

## PF5: Child Support

### *Definition and methodology*

All parents who are not living in the same household as their children are legally obliged to make child support payments towards their financial expense. Most OECD countries have formal child support systems that ensure compliance of “absent” (or “non-resident”) parents. Some member states go one step further by making available advance maintenance payments to compensate for unpaid (or late) payments by non-resident parents.

### *Key findings*

Table PF5.1 presents key characteristics of Child Support schemes. These schemes have become more important with the growing number of divorces and the increased prevalence of sole-parent families in OECD countries (SF8). In 2005, around 10 per cent of families with children were headed by a single parent (SF1). Child support schemes help prevent and reduce child poverty among sole-parent families (CO7 and CO8): Skinner *et al* (2006) estimated that if sole-parent families were actually receiving all child support they are entitled to, child poverty rates among these families would be halved.

Table PF5.1 shows that child support payments are determined by either parents, courts, and/or administrative agencies. In the first instance, authorities generally leave it up to parents to agree on child support (and possibly alimony) payments, and only interfere when parents cannot reach an agreement. For instance, in Belgium, France, Sweden and the US (subject to variation across States), all agreements have to be registered with the courts. In Austria, Belgium, Canada (Ontario), France, Germany and Sweden the courts play the leading role in setting payment rates, while public child support agencies take the lead in Australia, Denmark, New Zealand, Norway and the UK.

The rules for determining child maintenance obligations vary widely across countries, with some systems applying rigid rules and others informal guidelines. Member States with an agency system (such as Australia, Denmark, New Zealand, Norway and the UK) apply rigid formulas to calculate maintenance amounts. In contrast, in countries where the courts take the lead (Austria, Belgium, Canada, France, Germany and Sweden) they operate with discretion, using informal guidelines when fixing formal agreements. In general, the factors that determine the level of child support payments include: financial resources of resident and non-resident parents, obligations to other children and (ex-) partners, custodial arrangements (contact time and shared care of children) and children’s needs.

Table PF5.1 provides information on child support recipients, the duration of child support payments, whether systems have different arrangements for children of married and unmarried parents vis-à-vis legally partnered partners, and whether or not countries provide advanced child support payments.

Other relevant indicators: SF1: Family size and composition; SF2: Children in sole-parent families; SF8 Marriage and divorce rates; LMF 3: Maternal employment by family status; PF3: Family cash benefits; CO7: Trends in the income position of different household types; and, CO8: child poverty.

**Table PF5.1 Key characteristics of Child Support Regimes**

Country	Involvement in the determination of child maintenance			Responsibility for determining maintenance payments	Rules for determining amount of payments	Responsibility for enforcement of payments	Different arrangements children of unmarried parents	Age at which support ends	Advance on maintenance payments
	Parents	Court	Agency						
Australia	Yes - entry into formal system if parents cannot agree.	Yes (residual role)	Yes -Child Support Agency	Parents or CSA if parental disagreement or PWC in receipt of means tested benefits	Rules/rigid formula	Child Support Agency	No	18 years or when schooling is finished	No
Austria	Yes - ratified by court	Yes	No	Parents with court approval	Formal guidelines and rules/rigid formula	Court	No	18 years	Yes
Belgium	Yes - ratified by court	Yes	No	Court	Mostly discretion, no fixed rules or methods	Court	No	18 years	Yes
Canada (Ontario)	Yes - ratified by court	Yes	No	Parents	Formal guidelines	Court	No	18 years	No
Cyprus	Yes - ratified by court	Yes	Yes	Parents / Court	Court	Court / Police	Yes	18 years	Yes
Czech Republic	Yes - entry into formal system if parents cannot agree.	Yes	Yes - Socio-legal protection authorities	District and Regional Courts	Guidelines given by law	Court and Office for International Legal Protection of Children in foreign matters	No	Until child is economically independent	Yes
Denmark	Yes - ratified by Country Governor's Office	No	Yes - Country Governor's Office	Parents or State County's Agency if parental disagreement	Rules/ rigid formula	State County's Agency	No	18 years	Yes
Estonia	Yes	Yes	Yes - if child is on state maintenance	Court if parental disagreement	Minimum stated by the state, additional amount according to parental income	Enforcement Service	No	18 years or when secondary school is finished	Yes
Finland	Yes - mediated and confirmed by Social Welfare Bond	Yes (residual role)	Yes - Social Welfare Board	Parents or Social Welfare Board and court if parental disagreement	Mostly discretion, informal guidelines	Municipal Social Welfare Board	No	18 years	Yes
France	Yes - ratified by court	Yes	No	Court	Mostly discretion, no fixed rules or methods	Courts and Social Security Agency	No	18 years	Yes
Germany	Yes	Yes	No	Parents or Court if parental disagreement	Mostly discretion, using 'support tables'	Court	Yes	18 years	Yes
Greece	Yes	Yes	No	Parents or Court	Rules based on parents' Income	Court	No	18 years or 24 years if in full-time education	No
Hungary	Yes - ratified by court	Yes	No	Parents with court approval	Rules	Court	No	20 years	Yes
Ireland	Yes - ratified by court	Yes	No	Parents or Court if parental disagreement	Legal guidelines but high level of court discretion	Court	No	18 years or up to 23 if in full-time education	No
Japan	Yes	Yes	No	Parents or Court if parental disagreement	Informal guidelines	Courts	No	20 years or until child is economically independent	No
Korea	Yes - ratified by court	Yes	No	Parents or Court if parental disagreement	Mostly discretion, no fixed rules or methods	Court	No	Parental agreement or 20 years	No
Latvia	Yes	Yes	No	Parents or Court if parental disagreement	Mostly discretion, no fixed rules or methods	Law enforcement office	No	Until child is economically independent	Yes

