Thank you for your correspondence asking for clarification of the consideration of tied accommodation within the calculation of a child maintenance liability.

As you will be aware, the Child Maintenance Service uses income information obtained direct from HMRC to create a maintenance liability. The figure provided by HMRC is the sum of the income on which the paying parent was charged to tax. Aligning with HMRC’s approach to income allows for consistency across government policy and efficiencies in administration.

Tied accommodation is that provided when an employer requires an employee to be resident for the purpose of their occupation. A common example of this would be a vicarage provided for a member of the clergy. I am advised that HMRC legislation excludes this type of accommodation from being chargeable to taxation. Thus, it is not considered as income by HMRC and consequently is not included as part of the calculation of the Child Maintenance liability. The reasoning for this is that the accommodation is required for the proper performance of duties. If accommodation provided by an employer does not meet this test, then it would be taxable and included as part of the calculation of any Child Maintenance liability.

Because it is not a relevant factor in the calculation of Child Maintenance, my Department does not hold any information about the number of non-resident parents who live in free tied accommodation. HMRC have confirmed there is no option within the tax system to declare tied accommodation as income, nor is there the option to do so within Child Support legislation. Alignment of income information for child maintenance with income information used by HMRC is a key part of the 2012 maintenance reforms and we therefore have no plans to change this.
Although the statutory scheme does not take into account tied accommodation, it is open to parents to make their own child maintenance agreement through a Family Based Arrangement. The Child Maintenance Options Service can provide information to parents on how to set up such an arrangement which can reflect individual family circumstances more closely than a statutory scheme is able to do.

Kit Malthouse MP
Minister for Family Support, Housing and Child Maintenance