

## A COMPARATIVE STUDY OF CHILD MAINTENANCE REGIMES

### Questionnaire for national informants

#### **Focus of questionnaire**

The questionnaire concerns your child maintenance (child support) regime. By this we mean the overall system in your country under which parents meet their financial obligations in respect of children with whom they do not live. These financial obligations arise when parents live apart following a divorce or separation, or when parents have never lived together.

#### **Scope**

The questionnaire is primarily concerned with regular payments for financial support, which we call here child maintenance. There are other forms of financial transactions between parents who do not live with each other including spouse maintenance (or alimony), lump sum payments, transfers of property, assets and pension rights. We are interested in these other forms of support only in so far as they affect child maintenance. We do not define a child. Please use those age related definitions of a child or children that are relevant in your country, throughout the questionnaire, with appropriate explanations when necessary.

The child maintenance regime includes arrangements for determination, enforcement and revision of payments. In most countries, the child maintenance regime will be some combination of private voluntary arrangements, formal arrangements made by courts, and formal arrangements made by other organisations or agencies. We seek information about all these.

The questionnaire is primarily concerned with entitlements to and liabilities for transfers of private resources. There are a few additional questions about the interaction of child maintenance with public resource transfers (for example maintenance guaranteed by the state and social benefits).

This questionnaire is not concerned with children for whom the state has assumed responsibility, and/or who live in foster homes, children's homes or other institutions. We seek information about child maintenance in respect of children living at home with one parent.

We are interested in three different groups of parents:  
 separated married parents (whether formally divorced or not)  
 separated cohabitants  
 parents who have never lived together.

#### **Core terms**

We call the parent who has the main day-to-day responsibility for the child(ren) concerned, the parent with care. We call the parent who is not currently living with the child(ren) and their other parent, the non-resident parent. The amount of money the non-resident parent is required to pay (or agrees to pay) the parent with care is called the obligation. (In some literature or countries this may be called the award or the obligation.) Definitions of other terms are provided below.

#### **Organisation of questionnaire**

The questionnaire is organised in the following way.

Part One seeks information about the history and general objectives of your child maintenance regime.

Part Two asks how families enter the child maintenance system, including the general framework for divorce, separation, and the establishment of paternity for nonmarital children.

Part Three covers detailed information about the determination of maintenance due. We ask how obligations are set, looking at rules, guidelines and discretionary components.

The procedural aspects of collection and enforcement, and the implications of non-compliance are covered in Part Four.

Part Five asks about the interactions of receipts and payments with other policies.

Administrative costs and quantitative data on outcomes are covered in Part Six.

Part Seven asks you to draw on existing research in a brief evaluation of the child maintenance regime in your country; it also asks for the main topics of research and debate in your country.

Part Eight presents two vignettes, or cases, in which we describe the circumstances of parents and children, and ask you to describe how they might be dealt with under your child maintenance regime.

*There are further instructions on how to fill in the questionnaire at the beginning of each part (with instructions presented in shaded text). We suggest that you read through the whole questionnaire thoroughly before you begin. We assume you will find it more convenient to complete the questionnaire directly onto the file. If you would prefer a paper copy, with space allowed after each question, please let us know.*

*We ask that you provide us with a list of the sources you consulted most frequently when answering this questionnaire.*

*When we ask for current information, this relates to the situation at 1 July 2006.*



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## **PART ONE: DEVELOPMENT OF CHILD MAINTENANCE REGIME**

*This part of the questionnaire seeks a broad overview of your current system.*

*Please remember that we are interested in three groups of parents:*

*separated married parents (whether formally divorced or not)*

*separated cohabiters*

*parents who have never lived together.*

### **1.1 Consider the overall arrangements in your country for determining, enforcing and revising child maintenance payments. What are the broad policy objectives of these arrangements? We are interested in both explicit and implicit objectives.**

The primary child maintenance system in Finland is described in Maintenance Act (704/1975) and Maintenance Security Act (671/1998). The main principle of Maintenance Act is that parent are responsible for the maintenance of their child/children according to their ability. Maintenance Security Act stipulates the conditions where the PWC is entitled to guaranteed maintenance

The fundamental principle of the maintenance arrangements is that the need for maintenance does not arise from the need to compensate a PWC for the loss of the absent parent's income. The need lies in compensation for the loss of NRP's contribution towards the support of the child.

The implementation of the principle brings about major labour market consequences. Government supports single parents' employment and it is expected that single parents are in paid employment when their children are above three years of age. Most of the mothers stay at home with home care allowance after parental leave, which extends to one year only. Home care allowance coupled with income-tested supplement is paid until the youngest child turns three years. As the age of the youngest child approach three those mother who have their work contract in force or who are able to find jobs return to labour market.

Parents who separated are entitled to agree on the size of the maintenance. Maintenance agreements are confirmed either by a Social Welfare Board or Court. Every municipality has a Social Welfare Board. The Board has to make sure that the sum agreed is not unfair to either party. Alternatively, the court may determine the amount of the maintenance. No uniform practice to determine maintenance is in force (however, Ministry of Justice issued informal guidelines in June 2006, see below). The level of maintenance is determined by the needs of the child and the income-level of the parents.

The Social Welfare Board deals with a broad range of issues in social sector, such as child custody, social assistance and family counselling. The municipal social workers operate under the umbrella of the Board. Issues concerning divorce and maintenance are processed in District Court. That is a civil court.

#### **Please explain briefly the history and development of the current regime.**

At the beginning of the 20th century, exceptionally many children were born to single women in Finland. Maintenance of such children was, of course, a considerable social problem. The Nordic solution was that the state supported the right of single-mothers to claim maintenance from the child's father.

In the United States and Canada, the solution was the opposite: first the state undertook the maintenance of widows, later also of single and divorced women and their children. The choice affected the development of family policy.

The differences in the policies chosen in the Nordic countries and in North America boil down to four explanations. Firstly, there were considerably more illegitimate children in the Nordic countries than in North America, where the clear majority of single parents were widows. So many illegitimate children were born e.g. in Finland that a political solution to ensure their maintenance at reasonable expense had to be found. In other words, the states did not have money, which could be used to support single-parents.

Secondly, the model of the full-time mother was much more common in North America than in the Nordic countries, where women of the working class and the countryside worked outside the home.

Thirdly, in the Nordic countries, the state had better possibilities to support women's demands for maintenance, because population registration was on a high level, and there was not as much geographical mobility as in North America.

Fourthly, the workingwomen struggled for the right of single-mothers to receive maintenance from the child's father. At this time, the labour movement in general did not yet pursue gender equality objectives vigorously; the struggle for women's rights was mainly taken up by individual workingwomen.

The civil war in 1918 left Finnish society divided into two groups. The conflict and its immediate aftermath killed more some 40,000 out of a population of three million. A "Red terror" campaign against the right wing was followed by a "White terror" against supporters of the revolutionary movement. Disease, hunger, and maltreatment killed thousands detained in the [concentration camps](#). An unknown number of Red children were orphaned or sent into foster care, as their mothers were either interned (there were as many as 75,000 Red internees) or deemed unfit to raise patriotic children for an independent Finland. Working in agriculture or in factories was a norm for the working class single-mothers.

During the golden years of the Nordic welfare state the Nordic countries developed ideals, which are still cherished. The government assumed a greater responsibility to support both directly (e.g. through income transfers) or indirectly (e.g. through maternal employment support) the material wellbeing of single-parent families than two-parent families.

Single-parents (single-mothers) have been characterised as a test case for the realisation of social citizenship. The emphasis lies on universal benefits. E.g. the housing allowances is an example of a means-tested benefit that is not stigmatised. The income ceiling is relatively high, and large proportions of middle-income families as well as most single-parent families qualify. The same applies to guaranteed maintenance as explained below,

The Maintenance Act was passed in 1975 and the Maintenance Security Act was passed initially in 1978.

**1.3 If there has been a major transfer of administrative responsibilities or any major change in approach since 1997, please describe the policy context and the process of creating and implementing the initiative. Were the changes controversial? (an example here might be the establishment of a new agency)**

A reform of the Maintenance Security Act (671/1998), which included many technical changes, took effect at the beginning of 1999. One important issue of principle was the abolition of the 'reduced guaranteed maintenance' for cohabiting PWS's. Reduced guaranteed maintenance had led some PWC's to neglect informing the officials about a new relationship. Once the relationship was reported there was an implicit message that the new partner of a PWC should contribute to children who were not his or her own, which complicated the relationship. Citizens' organisations had urged abolition of reduced guaranteed maintenance, on the grounds that it was frequently difficult to determine how and when the conditions of the PWC had changed so that the conditions for the reduced (or for reversion to the non-reduced) allowance would apply. In practice the abolition of the reduced guaranteed maintenance meant an increase of around 23 per cent in the guaranteed maintenance's.

The reform also included a change in enforcement. Since the beginning of 1999 unpaid maintenance's are enforced as unpaid taxes. The new law stipulates that maintenance payment debt are enforceable for five years (as taxes are). In 2005 a large portion of the remaining maintenance payment debt became time-barren (233,4 million euros, i.e. 46,6 percent of the total remaining debt, maintenance liability expired for 24 836 liable parents due to maintenance payment debt becoming time-barred).

In June 2006 a working group at the Ministry of Justice issued a proposal for national guidelines on how to determine maintenance at the municipal Social Welfare Boards and at the courts. (Lapsen elatusavun suuruuden arviointi Oikeusministeriön työryhmämietintö 2006:10. Oikeusministeriö: Helsinki, 2006). The guidelines were prepared by a working group that intended to introduce conformity when child maintenance is determined or when a voluntary agreement between the parents is approved.

The Act on Maintenance gives only general principles and therefore a guideline was needed. The Maintenance Act does not stipulate that such guidelines should be issued. Therefore, the guidelines are only recommendation. They do not bind the decision maker. However, it is most probable that the

municipal Social Welfare Board as well as the Court will use the guidelines. They also give information for parents who are preparing a voluntary agreement on maintenance.

N:B. The guideline paper is at present stage a proposal for guidelines. It is a result from the work of the working group consisting of Ministry of Justice officials, one attorney, one judge and one social worker. The working group prepared proposal for guidelines in 18 meetings over 11 months. The proposal is sent out for comments which are due September 15, 2006. Comments are asked from a large number of parties operating in the field. Once comments are received the Ministry will review the paper and issue guidelines. The guideline paper is expected to be issued before end of the year. It is likely that the final guideline paper will be similar or almost similar wiith the proposal by the working group.

**Which of the following were explicit objectives of the change?**

- Limiting public expenditures
- Enforcing obligations to biological children
- Reducing child poverty
- Influencing relationship formation and dissolution behaviour
- Influencing employment of lone parents
- Increasing voluntary arrangements for maintenance
- Other (please describe briefly)

To introduce conformity when child maintenance is determined or when a voluntary agreement between the parents is approved

## **PART TWO: ENTERING THE CHILD MAINTENANCE SYSTEM**

*In this part of the questionnaire we are interested in entrance into the child maintenance system, considering arrangements for couples who have been married, those who have cohabited, and those who have not lived together.*

### **2.1 CHILD MAINTENANCE ARRANGEMENTS FOR COUPLES WHO HAVE BEEN MARRIED**

#### **2.1.1 In your country, who has primary responsibility for divorce proceedings?**

Courts

Other (please list and describe)

#### **2.1.2 Please explain briefly the legislative, administrative and procedural framework for divorce in your country.**

A new marriage act came into force in 1988 in Finland, and it made the dissolution of marriage clearly easier. Divorce can be decreed after a period of reconsideration lasting at least six months. That is non-fault process in civil court. The period of reconsideration applies all married couples. It is possible, however, to get an instant divorce if the spouses have continued to live separately for two years before the petition is filed.

Procedure:

Petitioner (that is the person applying for a divorce – the other partner is referred to as the 'respondent') issues a petition for divorce to the District Court. (A petition is a document that contains details of the marriage partners, children and the particulars of the case). Partners may file a joint petition.

If there are children a 'statement of arrangement' for them detailing who they will live with; arrangements for contact and financial arrangements must also be filed to the court.

If the partners are not in agreement the respondent is then sent papers by the court and must confirm that they have received them – (if they do not then clerks of the court arrange them to be physically handed over to respondent).

The judge considers all papers and decides both whether the conditions for divorce are met and whether the arrangements made in respect of any children are satisfactory.

The period of reconsideration does not automatically end with a divorce. When six months have passed, either of the spouses must again inform the District Court whether he or she wish to go through with the divorce. If the District Court does not hear from either spouse within a year from the date of the petition, the court will dismiss the case and the marriage continues to exist.

#### **2.1.3 Explain how decision-making about child maintenance fits around the divorce process. Who has the main responsibility for deciding whether and how much child maintenance should be paid when a couple divorce?**

The court does not grant divorce before the arrangements made in respect of any children are satisfactory.

