

**Children's rights and parents' responsibilities:  
Child maintenance policies in Finland**

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## **Abstract**

Child maintenance schemes differ substantially from each other in terms of underlying philosophy, structures, rules and organization and in particular their very different outcomes. In Finland the principle is that every child has the right to be adequately provided for and that child maintenance is the right of the child. The main policy focus is on shared parenting and emphasis on the contact between the child and non-resident parent emerged in the 1980s. Furthermore, supporting children is seen as a collective responsibility and this means that at least a portion of the maintenance is usually ensured by the state if the non-resident parent does not pay maintenance. Guaranteed maintenance also covers children without non-resident parents. Calculations based on vignettes show that the maintenance determination guidelines operate on a basis of equality as both parents are responsible for the child's maintenance in accordance with their abilities, regardless of custody and residence arrangements. Still, the records on overdue maintenances and maintenance debts indicate that non-compliance remains a problem in Finland.

## **Introduction**

There is large variation across welfare states on how parental obligations after separation or divorce are carried out. Therefore, child maintenance schemes differ substantially across countries in terms of underlying philosophy, structures, rules and organization and in particular their very different outcomes (Maclean and Warman 2000; Skinner et al. 2007; Skinner and Davidson 2009; Meyer et al. 2011). In comparative studies, Nordic countries are often grouped together as countries representing the Nordic welfare model (Esping-Andersen 1990; Kautto et al. 2001). The development of the welfare state has been identical in all Nordic countries and the countries have had formal co-operation during the 20th century in the field of family law (Therborn 2004; Eydal and Kröger 2010). Family policies are more or less similar across the Nordic region. However, when studied in more detail, significant differences between the countries emerge in family policy (e.g. Hiilamo 2002 and 2009; Ellingsæter and Leira 2006; Bradshaw and Hatland 2008).

Family laws regarding child maintenance policies in Nordic countries assume that the legal duty to provide for children rests with both parents and parents are, in most cases, under an obligation to support their children even if they are separated or divorced or have never lived together as a couple (Eydal and Kröger 2010). The principle is that every child has the right to be adequately provided for and that child maintenance is the right of the child. Both parents are responsible for the child's maintenance in accordance with their abilities, regardless of custody and residence arrangements. Furthermore, supporting children is seen as a collective responsibility and this means that at least a portion of the maintenance (guaranteed maintenance) is usually ensured by the state if the non-resident parent does not pay maintenance. Guaranteed maintenance ensures the regularity of at least a portion of entitlement and it emphasizes the right of the child to receive support from the state when parental support is not forthcoming (Millar and Warman 1996; Corden 1999; Skinner and Davidson 2009).

Despite the similarities between the Nordic countries, Skinner and Davidson (2009) in their comparative research of child maintenance policies clustered Nordic countries into different child maintenance regimes. In Sweden, the court of law has the main responsibility for formally determining child maintenance. Agencies has the main responsibility for determinations in Denmark and Norway whilst some amalgamation of courts and agencies are responsible for the determination of child maintenance in Finland. Iceland was not included in the study but in Iceland the maintenance agreement usually has to be ratified by authorities (Eydal and Olafsson 2008), in which case Iceland would cluster to the agency regime with Norway and Sweden.

Hakovirta and Rantalaiho (2011) show that in the case of child maintenance policy, Finland differs remarkably from Norway and Sweden. In Finland, provision of family benefits does not acknowledge the family arrangement of equally shared child care by parents who do not live together but in Sweden and Norway maintenance schemes are more flexible and enable parents to share the benefits in a way that supports shared residential arrangements (cf. Hiilamo 2009).

In this paper, we focus on child maintenance policies in Finland. We begin with describing the policy goals and principles of the child maintenance system. Secondly, we analyze the latest policy arrangements, made to further ensure the possibility of both parents to care and provide for their children after separation or divorce. Thirdly, we present statistics on the outcomes of the Finnish child maintenance scheme in terms of coverage and level of child maintenance payments. Fourthly, using the vignette method we provide information on how the child maintenance system treats both parents: what happens with child maintenance award in different hypothetical cases. The aim is to consider how the child maintenance system addresses the problems of rising demand, changes in parental roles regarding caring and earning, and more complex family structures.