**Table PF5.1 Key characteristics of Child Support Regimes (cont.)**

Country	Involvement in the determination of child maintenance			Responsibility for determining maintenance payments	Rules for determining amount of payments	Responsibility for enforcement of payments	Different arrangements children of unmarried parents	Age at which support ends	Advance on maintenance payments
	Parents	Court	Agency						
Malta	Yes - ratified by Court	Yes	No	Parents w/court supervision or Court if parental disagreement	Legal guidelines, Courts have discretion	Courts	No	18 years, or 16 years if child starts working	No
Mexico	Yes - ratified by court	Yes	No	Court	Court	Court	No	18 years or until schooling is finished	No
Netherlands	Yes - ratified by court	Yes	No	Parents with supervision of lawyers; Court if parental disagreement or parents receiving social assistance	Mostly discretion, informal guidelines	National Collection and Support Agency;. Enforcement through a bailoff; If enforcement is contested, court.	No	21 years	No
New Zealand	Yes	Yes (residual role)	Yes, Inland Revenue Child Support	Parents or IRCS if parental disagreement	Rules/rigid formula	Inland Revenue Child support	No	16 years or until child is economically independent	No
Norway	Yes	Yes (residual role)	Yes, Work and Welfare Agency (NAV)	Parents or NAV if parental disagreement	Rules/rigid formula	National maintenance payment collection centre	No	18 years	Yes
Poland	Yes	No	Yes - Welfare office	Parents, Local government - Welfare Office	Formal guidelines, Family Benefit Act of November 28th 2003	Yes		18 years, 21 years when attending school, 24 years if disabled	Yes
Portugal	Yes - entry into formal system if parents cannot agree.	Yes	No	Parents with supervision of lawyers or Court if parental disagreement	Informal guidelines for private agreements or rules defined by Court if parental disagreement.	Court	No	18 years	No
Romania	Yes	Yes	Yes, Commission for the Child Protection	Parents or Commission for the Child Protection, Court if parental disagreement	Informal guidelines	Court, Ministry of Labour, Family and Equal Opportunities	No	18 years or until schooling is finished	No
Slovak Republic	Yes - confirmed by Social Welfare Bond	Yes	No	Court	Mostly discretion, informal guidelines	Enforcement Service	No	18 years	Yes
Spain	Yes	Yes	No	Court	Mostly discretion, using 'supoprt tables'	Court	No	18 years	Yes
Sweden	Yes - confirmed by Social Welfare Bond	Yes	No	Court	Mostly discretion, informal guidelines	Enforcement Service	No	18 years	Yes
Switzerland	Yes - ratified by court	Yes	No	Parents with supervision of lawyers or Court	Rules	Courts	Yes (specific regulation in the interest of the child)	18 years or when education is finished (in a reasonable delay)	Yes