In most cases parent refer to a mutual agreement mediated through the municipal Social Welfare Board. The Social Welfare Board may propose terms and conditions for maintenance arrangements. However, the final responsibility lies with the court.

The other option is to let the court decide on maintenance arrangements. If the parents are in disagreement, the court will process the dispute on maintenance (and custody) as a separate issue.

### **2.2 CHILD MAINTENANCE ARRANGEMENTS FOR COUPLES WHO HAVE LIVED TOGETHER WITHOUT BEING MARRIED**

#### **2.2.1 Please explain briefly the legislative, administrative and procedural framework (if there is one) in which unmarried parents who had lived together separate.**

Common-law marriages or consensual unions are very popular, especially among the young in Finland. It is rare for a young couple to marry without first having lived together. If a consensual union ends with

dissolution, division of the estate includes any residence and furnishings acquired for their common use. No other property can be taken in the account in the division. Consequently, any residence or furnishings not acquired for their common use is excluded from the division of property, as are all other assets. The party who owns it retains such property. Dissolution of cohabitation is not confirmed by the court. The court may only process issues relating to the division of the assets, custody of the children or maintenance arrangements.

**2.2.2 Explain how decision-making about child maintenance fits into this framework. Who has the main responsibility for deciding whether and how much child maintenance should be paid when an unmarried couple separate?**

In the case with couples who have continued to live together without being marriage, voluntary arrangements are encouraged. The agreement is confirmed by the Social Welfare Board. Parents dissatisfied with the decision of the municipal Social Welfare Board may take the matter to court.

If the parents are in disagreement, the municipal Social Welfare Board decided whether and how much child maintenance should be paid. The parent who is not satisfied with the decision may take the issue to court.

It is also possible that the partners agree on maintenance by themselves or that they make no such arrangement. The state of affairs is neither approved nor confirmed by anyone unless there is a problem and either party contacts the municipal Social Welfare Board or take the matter into court. However, without confirmation by the municipal Social Welfare Board or judgement from the court the agreement is not enforceable. Therefore all parents are encouraged to have the agreement confirmed by the municipal Social Welfare Board.

**2.2.3 Please explain briefly what happens if paternity is disputed in couples who have lived together.**

Under family law, an (alleged) non-resident parent or a parent or person with care can apply direct to a Court and request that they determine the paternity of a child. However, the number of such cases is very low (62 cases in 2005 compared with 21 959 cases where paternity was established through father's acknowledgement [children born outside the wedlock]). While applying for guaranteed maintenance the PWC must inform the social officials who is the father of the child. If the information is not available the officials initiate a process for determination of paternity. The process is most often interrupted by the mother's written notice. The PWC mother may be denied guaranteed maintenance if she refuses to help in determining the paternity of the child.

**2.3 CHILD MAINTENANCE ARRANGEMENTS FOR THOSE WHO HAVE NEVER LIVED TOGETHER**

**2.3.1 In couples who have not lived together, explain how decision-making about child maintenance is made. Who has the main responsibility for deciding whether and how much child maintenance should be paid?**

Same as 2.2.1

**2.3.2 Please explain briefly the process for establishing legal paternity in couples who have not lived together when paternity is not in dispute. (For example, legal paternity is presumed if the father's name is on the birth certificate.)**

If paternity was not in dispute, then there would be no need to establish it. The paternity is established most often through acknowledgement of the father.

**Please explain briefly what happens if paternity is disputed in couples who have not lived together.**

Same as 2.2.3

**PART THREE: THE DETERMINATION OF CHILD MAINTENANCE DUE**

*Part Three of the questionnaire is concerned with determination of the child maintenance obligation and entitlement - the decision-making process by which child maintenance is agreed between parents, or decided by Courts or Agencies. This part of the questionnaire does not ask about arrangements for collection or enforcement of maintenance, which is dealt with in Part Four.*

*After an initial overview (Questions 3.1.1-3.1.5), we ask for detailed information about the determination of child maintenance due in three sections which address separately:*

*voluntary agreements between parents (Questions 3.2.1-3.2.3)*

*obligations determined by Courts (Questions 3.3.1-3.4.4)*

*obligations determined by other agencies/organisations (Questions 3.5.1-3.6.5)*

*One of these three sections may not be relevant in your country (for example, if Courts are not involved in determination of maintenance obligations). Please complete the sections which are relevant to your country, and if you leave out a section please explain why.*

*Please remember that we are interested in three groups of parents:*

*separated married parents (whether formally divorced or not)*

*separated cohabitantes*

*parents who have never lived together.*

### **3.1 OVERVIEW**

**3.1.1 Are parents who were married allowed to make a voluntary agreement as to the amount of maintenance? Are separated cohabitantes? Are parents who have never lived together? For each group, please briefly discuss the circumstances in which they are allowed to make a voluntary agreement.**

All parents, regardless of marital status would be allowed to make voluntary agreements as to the amount of child maintenance. However, either the municipal Social Welfare Board or the court must confirm that the agreement is not unfair to either party. Once such agreement is about to be approved the officials check the terms and conditions of the agreement in light of statutes in the Maintenance Act (8:2).

**3.1.2 If parents can make a voluntary agreement, does it have to be approved by someone else? By whom? What criteria are used? How often is the agreement approved, and what happens if it is not? (Again please answer each part of this question for separated married parents, separated cohabitantes, and those who have never lived together.)**

Voluntary agreement have to be approved by either the municipal Social Welfare Board or the court (only if the parents have been married). For cohabiting parents and for parents who have never lived together it is not necessary to have the voluntary agreement approved. However, they are encouraged to do so. The agreement has to be approved by municipal Social Welfare Board if maintenance payment is neglected and the PWC applies for guaranteed maintenance. That applies to granting social assistance as well.

The criteria in approving the voluntary arrangements include the needs of the child and the parents ability to pay. Once agreement is approved it is in force until the end of maintenance liability. The agreement may be reviewed if there is a significant change in conditions, i.e. child's needs, the NRP's ability to pay, the PWC's ability to pay. The formal condition is that an agreement can be confirmed once the partners have moved apart (it cannot be confirmed as long as they live together).

**3.1.3 Do courts play a role in determining maintenance amounts? If so, is it a primary role, or residual? Please briefly explain the circumstances and the types of cases in which the court is involved.**

The courts intervene only in cases where parents are in disagreement and where either of the parents is dissatisfied with decision by the municipal Social Welfare Board. However, the courts approve voluntary agreements made by divorcing parents when divorce is decreed.

**3.1.4 Do agencies other than the court play a role in determining maintenance? If so, which agency/agencies? Please describe its functions, both in terms of functions related to child maintenance and functions related to other areas of responsibility. Please explain the circumstances and the types of cases in which the agency is involved.**

The municipal Social Welfare Boards can be involved in the determination of child maintenance. The board is involved in the calculation, forwarding and enforcement of both maintenance from the non-resident parent and guaranteed maintenance. The Board would be involved where requested by parent(s) – for example where parents cannot come to terms of a voluntary agreement or where a voluntary agreement (ratified by the Court or not) has broken down; and in cases where the PWC received guaranteed maintenance.

**3.1.5 For children of formerly married parents, is the child maintenance obligation in the child's name or in the name of the parent with care? Is this different for separated cohabiters or for children of parents who have never lived together? Does it differ depending on whether it is a voluntary agreement versus being determined by the court or an agency?**

The obligation is always in the name of the child.

*We now ask more detailed questions about the three types of arrangements, voluntary, court-determined, and agency-determined.*

## **3.2 VOLUNTARY AGREEMENTS ABOUT CHILD MAINTENANCE**

**3.2.1 Please provide information on voluntary agreements: are lawyers, agencies or other organisations involved in mediating or helping to negotiate voluntary child maintenance agreements? If so, please explain the processes. Are there any formal guidelines on deciding the amount?**

Parents are free to arrange amounts of maintenance voluntarily. The municipal Social Welfare Boards and the courts assess whether the proposed agreement will meet the conditions expressed in the Maintenance Act (8:2). The role of the municipal Social Welfare Boards is to confirm what the parents have agreed. In practice the Boards also help parents to come to terms of the agreement.

In cases of divorcing parents, lawyers may be involved in that a statement of arrangement for children must be filed with the Court. However, most often mediation and advice is sought from the municipal Social Welfare Board. Couples who decide to live apart (but have never been married) may also enlist the services of lawyers and mediators in drawing up a separation agreement (including arrangements for child maintenance) if they so wish. In voluntary agreements there is an informal guideline for deciding the amount of child maintenance. The guideline was issued by a working group at Ministry of Justice (see 1.3) in June 2006.

It is expressly stated in the guideline that the municipal Social Welfare Board has discretion to approve a voluntary agreement which would not comply with the guidelines. The notion relates to the specific nature of each case and the nature of the guidelines as informal recommendation. The parents may have acceptable grounds to come to different terms.

**3.2.2 What happens if parents attempt to reach a voluntary agreement but are unable to do so?**

If parents can not reach a voluntary agreement, then they may wish to seek the advice from the municipal Social Welfare Board to help them reach one. Alternatively, they can turn to private solicitors who would then mediate between the parents – or let the court decide the matter.

## **3.3 COURT DETERMINATION OF CHILD MAINTENANCE**

*This section seeks detailed information about child maintenance determined by Courts. If Courts are not involved in determination of maintenance in your country, please go on to the section on agency determination (after question 3.4.4). If courts are involved, please provide copies of formulae, standards, schedules, tables or guidelines as appropriate in addition to answering the questions below. If the Court uses discretion to address any of the questions below, please discuss the criteria that are typically taken into account. As you answer questions in this section, please remember that we are interested in three groups of parents (separated married parents, separated cohabiters, and parents who have never lived together).*

**3.3.1 Please explain how lawyers, agencies or organisations are involved in mediating, supporting or helping parents involved in Court decisions about regular child maintenance. Does this differ for separated married parents, separated cohabiters, and parents who have never lived together?**

The parent may seek assistance from lawyer. Most often parents turn to the municipal Social Welfare Board which provides mediation, assistance and support free of charge.

**3.3.2 How would you describe the main method of Court determination of the amount of maintenance on the following continuum:**

- Full discretion  
 Mostly discretion, but with informal guidelines  
 Formal guidelines  
 Rules/rigid formulae

It is difficult to assess this question. A working group at the Ministry of Justice has just issued proposal for guidelines. (see 1.3) There were four pronounced purposes to issue guidelines:

To introduce conformity between decisions by different municipal Social Welfare Boards and between different courts.

To make decision more predictable.

To encourage voluntary agreements (guidelines help parent to come to terms between themselves)

To avoid debt problems caused by maintenance liability.

The guideline paper is a detailed one. It deals with a wide range of different situations. However, it is stated in the introductory part of the guideline that it is not advisable to issue rigid formulae or formal guidelines which would summarily give a percentage or an amount of maintenance payments as this would lead to unreasonable outcomes.

The guideline is only recommendation given by the Ministry of Justice and does not bind the municipal Social Welfare Boards or the courts. It is considered as informal. It must also be noted that Social Welfare Boards are normally given advice by the Ministry of Social and Health Affairs not by the Ministry of Justice. There is no information available how the guidelines have been received by the municipal Social Welfare Boards or by the courts.

In the following the answers are based on the proposal for guidelines by the working group at the Ministry of Justice as it is the only available source on the issues. The proposal is based on working group's assessment of good practise, i.e. how the Act on Maintenance should be applied. Therefore, it is currently a good source of information even if the final guideline paper from the Ministry would be somewhat different.

**If more than one method is used, please describe the circumstances that could lead to different methods.**

The rationale for the new guidelines was that the municipal Social Welfare Boards had assumed different methods to assess the level maintenance payments. The municipal Social Welfare Board have discretion in determining the level of maintenance. If the level of maintenance is below the level of guaranteed maintenance, the municipality may have to pay the difference as a supplemental guaranteed maintenance (even if the liable parent will meet his or her obligation). The guideline paper from the Ministry of Justice note that in some cases the municipalities have saved public funds by determining the level of maintenance above the level of guaranteed maintenance, i.e. the financial situation of the municipality has affected the determination of maintenance.

Detailed information on these methods is not available.

**Please report any differences between separated married parents, separated cohabiters, and parents who have not lived together.**

There are no differences between these groups of parents. It is only the needs of the child and the parent's ability to pay which affect the level of payments.

**3.3.3 Is there a minimum amount of maintenance required?**X\_\_\_ **No**\_\_\_ **Yes. How much? What are the circumstances in which it is used?**

There is no minimum amount of money assigned per se. The formulae is based on assessment of a) child's needs, b) NRP's ability to pay, and c) PWC's ability to pay.