### **Basic principles of child maintenance policies**

In early 20th century Finland many children were born to single women. Supporting these children was a considerable social problem. The reduced income of lone mothers was a significant cause of poverty. One way to reduce poverty among these needy families was to target economic support at this group (Wennemo 1994; Gauthier 1996; Hiilamo 2002).

The first piece of child maintenance legislation in Finland, the Marriage Law of 1929, emphasized the responsibility of non-resident fathers towards their illegitimate children and the main objective was to force fathers to take financial responsibility for their children<sup>1</sup>. The aim of child maintenance was to ensure children the financial support of their biological parents when the parents were not living together and to protect children who were economically disadvantaged by living with only one parent. (Kurki-Suonio 2000.) In Finland, as elsewhere, high levels of poverty paved the way for the first government interventions to support families economically (Gauthier 1996).

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<sup>1</sup> Before 1975, legislation governing child maintenance was different for children born in and out of wedlock. The Child Maintenance Act 1974 abolished this discrimination and all children are now treated in the same way, irrespective of the marital status of parents.

Throughout the 20th century, the key principle of maintenance policy was that liable parents, usually fathers, should pay according to their ability and that children would be taken care of by their mother. Legislation was built on this assumption. Starting in the 1970s, Finland witnessed rapid growth in family policies in terms of both institutional features and expenditure levels (Hiilamo 2002). The objective of family policy shifted from poverty alleviation to encouraging parents to share parental responsibilities, such as housework and childcare and to ensure both parents had the opportunity to integrate into the labour market (Hiilamo 2002; Leira 2002; Ellingsæter and Leira 2006). There was a need to emphasize this objective also in post-divorce family life as well as in the organisation of child maintenance arrangements.

The legal changes towards shared parenting, which are often used in literature to describe strong participation in and commitment to parenthood from both the mother and the father, took place in the Nordic countries in the 1970s and early 1980s (Eydal and Kröger 2010). In Finland, a new law concerning custody of the child and visiting rights (HTL 361/1983) came into operation in 1984. This law enabled joint parental responsibility, that is, the guardianship of the child remained with both parents after separation.<sup>2</sup> This modification of the law placed an emphasis on contact between the child and the non-resident parent (Kurki-Suonio 2000).

When the new law was implemented, the way of thinking about parental roles after parental separation changed and the idea of joint parental responsibility became widely accepted. The new understanding of parental roles integrated social, psychological and economic parenting as the responsibility of both parents (Kurki-Suonio 2000). In the early 2010s more than 90 percent of child maintenance(?) contracts validated by the Social Affairs Boards of municipalities are made for joint parental responsibility (Maintenance and custody of children 2011). Nevertheless, even after joint legal custody has become the main practice, most children remain living with their mothers after divorce or separation. The majority of lone parent families are lone mother families while fathers remain primarily non-resident parents who pay child maintenance (Statistics of Finland 2011).

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<sup>2</sup> Joint parental responsibility does not refer to a situation in which all parenting responsibilities are shared equally between the parents (alternate parenting), but to a legal arrangement that gives both parents equal decision-making status, for example, where the welfare of the child is concerned.

During the 1970s and 1980s there was a clear trend towards better governmental support for families with children (Gauthier 1996; Hiilamo 2002). In the late 1980s family policy in Finland, as well as in other Nordic countries, included a system through which the government, on certain conditions, guaranteed the payment of maintenance (guaranteed maintenance). In this way the state guaranteed that a lone parent receive minimum financial support for his or her child

- a) when the parent obliged to pay child support neglects to pay it;
- b) when the support payment is too low because of the capacity to pay on the part of the liable parent; or
- c) when there is no one liable for the provision of maintenance.

The purpose of guaranteed maintenance was 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 parent with custody of the child or with whom the child resides. If the level of parental maintenance payments is sufficiently high and is paid regularly, no guaranteed maintenance is paid. If the maintenance paid by the non-resident parent is less than the guaranteed maintenance level, the remainder is paid as a guaranteed maintenance by the state.

