



Arrears Negotiation and Missed Payments

The purpose of this process is for caseworkers to negotiate payment of arrears with the paying parent. This process does not cover enforcement action. For more information refer to [Arrears - Consider Action](#).

Arrears negotiation may be needed at any stage during the lifecycle of a case. The following circumstances may trigger negotiation:

- Arrears negotiation requested by the paying parent
- Arrears negotiation prior to enforcement action
- CSA arrears transitioned onto the CMS for collection
- Changes to the arrears balance following a change of circumstances, revision, or other decisions on the case
- Arrears negotiation instigated by a caseworker
- Arrears negotiation required following a change of service type to direct pay

When arrears action is needed, the CMS system will send a service request (SR) to the Arrears Segment. For more information refer to [Arrears Overview](#).


Check the CRA details tab at contact level, this will provide credit information that will help with debt negotiation. If the information has not populated select the Search CRA button, this will generate the information. For more information on the Arrears view and help with information in the various arrears fields refer to [2012 System Finance Overview](#).

When enforcement action is needed to recover the arrears, the system will send an SR to the maintenance team for a caseworker to take the appropriate action. For employed paying parent's, the first action will be a deduction from earnings order (DEO). For more information refer to [Arrears - Consider Action](#).

For self employed or unemployed paying parent's, or when parallel action is needed on a DEO, maintenance caseworkers must consider other enforcement options. Before referring a case to enforcement, caseworkers follow the arrears negotiation process to give the paying parent a final chance to negotiate payment.

For more information refer to Evidence and Decision Making in the Policy, Law and Decision Making Guidance 

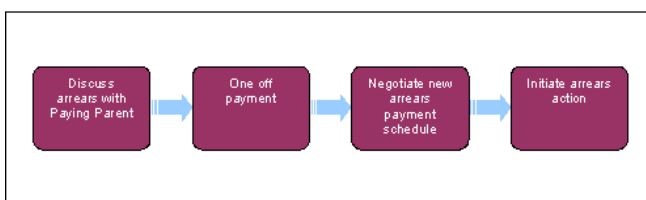
If arrears negotiation is unsuccessful, no immediate action is needed if it was requested by the paying parent. If the paying parent misses any payments, the system sends an SR to the appropriate team for a caseworker to take action.

For more information on CMG's debt steer refer to the guidance on [Applying the Debt Steer Correctly - it's your decision](#) and the Policy, Law and Decision Making Guidance 

If arrears negotiation was triggered by arrears action, the caseworker will consider other enforcement options if the negotiation failed.

The following checklist has been developed to aid effective arrears negotiation discussions - [Compliance card](#)

For more information refer to the Policy, Law and Decision Making Guidance 



 When speaking to clients always use the new terminology. For more information refer to [Terminology Changes](#).


Content Editor

 This procedure uses the terms receiving parent and paying parent.


The receiving parent is the parent who receives or who is expected to receive child maintenance, known as the parent with care (PWC) or person with care (PeWC) on the system and in legislation. The paying parent is the parent who pays or who is expected to pay child maintenance, known as the non resident parent (NRP) on the system and in legislation.


Gather Information

Gather Information


 For arrears only case groups where the paying parent is in receipt of benefit the business as usual process should be followed to negotiate an arrears agreement, this includes transitioned arrears only case groups. Currently arrears cannot be collected via deduction

from benefit (DFB) therefore as part of the arrears negotiation a new method of payment from (MOPF) will have to be agreed with the paying parent and set up. The existing MOPF of DFB must be replaced with the new MOPF. For more information refer to [standing order set up](#) or [direct debit set up](#). Once available, procedures will be updated for scenarios where arrears agreement or contact with the paying parent has been unsuccessful.

 Check to see if the case received is an Arrears Only Case. On all CSA arrears only cases check if suppression is set for either the PWC/PeWC and remove it, please refer to the [Outbound Contact Suppress](#) procedure for further guidance.

 If the paying parent indicates that they are still making payments on a CSA case with the named receiving parent check the case to confirm whether the Data Warehouse look up has been triggered. Where it hasn't, refer the case to the 1993/2003 Rules Reassessment Team Dual Liability single point of contact (SPOC), DUAL.LIABILITY@DWP.GSI.GOV.UK.

 In addition to contacting the paying parent by telephone, consider issuing an SMS. For further guidance refer to [SMS Text](#).

 When contacting the paying parent, ask if they can make a one-off card payment to cover any period of arrears. For more information refer to [Credit/Debit Card - One off Payment](#).

