Department for Work & Pensions   Procedures ▸ Arrears classification and categorisation

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Arrears classification and categorisation

This procedure outlines how CMG can classify and categorise arrears, the criteria applied by the system and the user interactions to correctly carry out action.

Classification and Categorisation will be limited to Arrears Only case groups with the following characteristics:

- CMS 2012 arrears only cases
- CMS 2012 arrears only cases with transitioned CSA arrears only
- CSA arrears only cases which have transitioned to 2012

Arrears Only case groups can be managed in BAU segments or in the Arrears Only Static segment. Allocation to these segments is dependent on their classification which will be either Working or Static, respectively.

Case groups classed as Working and allocated to the BAU segments are:

- Arrears only case groups where arrears are continuing to be collected
- Arrears only case groups linked to a case with on going maintanence (OGM)
- Automated financial transition (AFT) cases where a payment has been received within the past 90 days prior to transition

Case groups classed as Static and allocated to the Arrears Only Static segment are:

- Arrears only case groups where arrears are not being collected
- CSA Arrears only case groups that do not link to an existing CMS case group with OGM
- AFT cases where a payment has not been received within 90 days prior to transition

All arrears only case groups within the Static segment may then be categorised as uneconomic or unenforceable. Uneconomic case groups are those where arrears are less then £500 and all trace and non enforcement powers have been exhausted. Unenforceable case groups are those where arrears are £500 or more and all trace, non enforcement, surveillance, and enforcement powers have been exhausted.

Case groups will need to be reclassified if the circumstances of the case group changes i.e. a Static case group will need to be updated to Working if the group ceases to become arrears only e.g. if a new case joins the case group.

Arrears Only case groups can also be managed in the Arrears Only Categorised segment. Allocation to this segment can be via the Working segment or the Static segment and is dependent on their categorisation which will either be uneconomic or unenforceable.

Case groups with on-going maintenance (OGM) will not be classified (Working or Static) or categorised (Uneconomic or Unenforceable).

CSA case groups which are arrears only that have not yet transitioned to 2012 will not be classified or categorised while they remain on CSA systems.

When speaking to clients always use the new terminology. For more information refer to Terminology Changes.

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.

Record Case Group Classification

1. When a case group becomes arrears only on CMS 2012 (i.e. all cases in the Master Case are either closed or arrears only) the system will update the **Arrears Only Indicator** for the **Master Case** and create a **Classify and Categorise SR.** If it is identifed later that the case group classification needs to change, manually create the SR. The SR is completed as follows:

    - **Process** = **Arrears**
    - **Area** = **Arrears Management**
    - **Sub-area** = **Classify and Categorise**
    - **Reason** = **Amend Classification**

2. Change the SR **Status** to **In Progress**.

3. In the **More Info** tab, **Arrears** view, identify the case group as **Working** or **Static** ensure the **Arrears Classification** field is completed using the appropriate drop down.

4. Confirm the correct **Arrears Type** has populated and complete this field manually if required.

5. Select **Classification Amended** in the **Resolution Code** drop down, then close the SR by updating the SR **Status** to **Closed** and **Sub Status** to **Complete.**

Record Case Group Categorisation

Categorisation Criteria

Debt will be categorised **Uneconomic** to collect where the following criteria are met:

- Debt is under £500
- Case has been through three case trace cycles
- All non enforcement powers (including RDO) have been exhausted

Debt will be categorised as **Unenforceable** where the following criteria are met:

- Debt is £500 or more
- Case has been through three case trace cycles
- All non enforcement powers (including RDO) have been exhausted
- All enforcement powers (including LSDO) have been exhausted
- Case has been through three surveillance cycles

For more information on trace and surveillance refer to Confirm Current Location and CRA - Case Surveillance.

1. If the above criteria has been met, create a **Classify and Categorise SR** under the paying parent, with the following values:

   - **Process** = **Arrears**
   - **Area** = **Arrears Management**
   - **Sub-area** = **Classify and Categorise**
   - **Reason** = **Amend Categorisation**

2. Change the SR **Status** to **In Progress**.

3. In the **More Info** tab, **Arrears** view, complete the **Trace Action Completed Date** field with the date that the last of the three trace attempts were completed.

4. Complete the **Non-Enforcement Action Completed Date** field. If the **System Determined Categorisation** is **Uneconomic** go to **step 7**. If it is **Unenforceable**, continue from **step 5**.

5. Enter the date the last enforcement action was attempted in the **Enforcement Actions Exhausted Date** field.

6. Using the date the last of the three surveillance cycles were completed, complete the **Surveillance Action Completed Date**.

7. Select **Category Amended** in the **Resolution Code** drop down then close the SR by updating the SR **Status** to **Closed** and **Sub Status** to **Complete**.

Related Items

Arrears Overview

DEO - Enforced

DER - Enforced

LSDO - Authorise

RDO - Authorise

Civil-Enforcement-overview

Civil-Enforcement-overview-Scotland

Criminal-enforcement-overview

Confirm-current-location

Case-routing-enforcement

CRA-Case-Surveillance