Non-resident parents are legally responsible to refund the guaranteed maintenance to the government(?). It is possible to terminate the payment of guaranteed maintenance if it is clear that the child's right to sufficient maintenance is guaranteed without this benefit.

Guaranteed maintenance does not necessary improve the living standards of low-income parents as it is regarded as income when assessing entitlement to social assistance. The claimants are obliged to apply for guaranteed maintenance, the amount of which is then deducted from the monthly social assistance.

The benefit does not apply only to lone parents' children; guaranteed maintenance can also be paid to a parent who remarries or who cohabits with a new partner. Until 1999, guaranteed maintenance was paid on a lower level ('reduced guaranteed maintenance') for those living with a new partner. Reform of the Maintenance Security Act, 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 lone parents who were cohabiting or who remarried. Citizens' organizations had urged the abolition on the grounds that it was frequently difficult to determine how and when the conditions of a single-parent 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 maintenance support meant an increase of approx. 23 percent in the maintenance support for those formerly receiving the reduced benefit (Hiilamo 2002).

One of the largest changes regarding the child maintenance scheme was implemented in April 2009 when the administration of the guaranteed child maintenance scheme was transferred from local municipalities to the Social Insurance Institution. At the same time the new Child Maintenance Act (580/2008) took effect. In its content the new act in most respects corresponds to the Maintenance Security Act. The most significant alteration was caused by the change of the enforcement body from local authorities to the Social Insurance Institution. The Social Insurance Institution also became responsible for collecting overdue child maintenance payments. At the same time, the responsibility for financing guaranteed maintenance was transferred from local municipalities to the state. In addition to promoting efficiency in public administration, the aim of the reform was to ensure equal treatment of liability claims across municipalities (STM 2008).

In the Maintenance Act of 1966, maintenance payments were tied to the cost-of-living index. The level of guaranteed maintenance payments was index adjusted in 1990 by ten percent, and in 1991, 1993 and 1995 by five percent; during the second half of the decade, however, prices rose very slowly in Finland, and the index threshold of five percent, which triggers an automatic increase, was not reached again until the beginning of 2000. The index threshold was removed in 2008 when a law (583/2008) on indexation of maintenance payments was issued. Contrary to earlier legislation, the index increase should now also apply to new maintenance agreements or decisions made after the previous increase. (STM 2008.)

It can be argued that the emphasis of child maintenance policies has changed since the first schemes were established. In the beginning, the main policy goal was to reduce poverty. Later reforms have focused on regulating parent-child relationships. The aim

of maintenance policy is to secure the continuation of the relationship between the child and the non-resident parent. A child's right of access to her/his (biological) parents is seen as a human right, and so the law has sought to ensure the child's right to also have contact with the parent with whom the child does not reside (Kurki-Suonio 2000). Furthermore, policy emphasizes that fathers should not be excluded from family life with their children by being forced to pay excessive child maintenance payments. One effect of this adjustment has been that the time the child spends with the non-resident parent, who is still often the father of the child, is recognized and reduces the maintenance payment they are liable to pay.

### **Determination of child maintenance**

In Finland child maintenance is regulated by the Child Maintenance Act which stipulates that parents have a statutory responsibility to provide for their under-age children. Maintenance is paid until the child turns 18 and if the child still attends school, an extended allowance is paid until the child turns 20 (years of age). Parents may negotiate private maintenance agreements which can be confirmed either by municipal Social Welfare Boards or by a court of law. Private agreements are not admissible for the Social Insurance Institution while seeking guaranteed maintenance. As a rule, maintenance is paid in cash on a monthly basis<sup>3</sup> and in advance, unless otherwise agreed or stipulated.

According to the Maintenance Act, a child has the right to adequate maintenance. Adequate maintenance consists of the satisfactory fulfillment of the child's material and non-material needs, necessary care and education and any costs incurred thereof. The Child Maintenance Act (704/1975) stipulates that '*A child has the right to sufficient maintenance. Maintenance consists of the satisfaction of the child's material, spiritual, care and educational needs and the resulting costs.*'

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<sup>3</sup> As an exception, a maintenance payment can be established as a lump sum. A maintenance payment can also consist of movable property or real property.