1. This process will be triggered whenever arrears negotiation is needed. Negotiation can be instigated by:
 - Paying parent request to renegotiate arrears payments on any MOPF or service type
 - Caseworkers – prior to enforcement action, when a deduction from earnings order (DEO) isn't possible or when the arrears agreement needs to be reviewed
 - CSA arrears transitioned onto the CMS for collection (See SR notes and reason code **Automated Financial Transition**)



Before scheduling transitioned arrears for Arrears Only case groups check that the **Employment Status** is populated on the Paying Parent's contact record (visible in the **Contact Screen / More Info View**). For more information refer to **Scheduling Arrears Only Case Groups** in the **Procedural Exceptions tab**.


- Any negotiation actions required due to the extension of a Segment 5 Compliance Opportunity
 - Any negotiation actions required due to the ending of a Segment 5 Compliance opportunity
- When enforcement action is needed to recover the arrears, the system sends a service request (SR) to the maintenance segment to take the appropriate action. For employed paying parents the first action is a DEO. For more information refer to [Arrears - Consider Action](#).
2. If the **Action Missed Payment** SR is received, there is a responsibility to negotiate payment of the CSM and/or residual arrears with the paying parent. Where the paying parent requests the re negotiation of their arrears and if the **Action Missed Payment** SR was not generated today, close the SR with a **Status** of **Closed** and a **Sub Status** of **Cancelled**. Create a new **Action Missed Payment** SR using inputs below, in order to negotiate the correct outstanding balance:

- **Process = Arrears**
- **Area = Arrears Management**
- **Sub Area = Action Missed Payment**

- If SR generated due to missed payments, including **Initial Payment**, see **Determine Reason for Missed Payment**
- If SR generated due to an arrears negotiation request see **Negotiate New Arrears Payment Schedule**
- If SR generated to add residual arrears see **Negotiate New Arrears Payment Schedule**

When creating an **Action Missed Payment** SR and linking the case, if multiple cases and/or service types exist, only the case in which the arrears negotiation is being performed should be linked to this SR.


Before working on the SR, check the **Addresses** tab under the contact view. If the client's correspondence address is marked as DLO or NFA, record this in the SR notes and then **Close** and **Cancel** the SR.

 Check the CRA details tab at contact level, this will provide credit information that will help with debt negotiation. If the information has not pre-populated select the **Search CRA** button, this will generate the information. Please note, before selecting the Search CRA button please ensure there is a 'Confirmed Permanent Residential' address for the PP. Failure to do so will result in an error message and no financial data will be returned.

3. Open the SR and set the **Status** to **In Progress**. Check the paying parent's payment history and, if SR received, the **Reason** field in SR information and **Notes** to see why the SR was generated. Also check for instances of direct payments being made while the service type is collect and pay, which were confirmed verbally by the receiving parent or proved by the paying parent, because they are grounds to consider changing service type to direct pay.

Determine Reason for Missed Payment

Determine Reason for Missed Payment

 If the paying parent is in the Armed Forces, check the paying parent's contact address. If the address is Joint Personnel Administration Compulsory (JPAC) Process Team, this indicates the paying parent is on active duty. Update the Notes field and the SR to show that no arrears action is required against the paying parent on active duty. For more information refer to [Active Duty Flag](#).

1. Check the paying parent benefit status using CIS
2. If the MOPF is direct debit and the missed payment SR has generated with reason: **ADDACs** or **ARRUD**, check the reason code associated with the direct debit failure and depending on the code, consider an enforced DEO as the MOPF. For more information refer to [Arrears Consider Action](#).

Depending on the reason code additional action is required as follows:

Reason code 4,5,6,7,8,9,A,B

Check the current MOPF status, if active, suspend the current DD by creating the following payment SR;

- **Process = payment**
- **Area = MOPF**
- **Sub-Area = amend existing MOPF**

Suspend the MOP, input the reason code as ARUDD file

Obtain new MOPF details and issue a new schedule

Reason code 2

Check the current MOPF status, if active, suspend the current DD by creating the following payment SR;

- **Process = payments**
- **Area = MOPF**
- **Sub-Area = amend existing MOPF.**

Suspend the MOP

Check the current SR list. If there is no recent Death of client SR create a Change of Circumstances (CofC) SR as follows;

- **Process = CofC**
- **Area = Change client status**
- **Sub-Area = death of client**

Reason codes 1 & 3

Check the current MOPF status, if active, suspend the current DD by creating the following payment SR;



- **Process = payments**
- **Area = MOPF**
- **Sub-Area = amend existing MOPF**


Suspend the MOP, input the reason code as ARUDD file


If the DD is already suspended check if the following SR is open on the case, if not, create the following SR;

- **Process = CofC**
- **Area = Change MOP**
- **Sub-Area = change MOPF**

Obtain new MOPF details and issue a new schedule

3.  Call the paying parent and explain that the purpose of the call is to discuss missed payment and negotiate a lump sum payment/payment of the arrears. While negotiating payment, consider the debt steer principles while establishing continuous sustainable payments. Explain to the paying parent that missing payments will have an adverse effect on their ability to move to direct pay following the introduction of charging, for further information refer to Policy, Law and Decision Making Guidance 




 In addition to contacting the paying parent by telephone, consider issuing an SMS to the Paying Parent. For further guidance refer to [SMS Text](#).

