

## **BUDGET PLANNER**

**to print and complete or use to create your own spreadsheets**

**A - NET MONTHLY INCOME** (£ per month)

*Assumption : eg this is the household income of [name]                      currently / as from [date]*

Net salary / wages	
Net pension income	
Child Benefit	
Child Tax Credit	
Working Tax Credit	
Other Benefits	
Net investment income	
Maintenance (specify source)	
Other income	
<b>TOTAL</b>	

### **Notes**

- 1 For net income we suggest you look at the last 3 pay advices and take an average of the 'bottom line' figure. This will reflect deductions for tax, National Insurance and pension contributions. If it includes deductions for Save As You Earn schemes or AVC payments, you should add back these deductions to the bottom line. This is a simple approach and will not always produce an entirely accurate picture; the position may for example be complicated by bonuses and benefits in kind. It is still a good starting point.
- 2 For Child Tax Credit and Working Tax Credit show the figure for the entitlement, whether or not it is actually received but make a note to that effect.
- 3 Ignore small amount of net investment income and only record substantial and regular payments which are expected to continue.
- 4 If you are receiving maintenance in the form of a regular payment of a specific sum, show it here. If someone pays some of your household bills (including the mortgage) direct, do not show this as a maintenance payment but include in the list of Outgoings below the items they pay for you as a cost of your household.

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## B - MONTHLY OUTGOINGS (£ per month)

*Assumption [eg I will be living with the children/ by myself in a 3 bedroom house with a mortgage of £100,000]*

Mortgage	
Rent	
Council Tax	
Water Rates	
Buildings / contents insurance	
Electricity	
Gas	
Land-line telephone	
Mobile telephone	
Television Licence	
Food	
Other household items	
Clothing for self	
Clothing for children	
School fees	
School travel	
Private lessons / activities / school trips	
Pocket money to children	
Child care costs	
Car tax	
Car insurance	
Car maintenance	
Petrol	
Endowment policy premiums	
Life assurance premiums	
Other insurance premiums (specify)	
Pension (other than contributions deducted at source from earnings)	
Credit card repayments	

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Loan repayments	
HP payments	
Doctor, dentist, optician	
Pets	
Birthdays and Christmas	
Holidays	
Entertainment	
House and appliance repairs	
Maintenance paid to former spouse or child of another relationship (notes 5+6)	
Other	
<b>TOTAL</b>	

## Notes

- 1 Make sure that all the figures you give are monthly ones eg, people often pay their Council Tax over 10 months: you need to calculate the annual cost and divide by 12.
- 2 If you have a repayment mortgage ask your lender if they would be willing to transfer your mortgage to an interest-only basis and what the monthly cost of doing so would be; you may be interested to find out what the cost of a repayment mortgage would be if yours is interest only.
- 3 If you have separated and are a single occupier check if you qualify for a 25% reduction in your Council Tax bill and show the reduced figure above.
- 4 Disregard who pays for which of the outgoings at the moment; this is an exercise in working out the outgoings of a particular household regardless of who pays them now.
- 5 If you are a father who has a child by a previous relationship for whom you pay and will continue to pay maintenance, enter that payment here.
- 6 If you are paying maintenance to a member of your immediate family either in the form of a regular payment of a specific sum or by way of paying some of their household's bills (including the mortgage) direct, do not enter that payment here. Instead, if you prepare a list of Outgoings of their household include the items you pay for as outgoings of their household. This budgeting exercise is intended to show how much surplus income you may have available to pay as maintenance, regardless of what payments you may actually be paying at the moment.

**OVERALL POSITION**

*This calculation relates to the household of [name] ]*

*currently / as from [date]*

<b>A</b>	<b>NET MONTHLY INCOME</b> (£ per month) – from above	
<b>B</b>	<b>MONTHLY OUTGOINGS</b> (£ per month) – from above	
	<b>SURPLUS OF INCOME over OUTGOINGS * (A – B) or</b>	+
	<b>SHORTFALL between OUTGOINGS and INCOME * (B – A)</b>	(                    )

**Notes**

- 1 To form an overall understanding of a family’s position as it is or is likely to be in the future, you may need to complete various versions of this Budget Planner to show the true position of each household, as it is currently, and of the households that may be created in the future.
- 2 Often the reason for preparing budgets is either to work out how much maintenance a household needs to receive in order to be solvent or to work out how much surplus income is available in a particular household, some of which will then be available to pay as maintenance to the other household.
- 3 An issue that often arises is whether budgets are to be prepared as ‘wish-lists’ or on a ‘bare-bones’ basis. What is important is to be realistic and consistent in the approaches adopted to each household.
- 4 Often budgets need to be prepared as interim budgets rather than as long-term ones; for example if a couple separate in January and their interim budget may cease to operate when they have sorted things out in, say, 6 months time, it may not be appropriate to include the anticipated cost of next Christmas in the interim budget.
- 5 We have a great deal of experience in advising people as to the level of maintenance, both interim and long term, and if you cannot readily agree a figure you should seek our advice sooner rather than later; continuing disagreement and uncertainty over maintenance arrangements causes anxiety and sometimes generates ill-will and in turn that make it harder to resolve all other aspects of a situation.