According to the Act, parents are responsible for the child's maintenance based on their financial capacity. When assessing the parents' ability to pay, their age, ability to work, income from employment, available funds and other legal maintenance duties are taken into consideration. When assessing the extent of the parents' maintenance duty, the child's ability and possibility to maintain him/herself are also taken into account, as are those circumstances in which child maintenance does not incur any costs to the parents, or the costs are minimal. The children's costs are divided between the parents according to their ability to pay for them. The amount of time that the child spends living with each parent is also taken into account.

The decree only pronounces basic principles for the determination of child maintenance. Contrary to common perception, child maintenance is always determined case by case and not on the basis of a general formula, such as a percentage of income. However, in May 2007, the Finnish Ministry of Justice issued recommendations on how to calculate maintenance allowance (the recommended amount was updated in January 2012 as a result of increased costs of living). The starting point for the determination is the standard family budget, which estimates the cost of children according to a Consumer Survey, and assesses parents' capacity to pay. Skevik (2003) has named this kind of approach the 'actual cost of children' as the aim is to estimate how much it costs to maintain children and to share these costs between the parents. The new recommendations were intended mainly for parents and social officials but they may also be applied in court (Ohje lapsen elatusavun suuruuden arvioimiseksi 2007; KKO 2010:38). However, the instructions are not based on authorization in the law; the recommendations do not have a binding effect. The court may follow the recommendations but on individual cases they must determine whether or not the recommendations result in unreasonable maintenance obligations (see e.g. KKO 2010:38).

The amount and payment method of validated maintenance can be adjusted by agreement or judgment, if the circumstances that were considered when validating maintenance have changed remarkably. These adjustments must be considered reasonable and must take into account both the child and the liable parent's circumstances. A maintenance agreement can be amended if it is considered to be

unreasonable. When living costs rise, an automatic increase applies to maintenance payments.

### **Advice and support services**

Each municipality is obliged by law to provide advice and support services to parents with regard to their child maintenance obligations. Parents can confirm their maintenance agreement with the municipal Social Welfare Board. However, the Social Welfare Board will not decide on the amount of maintenance; this will be agreed upon by the parents and will only be confirmed by the Social Welfare Board. Social workers will provide help in negotiations and give suggestions on a reasonable amount of maintenance, and they will protect the child's interests. In addition, the parents may contact the social welfare authorities and request mediation.

Alternatively, they may turn to private solicitors who would then mediate between parents – or let the court (using guidelines) decide the matter. Support services are also provided by the One Parent Family Association (<http://www.yvpl.fi>). If there is a dispute concerning the level of maintenance, the district court may request a report on family circumstances from the social welfare authorities. The statement of the social welfare authorities shall contain an account of home visits and of establishing the child's opinion, and possibly information from other authorities.

### **Recipients and noncompliance of maintenance payments**

As regular child maintenance payments are private transfers it is difficult to assess the coverage level or impact (Bradshaw 2006). There are no statistics available about the amounts of child maintenance paid by non-resident parents because some parents make private maintenance arrangements and the authorities do not have information about the content of all these agreements. One way to measure coverage is to look at the proportion of all children in the population for whom there is a guaranteed maintenance payment<sup>4</sup>. Between 2010 and 2011 there were circa 9 percent of children receiving guaranteed maintenance as a percentage of all the population under 18 years

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<sup>4</sup> Since 2009 the Social Insurance Institution of Finland has been responsible for administering guaranteed maintenance and for the collection of overdue child maintenance payments. The statistics on guaranteed maintenance (child maintenance allowances) and overdue maintenance liabilities are based on administrative data on the determination and payment of claims. The processing systems used at the Social Insurance Institution's local offices produce an individual-level benefit database, which forms the basis for the statistical registers.

and circa 11 percent of all families with children (Table 1). The number of recipients has remained steady between 2009 and 2011. The recipients of guaranteed maintenance consist mostly of women. The share has somewhat decreased from 2009 to 2011.

Table 1. Guaranteed maintenance in Finland 2009–2011.