 Check the CRA details tab at contact level, this will provide credit information that will help with debt negotiation. If the information has not pre-populated select the **Search CRA** button, this will generate the information. Please note, before selecting the Search CRA button please ensure there is a 'Confirmed Permanent Residential' address for the PP. Failure to do so will result in an error message and no financial data will be returned.

4. If the call to the paying parent is unsuccessful update the **Sub Status** to **Contact Failed**, go to **step 25**
5. If the paying parent verbally claims to have made a direct payment, and there is supporting history confirming previous instances, advise them to provide evidence e.g. bank statements within 14 days and that confirmation will be sought from the receiving parent.

 Call the receiving parent for verification (also consider issuing an SMS to the client. For further guidance refer to [SMS Text](#)):

- If they confirm receipt of the direct payment, no further verification is needed. Ask if they wish to change service type to direct pay and if they agree refer to [Change - Service Type - To Direct Pay](#).
- If they deny receipt of the direct payment or cannot be contacted set the **SR Status** to **Wait** for **14 days** to await the evidence requested from the paying parent.
- If acceptable evidence is received from the paying parent, call them and ask if they wish to change service type to direct pay, and if they agree refer to [Change - Service Type - To Direct Pay](#).
- If the receiving parent denies receipt of the direct payment, or cannot be contacted, and the paying parent fails to provide acceptable evidence within 14 days then go to **Step 6**.

6. If the paying parent's MOPF is DFB, arrears can be collected by credit or debit card payment. For further information refer to [Credit/Debit Card - One Off Payment](#).
7. If the paying parent reports a change of circumstances gather the relevant details but continue to negotiate. Refer to info point below and go to **Step 10**.
 -  An allowable change of circumstances means a genuine reason for not paying such as a loss of earnings. Use discretion when deciding if this is applicable. When a decision is made to impose arrears repayments on the paying parent the decision must be documented. For more information on changes of circumstance refer to the Policy, Law and Decision Making Guidance 
 -  This is a discretionary decision, this includes making a Welfare of the Child Decision, for more information on discretionary decisions including a verbatim statement to record in Notes refer to Policy, Law and Decision Making Guidance 
8. If the MOPF is DD, and no contact or payment has been made, this will be viewed as non compliance and enforcement action should be considered. For further guidance refer to [Arrears Consider Action](#).
9. If the paying parent claims to have made the payment, it may have allocated to the suspense account. Take the payment details from the paying parent and ask the banking payment assignment service (BPAS) Managing Exceptions team to search for the payment email - CM 2012 Scheme Managing Exceptions.
10. While the paying parent is on the phone record the reason for the missed payment/s in the **Notes** tab. Update the activity plan to confirm whether a change of circumstances has been reported.
11. To raise a **Change of Circumstance** SR go to the **More Info/Arrears view**, Select **Change of Circumstance** in the **Create SR** dropdown and select **Go** this will open the related SR's view and will have generated a change of circumstances SR but with only the process field updated. Drill into SR and complete Area and Sub Area with relevant change reported. Update the SR **Status to In Progress** and refer to relevant procedure for further guidance
12. Update the **Action Missed Payment SR Sub Status to Pending Payment** to generate the next steps in the activity plan.
13. Record whether the paying parent is willing to make a payment. Select one of the following options in the activity plan:
 - **Willing to make card payment:** debit/credit card payment (also referred to as immediate methods of payment)
 - **DD represent:** where the method of payment from (MOPF) is direct debit (DD) the payment request can be resubmitted in certain situations
 - **Willing to make payment by non immediate method:** cheque, banking head office collection account (BHOCA), internet banking
 - **Not willing to make payment:** where the paying parent refuses to pay or cannot pay due to an allowable change of circumstances
 - **Negotiation Requested:** where no one-off payment made and the arrears are to be rescheduled

Debit and credit cards are the Child Maintenance Group's (CMG's) preferred method for one-off payments
14. If the paying parent does not agree to make a one off payment, explain what enforcement action could be taken to recover the arrears and if dealing with an open case how this will impact on their ability to avoid future charging due to the unlikely to pay check.