**Table PF5.1 Key characteristics of Child Support Regimes (cont.)**

Country	Involvement in the determination of child maintenance			Responsibility for determining maintenance payments	Rules for determining amount of payments	Responsibility for enforcement of payments	Different arrangements children of unmarried parents	Age at which support ends	Advance on maintenance payments
	Parents	Court	Agency						
UK	Yes - ratified by court	Yes (residual role)	Yes -Child Support Agency	Parents or CSA if parental disagreement or PWC in social assistance benefits	Rules/rigid formula	Courts and Child Support Agency	No	16 years or 19 years if in full-time education	Yes
US**	Yes - ratified by court	Yes	Yes -Child Support Agency (varies by state)	Court	Formal guidelines	Courts and Child Support Agency	No	Varies across states (at age 16 in some states in others up to age 25)	No

1) Footnote by Turkey: The information in this document with reference to « Cyprus » relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Turkey recognizes the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of United Nations, Turkey shall preserve its position concerning the "Cyprus issue".

2) Footnote by all the European Union Member States of the OECD and the European Commission: The Republic of Cyprus is recognized by all members of the United Nations with the exception of Turkey. The information in this document relates to the area under the effective control of the Government of the Republic of Cyprus.

3) In the US there is considerable variation in rules and regulations across individual states.

Source: Skinner et al. (2007) and National Authorities

Usually, the duration of formal child support payments end when the child turns 18. However, this period can be extended until children finish full-time education (e.g. in Australia, Ireland, Mexico, Poland, the UK and the US) or until they stop being financially dependent (e.g. the Czech Republic and New Zealand). Except for Germany and Poland, the determination of formal arrangements for children of unmarried parents is similar to those for children of divorced parents.

Apart from Australia, Canada, Ireland, Mexico, the Netherlands, New Zealand, Portugal and the US, all other countries for which information is collated in Table PF5.1 provide advance child support payments to guarantee that children receive a minimum allowance when non-resident parents do not meet their financial obligations. In turn, authorities pursue absent parents to re-claim the relevant funds.

The Luxembourg Income Study (LIS) contains information on the size of maintenance payments and Tables PF5.2 and PF5.3 present estimates for 15 countries for which this information is available for at least two years over the period 1994 to 2004. In most countries, child support beneficiaries include sole-parent families with children under the age of 18, headed by parents who were never married, or who have separated or divorced (this indicator does not include sole-parent families without children under 18 years old or widowed parents). The estimates on the value of maintenance payments in Table PF5.3 may cover three types of payments: child support, alimony (money for living expenses paid to the ex-spouse over and above the money given for child support) and advance maintenance payments by public authorities. National currencies were converted to USD using OECD PPPs ([www.oecd.org/std/ppp](http://www.oecd.org/std/ppp)) to account for cross-national differences in purchasing power.

Table PF5.2 shows that among the countries for which information is available, Sweden, the UK and the USA had the highest proportion of non-widowed sole-parent families at around 20% of families with young children. By contrast, the Mediterranean countries had the smallest proportion of non-widowed sole-parent families at less than 4% of all families with children. Between 1994 and 2004, on average for the

counton for which information is available, the proportion of non-widowed sole-parent families increased from 12% to 17%.

**Table PF5.2 Trends of Sole-parents<sup>1</sup> and of Sole-Parents Receiving Child Maintenance Payments in recent years<sup>2</sup>**

	Percentage of Sole-parents			Percentage of Sole-parents Receiving Child Maintenance		
	1994	2000	2004	1994	2000	2004
Australia	16.4	23.0	21.2	34.9	35.2	36.9
Austria	9.9	12.9	n.a.	51.6	69.8	n.a.
Belgium	9.3	11.8	n.a.	47.8	49.1	n.a.
Canada	n.a.	15.9	n.a.	n.a.	35.5	n.a.
Denmark	13.9	13.7	15.7	99.2	99.2	98.8
Finland	12.7	14.9	13.0	74.2	72.7	83.4
France	10.0	12.6	n.a.	55.9	46.3	n.a.
Germany	8.0	13.9	n.a.	n.a.	30.1	n.a.
Greece	3.4	3.1	n.a.	17.2	24.5	n.a.
Hungary	8.4	5.7	n.a.	47.2	39.8	n.a.
Ireland	10.4	14.4	n.a.	23.7	20.1	n.a.
Italy	3.6	3.7	n.a.	12.3	25.2	n.a.
Luxembourg	10.2	6.3	7.3	32.2	40.1	n.a.
Netherlands	8.6	8.8	n.a.	15.6	24.4	n.a.
Norway	20.2	19.6	n.a.	80.6	81.1	n.a.
Poland	6.8	6.8	n.a.	46.4	72.9	n.a.
Spain	3.7	4.2	n.a.	7.5	12.4	n.a.
Sweden	24.1	21.2	21.9	85.4	92.6	100.0
Switzerland	n.a.	8.0	7.4	n.a.	67.1	74.5
United Kingdom	21.2	22.9	24.6	20.2	21.9	22.8
United States	28.0	20.1	21.5	28.8	34.1	33.7