	2009	2010	2011
Recipients (families)	65,005	66,384	66,823
of which females,%	88.8 %	88.2 %	87.9 %
Recipients (children)	95,899	97,776	98,182
Recipient of all families with children, %	11.13 %	11.40 %	11.51 %
Recipient of all children,%	8.81 %	9.02 %	
Average allowance, euros/month/family	189.13	193.63	198.44

Source: Register of Social Insurance Institution

An alternative method to measure coverage of the maintenance system is to study how many lone parents receive child maintenance, either from the non-resident parent or as guaranteed maintenance from the state. According to LIS-data, 77 percent of non-widowed lone parent households received child maintenance payments in 2004 either from the state or from non-resident parents (Hakovirta 2011). Maintenance amounts vary depending on whether they are received from the non-resident parent or the state. The average amount of guaranteed maintenance was circa 198 euros per month per family in 2011 (Table 1). The average amount is less than the full amount due to reduced guaranteed maintenance. According to information available on the amount of maintenance payments which have been confirmed by a Social Welfare Board (Table 2), in 2011 the agreed maintenance payments non-resident parents paid were most often less than 67 euros (including zero agreements) or between 135 and 168 euros per child per month (Child maintenance and custody 2011).

Table 2. Amount of maintenance agreement euros/month/child

	2005	2006	2007	2008	2009	2010	2011
Below 67.28	23.0	23.2	21.0	20.4	23.7	14.0	22.7
67.28–100.90	9.8	9.7	10.5	10.2	10.9	11.0	10.4
100.91–134.54	33.5	31.1	26.2	20.1	3.3*	2.7*	2.5*
134.55–168.18	10.4	11.1	13.5	15.3	25.3	22.6	20.3

168.19–235.45	9.0	9.4	10.4	12.0	10.5	10.3	10.4
235.46–302.73	2.5	2.9	3.5	4.3	4.2	4.2	4.7
Over 302.73	0.6	0.8	1.2	1.6	1.6	1.6	1.9

\* The change is presumed to arise from a raise in confirmed maintenance allowance (guaranteed maintenance).

Source: Child maintenance and custody 2011

Liabile parents are entitled to deduct 80 euros (per year) for each child in their taxes (private maintenance agreements do not qualify for tax deduction). The number of individuals given such tax relief in 2010 was 46,083. However, only those non-resident parents who have confirmed agreements on maintenance payments, and who actually comply with the payments, can make a deduction. Those who fail to make payments, are exempted from payments or have private arrangements are excluded from the number. Given the almost negligible amount of the tax exemption it is also possible that some non-resident parents do not claim the exemption.

The Social Insurance Institution may issue a temporary suspension from child maintenance payments if the liable parent is confronted with financial difficulties. The suspension is granted retroactively for a period of one month to 12 months if the claimant's income falls below 1044 euros per month (in 2011). The amount is raised by 261 euros per month for each additional child. The suspension is only valid up to the amount of guaranteed maintenance. In 2011 as many as 8,486 suspensions were granted with unemployment (65.6 %) and sickness (14.5 %) as major causes.

Noncompliance with the payment of child maintenance due has implications for those children whose maintenance payments are confirmed above the level of guaranteed maintenance. Given this it is important to understand the steps taken to deal with noncompliance. In Finland, if a non-resident parent falls short of maintenance payments, the parent with care is entitled to file an application for guaranteed maintenance at the local office of the Social Insurance Institution. In cases where the confirmed child support is below the level of guaranteed maintenance, the Social Insurance Institution collects the unpaid child support to cover the expenses of the guaranteed maintenance scheme. If the confirmed child support is above the level

of guaranteed maintenance, the agency pays the amount above the guaranteed maintenance to the parent with care. However, these payments are made only if the collection of overdue child support payments is successful. Overdue child support payments expire in five years.

In 2011 there were 43,492 liable parents with overdue maintenance payments, which shows the magnitude of the noncompliance problem. The number can be used as a proxy for noncompliance. The Social Insurance Institution collects overdue maintenance only from those non-resident parents with ability to pay. However, the number does not cover the cases where privately negotiated maintenance are not complied with or where the resident parent does not apply for guaranteed maintenance. Non-resident parents with overdue maintenance liabilities and remaining maintenance debts consist mostly of men (Tables 3 and 4). The remaining maintenance debt per child was more than 5000 euros in 2011.