If the paying parent does not make a one off payment but does negotiate and agree a new arrears payment schedule, go to **Step 24**. If the paying parent will not make a one off payment or negotiate a new arrears payment schedule, go to **Step 23**. For more information on arrears refer to Policy, Law and Decision Making Guidance 
15. To take a card payment go to the **Arrears** view. Select **Take Payment** in the **Create SR** menu and **Go** to generate a One-off Payment SR. Process the card payment. If the card payment is successful go to step 21. For more information refer to [Credit/Debit Card - One Off Payment](#).
16. If DD represent is possible go to the **Arrears** view. Select **Represent Direct Debit** in the **Create SR** menu and **Go** to generate the required SR. Set a Wait period of five days in the **Action Missed Payment** SR to allow time for the payment to be received. For more information refer to [Direct Debit - Represent](#).
17. If the DD has been represented and the payment is successful go to **Step 22**. If payment is not successful go to **Step 21**.
18. Consider non-immediate methods of payment when the paying parent can't make a card payment. If agreed set a Wait period in the SR for five days. If any remaining arrears are to be scheduled discuss this with the paying parent now and arrange a callback when the payment has been received.
19. Call the paying parent if they haven't sent in the promised payment. Explain that the payment has not been received and ask the paying parent for a card payment. If they agree, update the activity plan to confirm whether the paying parent agrees to make a card payment and go to **Step 15**.
20. If the paying parent has not sent a payment they promised, and cannot make an immediate card payment, record No Payment Made. Attempt to negotiate payment of the arrears in instalments, considering the debt steer principles while establishing continuous sustainable payments.
21. Record the outcome of negotiation with the paying parent by selecting one of the following options in the activity plan outcome:
 - **Full pay made:** where the arrears are paid in full by any payment method including DD represent
 - **Part pay:** where partial payment is made
 - **Part pay + promise to pay:** where partial payment is made and the paying parent agrees to make a further one-off payment
 - **Part pay + negotiation reached:** where partial one off payment is made and the remaining arrears are to be rescheduled

- **Negotiation requested:** where no one-off payment made and the arrears are to be rescheduled
 - **No pay:** where no one off payment made and no agreement to negotiate
 - **Allowable change of circ pending:** where an allowable change of circumstances is reported
22. When full payment is made this process is complete. Close the SR by setting the **Resolution Code** to one of the following:
- **Direct Debit Represent:** where DD represent used and successful
 - **Full Payment Made:** where all other payment methods are used and successful
23. Where part payment or no payment is received, set the **Resolution Code** to **Part Pay Made** or **Disclosure Appropriate** as appropriate go to **step 25**.
24. Set the SR **Sub Status** to **Pending Negotiation**.
25. If part payment or arrears negotiation requested go to **Negotiate New Arrears Payment Schedule**
26. If no contact or negotiation reached update the **Sub Status** to **Arrears Action Pending** and go to **Initiate Arrears Action Negotiation unsuccessful**.

Negotiate New Arrears Payment Schedule

Negotiate New Arrears Payment Schedule




Before scheduling transitioned arrears for Arrears Only case groups check that the **Employment Status** is populated on the paying parent's contact record (visible in the **Contact Screen/More Info View**). For more information refer to **Scheduling Arrears Only Case Groups** in the **Procedural Exceptions** tab.

1. Negotiate an arrears payment schedule with the paying parent considering the debt steer principles while establishing continuous sustainable payments.
2. For the addition of residual arrears, call the paying parent and explain that the purpose of the call is to negotiate a lump sum payment/payment of the transitioned residual arrears.
3. If the paying parent has made inbound contact to negotiate residual or CMS arrears go to **step 5**. If the paying parent refuses to negotiate go to **Initiate Arrears Action Negotiation Unsuccessful**. If the paying parent does not respond or cannot be contacted go to **step 4**.
4. If the paying parent does not respond or cannot be contacted, complete one of the following actions depending on the paying parents current MOPF:
 - For default standing orders, schedule the residual arrears up to the annual review, unless the arrears amounts would take the payments above 40% of the paying parent's net income. In these instances, consider the debt steer
 - Complete this by selecting **Schedule Only** from the **Create SR** dropdown (without completing the **Negotiation Applet**) and select **Go**
 - The system issues the schedule automatically to the Paying parent and Receiving parent/s. For DEO MOPF there is no need to issue a further 2040 to the employer. The employer will adhere to the target schedule. Go to **step 12**
 - For all other MOPFs apply a schedule based on the paying parent circumstances (e.g. Paying Parent income, arrears balance etc.), using the negotiation applet. Update the **Sub Status** to **Pending Negotiation** and go to **step 5**
- This is a discretionary decision, this includes making a Welfare of the Child Decision, for more information on discretionary decisions including a verbatim statement to record in **Notes** refer to Policy, Law and Decision Making Guidance
5. Prior to renegotiating arrears on an open case firstly discuss with paying parent the non negotiable OGM/collection charges that will be due up till AR. Not doing this may have an adverse affect on any arrears negotiation.
 - The MOPF in place must be considered as the next collection may be protected
 - An OGM/collection charges Scheduling Calculator has been produced to assist caseworkers in determining the amounts. For more information refer to the [OGM Calculator](#)
 - A Debt Negotiation Support Tool has been produced to assist caseworkers in working out a sustainable payment schedule. For more information refer to the [2012 Debt Negotiation Support Tool](#)
6. Record the arrears agreement in the **Arrears Negotiation applet** within the **More Info - Arrears** view
7. For direct pay cases, use the **Direct Pay Arrears Agreement/Negotiation applet** below **Arrears Negotiation** applet
 - Where it has not been possible to contact either or both clients to discuss repayment of any arrears balance following the end of a Segment 5 Compliance Opportunity, the schedule should be created using the Negotiated Arrears Amount per Period that was agreed at the last Arrears rescheduling whilst the compliance opportunity was in place.
8. Use the fields below to negotiate the best possible agreement with the paying parent:
 - The Debt Negotiation Support Tool can be used to help work out the values to be recorded in the fields below and create standardised notes for the Welfare of the Child Decision. The Debt Negotiation Support Tool can only be used where the payment frequency is monthly.