The parents are responsible for child's need in relation to their income. However, NRP's obligation is limited to his or hers ability to pay. E.g. if child's needs are 500 euros/month, NRP's ability to pay is 700 euros and PWC's ability to pay 1000 euros, NRP's obligation is calculated as follows:  $500 * ((700 / (700 + 1000)) = 206$  euros. However, if NRP's ability to pay is 300 euros and PWS's ability to pay only 100 euros, NRP's obligation is 300 euros ( $500 * ((300 / 300 + 100)) = 375$ ).

Moreover there is also a 'nil' rate which can be applied by the Court – for unemployed, students and prisoners, for example.

**If there is a maximum, please also provide information on its level and the circumstances in which it is used.**

There is no maximum amount. However, child's need are normally assessed by average which means that there is not a great variation in the upper end of the maintenance payments. Of all maintenance agreement approved by the municipal Social Welfare Boards in 2005 (33 233 agreements) the maintenance payment was above 302,73 euros in 0,6 percent of cases.

**3.3.4 These questions deal with how the Court takes account of the non-resident parent's resources in determining whether there is a child maintenance obligation and its amount.****A. How much of the non-resident parent's earnings are considered?**X\_\_\_ **All**\_\_\_ **Some (explain)**\_\_\_ **None (go to 3.3.4 C)**

Generally all earnings are included.

**B. If some or all of the non-resident parents earnings are considered, is this based on gross or net earnings?**\_\_\_ **Gross**\_X\_ **Net (What is deducted?) (taxes are deducted)**

Tax and National Insurance are deducted as well as employee's pension contributions (a national scheme).

**C. Are other sources of income (for example, benefit income, asset income, etc.) of the non-resident parent considered?**\_\_\_ **All ignored**\_\_\_ **All considered**\_X\_ **Some ignored, some considered. Which ones?**

Social assistance and housing benefits are ignored together with small and irregular work incomes. Cash child benefit is also ignored for all the children.

**D. Are the non-resident parent's basic living expenses taken into account?**\_\_\_ **No**\_\_\_ **Only in certain circumstances. Please describe the circumstances in which this would occur and the way in which it affects the obligation.**\_X\_ **Yes. Please describe the way it which it affects the obligation.**

Basic allowance for living expenses: 500 euros/month for a single person or a PWC, 420 euros/month for a married or cohabiting person

All reasonable housing costs are deducted (number of all children living in the household are taken into account when reasonability is assessed).

**E. Are the non-resident parent's other personal expenses considered? (For example, work expenses, sickness/health expenses). In what type of circumstances? Are debts considered?**

Cost for travel to and from work are deducted.

Loan payments for housing loans (for reasonable house or apartment) and study loans are deducted. Other loan payments are not considered (unless they are result e.g. of family enterprise, that remains, however, at the courts or Social Welfare Boards discretion)

Sickness expenses are considered if they are significant and regular.

**How?**

See above.

**Are any allowances made for expenses involved in maintaining a relationship with the child? (For example, consider transportation, housing, etc.) How are these expenses considered?**

An allowance of max 100 euros/month is made for expenses caused by child's travels to meet with the NRP. However, allowance is made only for expenses which rise above 100 euros/month. E.g. an allowance of 50 euros a month is made for a airline ticket (if air travel is deemed reasonable) of 150 euros a month.

Allowance for keeping contact with the child is based on the age of the child (see age scale below) and the amount of time child spend with the NRP. No allowance is granted if the child stays less than 7 overnight stays/month. A maximum allowance for 13-15 overnight stays/month 54 euros (children between 13-17 years).

**3.3.5 The following questions deal with how the Court takes account of the non-resident parent's family relationships in determining whether there is an obligation and its amount.**

**A. Is the obligation affected by whether the non-resident parent has a new partner with whom he lives? How does it affect the obligation? Do a new partner's resources (income) matter? How? Does a new partner's own child (the non-resident parent's stepchild) matter to the obligation? How?**

Under Finnish law married couples are obliged to support each other financially. In case NRP's new married partner need support from a liable parent, e.g. due to unemployment, sickness or maternity, that is taken into account when assessing NRP's ability to pay maintenance. The maximum amount is 420 euros/month (see 3.3.4. D). The purpose is to prevent maintenance liability from destroying the new relationship. There is no such obligation for cohabiting couples, and therefore, generally no need for an allowance. New partner's own child does not matter to the obligation.

**B. Is the obligation affected by whether the non-resident parent had prior children? In what way?**

An allowance is made to obligation for each and every child the NRP has. For those children living with the parent the size of the allowance is based on the age of the child: 250 euros/month for children between 0 and 6, 290 euros/month for children between 7 and 12, 390 euros/month for children between 13 and 17. The amount of cash child benefit is not deducted from these allowances.

For those children not living with the parent an allowance is made based on the amount of confirmed child maintenance.

**C. Is the obligation to the children affected by whether the non-resident parent has a new child that he lives with? In what way?**

See above.

**Is the obligation to the children affected by whether the non-resident parent has a new child that he does not live with? In what way?**

See above.

**3.3.6 These questions deal with how the Court takes account of the parent with care's resources in determining whether there is an obligation and its amount.**

Basically same rules apply to both NRP's and PWC's. The only exception concern single parent supplement to cash child benefit which is added to PWS's income (supplement to cash child benefit for that child how is to receive maintenance).

**A. How much of the parent with care's earnings are considered?**

- All  
 Some (explain)  
 None (go to 3.3.6 C)

See 3.3.4.

**B. If some or all of the parent with care's earnings are considered, is this based on gross or net earnings?**

- Gross  
 Net (What is deducted?)

See 3.3.4.

**C. Are other sources of income (for example, benefit income, asset income, etc.) of the parent with care considered?**

- All ignored  
 All considered  
 Some ignored, some considered. Which ones?

Single parent supplement (36,6 euros/child/month) is calculated as income of the PWC. Otherwise see 3.3.4.

**D. Are the parent with care's basic living expenses taken into account?**

- No  
 Only in certain circumstances. Please describe the circumstances in which this would occur and the way in which it affects the obligation.  
 Yes. Please describe the way in which it affects the obligation.

See 3.3.4.

**E. Are the parent with care's other personal expenses considered? (For example, work expenses, sickness/health expenses). In what type of circumstances? Are debts considered? How?**

See 3.3.4.

**3.3.7 These questions deal with how the Court takes account of the parent with care's family relationships in determining whether there is an obligation and its amount.**

**A. Is the obligation affected by whether the parent with care has a new partner? How is the obligation affected? Do a new partner's resources (income) matter? How? Does a new partner's own child (the parent with care's stepchild) matter to the obligation? How?**

The obligation is not affected. Maintenance is income of the child not income of the PWC.

**B. Is the obligation affected by whether the parent with care had children prior to this relationship? In what way?**

The obligation is not affected. Maintenance is income of the child not income of the PWC.

**C. Is the obligation affected by whether the parent with care has a new child that she lives with? In what way?**

The obligation is not affected. Maintenance is income of the child not income of the PWC.

**3.3.8 These questions deal with how the Court takes into account the amount of time the non-resident parent spends with the child in determining whether there is an obligation and its amount.**

**A. If a child will spend approximately equal time living with each parent, how would this affect the maintenance obligation?**

The parents may agree that the child spends approximately equal time with each parents. In that case no maintenance is paid. Each parent pays equal share of child's costs. Such agreement can be confirmed by the court or by the municipal Social Welfare Board (in that case neither of the parent can apply for guaranteed maintenance).

**If a child will not spend equal time living with each parent, would the amount of time spent with the non-resident parent affect whether there is an obligation and its amount? How?**

Allowance for keeping contact with the child is based on the age of the child and amount of time child spend with the NRP. No allowance is granted if the child stays less than 7 nights/month. A maximum allowance for 13-15 nights/month 54 euros (children between 13-17 years).

**3.3.9 These questions deal with the way the obligation relates to characteristics of the child/children and special expenses for them in determining whether there is an obligation and its amount.**

**A. Does the child's age affect the amount of the obligation? If yes, what are the age groups? Do obligations increase or decrease with age?**

Child's age affect the amount of obligation. The recommendation for "basic amount" is made based on the age of the child: 250 euros/month for children between 0 and 6, 290 euros/month for children between 7 and 12, 390 euros/month for children between 13 and 17. The amount of cash child benefit is deducted from these allowances. The basic amount covers all the normal costs of living. Additionally "extra costs" (e.g. for child care expenses, special hobbies etc.) can be considered

**B. Does the number of children affect the amount of the obligation? How?**

Not directly. However, the number of children living in a household affect the particular child's percentage share of housing costs (see below).

**C. Is there a minimum desirable amount set per child?**

See above.

**D. What other characteristics of the child/children can affect the amount? (An example may be a child with a disability).**

No such consideration. The determination of maintenance is based on expenses.

**E. What expenses for children can affect the amount of the obligation? (For example, child care expenses, school expenses, special health expenses, etc.)**

Child care expenses, after school day-care expenses, schooling expenses, insurance's, expenses of a particular hobby, special health expenses.

Child care expenses are considered by the fees for public day-care. Higher expenses may be considered if the decision on more expensive day-care was taken together with the NRP. That conditions applies also to schooling expenses, insurance's and expenses of a particular hobby.

Housing expenses are also considered according to a formula which is based on the number of children. The percentage share is from 23 (one child in the household) to 10 (seven children in the household).

**3.3.10 These questions deal with the way the obligation is related to other financial circumstances of the parents. (Please note that we are only interested in these issues as they relate to child maintenance.)**

**A. Please explain how the Court treats owner-occupied housing owned by parents, and other assets, such as land and vehicles, in making decisions about regular child maintenance.**

Owner-occupied house does not affect obligation. Other assets that are not considered as part of "basic security" do affect obligation.

**B. Please explain how the Court treats other financial transactions and settlements that may be made in making decisions about regular child maintenance. We include here:**

**lump sum payments**

**previous voluntary child maintenance payments**

**spouse maintenance (alimony) or other financial transfers to ex-partners**

**transfer of pension rights**

The Finnish law permit parents on agree on lump sum payments for maintenance (e.g. the NRP give his or her share of the house/apartment in exchange for maintenance). The number of these type of arrangements is very low. (93 of 33233 in 2005).

There is an allowance for previous voluntary child maintenance payments by the NRP if there arrangements are confirmed by the Court or by the municipal Social Welfare Board.

Spouse maintenance, other financial transfers to ex-partners and transfer of pension rights are not taken into account.

### **3.4 PROBLEMS AND REVISIONS FOR COURT DETERMINATIONS**

**3.4.1 Please discuss any problems that arise in gathering information necessary for the Court to determine maintenance, and how such problems are dealt with.**

The problems pertain to fluctuating incomes of the parents, assessing child's need with long perspective and unconformity in court decision across country (hard to find a point of reference).

**3.4.2 Approximately how long does it usually take for the Court to make the financial decisions about child maintenance?**

The decisions is taken immediately when divorce is decreed if the arrangements for the child are satisfactory. If the parents are in dispute and a separate process on custody and maintenance is initiated, the process will take a couple of months depending on parents and courts schedule.

**3.4.3 When does obligation for and entitlement to Court-determined child maintenance end for divorced and separated parents and their children?**

**Please explain with reference to:**

- **child's age/education level**
- **marriage/cohabitation of child**
- **any other characteristics of child**
- **cohabitation/remarriage of parent with care**
- **cohabitation/remarriage of non-resident parent**
- **any other characteristics of either parent.**

In all cases the obligation for and entitlement to child maintenance end when the child turn 18. The only exception concern school allowance. That relates to cases where the child is studying in gymnasium or an other institute when he or she turns 18. In that case it may be deemed reasonable that the NRP pays a separate school allowance. The process to reach an agreement on school allowance is the same as for maintenance.

#### 3.4.4 These questions deal with revisions to the amount due.

**A. Does the Court do an automatic adjustment of existing obligations? If so, what adjustment mechanism is used? (An example would be updating annually to take account of inflation.)**

The maintenance payments (as well as guaranteed maintenance's) are tied to the cost-of-living index, and a change of five per cent in the cost-of-living index automatically trigger off a rise in the maintenance payments. Maintenance payments are automatically updated also when the child pass a particular age-limit, e.g. a child turn 8 The increase applies to all maintenance payments.

**B. If there is not an automatic adjustment, is there a regular review? How often? What criteria are used to determine if the obligation should be changed?**

There is no regular review.

**Can all parents (parents with care and non-resident parents) request an adjustment? If not, are there any types of parents who can? What factors are considered in whether an adjustment is made?**

All parents can request an adjustment. The PWC could ask for review where the child's needs prove greater than expected, e.g. due to illness or handicap. The NRP may ask for review as a result of e.g. unemployment, depth problem or that the child is spending more time with him or her.