Table 3. Collected overdue maintenance in Finland, 2009–2011.

	2009	2010	2011
Non-resident parents with overdue maintenance	40,543	43,367	43,492
of which males,%	90.3 %	90.4 %	90.4 %
Unpaid maintenance payment for children, euros	5,239,549	7,317,480	7,970,234
Unpaid/child, euros	291	381	389
Unpaid guaranteed maintenance payments (state), euros	44,265,607	60,866,636	65,817,028

Source: Register of Social Insurance Institution

Table 4. Bulk of maintenance debts in Finland, 2009-2011

	2009	2010	2011
NRP's with remaining maintenance debt	53,755	51,926	43,855
of which males,%	90.2 %	90.3 %	90.4 %
Children with unmet obligations	87,426	84,601	72,682
Remaining debt, euros	236,844,049	235,044,693	222,252,106
Remaining debt/NRP, euros	4406	4527	5068

Source: Register of Social Insurance Institution

The number of non-resident parents with remaining maintenance debts clearly decreased once the Social Insurance Institution took over the collection of overdue maintenance in 2010. The change was due to more efficient debt collection. However, there are still a large number of noncompliant parents (who are mostly fathers).

We lack comprehensive data to analyze the full coverage of maintenance policies in Finland. With the available data it is possible to conclude that a large share of children, and families with children, are affected by child maintenance policies. It is also possible to presume that the children with non-resident parents who have the gravest financial difficulties will be those relying on guaranteed maintenance payments. This is a substantial portion of the population with children. In 2011 the number of children for whom guaranteed maintenance was paid approached 100,000, which is above the size of 1.5 age cohorts of children in Finland. The records on overdue maintenance and maintenance debts are fairly comprehensive. They give a strong indication that noncompliance remains a problem in Finland. Further efforts to improve databases are needed to capture a more detailed picture of child maintenance coverage in Finland.

### **Vignettes: Levels of award**

In the next section, using the vignette method, we provide information on how the child maintenance system in Finland treats parents in two hypothetical child maintenance cases. The aim is to consider how the child maintenance system addresses the problem of rising demand, changes in parental roles regarding caring and earning, and more complex family structures. As described above, in Finland the liability claims are dealt with on an individual basis. We present the likely outcome of determinations of maintenance due for each parent and child(ren).

#### ***Vignette One: Never married couple***

##### *Scenario 1 – Unemployed parents*

In the first vignette scenario, Ms Mary and Mr Paul are unmarried parents and have a three-month-old daughter. The parents have never lived together and the daughter

lives with her mother, but the father maintains a relationship with his daughter and sees her regularly (once or twice a week). The mother has been unemployed since the birth of the child and she claims social assistance for herself and the child. The father is unemployed and he too claims social assistance for a single, unemployed person.

In this case the parents can make an informal agreement on child maintenance payments. As the father's income is low, the parents can agree the amount paid should be zero. This agreement should be confirmed by the Social Welfare Board. As Mr Paul is unemployed and receives social assistance and his monthly income is less than 1044 euros, it is accepted that he has no ability to pay. Therefore the maintenance payment is confirmed as zero. There is no minimum child maintenance award. Since Mr Paul has no ability to pay there will be no reclaiming as long as Mr Paul keeps seeking suspension from maintenance payments from the Social Insurance Institution.

As Ms Mary does not receive any child maintenance she can contact the Social Insurance Institution to apply for guaranteed maintenance. The confirmed agreement between the parents is the condition for receiving guaranteed maintenance. She will receive the full amount of guaranteed maintenance which is 147.96 euros/month (the level in 2012) which will be paid to her every month from the Social Insurance Institution to cover the costs of the child.