- **Lump Sum Payment Amount** - Record the one-off payment taken. Leave this field blank if no one-off payment was taken.
 - **Negotiated Payment Amount** - Enter the balance from the **Calc and Collect Outstanding Arrears Balance** field
 -  For Direct Pay cases, enter the balance from the **PWC Outstanding Arrears Balance** field
 - **Negotiated Arrears Amount Per Period** - Record the arrears payment per week or month depending on the frequency of the MOPF. When this field is completed, the system will update **Negotiated No. Periods To Pay Across** automatically.
 - **Negotiated No. Periods to Pay Across** - Once the **Negotiated Arrears Amount Per Period** amount is calculated, complete an additional check to ensure the amount scheduled is correct.
 - **Negotiated Schedule in Place** - Tick this box to continue the agreement after the next annual review. This holds the agreement or arrangement in place. By not ticking the box any time a promise to pay is run the system will then schedule all arrears evenly over the remaining collections until annual review.
9. **Negotiated Schedule Acceptable** - Tick this box if the negotiated schedule is acceptable. IE the paying parent's offer to pay is reasonable considering their circumstances, use discretion to decide if this is acceptable, even if it exceeds 24 months. In this situation, explain to the paying parent that the arrears agreement will be reviewed when their circumstances change.
-  This is a discretionary decision, this includes making a Welfare of the Child Decision, for more information on discretionary decisions including a verbatim statement to record in **Notes** refer to Policy, Law and Decision Making Guidance 
10. Update the activities/outcome to confirm if negotiation was successful by selecting one of the following options:
- **Negotiation Satisfactory** - where the paying parent agrees to pay the arrears within 24 months
 - **Breaches Debt Steer** - where the agreed payment extends beyond 24 months
 - **No Agreement Reached** - where the paying parent has refused to negotiate
11. If no agreement reached or the schedule is not acceptable update the SR **Sub Status** to **Arrears Actions Pending** and go to **Initiate Arrears Action – Negotiation Unsuccessful**
12. Where a case is undergoing a Segment 5 Compliance Opportunity and both a DEO and Direct Debit MOPF exist, go to **Step 19**. For all other scenarios, proceed to the next step.
13. If negotiation is acceptable, issue a new payment schedule. Select **Schedule Only** in the **Create SR** dropdown and **Go**. The system issues the schedule automatically to the Paying parent and Receiving parent/s.
14. If the MOPF is DEO go to **step 16**.
15. If the MOPT is DEO and standing order or direct debit go to **step 20**.
16. For DEO schedules, select **Schedule Only** in the **Create SR** dropdown and **Go**, calculate the NDR and consider amounts to be collected. From the **Payment Schedule** view within the **perform calculation/payment plan only** SR, select the **DEO NDR Details** sub view. Select **New** and choose the Paying Parent's employer.
17. Input the **Annual Gross Income** and the **Maximum NDR** Amount as calculated using the [2012 Debt Negotiation Support Tool](#) or the [ATNIC](#) calculator
18. Input the **Monthly NDR Amount** as calculated using the 2012 Debt Negotiation Support Tool or else add together the **Negotiated Arrears Amount Per Period** (calculated at **step 8**) and **Regular OGM** and **Collection Fee** amount (calculated at **step 5**) and input this as the **Monthly NDR** Amount. Ensure this is not more than the **Max NDR** amount and **save** the record.
-  For further guidance refer to [Promise To Pay Exceptions](#) under the section marked Calculate maximum normal deduction rate and calculate and Input NDR.
19. Where there is only one MOPF in place, go to **step 24**.
- Action to take when two MOPF are in place**
20. Where both a DEO and DD or SO MOPF exist in a Segment 5 Compliance Opportunity, from the **Payment Schedule** view of the **Perform Calculation – Payment Plan only** SR, note the figure in the **Collection Amount** field of the **MOP Payment Details** applet (for the row where the Method of Payment is DEO)
-  For Segment 5 Compliance Opportunity cases, the system will automatically populate a Maximum NDR figure of 40% of gross monthly income, this should be overwritten with the figure as determined by the ATNIC Calculator by performing the following steps.
21. Select the **DEO NDR Details** sub view. Select **New** and choose the Paying Parent's employer
22. Input the Annual Gross Income and the Maximum NDR Amount as calculated in the [ATNIC](#) calculator
23. Input the figure from Step 19 as the Monthly NDR Amount. Ensure this is not more than the Max NDR amount and save the record
24. Select **Promise to Pay** from the **Create Schedule** dropdown in the **More Info/Liability Calculation** view
-  For DEO MOPF there is no need to issue a further 2040 to the employer. The employer will adhere to the target schedule.
25. Check that a payment schedule version number has updated in the promise to pay applet which confirms that the new promise to pay has impacted and is in place. Further investigation is required if no version number exists.
-  When creating a new schedule and the following conditions apply, contact AAC to consider whether manual allocation may be appropriate:

There is at least one case in a master case which is undergoing a compliance opportunity, and;
 There is at least one case in a master case which is not undergoing a compliance opportunity and for this case;
 A separate application is made against PP after legacy end liability date, and before transition of legacy arrears;
 Legacy arrears exist;
 2012 arrears exist (including 2012 OGM that has already posted);
 Legacy arrears balance has transitioned and is being rescheduled.

Manual Allocation flag must not be set unless directed by AAC.

26.  Call the receiving parent when the schedule has been set up. The system will automatically send negotiation outcome letters to the paying parent and receiving parent/s for Collect & Pay cases, but letters for Direct Pay cases must be issued clerically. **CMSL6056** is sent to the paying parent and **CMSL6051** to the receiving parent.

 These letters are sent in addition to the payment schedules in the previous step.

 Caseworkers in enforcement should ensure that they tick the **Disable Missed Payment Monitor** box.

27. Set up a review activity dated five days after first collection date with a description of **consecutive payment review** and clients reference number to check the first payment is successful. If not successful refer to **Determine Reason for Missed Payment**. If successful set a second **consecutive payment review** dated five days after second collection date.
28. Once all letters have successfully fulfilled close the **Action Missed Payment** SR by setting the **Status** to **Closed** and the **Sub Status** to **Complete**

Initiate Arrears Action – negotiation unsuccessful

Initiate Arrears Action – negotiation unsuccessful

- Record whether the unsuccessful negotiation was for the addition of residual arrears by selecting the relevant activity plan Outcome field:
 - **No contact made - Missed Initial Payment**, go to **step 2**.
 - **Refusal to pay - Missed Initial Payment**, go to **step 2**.
 - **Addition of Residual Arrears** - when residual arrears are to be collected, go to **step 2**.
 - **Not For Addition of Residual Arrears** – when 2012 scheme arrears are to be collected, go to **step 4**.
- Generate an **Arrears Review SR** using the **Create SR** dropdown.
- Go to the **Arrears Review SR** to consider enforcement arrears action and refer to **Arrears - Consider Action** and **Wilful Refusal/Culpable Neglect**.
- Record in the activity plan **Outcome** field whether the negotiation was triggered by call transfer from collection service. If the call was transferred, close the SR by changing the Resolution Code to **Neg Unsuccessful NFA**. If further payments are missed, the system generates the relevant SR for further action to be taken. For more information refer to **Arrears Overview**

Northern Ireland Exceptions

Replace CMG with NICMS.

The Charging Warm-Up lines to take for NICMS can be accessed by selecting the following link: [NICMS Charging Warm-Up Lines to Take](#).

Scheduling Arrears Only Case Groups

Scheduling Arrears Only Case Groups



The **Employment Status** must be populated on the Paying Parent's contact record (visible in the **Contact Screen / More Info** view) before transitioned arrears in Arrears Only case groups can be scheduled. Attempting to schedule arrears in this scenario without a value in the **Employment Status** field will lead to the creation of **Arrears Trigger SRs** with a **SR Status** of **Error** and **SR Sub Status** of **Technical**, which will allocate to Service Management.

Method of Payment To and bank details of the Receiving Parent are required before attempting negotiation with the Paying Parent and then scheduling the arrears. For more information refer to the [Transitioned Arrears](#) fundamental (see Section 6.1 Decision Tree).