Notes: 1. This table concerns non-widowed sole-parents.

2. Data for the first column is around 1994, for the second column around 2000 and for the third around 2004. The exact year of data collection of each country is the following one: Australia: 1995, 2001, 2003; Austria: 1994, 2000, 2004; Belgium: 1995, 2000, 2004; Canada: 2000, 2004; Denmark: 1995, 2000, 2004; Estonia: 2000, 2005; Finland: 1995, 2000, 2004; France 1994, 2000; Germany: 2000, 2005; Greece: 1995, 2000; Hungary: 1994, 1999, 2004; Ireland: 1996, 2000, 2004; Italy: 1995, 2000, 2004; Netherlands: 1994, 1999, 2005; Norway: 1995, 2000, 2004; Poland: 1995, 1999, 2004; Spain: 1995, 2000, 2004; Sweden: 1995, 2000, 2005; Switzerland: 2000, 2002; UK: 1995, 1999, 2004; US: 1994, 2000, 2004.

Source: Calculation on basis of the Luxembourg Income Study data.

Table PF5.2 also shows the proportion of non-widowed sole-parent families receiving child maintenance. On average, in 2004, less than 50% of such families reported receiving financial help. However, there is considerable variation across countries. Less than 25% of sole-parent families in the Mediterranean countries, Ireland, the UK and the Netherlands received cash transfers from the absent parent, while this is over 80% in Denmark, Norway and Sweden. In general, there is an increase in the proportion of sole-parents receiving support payments, and on average in 2004, 64% of non-widowed sole-parent families received financial support up from 43% in 1994. France, Hungary, and Ireland were the only countries where the proportion of sole-parent families in receipt of financial support from absent parents declined during the late 1990s.

Table PF5.3 shows the value of cash payments among families who received maintenance either from non-resident parents or from a government agency. The table includes information on the average amount of monthly cash transfers; the average amount of monthly cash transfers per child (to account for family size); the share cash payments represent of household's net income; and, the share of maintenance payments in total cash transfers (private and public) received by the household. In contrast to Table PF5.2, this table does not include information on Greece, Italy, Luxembourg, the Netherlands and Spain as sample sizes are too small to derive meaningful estimates.

On average for the countries for which information is available in 2004, sole-parent families reported receiving USD 399 per month, which is equivalent to USD 266 per child, 16% of household net income and 39% of household income transfers. Table PF5.3 shows considerable variation across countries with maintenance payments being highest in Switzerland followed by the US, the UK and Canada, and lowest in Finland, Denmark, Poland and Sweden (payment rates of general family allowances are relatively high in Nordic countries - PF3). Similarly, the share of cash payments as percentage of net income and as percentage of total income transfers was highest in Switzerland, the US and the UK and lowest in the Nordic countries.

Table PF5.3 also shows a considerable increase in the value of cash transfers over time, but this does not translate into a significant increase of transfer payments in terms of net income or as a share of total transfer payments sole-parent families receive. For example, in the UK, between 1995 and 2004, the average amount of maintenance payments per child increased by 25%, but its share as percentage of net income and of total transfers decreased by more than 30%.

#### *Comparability and data issues*

Table PF5.1 is based on the international review on child support policies by Skinner *et.al*, (2006); the information was subsequently sent to national authorities for actualisation and verification.

