wins when child support is signed over to government, as the amount collected is less than the costs incurred in collecting it. For example, in 2006, the federal and state governments collected $2 billion in reimbursements and paid $22 million to families—but incurred $5.6 billion in administrative costs.

The Deficit Reduction Act of 2005 (which became effective in 2008), increased the possibility of states increasing the share of the money going to families, with the federal government prepared to waive part of its share of the money if the states chose to do so. However, Hatcher (2007) envisaged that much of the money would still be kept by government. Wisconsin was permitted, as of 1997, to allocate all monies received in child support to families. Hatcher (2007) cites studies that showed that this approach resulted in increased amounts of child support being collected with very little increase in costs.

Hatcher (2007) argues that family violence is not the only legitimate reason for non-pursuit of child support. Another might be the wish for a good relationship with the father. He notes that the extent to which applications for exemption from pursuing child support on “good cause” varies across states, with Michigan providing 5,656 exceptions in 2002 alongside 6,875 refusals, while Tennessee provided only 20 exceptions alongside 17,180 refusals.

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25 https://secure.ssa.gov/poms.nsf/lnx/0500830420, access 29 April 2015. This is the position for Baltimore. The situation in other states may differ.
DISCUSSION

Public assistance in the Caribbean generally does not include special provisions for sole parents. Instead, such families—if they are fortunate—receive support through the limited general public assistance schemes. The amount of benefits in Caribbean countries is likely to be lower than in developed countries in both absolute and relative terms. UNIFEM (2007) reported an amount of only Bds$ 25 per child under 16 years of age. This is clearly not sufficient to meet all the needs of the child.

In most countries, parents and/or the family more generally, will be seen to have primary responsibility for supporting children, with the government responsible for assisting where necessary. In many countries, including Barbados, Trinidad and other Eastern Caribbean countries, this is translated into a requirement that applicants for child welfare payments try to get child support from the non-custodial parent. The introduction to this paper describes this requirement and how it is implemented in Trinidad. The requirement that the custodial parents solicit money from the non-custodial parents and sue them is essentially a conditionality.

The UNIFEM (2007) research project in Barbados included examination of applicants’ files and found that in the vast majority of cases the father was not providing support for the child. This was the case even when a magistrate had issued a warrant for the arrest of the father. Examination of court records found that half of all child support applications related to arrears payments—child support that had been awarded but not paid. In Trinidad, more than half of the applicants who were interviewed said that the father had not fully complied with the child support order made by the court. Nearly a third reported no payments at all, or very limited payments. Defaulting increased over time (Carter et al, 2008: 120).

In light of such patterns, UNIFEM (2007) noted the need to reform enforcement measures alongside broader societal commitments to the importance of parental support for their children. The danger is that efforts to squeeze money out of men who are themselves poor and/or unwilling to contribute may entail wastage of resources that could be better directed to support the custodial parents and children.

Similar to the situation in Trinidad alluded to in the introduction, in Barbados, the National Assistance Programme provides for assistance in cash or kind to the “the head of the family” for him and his (sic) dependents. Assistance is to be provided if the person cannot themselves provide an account of disability, unemployment and/or lack of resources. A welfare officer assesses whether the applicant is eligible, but the relevant regulation does not give guidance as to the criteria to be used or the type and duration of assistance. In practice, in Barbados cash grants are generally awarded for six months, after which there must be a review before further payments can be made. Children are the primary beneficiaries (with the payment to the head of the family on behalf of the children), reflecting a view that adults should provide for themselves.

In 2004, 3,349 children under 16 years of age benefited from cash grants under Barbados’ National Assistance Programme, compared to 550 adults. However, UNIFEM (2007) notes that the approach aims to discourage the idea that single mothers have an independent entitlement to social security. As seen in the introduction, the situation is similar in Trinidad.

UNIFEM’s examination of files in Barbados confirmed that in that country, national assistance was refused in some cases on the grounds that the father was providing support, regardless of the amount of child support paid. In some cases, the assistance amount for the household was reduced by excluding the amount for a child for whom a father liable for child support had been located. In Barbados, there is provision for short-term assistance during the period in which the applicant tries to secure child support, but whether
such assistance is provided is left to the discretion of the official dealing with the case.

Dalrymple (2011) notes that the extent to which Barbados can adopt the solutions of countries such as Australia, Canada and the UK is limited by the lack of consideration in the solutions as to how to deal with informal sector work; their seeming assumption (except for the UK) of a nuclear family model; and their emphasis (except for Australia) on the income of parents with limited consideration of the costs of raising children.

In terms of the nuclear family assumption, UNIFEM (2007) cites Wyss who reported that already in 1989 more than half of Jamaican children did not live with their biological fathers; a quarter did not live with their biological mothers. Adding to the complications, children in a single household often do not have the same father. In Trinidad, nearly a third (31 per cent) of households had female heads by 1997 (Carter et al, 2008: 44).

Using another related measure, Dalrymple (2011) notes that 70 per cent of Caribbean children are born outside of marriage, with the percentage even higher in poorer households. The percentage of children who live only with their mothers is similar. Barbados generally does not provide cash transfers to the custodial parent if the non-custodial parent does not pay child support. However, the high incidence of single parenting and inadequacies in the child support system impose a range of other costs on government, in addition to the negative impact for the children and their custodial parents. These costs far outweigh the total amount that is actually paid in child support.

However, the situation in Barbados and other Caribbean states might differ less from that in developed countries than is sometimes assumed. Parkinson (2007) notes that the proportion of births outside of marriage in the UK rose from less than 10 per cent in the 1970s to 43 per cent in 2005. Lone parent households accounted for 24 per cent of all households with children in 2006, as compared to 7 per cent in 1972. Yet a study found that only 3 per cent of lone mothers received child support from the fathers of their children.

Dalrymple suggests that the solution for Barbados is a child support agency that would calculate what should be paid, collect the money and pass it on to the custodial parents. Where payments are not made, the agency would ideally administer a grant to those who pass a means test. He emphasizes that such a grant would not replace or duplicate existing welfare grants, and would also not absolve parents from their obligations.

Dalrymple provides a range of cogent reasons as to why an administratively determined amount would be beneficial. He notes that the formula would need to take into account the cultural and sociological realities of the country, particularly the non-nuclear nature of most families and the tendency for men to father children of different mothers and thus different families. The formula would need to take into account that equity requires a different amount per child in a situation where a man has four children in one family and where he has four children in four different families. He argues that the large number of children living only with their mother means that the mother’s income should be taken into account, unlike in some other countries described above. He suggests that custodial parents should be entitled to receive financial support without naming the child’s father if naming the father brings a risk of physical or emotional harm to the child or parent, or if the child was conceived as a result of rape or incest.

The approach in some countries is based on the idea that children who live in a single-parent family should be in the same position as the same child would be if they lived with both parents. A simple understanding of this would be that each parent must contribute the same amount to the child’s wellbeing and expenses as they would have if they were together. This is too simple, however, as the fact that the parents live apart is likely to increase the amount that is needed for the child to have the same level of wellbeing. In particular, if there are two separate households, there is a loss of economies of scale for expenses such as housing. Arguably, then, a child in a sole parent household requires more money to reach the same level of wellbeing than a child living with both parents.
REFERENCES