If the Employment Status on the Paying Parent's contact record is unpopulated:

- Go to the existing open **Action Missed Payment SR**, or if there is none create a new one for the Paying Parent contact (refer to **Gather Information in Detail** page of this procedure for guidance)
- Use **Create SR** drop-down and select **Arrears Review**
- Go to the new **Arrears Review SR** via the Related SRs view
Set the **SR Status** to **In Progress**
- Press the **Get Employment Status** button
- Set the **SR Status** to **Closed** and **SR Sub Status** to **Cancelled**

6. Return to the open **Action Missed Payment SR** and continue with the arrears negotiation and scheduling the arrears as instructed in the Detail page of this procedure (refer to **Determine Reason for Missed Payment, Negotiate New Arrears Payment Schedule** and **Initiate Arrears Action – negotiation unsuccessful**, as appropriate).

Reactivate the BaNCS Account

Reactivate The BaNCS Account

As soon as you have identified that the paying parent information was already present on the system and that they have no active cases, complete the following:

- Locate the paying parent's BaNCS account number, this will be visible once you have selected the correct paying parent from the pick list after entering them on to the system. Select the paying parent's Contact Record, then select the Financial Accounts tab, the BaNCS number will be visible under Account Heading
- Email the Client Fund Account Team (CFAT) (CM 2012 Scheme CFAT Banking & Accounting) to request CFAT reactivate the paying parent's BaNCS account. The BaNCS account must be reactivated before the case moves to new cases. You can continue progressing the application but you mustn't complete the application before CFAT confirm the account is reactivated. The email to CFAT must contain the SCIN and the BaNCS account number
- CFAT will reactivate the paying parents bank account. Once this has been completed CFAT will phone or email confirmation that this has been completed

CM6000 We haven't received a child maintenance payment

To inform the receiving parent of paying parent missed payment.

All fields in this letter are system generated, no manual intervention is required.

CM6051 We have agreed a payment schedule for your arrears

To the receiving parent -we have agreed a payment schedule with the paying parent - tell the receiving parent that a revised schedule will be sent to them

All fields in this letter are system generated, no manual intervention is required.

CM6056 You have agreed a new payment schedule with us

Notify paying parent of negotiation action

All fields in this letter are system generated, no manual intervention is required.

CMS System Finance Overview

[Active Duty Flag](#)

[Arrears Only Case - Letter Suppression Overview](#)

[Arrears - Consider Action](#)

[Arrears \(Negotiated Payment Schedule\) - Calculate](#)

[Arrears Overview](#)

[Arrears \(Proposed Payment Schedule\) - Calculate](#)

[Change Service Type - To Direct Pay](#)

[Credit/Debit Card - One Off Payment](#)

[DFB - Cancel](#)

[DFB - Failure](#)

[Direct debit - Cancel](#)

[Direct Debit - Represent](#)

[Disclosure For Deduction Order Action](#)

[Liability Order Referral - TL](#)

[MOPF Set Up - Multiple](#)

[OGM Calculator](#)

[Payments To - Reversal Exceptions](#)

[Suspend/Unsuspend Liabilities](#)

Terminology Changes

Unlikely to Pay Check

Automated Financial Transition Arrears

How does the system schedule an overpayment?

In the same way that arrears are scheduled. The system will take any balance owed arrears or overpayment and spread evenly over the remaining collections until Annual Review. In the case of an overpayment the OGM portion in the remaining collections will be reduced by the scheduled overpayment and the overpayment will show in brackets in the non OGM field in the payment schedule view of a perform calculation SR

Am I able to reschedule an overpayment past Annual Review?

Yes. In the same way that arrears are rescheduled caseworker can negotiate and spread overpayments over a longer period of time than the Annual Review

Can I reschedule arrears on maintenance direct cases?

Yes. Any arrears that are owed to the RP can be negotiated and rescheduled. Any charges/secretary of state (sofs) debt outstanding for that case will not be factored in while the service type remains maintenance direct

How do I get an up to date arrears balance?

The **calc and collect outstanding arrears** balance field within an **Action Missed Payment** SR calculates an up to date arrears balance automatically. This confirms all unsatisfied or partial unsatisfied postings due up to the last posting date PLUS calculates the daily accrual of OGM / Collection Charges since the last posting date up to yesterday. It does not include today because today's accrual is included in the OGM / collection charges portion of a new promise to pay

The paying parent disagrees with the arrears balance, how can I explain where these are from?