According to the recently issued guidelines the criteria to grant an adjustment requires that maintenance payment calculated with most recent information would differ at least 15 per cent of the previously confirmed amount. Adjustment may also be granted if that is reasonable to both liable parent and the child with regard to current circumstances.

### 3.5 AGENCY DETERMINATION OF CHILD MAINTENANCE

*This section seeks detailed information about child maintenance determined by agencies or organisations other than the Court. In some countries there are no such agencies involved in the determination of child maintenance liabilities and entitlements, because such matters are handled solely by the Court. If this applies to your country, please go straight on to Question 3.7.1. If agencies are involved, please provide copies of formulae, standards, schedules, tables or guidelines as appropriate in addition to answering the questions below. If the agency uses discretion to address any of the questions below, please discuss the criteria that are typically taken into account. As you answer questions in this section, please remember that we are interested in three groups of parents (separated married parents, separated cohabitees, and parents who have never lived together).*

The rules outlined above apply to both courts and municipal Social Welfare Boards. Both bodies apply same statures of Maintenance Act (and are expected to follow the recently issued guidelines). Therefore the following section is left blank.

**3.5.1 Please explain how lawyers, agencies or organisations are involved in mediating, supporting or helping parents involved in Agency decisions about regular child maintenance. Does this differ for separated married parents, separated cohabitees, and parents who have never lived together?**

**3.5.2 How would you describe the main method of Agency determination of the amount of maintenance on the following continuum:**

\_\_\_ Full discretion

- Mostly discretion, but with informal guidelines
- Formal guidelines
- Rules/rigid formulae

If more than one method is used, please describe the circumstances that could lead to different methods.

Please report any differences between separated married parents, separated cohabiters, and parents who have not lived together.

**3.5.3 Is there a minimum amount of maintenance required?**

- No
- Yes. How much? What are the circumstances in which it is used?

If there is a maximum, please also provide information on its level and the circumstances in which it is used.

**3.5.4 These questions deal with how the Agency takes account of the non-resident parent's resources in determining whether there is a child maintenance obligation and its amount.**

**A. How much of the non-resident parent's earnings are considered?**

- All
- Some (explain)
- None (go to 3.3.4 C)

**B. If some or all of the non-resident parents earnings are considered, is this based on gross or net earnings?**

- Gross
- Net (What is deducted?)

**C. Are other sources of income (for example, benefit income, asset income, etc.) of the non-resident parent considered?**

- All ignored
- All considered
- Some ignored, some considered. Which ones?

**D. Are the non-resident parent's basic living expenses taken into account?**

- No
- Only in certain circumstances. Please describe the circumstances in which this would occur and the way in which it affects the obligation.
- Yes. Please describe the way in which it affects the obligation.

**E. Are the non-resident parent's other personal expenses considered? (For example, work expenses, sickness/health expenses). In what type of circumstances? Are debts considered?**

How?

Are any allowances made for expenses involved in maintaining a relationship with the child? (For example, consider transportation, housing, etc.) How are these expenses considered?

**3.5.5** The following questions deal with how the Agency takes account of the non-resident parent's family relationships in determining whether there is an obligation and its amount.

- A. Is the obligation affected by whether the non-resident parent has a new partner with whom he lives? How does it affect the obligation? Do a new partner's resources (income) matter? How? Does a new partner's own child (the non-resident parent's stepchild) matter to the obligation? How?
- B. Is the obligation affected by whether the non-resident parent had prior children? In what way?
- C. Is the obligation to the children affected by whether the non-resident parent has a new child that he lives with? In what way?
- D. Is the obligation to the children affected by whether the non-resident parent has a new child that he does not live with? In what way?

**3.5.6** These questions deal with how the Agency takes account of the parent with care's resources in determining whether there is an obligation and its amount.

- A. How much of the parent with care's earnings are considered?
  - All
  - Some (explain)
  - None (go to 3.5.6 C)
- B. If some or all of the parent with care's earnings are considered, is this based on gross or net earnings?
  - Gross
  - Net (What is deducted?)
- C. Are other sources of income (for example, benefit income, asset income, etc.) of the parent with care considered?
  - All ignored
  - All considered
  - Some ignored, some considered. Which ones?
- D. Are the parent with care's basic living expenses taken into account?
  - No
  - Only in certain circumstances. Please describe the circumstances in which this would occur and the way in which it affects the obligation.
  - Yes. Please describe the way in which it affects the obligation.
- E. Are the parent with care's other personal expenses considered? (For example, work expenses, sickness/health expenses). In what type of circumstances? Are debts considered? How?

**3.5.7** These questions deal with how the Agency takes account of the parent with care's family relationships in determining whether there is an obligation and its amount.

- A. Is the obligation affected by whether the parent with care has a new partner? How is the obligation affected? Do a new partner's resources (income) matter? How? Does a new partner's own child (the parent with care's stepchild) matter to the obligation? How?
- B. Is the obligation affected by whether the parent with care had children prior to this relationship? In what way?
- C. Is the obligation affected by whether the parent with care has a new child that she lives with? In what way?

**3.5.8** These questions deal with how the Agency takes into account the amount of time the non-resident parent spends with the child in determining whether there is an obligation and its amount.

- A. If a child will spend approximately equal time living with each parent, how would this affect the maintenance obligation?
- B. If a child will not spend equal time living with each parent, would the amount of time spent with the non-resident parent affect whether there is an obligation and its amount? How?

**3.5.9** These questions deal with the way the obligation relates to characteristics of the child/children and special expenses for them in determining whether there is an obligation and its amount.

- A. Does the child's age affect the amount of obligation? If yes, what are the age groups? Do obligations increase or decrease with age?
- B. Does the number of children affect the amount of obligation? How?
- C. Is there a minimum desirable amount set per child?
- D. What other characteristics of the child/children can affect the amount? (An example may be a child with a disability).
- E. What expenses for children can affect the amount of the obligation? (For example, child care expenses, school expenses, special health expenses, etc.)

**3.5.10** These questions deal with the way the obligation is related to other financial circumstances of the parents. (Please note that we are only interested in these issues as they relate to child maintenance.)

- A. Please explain how the Agency treats owner-occupied housing owned by parents, and other assets, such as land and vehicles, in making decisions about regular child maintenance.
- B. Please explain how the Agency treats other financial transactions and settlements that may be made in making decisions about regular child maintenance. We include here:
  - lump sum payments
  - previous voluntary child maintenance payments
  - spouse maintenance (alimony) or other financial transfers to ex-partners
  - transfer of pension rights.

### **3.6 PROBLEMS AND REVISIONS FOR AGENCY DETERMINATIONS**

**3.6.1 Please discuss any problems that arise in gathering information necessary for the Agency to determine maintenance, and how such problems are dealt with.**

**3.6.2 Approximately how long does it usually take for the Agency to make the financial decisions about child maintenance?**

**3.6.3 Please explain any circumstances in which Agency-determined child maintenance obligations are overridden by other legal requirements.**

**3.6.4 When does liability for and entitlement to Agency-determined child maintenance end for divorced and separated parents and their children?**

**Please explain with reference to:**

- child's age/education level**
- marriage/cohabitation of child**
- any other characteristics of child**
- cohabitation/remarriage of parent with care**
- cohabitation/remarriage of non-resident parent**
- any other characteristics of either parent.**

**3.6.5 These questions deal with revisions to the amount due.**

- A. Does the Agency do an automatic adjustment of existing obligations? If so, what adjustment mechanism is used? (An example would be updating annually to take account of inflation.)**
- B. If there is not an automatic adjustment, is there a regular review? How often? What criteria are used to determine if the obligation should be changed?**
- C. Can all parents (parents with care and non-resident parents) request an adjustment? If not, are there any types of parents who can? What factors are considered in whether an adjustment is made?**

*This ends the sections of the questionnaire that have detailed questions on the way maintenance amounts are determined in voluntary, Court-based, and agency-based arrangements. The final section of this part asks broader questions.*

### **3.7 REVIEW AND SUMMARY**

**3.7.1 Please review all your answers in Part Three, "The Determination of Child Maintenance Due." Please summarize the key differences in the ways in which separated married parents, separated cohabitants, and parents who have never lived together are treated differently. What is the rationale for these differences in treatment?**

A key difference in the way that parents with different marital status are treated is that divorcing parents, as part of the divorce process, have to file a statement to the Court detailing what arrangements they are making for the care of children from the marriage – including financial arrangements. The municipal Social Welfare Boards approve also arrangements made by separated cohabitants and parents who have never lived together. That is not necessary. However, if there is a problem with voluntary agreement, the agreement is reviewed and subsequently approved by Social Welfare Board or by the Court.

The major distinction in the Finnish child support regime is not so much between groups of parents with different marital status or with different child support decision making systems (i.e. voluntary; the Social Welfare Board, the Court) but within different regions of the country. The lack of nationally recognised formulae or guidelines has led the courts and the Social Welfare Boards to decide and approve arrangements which differ significantly from each others. In effect the place of residence may have an effect on maintenance.

The fundamental principle of the Finnish systems is that parents are responsible for child's need according to their ability. Different marital status does not have any effect on the consideration of child's needs or parents ability.

### **3.7.2 What are the perceived advantages associated with voluntary agreements about child maintenance, and by/for whom are these perceived? What are the perceived disadvantages and problems, and by/for whom?**

Advantages:

Voluntary agreements potentially represent a more consensual approach to negotiating child support for parents and children; relatively inexpensive; in theory there is more choice about payment arrangements (amounts, methods). As such more open to negotiating changes in circumstances. Special conditions may be taken into account more easily. May promote positive relationship between the NRP, the PWC and the child.

Disadvantages:

Such agreements are relatively precarious in terms of enforcement. However, most voluntary agreement are approved by officials. There is substantial variation in outcomes among parents in similar circumstances. Weaker parties may be taken advantage of. When given the opportunity the officials see that agreements are not unfair to either party.

### **3.7.3 What are the perceived advantages associated with Court-based agreements about child maintenance, and by/for whom are these perceived? What are the perceived disadvantages, and by/for whom?**

(Should bear in mind the new guidelines were issues in July 2006 and there is no information how they have been received by the municipal Social Welfare Boards or by the courts).

Advantages:

The agreement has legal standing and is enforceable.

Greater degree of discretion in that decisions can be made on a more individualised basis

Disadvantages

Greater degree of discretion in that decisions can be made on a more individualised basis, but system may generate inconsistent outcomes.

It is also relatively expensive to engage with the Court system and such a process is by its nature adversarial.

### **3.7.4 What are the perceived advantages associated with Agency-based agreements about child maintenance, and by/for whom are these perceived? What are the perceived disadvantages, and by/for whom?**

Advantages

It is argued that a standard formulae means that decisions will be consistent across similar cases.

Disadvantages

Too rigid formulae may lead NRP's into debt problems.

### **3.7.5 Please comment on the way that voluntary agreements, Court agreements and Agency agreements interact. What happens if later a voluntary agreement breaks down? Can the parent with care seek assistance from the Court or Agency? Would they recalculate the amount of the obligation?**

The basic principle is that parents make appointment with the Social Welfare Board to seek advice on maintenance arrangement. Once agreement is made that is confirmed either by the Board or the Court. When that happens the voluntary agreement cease to exist as "voluntary" agreement, i.e. the agreement is binding and enforceable. If cohabiting parents or parents who have never lived together choose not to

have a voluntary agreement approved by the municipal Social Welfare Board and such agreement later breaks down then they can apply to the municipal Social Welfare Board where the agreement is renegotiated and approved.

## **PART FOUR: COLLECTION, PAYMENT AND ENFORCEMENT OF CHILD MAINTENANCE**

*This part of the questionnaire is concerned with the way in which child maintenance monies are transferred from the non-resident parent to the parent with care and/or child. For some people, this may be achieved entirely by their own arrangements, including the direct transference of monies from non-resident parent to the parent with care, or arrangements through a bank. For others, transfer of monies may involve an intermediary (for example, a collecting agency), which has responsibility for receiving child maintenance from non-resident parents, and forwarding payments to parents with care/children. We seek information on collection and forwarding, non-payment, and guaranteed or advance payment schemes.*

### **4.1 DIRECT ARRANGEMENTS FOR COLLECTING MAINTENANCE**

#### **4.1.1 Under what circumstances may non-resident parents choose to pay child maintenance directly? We mean direct transfers of money from the non-resident parent to the parent with care or a private bank transaction.**

Parents who come to voluntary agreements would be free to transfer monies as they wished (applies also to PWC in receipt of a means tested social assistance benefit). Also those parents whose maintenance payments have been decided by the municipal Social Welfare Board or by court may pay child maintenance directly. The municipal Social Welfare Board intervenes only if payments are neglected.

#### **4.1.2 Are these direct payments monitored, and if so, how?**

Voluntary agreements are not monitored. However, payments are taken into account when granting social assistance.