#### *Scenario 2 – Father employed*

When Mr Paul's circumstances change he is obligated to report any changes, such as an increase in income, to the Social Insurance Institution. When he finds employment the maintenance agreement will be renegotiated between parents and confirmed either by the Social Welfare Board or by the court of law. In recalculating the child maintenance, the total income of Mr Paul is less than 60% of national median income (1228 euros per month in 2010). If his income does not exceed 1044 euros per month, Mr Paul would not need to pay any maintenance and Ms Mary would get the full amount of guaranteed maintenance from the Social Insurance Institution. Assuming Mr Paul's income is 1228 euros per month, the maintenance payment will be determined by calculating the child's need for maintenance, the parents' ability to pay and the time each parent spends with the child. The national recommendation for the monthly maintenance for a child below seven years is 284 euros. From this amount, a

child allowance of 104 euros per month (excluding single parent supplement in child allowance) is deducted.

When determining maintenance payments, Mr Paul's ability to pay his own living expenses are deducted and, finally, there is a deduction based on the time Mr Paul spends with the child. According to the national recommendation Mr Paul's estimated living costs amount to 568 euros per month. With the time Mr Paul spends with the child, the deduction from maintenance is 29.50 euros per month, which leaves the maintenance payment at approximately 150 euros. Mr Paul would pay the amount directly to Ms Mary.

However, there is an additional consideration in this case. Mr Paul's housing costs and student loans may also be taken into account in determining his ability to pay. If Mr Paul's housing costs and possible costs for student loans are high (more than approx. 500 euros per month), the amount of the maintenance payment would be lower. If the confirmed maintenance is below the level of full guaranteed maintenance *due to the liable parents economic circumstances*, the Social Insurance Institution would pay the difference between the level of full guaranteed maintenance and the confirmed maintenance payment to Ms Mary. If Mr Paul's accepted housing costs and costs for student loans consumed his ability to pay completely, Ms Mary would continue receiving the full amount of guaranteed maintenance from the Social Insurance Institution.

### *Scenario 3 – Ms. Mary enters the labour market*

Ms Mary's circumstances change and she finds part-time employment and earns the typical median part-time income for a woman. The amount would be around the same level of income as with Mr Paul's. In this case Mr Paul's maintenance payments would be reduced from 150 euros to 75 euros per month because it is expected that Ms. Mary has income to maintain her child.

### ***Vignette Two – Divorcing parents with two children***

#### *Scenario 1 – Working parents*



In the second vignette Mr and Mrs Forest are divorcing parents who were married for ten years. They have two children, a six-year-old and a nine-year-old. The father earns a typical median full-time salary for a male and the mother earns a typical median full-time salary for a female. The mother and children reside together in a rented family home and the father has moved 100 km away and lives in a rented flat. The children stay with their father every other weekend from Friday evening to Sunday evening.

In this case, the need for maintenance would be as follows: for the six-year-old 283 euros per month and for the nine-year-old 329 euros per month, totaling 612 euros. For both parents there is enough ability to pay for maintenance. Given the fact that female wages are on average 80 percent of male wages in Finland, Mr Forest's share of the children's need of maintenance would be 55.6 percent. The maintenance payment for Mr Forest would be 340 euros. From this amount, 63 euros is deducted as compensation for the time the children spend with the father. This leaves 278 euros as the final child maintenance payment for both children.

#### *Scenario 2 – Complex family*

Mr Forest's personal circumstances change and he now lives in a rented house with a new partner and his new three month old son from that relationship. He would now like the formal child maintenance award adjusted to take account of his new family responsibilities. These kinds of complex families create difficulties for child maintenance determinations, at least if equality principles are taken into consideration (Meyer et al. 2011). When determining Mr Forest's ability to pay, his liability to provide for the new child would be taken into account. However, the deducted living expenses (without housing) would be lower since Mr Forest is living with another adult (477 euros per month instead of 568 euros). Given the level of Mr Forest's income the maintenance payment would stay at the previous level.

#### *Scenario 3 – Shared parenting*

Mr Forest has a new partner and child and he would like to share the care of his two older(?) children more equally with his ex-wife. Parents reach an agreement according to which the two children spend roughly equal amounts of time living with their father and with their mother in their respective households. Explicit instructions on how

maintenance is determined in cases where children have shared residence arrangements do not exist in Finland (Litmala 2002). There are two possible outcomes.

