

Family Law Fact Sheet

I'm happy to pay money for my children but not my ex Private Child Support Agreements

Separated parents can be liable to pay or receive child support as assessed by the Child Support Agency.

The amount of child support you pay is assessed using an administrative formula which is applied to the majority of parents. Often a parent may pay or receive an amount of child support that does not meet their individual circumstances or the circumstances of their children.

Parents can reach an agreement about how their children are supported financially by entering into a private child support agreement.

You can ask the Child Support Agency to accept your agreement instead of making an assessment of child support.

Parents can enter into two types of private agreements, 'Binding Child Support Agreements' and 'Limited Child Support Agreements'.

Binding Child Support Agreements

A Binding Child Support Agreement enables parents to agree to the amount of child support payable and how that child support is to be paid.

The amount of child support payable can be less than the amount of child support assessed by the Child Support Agency in most circumstances.

Parents can also agree to arrangements on how child support is to be paid. For example, parents can agree on arrangements for the payment of a child's private school fees and other expenses such as private health insurance.

A Binding Child Support Agreement can only be ended by the parents entering into a new binding agreement or a Court order setting aside the agreement.

Binding Child Support Agreements must be in writing and signed by both parents.

Parties to a Binding Child Support Agreement must seek independent legal advice to start or terminate the agreement.

Limited Child Support Agreements

Limited Child Support Agreements provide parents flexibility to determine their child support arrangements.

A Limited Child Support Agreement requires an administrative assessment of child support issued from the Child Support Agency.

The amount of child support payable under the agreement must also be at least the amount of child support that is payable under the Child Support Agency's assessment.

The agreement can be unilaterally ended by either party after three years.

This recognises that it can be difficult for parents to know what will happen in the future. It may be preferable to enter into a Limited Child Support Agreement if you are uncertain about your medium to long-term financial position.

A Limited Child Support Agreement can also end if the assessment issued by the Child Support Agency varies by more than 15%.

Again, this provides parties with the flexibility for the agreement to be terminated if it no longer suits their circumstances. It also takes into account the changing circumstances of the parents, such as a parent re-entering the workforce or re-establishing themselves financially after separation or divorce.

A Limited Child Support Agreement can be made without obtaining legal advice. However we recommend that you obtain legal advice prior to entering any agreement to ensure that the agreement best suits your individual circumstances.

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