#### **4.1.3 If direct payments are not made, can parents with care seek enforcement of payment? How? What steps would occur?**

The official recommendation is that child maintenance is due the first day of every month. The PWC can apply for guaranteed maintenance immediately if the non-resident parent does not meet the payment. The PWC's are entitled to guaranteed maintenance once application is filed. The applications are processed expeditiously. The officials encourage the parents to file application as early as possible by guaranteeing advance maintenance for only three months retrospectively (if application is filed in May, it is not possible to get guaranteed maintenance for last January even if the non-resident parent started to neglect payments already then or earlier).

Once application for guaranteed maintenance is filed with the municipal Social Welfare Board the officials contact the NRP and state that s/he must comply and give details of the level of arrears and when payments are due. Unless direct payments are re-established then payments will revert back to enforcement.

In addition, if for any reason the NRP is unhappy with the arrangement (for example, concerns that the PWC may falsely claim non-payment for example) then s/he is at liberty to contact the municipal Social Welfare Board.

#### **4.1.4 Please discuss the perceived advantages of direct payment arrangements, and the perceived problems.**

Key advantages can be summed up as follows:

- encourages greater financial responsibility
- reduces the administrative burden upon the municipal Social Welfare Boards
- overcomes potential administrative delays in getting maintenance payments through to the parent who is caring for the child.

### **4.2 MEDIATED ARRANGEMENTS FOR COLLECTING MAINTENANCE**

#### **4.2.1 Is there an organisation/agency that has primary responsibility for collecting and forwarding child maintenance? Which organisation? If this is a different organisation than the agency that assesses maintenance, please provide information on its functions.**

Yes, the municipal Social Welfare Boards, the same agency which deal with assessment and mediation of maintenance.

The PWC may also take the matter to local enforcement official who treat unpaid maintenance as unpaid tax, i.e. that is enforceable without judgement.

**4.2.2 Please provide information about the administrative and procedural arrangements for collecting and transferring maintenance. If you have more than one scheme, please deal with these separately. Please explain any difference in arrangements for different groups of parents (separated married parents, separated cohabitants and parents who have never lived together). Please explain any differences for whether the amount was set voluntarily, through a Court, or through an Agency.**

Enforcement procedure is not affected by marital status or by the origin of the obligation (voluntary arrangement, agreement confirmed by the municipal Social Welfare Board or decision by the court).

The municipal social offices make claims concerning not only maintenance payments but also guaranteed maintenance's. That means the municipality is paying along guaranteed maintenance the amount of maintenance payments exceeding guaranteed maintenance. The later amount is paid only if the municipality is able to collect the money from the non-resident parent.

**4.2.3 Please describe any types of circumstances in which payments are automatically withheld from wages (that is, prior to any problem with non-payment).**

No such procedure exists. However, that can be arranged privately e.g. through bank.

**In Section 4.4 below we ask for information on schemes that forward maintenance due in advance of collection. Other than these schemes, what is the usual timescale for delivering payments to parents with care/children?**

There is no general scheme that provides for child support to be passed on to a parent with care prior to it being collected. However, the set standard by the municipal Social Welfare Boards is that the maintenance payments are due first day every month..

**4.2.5 What are the perceived advantages of your collection and forwarding scheme(s), and what are the main problems?**

The collection and forwarding schemes are inseparable part of guaranteed maintenance scheme. The main advantages to the collection scheme is that it is reliable, regimented and fundamentally, the money is assigned quickly.

The main disadvantage of the system is that non-compliance rate is still high. Maintenance liabilities are causing some NRP's insurmountable debt problems which create pervert incentives. The NRP's have no incentive to earn income as most of it is eaten out by obligations which will never be fully met.

### 4.3 NON-COMPLIANCE

**4.3.1 For parents with mediated arrangements for collecting and transferring maintenance, we are interested in what happens when non-resident parents do not pay the amount due. Which of the following could happen?**

- Attachment of earnings
- Deductions from bank accounts/savings/pensions
- Deductions from benefits
- Recovery through tax
- Seizing and selling assets
- Driving licenses revoked
- Passport confiscation
- Criminal prosecution
- Imprisonment
- Interest charged on debt

Other (see below)

**4.3.2 Of the interventions marked in 4.3.1, which are most likely? Please comment on whether these typically occur in a particular sequence, that is, differentiate between any that are routinely used at the first instance of non-payment and those only used for persistent non-payment. Finally, please comment on the timing of collection interventions; how soon after non-payment would something happen? (If different types of cases have different steps or different timing, please explain.)**

Maintenance liability dept is collected as unpaid tax. That means no Liability Order (a Court imposed legal recognition of arrears owed) is needed. The unpaid maintenance is enforceable as such. Deduction from Earnings Orders (DEOs), deductions from tax returns and deduction from benefits are the most routinely used. Unpaid maintenance is collected by the municipality through same methods as unpaid tax. If the liable parent has assets, foreclosure may take place.

Sequence is as follows: Deduction from Earnings Order or deduction from benefits – depending on whether or not the non-resident parent is in employment. If the non-resident parent owns a property that can be put on forced sale.

**4.3.3 When parents with care and their children do not receive the child maintenance due to them as a result of non-compliance by non-resident parents, what steps could the parent with care take? Who would they complain to? What happens when a complaint is made? (Arrangements by which child maintenance due (or some part of it) is guaranteed by the state are covered in the next section, so do not need to be covered here.)**

See next section.

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#### **4.4 GUARANTEED MAINTENANCE PROGRAMS**

**4.4.1 We are specially interested in schemes which forward maintenance due to the parent with care/child in advance of collection from the non-resident parent, thus guaranteeing that something is received. (We do not include here general social assistance programs available to all low-income parents.) Does your country have such a guaranteed maintenance program?**

Yes (continue)

No (go to Part Five)

**4.4.2 Please describe eligibility for the guaranteed maintenance program. For example, are all parents with care eligible, or only those in which non-payment has occurred? Is there an income test? Is this available only for those with certain court or agency agreements, or can those with voluntary agreements also participate?**

Guaranteed maintenance is paid in case:

- maintenance payments are not met with by the NRP's (1), or
- there is no NRP (2) or
- the level of maintenance payments is low (3).

The purpose of guaranteed maintenance is to compensate for or supplement the parental maintenance to which the child was otherwise entitled and to guarantee a minimum level of support to the PWC. Guaranteed maintenance is paid by the municipalities. The term "guaranteed maintenance" describe the Finnish scheme better than the term "advance maintenance". The scheme does not "advance" maintenance. Payments from the scheme are neither tied with collections from the NRP, nor are they of the same amount as confirmed maintenance.

If the parental maintenance paid is less than the guaranteed maintenance level, the difference may be paid as an allowance (if the maintenance is reduced as a result of the NRP keeping contact with the child, there is no need for supplemental guaranteed maintenance). Guaranteed maintenance is paid until the child turn 18. The benefit is means-tested: if the level of parental maintenance payments is sufficiently high and is paid regularly, no guaranteed maintenance is paid. However, the benefit is not means-tested against the incomes of the PWC. That emphasise that principle that guaranteed maintenance is a benefit for the child not for the PWC.

The scheme applies to all parents regardless of the origin of the maintenance obligation or marital status. However, if the voluntary agreement is not approved by the court or by the municipal Social Welfare Board, the agreement has to be reviewed and approved. The benefit does not apply to single parents only, for guaranteed maintenance may be paid to a parent who remarried or was cohabiting with a new partner. That stress the fundamental nature of child maintenance as income for the child not for the mother.

**4.4.3 Please describe the amount guaranteed. Is this a proportion of the amount owed or a flat amount? Is there a minimum or a maximum? Does the amount vary across parents? Is the amount ever adjusted (for inflation or for changes in individual situations)? Under what circumstances is it adjusted?**

The current level of guaranteed maintenance is 118,15 euros or 80 pounds a month for each child. The guaranteed maintenance is tied to the cost-of-living index, and a change of five per cent in the cost-of-living index automatically trigger off a rise in the guaranteed maintenance. The same systems on adjustment apply to confirmed maintenance's.

The guaranteed maintenance may be determined below the level of full amount. That relates to cases where confirmed maintenance is below the level of guaranteed maintenance or where the NRP is not able to meet the full obligation.

It is possible for the municipality to terminate the payment of guaranteed maintenance's if it is obvious that the child's right to sufficient maintenance is guaranteed without this benefit, or in cases where the mother refused to have paternity determined. These cases are rare.

Most of the children receive full amount of guaranteed maintenance (percentage around 78,1 in 2005). Guaranteed maintenance's were index-adjusted in 1990 by ten per cent, and in 1991, 1993 and 1995 by five per cent- During the second half of the decade, however, prices rose very slowly in Finland, and the index threshold triggering an automatic increase was not reached again until the beginning of 2000. Maintenance's were increased at the beginning of 2002. An increase is expected to take place next year.

Guaranteed maintenance is a tax-free benefit. However, guaranteed maintenance is calculated as income if the PWC is receiving social assistance. That means there is no income disregard in respect of guaranteed maintenance.

**4.4.4 We are interested in the interaction between the guaranteed maintenance program and other parts of your social benefits system. Is the guaranteed maintenance program intended to be an alternative to other benefits or is it intended to supplement them?**

The guaranteed maintenance program stands alone. The purpose of the program is to provide for the child. The program also reduces need for social assistance.

**4.4.5 Please describe the administration of the program. Who administers it? Who is responsible for recovery of the amounts forwarded?**

The program is administered by the municipal Social Welfare Boards. The NRP's are legally responsible to pay back the guaranteed maintenance. The municipalities collect the money from the NRP's. Once guaranteed maintenance is issued the officials contact the non-resident parent if he or she has any complaints against the order to pay maintenance. The PWC may also take the matter to court.

The municipal social offices make claims concerning not only guaranteed maintenance but also maintenance payments. That means the municipality is paying along guaranteed maintenance the amount of maintenance payments exceeding guaranteed maintenance. The later amount is paid only if the municipality is able to collect the money from the NRP. In 2005 some 12,3 per cent of all maintenance payments recovered from non-resident parents was spent on maintenance payments and some 87,6 per cent of guaranteed maintenance.

The liability is, however, limited to the amount of agreed maintenance, i.e. if maintenance is determined below the level of guaranteed maintenance, the liability does not exceed the level of maintenance.

While maintenance is collected from the NRP's, his or her ability to pay to municipality is not reassessed. The obligation is the full amount of confirmed maintenance. However, it is possible for the NRP's to file an application for exemption from maintenance in compensation for maintenance payment debt. That applies to cases where the liable parent has serious debt problems. The number of such application is

reasonably high (10 543 in 2005). The share of accepted applications of the number of all the NRP's in the system varied between 13,2-20,4 over from 2000 to 2005 (the share of accepted applications was from 90,8 to 94,3).

The municipal Social Welfare Boards may also claim back guaranteed maintenance from the PWC if that was paid on false grounds. That relates e.g. to cases the PWC has withheld information from the Social Welfare Board (1858 cases in 2005).

#### **4.4.6 What are the perceived advantage and disadvantages of the scheme?**

Advantages:

- + Guaranteed payment of minimum level of maintenance
- + Practically no delays in maintenance payments
- + Relatively simple assessment of maintenance
- + Non-resident parents contribute according to their ability

Disadvantages

- Poor incentives for the NRP to pay without the intervention of the Social Welfare Board
- Difficulties to determine a fair level of maintenance in the first place, incomes fluctuate and parent are not able to assess the needs of their children in the long run
- Some municipalities determine too high maintenance payment for social insurance recipients which led to accumulated maintenance payment debt
- The system does not encourage arrangements where the child lives alternately with each of the parents (although municipalities may use discretion to support such arrangements)

## **PART FIVE: FINANCIAL INTERACTIONS**

*This part of the questionnaire is concerned with the interactions between child maintenance amounts and other policies in your country.*

### **5.1 TREATMENT OF MAINTENANCE RECEIVED**

**5.1.1 Do child maintenance payments received by the parent with care/child count as taxable income, for purposes of both central and local taxation? How? If, in your child maintenance regime, child maintenance is in the child's name (rather than the name of the parent with care), please explain how this income is dealt with for tax purposes. Does it matter if child maintenance was agreed on a voluntary basis, or determined by the Courts or Agency? How? Please also explain any differences in tax treatments which depend on the current marital status of the parent with care (whether married to a new partner or not).**

Child maintenance payments received do not count as taxable income in either Income Tax (central taxation) or Municipal Tax (local taxation). This applies regardless of whether the maintenance is paid to the child or to the PWC. It also makes no difference whether the child maintenance is paid under legal or less formal arrangements, or whether or not the child's parents are or have been married.