First, the parents can agree that no maintenance is paid as each parent pays an equal share of the children's costs because the children will reside with both parents equally. Such agreements can be confirmed in the Social Welfare Board or in court (in this case neither of the parents can apply for guaranteed maintenance). Child care arrangements where the parents have separated but take an active part in the everyday life of the child and equal care for the needs of the child create pressure for change in organizing child maintenance. Shared residence or very wide visitation arrangements lead to the question of whether the parent with whom the child spends a lot of time should be obliged to pay child support. Very often in these situations child maintenance is not paid. This reflects an understanding that if parents share care, then the costs of rearing the children will be met equally between them.

The second option is that Mr Forest still pays some maintenance. In Finnish legal literature it has been considered that shared parenthood, where the child spends an equal amount of time with both parents, does not necessarily lead to the termination of maintenance liability. In some situations where one parent has a relatively good financial situation, and the other has a very low income, the court may decide that the relatively wealthy person should contribute more by paying a certain amount to the other parent on behalf of the child. In one particular case, the Finnish Supreme Court (KKO 2010:38) ruled that when a child spends half of her/his time with one parent who pays the child's daily living costs, there is still a requirement to pay child support to cover irregular expenses. A parent's obligation to pay child support can be based on the fact that the other parent incurs constant expenditure on child care, which does not depend on the extent of visitation rights (Gottberg 1997, 58).

When the recommendation on maintenance allowance was issued the idea was to gear the systems so that non-resident parents (mainly fathers) should not be socially excluded from families because of high child maintenance payments. The recommendation includes a table to calculate the amount by which the maintenance liability is to be reduced according to visitation rights (number of nights per month).

The maintenance payments of a parent can be reduced on account of visitation with the child. In this case, Mr Forest's contact deduction is in the highest class and in this case it reduces his maintenance award by 55.50 euros per month, per child, making the award 111 euros per month. Mr. Forest's maintenance liability would be 229 euros.

In all the cases where maintenance is paid, the payer is entitled to annual tax exemption of 80 euros per each child.

## **Conclusions**

The main policy focus in child maintenance policy in Finland is on shared parenting and its emphasis on the contact between the child and non-resident parent. Furthermore, supporting children is seen as a collective responsibility and this means that at least a portion of the maintenance is regularly ensured by the state if the non-resident parent does not pay maintenance. However, the records on overdue maintenances and maintenance debts indicate that noncompliance remains a problem in Finland.

In Finland, the child poverty rate has increased especially among lone parents since the early 1990s. However, the debate on the financial problems of lone parents has been focused on routes to their employment. Policy initiatives have attached less significance to the other strand of financial support, child maintenance. If lone parents could receive adequate income from the child's non-resident parent, it would reduce child poverty among lone parent families. However, child maintenance policy in Finland has been quite a salient issue as it has been reshaped and redefined.

Child maintenance forms only part of a family's social benefit package. Therefore, for low-income parents there are hardly any incentives to seek higher maintenance payments as the payments are deducted from social assistance. Only in the case of considerably high payments there is the possibility that a household's income may

rise above the level of social assistance. In this case the household's income would be raised by higher maintenance payments.

There is only a weak fathers' rights movement in Finland, but the position of fathers in partnership dissolutions has been discussed (in Finland). In 2012 a proposition was made for the parliament to criminalize the resident parent's noncompliance with the non-resident parent's visiting rights. In Sweden, for example, shared residence arrangements can be enforced by courts against the will of one parent. As many as 30–40 percent of children of parents living separately share their residence equally between the parents' homes compared to Finland where only 5 to 8 percent of children have a shared residence arrangement (Hakovirta and Rantalaiho 2011).

There is, conspicuously, hardly any research on the outcomes of child maintenance policies or on attitudes related to child maintenance policies in Finland. However, understanding attitudes regarding the obligations associated with paying child maintenance would help policy makers create systems that are more likely to work and be supported by the clients. Successful post-separation parenting requires the development of a maintenance policy that acknowledges the changes taking place in families and between parents and their children.

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