Tables PF5.2 and PF5.3 were constructed using data from the Luxembourg Income Study (LIS), a data archive that collects detailed information on income and its components from a large number of countries (<http://www.lisproject.org>). The LIS collates standardised information across different points in time, thereby facilitating cross-country comparisons of historical trends. However, the information in the LIS on child support payments does not: i) separately identify child maintenance and alimony (money for living expenses paid to the spouse over and above the money given for child support); ii) identify whether child support payments are made voluntarily or by court order); and iii), whether child support is received by sole-parent families reconstituted couple families.

Although covered by the LIS, the Czech Republic and Mexico are not included in Tables PF5.2 and PF5.3 as these countries do not report information on child support.

Widowed families are excluded from our analysis as this group of families is unlikely to benefit from child support schemes. However, the 1995-data does not allow for a separate identification of this group among sole parents for Australia and Sweden, and these observations should thus be treated with care as they might underestimate the proportion of eligible households receiving child support.

Data on child maintenance include advanced maintenance payments of some (Austria, Denmark, Finland, France and Ireland) but not all (Germany, Norway and Sweden) countries that provide this kind of support. Thus, the figures presented here may underestimate the proportion of families receiving cash payments and the value of this financial support in Germany, Norway and Sweden.

Payments in national currency were converted into USD using OECD purchasing power parity rates. For European countries, national currencies before 2002 were converted into Euros using LIS exchange rates and then converted into USD.

*Sources and further reading:* Luxembourg Income Study (<http://www.lisproject.org>); Australia's Child Support Agency (<http://www.csa.gov.au>); The Clearinghouse on International Developments in Child, Youth and Family (<http://www.childpolicyintl.org>); Skinner, C. Bradshaw, J. and Davidson J. (2007) Child support policy: An International Perspective, DWP Research Report No. 405, Leeds: Corporate Document Services; . Kunz, J, Villeneuve, P. and Garfinkel I. (2001) "Child Support Among Selected OECD Countries: A Comparative Analysis," in Koen Vlemincx and Timothy Sneeding, *Child Well-Being, Child Poverty, and Child Policy in Modern Nations*, Bristol, England: Policy Press.

**Table PF5.3 Levels of Child Maintenance Payments**

	Average child maintenance payment per sole-parent family, US\$ PPP			Average child maintenance payment per child, US\$ PPP			Child maintenance as % of net disposable income			Child maintenance as % of total income transfers		
	Mean			Mean			%			%		
	1994	2000	2004	1994	2000	2004	1994	2000	2004	1994	2000	2004
Australia	249.2	290.4	283.2	146.4	173.5	176.7	17.3	15.1	14.2	34.9	31.2	26.1
Austria	295.3	313.4	n.a.	197.0	245.1	n.a.	19.5	18.3	n.a.	45.2	47.9	n.a.
Belgium	260.9	313.9	n.a.	164.9	219.7	n.a.	14.3	14.0	n.a.	32.0	38.1	n.a.
Canada	n.a.	363.6	n.a.	n.a.	240.4	n.a.	n.a.	17.5	n.a.	n.a.	43.1	n.a.
Denmark	115.5	153.2	197.0	82.6	104.7	131.6	7.4	9.4	9.2	19.3	24.2	26.3
Finland	166.0	205.7	206.9	118.7	139.5	133.4	11.2	12.3	10.7	27.0	29.7	29.5
France	260.8	250.8	n.a.	196.8	152.4	n.a.	18.3	16.2	n.a.	47.4	40.1	n.a.
Germany	n.a.	246.2	n.a.	n.a.	183.6	n.a.	n.a.	17.1	n.a.	n.a.	37.2	n.a.
Norway	189.0	226.1	n.a.	136.1	162.7	n.a.	11.3	10.5	n.a.	25.5	27.1	n.a.
Poland	126.7	166.8	n.a.	111.5	125.3	n.a.	24.4	30.0	n.a.	47.1	59.6	n.a.
Sweden	194.9	184.7	196.2	122.5	116.8	128.0	12.9	11.1	10.1	24.1	27.1	28.3
Switzerland	n.a.	902.9	918.5	n.a.	583.5	657.1	n.a.	49.7	35.1	n.a.	72.3	71.1
United Kingdom	346.0	379.7	416.3	221.5	244.8	295.7	23.3	19.5	16.9	42.9	40.0	32.6
United States	316.5	436.3	502.2	209.4	292.7	333.3	17.5	18.7	19.4	60.0	63.0	53.3

Source: Calculations on basis of the Luxembourg Income Study data.