**5.1.2 Do child maintenance payments received affect any social benefits of the parent with care and/or child? How? If maintenance counts as assessable income for purposes of social assistance, please explain any disregards that operate. Also, if some portion of child maintenance is retained by the government and not sent to the parent with care, please explain this as well.**

Maintenance payments are regarded as income while granting means-tested social benefits, where means-testing is on household level. These social benefits include housing allowance and social assistance. There is no disregard of maintenance payments in social assistance or in housing allowance.

**5.1.3 Do child maintenance payments received affect any tax benefit for the parent with care and child? Do they affect any other formal financial liability or entitlement for the parent with care and child?**

Not applicable.

## 5.2 TREATMENT OF MAINTENANCE PAID

**5.2.1 How does child maintenance paid interact with the tax system, in both central and local tax regimes? Can the amount paid be deducted from income, thereby lowering tax liabilities? Does the amount paid affect any tax benefits for the non-resident parent? If there are different tax treatments according to whether the child maintenance is agreed on a voluntary basis, or determined by the Courts or Agency, please explain this. Explain any differences in tax treatments which depend on the non-resident parents' current marital status (whether married to a new partner or not).**

A certain portion of the paid maintenance can be deducted from income in Income Tax (central taxation) (in 2006 80 euros/child). The deduction is not related to previous or current marital status. It is based on paid maintenance only. Finland abolished almost all family policy deductions (child-care deduction, child deduction and single-parent deduction) in connection with the so-called family support reform in 1994. The only remaining deduction was deduction for paid maintenance. Keeping the deduction for maintenance liability unchanged was justified on the grounds that it motivates the maintenance payments.

**5.2.2 Does child maintenance paid (or not paid) affect any social benefits of the non-resident parent?**

It is calculated as an expense in granting social assistance (social officials will assess at this point whether the level of maintenance is reasonable or not).

**Does child maintenance paid (or not paid) affect any other formal financial liability or entitlement of the non-resident parent?**

Not that I am aware of.

## **PART SIX: COSTS AND QUANTITATIVE DATA ON OUTCOMES**

*The first section focuses on costs of the child maintenance regime, beginning with governmental costs of any targeted child maintenance agency (if any). We then also ask you to estimate, if possible, costs for court and agencies that may deal with assessment and enforcement. The final section asks for quantitative data on outcomes that are available in your country.*

### **6.1 COSTS OF THE CHILD MAINTENANCE REGIME**

**6.1.1 If your country has an agency (or more than one agency) that is primarily responsible for assessing, collecting or enforcing child maintenance, what are its administrative costs? If possible, identify any categories of costs, either by function (costs of assessment versus enforcement) or for different types of cases. Please provide information about the types of costs included and not included (for example, whether these costs are net of any fees or any amounts retained by the government). Finally, if the amount of maintenance collected per unit of administrative cost is available in your country, please provide this information here.**

There is no information available on administrative cost of the child maintenance regime. Each municipality has its own Social Welfare Board which has a number of functions besides maintenance. It is impossible to distinguish the administrative costs of maintenance administration.

In 2005, the municipalities paid 136,3 million euros as guaranteed maintenance payments (93,6 million euros as recompensable maintenance and 45,7 euros non-recompensable maintenance) while they were able to collect from liable parents 68,9 million euros (60,4 million euros were used to recompensate guaranteed maintenance payments, 8,5 million euros were forwarded as maintenance payments). The net costs of guaranteed maintenance was thus 78,9 million euros.

The municipalities are not allowed to charge any fees from liable parents for collecting maintenance or forwarding maintenance payments.

**6.1.2 If your country has any child maintenance functions within the courts, please provide, if possible, estimates of the administrative costs associated with assessing, collecting or enforcing child maintenance. Note that we are interested only in the portion of court costs directly related to the assessment, collection and enforcement of child maintenance, not to divorce or separation in general.**

A minor percentage of child support issues is dealt with through court proceedings. There is no information available on average cost of child support case in the court.

**6.1.3 If your country has any child maintenance functions within an agency other than an agency primarily responsible for child maintenance, please provide, if possible, estimates of the administrative costs associated with these functions. Again, note that we are interested only in the portion of costs directly related to child maintenance, not to other benefits due to all children or even all low-income children.**

Not applicable.

**6.1.4 If your country has an advanced or guaranteed maintenance programme, please provide any details of costs that are available. If possible, differentiate between administrative costs and monies paid to parents with care that are not reimbursed.**

See 6.1.1.

**6.1.5 Please list any financial costs to parents that are associated with assessing, collecting, or enforcing child maintenance (for both parents with care and non-resident parents). For example, there may be legal fees associated with enforcement, fees for a mediator who assists with voluntary arrangements, fees charged to non-resident parents for forwarding child maintenance to the parent with care, or interest charged to non-resident parents who are behind in their payments. (We do not intend for you to include financial debt that parents with care incur because of non-payment.)**

The municipal Social Welfare Boards do not charge fees. The legal fees that parents are charged when settling child maintenance will vary depending on the legal representation that they choose to engage. As these fees are highly variable they cannot be assessed because individual fees are between the solicitor and their client.

On the question of interest for late payments, the legislative power exists to levy penalties upon parents who make late payments. The same rules apply to unpaid maintenance and unpaid tax.

**6.1.6 Are there any programs that assist parents in meeting any of these costs? Please provide a short overview of these programs and any estimates of the costs of these programs.**

Legal aid is a general form of financial assistance offered to those who need assistance in paying their legal fees. It is subject to both merit and means testing. The amount of legal aid will depend on the individual case.

**6.2 QUANTITATIVE DATA ON CHILD MAINTENANCE**

*In this section, please provide information on child maintenance outcomes. (Note that we will be conducting analyses of the Luxembourg Income Study, so you do not need to report these here.) We are interested in information collected by the government as part of the administrative records of courts or agencies, information that comes from household surveys that include questions on child maintenance, and information that comes from any other source. Please provide information from all sources that are available.*

**6.2.1 Please provide the percentage of parents with care who have child maintenance agreements. Of those that have agreements, what percentage of parents have voluntary agreements; what percentage have court agreements, and what percentage have agency agreements? If you can provide these answers separately for separated married parents, separated cohabitants, and parents who have never lived together, please do so.**

The data source on qualitative information about maintenance is a yearly publication *Lapsen elatus ja huolto* (Child Maintenance and Custody) which is published by Stakes (National Research and Development Centre for Welfare and Health). The statistic is based on information supplied by the municipal Social Welfare Boards. Unfortunately the statistic is intended to serve the administration and does not contain enough information to analyse child maintenance regime.

No information on maintenance agreements decided or confirmed by the courts is available (there is an estimation that 90 percent of the cases are dealt with the municipal Social Welfare Boards and a couple of thousand with the courts). Therefore it is impossible to analyse maintenance with regard to all the PWC's and all the NRP's.

The municipal Social Welfare Boards do not provide information on the origin of the maintenance agreements (whether the confirmed maintenance is a result of a voluntary agreement or a result of decision by the Board).

The major problem with the statistic is that information on maintenance agreements confirmed by the Social Welfare Boards is not linked with information on payments. Therefore there is no information e.g. on the proportion of the NRP's who meet with the obligation.

**6.2.2 What is known about the main reasons a parent with care would not have an agreement?**

There is no information available on the subject.

**6.2.3 Please provide whatever information is available on amounts paid by non-resident parents, including the proportion paying anything, the proportion paying the full amount due, and the proportion paying part of the amount due.**

Hardly any such information is available.

In 2005 municipal Social Welfare Boards confirmed 33 233 agreements on maintenance. The confirmed maintenance was below 67,28 euros in 23 per cent of cases, between 67,28 and 100,91 euros in 9,8 per cent of cases, between 100,91 and 134,55 euros in 33,5 per cent of cases, between 134,55 and 168,19 euros in 10,4 per cent of cases, between 168,19 euros and 235,46 euros in 9,0 per cent of cases, between 235,46 and 302,73 euros in 2,5 per cent of cases and above 302,73 euros in 0,6 per cent of cases (the awkward strange numbers are due to a conversion from Finnish Marks to euros in 2002).

In 2005 guaranteed maintenance was paid for 102 743 children, i.e. 9,5 per cent of all the children in Finland. The only available information concern the unpaid maintenance payment debt. The total accumulated debt in Dec 31, 2005 was 267,8 million euros (243,4 million euros to be paid for the

municipality as compensation for guaranteed maintenance, 24,4 million euros to be paid for children as maintenance payments). That is on average 3 700 euros/liable parent.

**6.2.4 What is known about the characteristics of the non-resident parents who are not making payments or who are paying only a portion of the amount due? What is known about reasons for non-payment?**

Very little data exists on the reasons why non-resident parents do not make payments or full payments or on their characteristics. The municipal Social Welfare Boards does not collect data on the reasons why parents do not pay maintenance. In the discussion on maintenance the following explanations have been given: unemployment, debt problems, young parents, no formal agreements, the NRP born outside Finland (there were 4 315 liable parent living abroad with 23,7 million euros of unpaid maintenance, municipalities were able to recover only around million euros from abroad), very bad relationship with the PWC, lost court case on custody, confirmed maintenance deemed unreasonable, no contact or very little contact with the child.

**6.2.5 Is there data available on the proportion of cases in which children spend roughly equal time with both parents? What is known about the types of cases that have this type of arrangement?**

No such information is available.

**6.2.6 Consider parents with care who have an agreement in which child maintenance is to be paid. In what proportion are payments to be made directly (that is, directly from the non-resident parent to the parent with care, rather than through a collecting agency)?**

No such information is available. The number of liable parents is known, i.e. number of those parents who have neglected the payments and are subject to enforcement actions by municipalities. The problem is that there is no information on the number of parents who meet with their obligation.

**Please provide references to any sources you consulted for this part of the questionnaire.**

Lapsen elatus ja huolto 2005 (Child Maintenance and Custody 2005). Stakes: Helsinki, 2006.

## **PART SEVEN: THE OVERALL CONTEXT**

*In this section we examine two topics: current topics of debate and research, and your own evaluation of how well the regime works along several dimensions.*

### **7.1 TOPICS OF DEBATE AND RESEARCH**

**Consider the following potential topics of research - on which of these topics has there been research? What are the main conclusions of this research?**

**the impact of your child maintenance regime on relationships between the parents, and relationships of the parents with their children**

There has been very little research on child maintenance. The review of published results on maintenance proved meagre results. The only studies of the subject concerned legal aspects.

**the impact of your child maintenance regime on 'new' relationships or marriages, or stepchildren**

There has been even less interest in this topic.

**the impact of child maintenance on the labour market behaviour of parents with care**

No published research. The single parent in the Finnish labour market engaged in labour market even if they would receive higher income by relying to benefits only (Forssén & Hakovirta 1998).

**the impact of child maintenance on the labour market behaviour of non-resident parents**

No published research.

**(if there is a guaranteed maintenance program) the effect of guaranteed maintenance on non-resident parents payment of child maintenance**

The yearly publication *Lapsen elatus ja huolto* (Child Maintenance and Custody) which is published by Stakes (National Research and Development Centre for Welfare and Health) give follow-up information on guaranteed maintenance. The number of children receiving maintenance support has decreased since 2001. The divorce rate has decreased, which mean that fewer children are entering the maintenance support system. It is also becoming more common that parent agrees on joint custody of the child where the child lives alternately with each of the parents. The general income level has increased as a result of favourable economic conditions. A growing number of non-resident parents have the means to pay maintenance.

**(if some or all child maintenance is retained by the state for parents with care that receive means-tested benefits) the effect of this retention on non-resident parents payment of child maintenance?**

Not applicable.

**Are there any other main areas of research on child maintenance in your country?**

See below

**Please provide citations of what you view as the 2-5 most important pieces of published research.**

Forssén, K & Hakovirta, M. (1998): *Work Incentives in Single Parent Families*. Turku: University of Turku.

*Single Parent in the Nordic Countries* (2004). Copenhagen: Nordic Social-Statistical Committee.

**7.1.2 What are the current main topics of interest and debate about your child maintenance regime?**

A few topics of interest is currently under review:

The most important discussion concern the administrative framework of the guaranteed maintenance system. A high level government working group was established in 2005 to re-evaluate welfare proving functions of the state and the municipalities. During that process it was proposed that the social insurance agency (Kansaneläkelaitos, a national social security agency) could take over the functions of the municipal Social Welfare Boards in maintenance issues.

That would have been a logical step as social insurance agency already deals with housing allowance, parental benefit and cash child benefit among other. The proposed reform would have led Finland to follow the example of Sweden where guaranteed maintenance and related functions are administered by the social insurance agency (Försäkringskassa).

Finally, it was decided that at this stage there will be no change in the administrative framework. The reform was not implemented mainly because social assistance, which was also proposed to be removed to social insurance agency, remained under the municipal Social Welfare Boards.

Some minor topics are discussed as well:

How to increase conformity in decisions concerning child maintenance (with reference to the guidelines issued by the a working group at Ministry of Justice (see 1.3)).