Go to PP financial accounts, click on bancs **account number** link, click **payment schedule** tab, click on the **show more** tab in middle right and this will then show the **Additional NRP Balances** applet:

- **Posted OGM** field confirms all OGM that has posted until last posting date
- **Paid OGM** field confirms what has been allocated to OGM postings
- **Posted non OGM** field confirms all non OGM posted until last posting date, ie collection charges, DEO charges, Residual, costs etc
- **Paid non OGM** field confirms what has been allocated to all non OGM postings

Deducting these fields from each other = **Total accrued balance** field in Paying Parent financial accounts

A further calculation is now required to add the daily accrual of OGM / collection charges since last posting date to the **total accrued balance field** as follows:

1. **Accrued Liability till Date** (PP Accounts) - 1 day's OGM
2. Divide balance of step 1 by **Daily OGM** amount to obtain the number of days accrual
3. Multiply the balance of step 2 by the **Daily Collection Fee** amount to obtain the collection charge total accrual
4. Add together the balances of step 1 and step 3 which = daily accrual of OGM plus collections charges from last posted date till yesterday
5. Add balance 4 to the **total accrued balance** field in PP accounts.

The **calc and collect outstanding arrears balance** field in the **Action Missed Payment** SR calculates and includes the daily accrual of OGM and daily accrual of collection charges.

How do I calculate Ongoing Maintenance (OGM) and Collection Fee amount until Annual Review

An **OGM calculator** has been provided to assist caseworkers in this calculation (go to **Negotiate New Arrears Schedule**) or to clerically calculate as follows:

1. To determine the amount of OGM between now and the Annual Review, view the **Total o/s OGM until A/R** in the Paying Parent financial accounts.
2. As this figure contains only OGM, to determine the amount of Collection Fees until Annual Review, the following calculation is needed:
3. Total **O/S OGM until A/R** divided by **Daily OGM** Amount
4. Number of days (calculated as above) multiplied by **Daily Collection Fee** amount
5. To determine the amount of OGM and Collection fees for each collection, divide the total of the balances from **Step 1** and **Step 2** by the number of collections as determined at calculate next collection date.

How do I calculate the next collection date for a new promise to pay

Standing Order weekly

- The first collection depends on when a schedule is being calculated. Standing order requires 7 days to amend. IE today's date is Friday 01/01/2016 collection day is Sunday. As the next available Sunday is 03/01/2016 and this is outwith 7 days the first collection on the new promise to pay will be Sunday 10/01/16
- The last collection will be 1 frequency after the annual review date. IE Annual review date Monday 28/11/2016 the last collection will be Sunday 04/12/2016

Standing Order monthly

- The first collection depends on when a schedule is being calculated. Standing order requires 7 days to amend. IE today's date is 01/01/2016 collection date is 10th of each month. As the next available 10th is within 7 days the first collection on the new promise to pay will be 10/01/2016
- The last collection will be 1 frequency after the annual review date. IE Annual review date 01/12/2016 therefore the last collection will be 10/12/2016

Direct Debit monthly

- The first collection depends on when a schedule is being calculated. Direct Debits require 14 days to amend. IE today's date 01/01/2016 collection date is 10th of each month. As the next available 10th is outwith 14 days the first collection on the new promise to pay will be 10/02/2016.
- The last collection will be 1 frequency after the annual review date. IE Annual review date 01/12/2016 therefore the last collection will be 10/12/2016

Once the first and last collection dates are worked out you can determine how many collections there are

When I reschedule a DEO what happens to the previous DEO

In the case of revising a DEO the target schedule is still in place for the previous DEO up until the new collection date. There will be no gaps in payment. See target schedule information by routing to the **employer** view in paying parent contact level and clicking on the blue **employer link** then **schedule** tab. There is no need to issue a further 2040 to the employer. The employer will adhere to the old and new target schedule.

If the DEO is being rescheduled following an in year change of circumstances then the expected collections before the new DEO schedule commences should not be taken into account when calculating the NDR. This is because it is not guaranteed that the DEO deductions requested from the existing DEO/DER schedule will be received. As these aren't protected they won't receive any missed payment alerts. Both clients should be contacted to advise of the possibility of over/under payments. Any over/under payments will be taken into account following the annual review.

Each case should be looked at on its own merits. Discretion can be applied and the NDR adjusted to account for any expected payments depending on the circumstances of the case. For more information refer to Policy, Law and Decision Making Guidance.

Why is the promise to pay version number blank and no new promise to pay in place?

A perform calculation / payment plan only SR will produce a new promise to pay version number every time a promise to pay is generated. The liability schedule version number will be blank as there is no change to liability

Reasons for a blank promise to pay schedule version number:

Check reason field in more info/liability calculation view of SR (front page)

- **Determine NDR** – see **step 12** in **Negotiate New Payment Schedule**
- **Multiple MOPF** – More than 1 MOPF is active. Refer to **MOPF set up multiple**
- **Establish MOPF** – No active MOPF in place. Refer to **standing order set up** or **direct debit set up**
- Error on previous perform calculation SR – this should be raised to AAC for investigation

Do not close and complete perform calculation / payment plan only SR down until version number has populated and a new schedule is in place.