How to prevent maintenance liabilities from not ruining financial situation and relationships of the NRP's.

How to adjust maintenance payment to fluctuating incomes (there is a high number of fixed term contracts as well as a high rate of unemployment in the Finnish labour market).

Should the index increase be triggered earlier than after 5 percentage points change? A proposal for such amendment was made in the parliament in the beginning of 2006 on the grounds that the current rate of inflation is low and that may unnecessarily delay adjustments.

### **7.1.3 Please describe any impending changes in legislation, or policy developments that are likely to affect your child maintenance regime in the coming five years.**

A guideline to determine maintenance was issued by a working group at Ministry of Justice (see 1.3) in June 2006. The officials may review how the guideline will be received.

### **What are the public's attitudes towards your child maintenance regime? Please refer to any evidence for your replies.**

The general attitude seems to be more or less positive towards child maintenance regime. The critic concern mostly details of the system. Maintenance decision are not considered unreasonable as such. The main critic by father's groups, however, is aimed at decisions concerning custody.

### **7.1.5 Please describe any organised opposition in your country to the determination and enforcement of child maintenance, and the issues of contention.**

There are some 'fathers rights' groups who have objected to decision making in child maintenance and custody issues. The main argument is that the municipal Social Welfare Board and the Court tend to give the children to the mother when custody is disputed. There is a lot of critic from the father's side that statements made by mothers are considered more reliable by social officials than statements by the fathers.

## **7.2 YOUR EVALUATION OF THE CHILD MAINTENANCE REGIME**

*This section provides several criteria that one might use to evaluate the child maintenance regime as a whole. We ask for your expert assessment of areas that your regime is working well and not working well.*

### **7.2.1 Please consider the following criteria that could be used to evaluate a child maintenance regime.**

- a. Maintenance is regularly provided to children and/or parents with care**
- b. Children who need (or desire) maintenance have a formal entitlement**

- c. Maintenance policies do not negatively influence relationships between children and their non-resident parents
- d. Those in similar circumstances are treated similarly
- e. Those who need more child maintenance, receive more
- f. Parents easily understand how amounts of maintenance are calculated
- g. Child maintenance obligations are determined promptly
- h. Parents with care feel the amount of maintenance is adequate
- i. Nonresident parents feel the amount of obligation is affordable given their costs of living
- j. The child maintenance regime is administered efficiently and effectively
- k. Non-compliance with maintenance obligations does not add a substantial amount to governmental costs

**Select one or two of these in which your assessment is that your regime is performing well. (If your assessment is that your regime works well on multiple criteria, please select the most important one or two.) In one paragraph, explain.**

Of the list above, the Finnish regime performs very well in the first criteria. Due to guaranteed maintenance scheme maintenance is regularly provided to the PWC's. The Finnish regime also guarantee that children who need maintenance have a formal entitlement

**7.2.2 Select one or two of the above criteria in which your assessment is that your regime is not performing well. (If your assessment is that your regime does not work well on multiple criteria, please select the most important one or two.) In one paragraph, explain.**

It is not working well on:

- D Those in similar circumstances are not always treated similarly. As the decision lies with local authorities the maintenance may be affected by the place of residence (proposed reform to remove maintenance issues from the municipal Social Welfare Boards to social security office could have fixed the problem. The recently introduced proposal for national guidelines by a working group at the Ministry of Justice may also improve the situation).
- E. Those who need more child maintenance do not always receive more. Guaranteed maintenance is a flat rate sum. Child poverty has increased dramatically in Finland, especially among single parent families. There is an urgent need to support children in single parent families.

**7.2.3 Is there another criteria (not listed) on which you think your regime does particularly well or is a particular problem? What? In one paragraph, explain.**

The Finnish system does not encourage arrangements where the child lives alternately with each of the parents (although municipalities may use discretion to support such arrangements).

*This concludes Parts 1-7 of the questionnaire. If you have additional comments, please write them here:*

**PART EIGHT: VIGNETTES**

*In these vignettes, we provide a basic situation and ask the likely outcome given the child maintenance policies in your country. We then vary a selected characteristic and ask whether the outcome would differ. We then ask you to report on what would happen if various circumstances changed over time.*

**8.1 BASE CASE 'A': MISS FIELD AND MR HILL**

<i>Miss Field is 25 years old and has never been married. She has a daughter, Susan, who is three years old. She lives with Susan in a small rented flat in the town centre. Miss Field has not had paid work since Susan was born, claiming the social benefits available to a person in her position.</i>
<i>Susan's father, Mr Hill, is 27 years old. He has a regular income from a part-time job. He lives locally and sees Miss Field and Susan quite often. He is fond of his daughter, and would like to help her out if he can.</i>
<i>Mr Hill is unemployed but sometimes takes temporary work. He bought baby clothes and equipment for Susan when she was born but he makes no regular financial contribution. He is unemployed but sometimes takes temporary work. He currently depends on the out-of-work social benefits available to a person in his position.</i>
<i>He rents a small flat. He has no other financial responsibilities. He has begun to talk recently about a serious effort to re-train, possibly in a field related to his previous work.</i>
<i>Miss Field knows he has very little money. However, she feels that, in view of Mr Hill's interest in re-training, that he will be able to earn more in the future, she thinks it might be sensible to make a formal arrangement for child maintenance.</i>

The following answers are based on proposal for guidelines issued by the a working group at the Ministry of Justice in June 2006. As noted above these are informal guidelines which do not bind the municipal Social Welfare Boards or the courts. If they use discretion, the outcomes can be different from what is given below.

**8.1.1 Please discuss the process by which decisions about child maintenance would be made in this type of case. First, explain whether Miss Field has a free choice in deciding to seek a formal arrangement.**

**A. If she has free choice, please describe the options available to her in establishing a formal child maintenance arrangement. Which of these options would be most likely? What is the likely time-scale for a decision being reached if she decides to go forward?**

Miss Field does not have an entirely free choice over whether to seek child maintenance or not.

**B. If she does not have free choice, please describe what happens, explaining the likely procedures and time-scale for a decision on child maintenance being reached.**

Once Miss Field applies for social assistance a formal agreement on maintenance is negotiated with and approved by the Social Welfare Board. That would take a couple of weeks.

As both Miss Field and Mr Hill have hardly any income the amount of maintenance payment would be confirmed as "nil" or just above that level (depending on Mr Hill's income).

According to recently issued guidelines Mr. Hill's irregular income from the previous year would be put together and the sum would be divided by 12). Mr Hill's reasonable housing costs together with a basic amount of 500/month would be deducted from income. If confirmed maintenance payment is above zero, Mr. Hill is liable to pay that amount to Miss Field the first day of every month. The municipality will pay the difference between the level of

guaranteed maintenance and the confirmed maintenance for Miss Field as supplement to guaranteed maintenance. If Mr. Hill will neglect the confirmed maintenance payment or if no payment is confirmed, the municipality will pay the full amount of guaranteed maintenance to Miss Field.

In any case the full amount of guaranteed maintenance is deducted from Miss Field's social assistance.

**Discuss the criteria considered in reaching decisions, referring to the information you have already provided in the questionnaire about guidelines or discretion.**

In this case, there would be little room for discretion. Discretion exists in making a judgement about the level of maintenance payment, whether it should be a "nil" agreement or a small amount of maintenance.

**In your account please explain what further information might be needed to determine the obligation level, and how this would be collected.**

Both Miss Field and Mr Hill would be required to provide details of their income and of any children living with them or if they have maintenance liability.

**Please indicate what kind of problems might arise in setting an obligation, and how these might be tackled.**

There is a problem if Mr Hill is trying to avoid employment or quitting a job to escape maintenance payments. In that case it is possible to estimate how much Mr would have earned if he would be in employment or if he would have kept his job.

The liable parent is not always allowed to participate in training. There must be an accepted purpose in the training, e.g. long term unemployed parent is retraining for a new profession or the parent is enhancing his or her professional skills and earning possibilities.

**8.1.2 Please discuss the outcome in terms of whether there would be a formal child maintenance obligation, and if so, the amount that would be awarded. (Please provide the amount in your own currency.) It may be necessary to introduce quantitative information or new facts into your account. For example, you may need to introduce amounts of money, for rent or living expenses, in order to demonstrate the use of standard guidelines. Please use those amounts that would be typical in your country, and explain the basis for these decisions.**

Let's assume that Miss Field is without income (social assistance is not calculated as income while assessing ability to pay maintenance) and her housing expenses (in the following "rent") are 100 euros/month (after housing allowance). Single parent's supplement to cash child benefit for is 36,6 euros/month and that is calculated as Miss Field's income. Miss Field's basic deduction for living expenses is 500 euros and deduction for housing expenses is 77 euros (100-23 as Susan's share). Once these amount are deducted Miss Field has no ability to pay.

(N.B. The role of social assistance in this context is disputable. The guidelines state that social assistance as temporary assistance is not calculated as income. The actual situation for most of the single parents is that social assistance is not used as a temporary relief, it is rather a permanent part of their income package).

Let's also assume that Mr Hill's net income (including social benefits) is 1050 euros a month, his rent is 400 and the basic deduction for living expenses is 500 euros and deduction for expenses from and to work is 100 euros. That would leave Mr Hill with an ability to pay 50 euros (assuming that he has no other maintenance liabilities, children living with him, no special medical expenses, no study loan expenses or expenses relating to keeping contact with the child above 100 euros).

According to guidelines Susan's basic needs are 250 euros/month (child between 0-6 years). The amount of cash child allowance, 100 euros, is deducted. Let's assume that there are no special needs (day-care expenses, medical expenses, particular hobbies etc.). Susan's share of housing costs is 23 percent, i.e. 23 euros. Susan's needs amount altogether to  $250+23-100=173$  euros.

Maintenance obligation is calculated as follows: Susan's needs \* (Mr Hill's ability to pay/Mr Hill's and Miss Fields ability to pay) =  $173 * ((50/(50+0))=173$  euros. However, the formal child maintenance obligation cannot exceed ability to pay. Therefore the municipal Social Welfare Board would determine

Mr Hill's maintenance payment as 50 euros per month. Ms. Field would get 68 euros as supplement to guaranteed maintenance (guaranteed maintenance payment is 118 euros/month,  $118-50=68$ ).

**8.1.3 If an obligation for child maintenance is set, please describe how monies be collected from Mr Hill? How would the money be transferred to Miss Field or Susan (if at all)?**

Mr Hill would pay the confirmed amount directly to Miss Field's account.

**8.1.4 If Mr Hill does not pay, what would happen?**

Miss Field would contact the municipal Social Welfare Board and apply for guaranteed maintenance. The municipal Social Welfare Board would contact Mr Hill and subsequently employ enforcement measures.

**8.2 BASE CASE 'A', VARIANT 1: MR HILL HAS REGULAR EMPLOYMENT**

*We would like to understand how the outcomes would change if one of the circumstances in this case were slightly different (Variant 1).*

*The situation is exactly the same as Base Case A except that at the time Miss Field pursues maintenance, Mr Hill has completed his training course, and just gotten a job at which he earns 75% of median full-time male*

**8.2.1 Would the maintenance obligation differ from what you reported in 8.1.2? Please explain.**

Yes the obligation would be increased. Mr Hill would approximately earn 1350 instead of 1050 after taxes. Assuming that all the other items remain unchanged Mr. Hill's ability to pay would be increased from 50 euros to 350 euros, and maintenance payment would be set by the following formula  $=173 * ((350 / (350 + 0)) = 173$  euros. If Mr Hill will pay that amount regularly, Miss Field would not any longer receive guaranteed maintenance.

**8.2.2 Would any other outcomes likely differ? Please explain.**

If Mr Hill pay maintenance regularly, Miss Field is likely to receive slightly less as social assistance..

**8.3 BASE CASE 'A', CHANGE IN CIRCUMSTANCES 1: MR HILL FINDS EMPLOYMENT THREE YEARS LATER**

*We now explore how your system would deal with a change in Mr Hill's circumstances. Return to the base case (Mr Hill is currently unemployed but is considering training), and assume the maintenance obligation has been set as you have described in 8.1.2.*

*Three years later, Mr Hill completes the training course, and accepts a job at which he earns 75% of earnings. Miss Field feels the maintenance amount should be increased.*

**8.3.1 Please explain the options and procedures for adjustment to the previous child maintenance arrangement. Is it likely the maintenance obligation would change? To what? Please explain.**

See 8.2.1.

**8.3.2 Would any other outcomes likely differ? Please explain.**

See 8.2.2.

#### 8.4 BASE CASE 'A', CHANGE IN CIRCUMSTANCES 2: MISS FIELD FINDS EMPLOYMENT THREE YEARS LATER

*We now explore how your system would deal with a change in Miss Field's circumstances. Return to the base case (Mr Hill is currently unemployed but is considering training), and assume the maintenance obligation has been set as you have described in 8.1.2.*

*Three years later, Miss Field finds employment. She begins to work part-time and earns median full-time work. Mr. Hill feels his obligation should be reduced if not eliminated, now that she is working.*

##### **8.4.1 Please explain the options and procedures for adjustment to the previous child maintenance arrangement. Is it likely the maintenance obligation change? To what? Please explain.**

Let's assume that Miss Fields earns 700 euros after taxes. Her expenses for to and from work are 100 euros. The basic deduction for living expenses is 500 euros and deduction for housing costs 77 euros. Single parent's supplement to cash child benefit is calculated as Miss Field's income. That leaves Miss Fields with 59,6 euros ability to pay ( $700 - 100 - 500 - 77 + 36,6 = 136,6$ ). At the same time Susan's needs have increased as she is in part-time day-care. The day-care fee for a public day-care centre is 50 euros. The calculation is as follows:  $(173 + 50) * ((50 / (50 + 59,6)) = 102$  euros. Mr Hill's maintenance payment would not be changed. However, Miss Fields would no longer receive supplement to guaranteed maintenance.

(N.B. Due to earned income Miss Fields housing allowance might have decreased and housing cost might have increased. For the sake of simplicity we assume that Miss Fields housing costs after housing allowance remain unchanged.)

##### **8.4.2 Would any other circumstances likely differ? Please explain**

Miss Field is no longer receiving social assistance.

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## 8.5 BASE CASE 'B': MR AND MRS COAST

<i>Mrs Coast is about to start divorce proceedings after having been married for ten years. The couple have two children, Anne aged six years and John, aged nine years. Both children attend school. The children have remained in the rented accommodation they shared when they were together, while Mr Coast has moved to another town 100 km away where he rents a small flat. Mr Coast has a secure job, and earns one-third of the male full-time earnings. Mr Coast has a part-time job, earning median female part-time earnings. There are no child care expenses. Mr Coast collects both children every other weekend, and cares for them in his new home from Friday evening to Sunday morning. This involves a long journey by car (100km each way). While the children are in his home he has full financial responsibility. Mr Coast has bought stocks of clothes, bedding, equipment and toys, which he keeps at his home. Mrs Coast believes that Mr Coast should make significant child maintenance payments. She feels that most of the additional expenditure made by Mr Coast (on housing, clothes and toys) only benefits them when they are at his home. She finds she cannot meet her fuel costs. She welcomes the chance to formalise their financial situation, and believes it will be in her favour. Mr Coast points out his housing expenses, his need to run a car in order to share the care of his children, and the money he spends on their weekend stays. He does not want to be divorced, anyway, and he is bitter about what has happened. He wants to maintain relationships with his children, and is worried that a formal financial arrangement will be made in his favour. Financial difficulties.</i>
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### 8.5.1 Please discuss the process by which decisions about child maintenance would be made in this type of case. First, what are the options for formalising arrangements about child maintenance, under the circumstances described above. Explain the likely procedures and timescale for reaching a decision.

Before the couple go through the process of divorce they would be free to come to a voluntary arrangement about what Mr Coast pays before they (or she) start divorce proceedings. During the process of divorce, it is obligatory for the Coasts to file to the Court a 'statement of arrangement' for the children, detailing who they will live with; how much time they will spend with the non resident parent and the financial arrangements which will be made for them. At this point Mr and Mrs Coast may seek advice from the municipal Social Welfare Board together or separately.

The Court judge decides whether the overall arrangements made in respect of children are satisfactory and in accordance with the Act on Maintenance. If they are not, the couple can not proceed with the divorce. Also, if they cannot agree about the child maintenance obligation in the statement, then they will have to approach the municipal Social Welfare Board.

### Discuss the criteria considered in reaching decisions, referring to the information you have already provided in the questionnaire about guidelines or discretion.

There are two likely outcomes here. The first would be that the parents can reach an agreement about child maintenance with the support of the municipal Social Welfare Board (or with their lawyers), who would use the recently issued guideline in working out the obligation. The guideline would not necessarily be rigidly applied, thereby maintaining some flexibility for the parents to agree the amounts. In the second likely outcome, the parents would be unable to agree the amount of child maintenance and they would let the court decide on the obligation.

**In your account please explain what further information might be needed to determine the obligation level, and how this would be collected.**

Should the couple make appointment with the municipal Social Welfare Board they would be required to submit at least the following information:

- The number of children qualifying for support (from this and other relationships)
- Mr Coast's and Mrs's Coast net income (gross income minus income tax, National Insurance contributions and contributions to the national pension scheme. Consideration would also be given to overtime, bonus, and profit related payments.
- Whether Mr Coast has any children (for example, from a previous or subsequent relationship) living with him.
- The exact number of overnight stays of the children with the NRP
- Expenses for travel to and from work for both couples
- Housing costs for both couples
- Special needs of the children (schooling expenses, particular hobbies, medical expenses)
- Mr Coast's expenses relating to keeping contact with children

**Please indicate what kind of problems might arise in setting an obligation, and how these might be tackled.**

For private negotiations between the couples or with lawyers the likely problem is lack of agreement over the amount, in which case the municipal Social Welfare Board could be approached to calculate the amount.

**8.5.2 Please discuss the outcome in terms of whether there would be a formal child maintenance obligation, and if so, the amount that would be awarded. As before, it may be necessary to introduce quantitative information or invent new facts or life circumstances for the couple. You may need to decide how much Mr Coast now pays to rent his new flat. Please use those situations and amounts which would be typical in your country.**

It is likely that they would agree a voluntary arrangement – but if not it is likely that there would be a formal obligation set by the municipal Social Welfare Board or by the Court.

According to the guidelines the amount of obligation would be calculated as follows (first the assumptions):

- The number of children qualifying for support (from this and other relationships). (2 children, 6 years and 9 years)
- Mr Coast's and Mrs's Coast net income (gross income minus income tax, National Insurance contributions and contributions to the national pension scheme. Consideration would also be given to overtime, bonus, and profit related payments. (2500 and 700 euros/month respectively)
- Whether Mr Coast has any children (for example, from a previous or subsequent relationship) living with him. (No)
- The exact number of overnight stays of the children with the NRP (5, does not entitle to deduction, a minimum of 7 overnight stays is required)
- Expenses for travel to and from work for both couples (100 euros for both parents)
- Housing costs for both couples (500 and 1000 euros/month respectively)
- Special needs of the children (schooling expenses, particular hobbies, medical expenses (No)
- Mr Coast's expenses relating to keeping contact with children (100 km \*2 \*2,5 \*,21 [tax free compensation for the use of own car]= 105 euros, 5 euros once self risk of 100 euros is deducted)

Child's basic needs would be 250 and 290 euros respectively and their share of housing costs is 19 percent/child. Cash child benefits (100 and 110,5 euros respectively) are deducted from the needs. As the children are almost of same age there is no need to determine different obligation for each children. The need's/child is  $((250+290+(0,19+0,19)*1000)-(100+110,5))/2=354,75$  euros.

Mr Coast ability to pay would be 2500-500 (basic deduction)-500 (housing costs) – 100 (travel to and from work - 5 travel expenses to meet with the children = 1395 euros.

Mrs Coast ability to pay would be negative due to the high rent relative to incomes. The calculation is as follows: 700+2\*36,6 (single parent supplement to cash child benefit)- 500 (basic deduction)-(1000-380) (housing costs, Mrs share of housing costs is calculated once children's share is deducted) – 100 (travel to and from work)= -447 euros.

As Mrs Coast has no ability to pay Mr Coast would be obliged to pay 354,75 euros/month as maintenance for each child.

(N.B. The amount of maintenance for Mr Coast is very high by Finnish standards. That may be caused by the fact that single parents with school aged children most usually work full-time. Mrs Coast's rent is also very high. She would probably be entitled to housing allowance. That would decrease housing expenses and Mr Coast's maintenance payments considerably. For the sake of simplicity housing allowance is not calculated for Mrs Coast.)

**8.5.3 If an obligation for child maintenance is set, how would monies be collected from Mr Coast? How would the money be transferred to Mrs Coast or the children?**

Mr Coast would pay the confirmed amount directly to Miss Field's account.

**8.5.4 If Mr Coast does not pay, what would happen?**

Mrs Coast would contact the municipal Social Welfare Board and apply for guaranteed maintenance. The municipal Social Welfare Board would contact Mr Coast and subsequently employ enforcement measures. If the Social Welfare Board is able to collect the whole amount of payable maintenance that would be transferred to Mrs Coast, if not, she would get only 118 euros/month for each child as guaranteed maintenance.

**8.6 BASE CASE 'B', VARIANT 1: CHILDREN LIVE WITH BOTH PARENTS EQUALLY**

*We would like to understand how the outcomes would change if one of the circumstances in this case were different (Variant 1).*

*The situation is exactly the same as Base Case B except Mr Coast lives in the same town as Mrs C. The Coasts decide that the children will spend an equal amount of time living with each parent, alternating between Mrs Coast and*

*one week with Mr Coast.*

**8.6.1 Would the maintenance obligation differ from what you reported in 8.5.2? Please explain.**

Yes. If the parents agree that the children spend approximately equal time with each parents, no maintenance is paid. Each parent pays equal share of child's costs. Such agreement can be confirmed by the court or by the municipal Social Welfare Board (in that case neither of the parent can apply for guaranteed maintenance).

**8.6.2 Would any other outcomes likely differ? Please explain.**

No there would be no change in other outcomes (unless housing allowance is considered).

**8.7 BASE CASE 'B', CHANGE IN CIRCUMSTANCES 1: MRS COAST HAS A NEW PARTNER THREE YEARS LATER**

*We now explore how your system would deal with a change in Mrs Coast's family circumstances. Return to the base case (Mr Coast lives in another town and has the children with him every other weekend).*

Assume the divorce is final and that the maintenance obligation has been set at the amount you have described in 8.5.2.

*Three years later, Mrs Coast tells her husband that she has a new partner who has moved into the house. She knows the man personally, and knows he has earnings comparable to his own. He feels that the arrangement for Mrs Coast should*

*be taken into account in the financial decisions that have to be made during the divorce.*

#### **8.7.1 How would Mr Coast go about trying to change the obligation?**

Mr Coast could point to the fact that according to the new guideline basic deduction for living expenses is 420 euros for a person with a new partnership (500 euros for single parent or single person).

Mr Coast could also point to the fact that according to the new guideline housing expenses should be shared between partners living in the same household. In this case Mrs Coast's deduction from housing costs would be dropped from 620 to 310 euros. However, that would not change the fact that Mrs Coast has no ability to pay. The new partner's income is not considered.

(N.B. I would argue that new partnership would not lead to any changes in maintenance payments even if the numbers would be different. The new guidelines mention the fact that housing expenses should be shared. However, that can be questioned on the premise of reasonability. The main principle is that a new partnership should not be disturbed by maintenance arrangements.)

#### **8.7.2 What would result -- is it likely the obligation would change? To what? Please explain.**

See above.

#### **8.7.3 Would any other outcomes likely differ? Please explain.**

See above.

### **8.8 BASE CASE 'C', CHANGE IN CIRCUMSTANCES 2: MR COAST HAS A NEW PARTNER AND NEW CHILD THREE YEARS LATER**

*We now explore how your system would deal with a change in Mr Coast's family circumstances. Return to the base case (Mr Coast lives in another town and has the children with him every other weekend; Mrs Coast does not have a partner). Assume the divorce is final and that the maintenance obligation has been set at the amount you have described in 8.5.2.*

*Three years time later, Mr Coast has formed a new relationship with a woman and they have a ten year old child. Mr Coast wants to maintain contact with his own children, whom he loves dearly, but his own household expenses have gone up considerably. His*

*new partner does not have paid work herself.*

#### **8.8.1 How would Mr Coast go about trying to change the obligation?**

With the assumed numbers there would be no change in the obligation with the assumed numbers.

**8.8.2 What would result -- is it likely the obligation would change? To what? Please explain.**

Firstly, Mr Coast is able to deduct 250 euros from his income for the new child. That would decrease his ability to pay, but not to the extent where maintenance payments would be decreased. (At the same time Mr Coast basic deduction for living expenses would be decreased from 500 to 420 euros).

Secondly, if Mr. Coast is married to the new partner, he is able to deduct a maximum amount of 420 for her living expenses. If Mr Coast is not married, he is not entitled to deduction.

If the numbers were different, there might be a cause for Mr Coast to make appointment with the municipal Social Welfare Board and to negotiate an agreement where the maintenance payments would be lower.

**8.8.3 Would any other outcomes likely differ? Please explain.**

No.

***This concludes the vignettes (Part Eight). If you have additional comments on either of these vignettes, please write them here:***