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## CSA Case Closure (Arrears) - Summary

The purpose of this summary is to provide a high level overview of the adjust/write off debt and close case service process. This process will be carried out by the CSA schemes systems and CSA caseworkers.

When the CSA teams receive a request to move a case to CMS, they must determine whether the case can be closed on the proposed date, and, if appropriate, apply the necessary deferral rules.

Before a case can be closed down on CSA systems and moved across to CMS, any arrears outstanding must be either:

- Written Off - permanently adjusting debt from the system
- Written Down - reducing the debt balance on the system in order to close the case and forwarding the correct opening balance of debt to CMS.

An automated process on the CSA systems applies a set of nine predefined deferral rules against every case in the case group:

- PWC arrears decision – either not recorded or not to be collected (ongoing liability)
- Liability not ended (CS2 will then end liability on system date)
- Outstanding work items
- Retained planned collections
- Unpaid payables
- Unallocated receipts (manual payments to be used to forward payments to CMS)
- Case automatically inhibited (CS2 will not run any further deferral rules until the automatic inhibit has been lifted from the case)
- Case manually inhibited

Deferral periods vary depending on which rule has been broken, and where more than one rule is broken the longest deferral period is applied.

On both CSCS and CS2, an automated debt balance validation is carried out to check whether the amount owed minus the amount received from the paying parent matches the current debt balance held on the system:

- Where the validation results in no discrepancy in the arrears amount, the debt balance will be classed as validated and case closure will continue
- If the validation results in a discrepancy, business rules will be used to identify any reasons as to why the discrepancy has occurred.

The CSA systems performs the debt balance validation by firstly calculating the debt balance total. This involves summing the outstanding child maintenance receivables for each case in the Case Closure casegroup. The systems then calculate a validation total by building up a liability history for each case, which is based on assessment, migrated debt balance, direct, non direct and liability end events. The receipts received from the paying parent are then subtracted from the liability history amount.

The debt balance validation amount is then calculated by subtracting the validation total from the debt balance total. If this results in an amount greater than zero, the systems class this as a validation discrepancy. Where this discrepancy is less than £0.05, then the casegroup will be classed as validated and no further business rules will need to be run. Where the discrepancy is more than £0.05 then further business rules will be ran. These further rules are known as permissible debt anomaly rules and are used to try and identify and reduce the discrepancy.

The business rules to identify permissible debt will be applied in turn to each case in the paying parent's Case Closure casegroup. These rules will cover any factors which may have contributed to the validation discrepancy, namely:

- Debt adjustments
- Unallocated receipts
- Non child maintenance allocations
- Refunds and overpayments
- Receipts allocated to non Case Closure cases
- Allocation to planned collection but not debt

- Receipts marked for CMS
- Receipts marked as manual payments

If any or all of the above permissible debt rules are ran and the discrepancy amount is then:

- Reduced to less than £0.05, the debt will be classed as validated, and no further permissible rules will be ran.
- Between £0.05 and £1m, then a debt amendment will be made to the CS2/CSCS debt balance for the discrepancy amount. A report will still be sent to CMS to check these arrears.
- £1m or greater then no debt amendment will be made on the system and the CS2/CSCS debt amount will remain, allowing Case Closure to take place.

Where the discrepancy amount is greater than £1m, the CSA caseworker will need to complete a full account breakdown to establish the correct debt balance, and then relay this balance to the CMS caseworker. The CMS caseworker will then need to contact the paying parent/receiving parent to advise them of the updated arrears balance. Client statements showing the new debt balance will be updated with a one off positive or negative adjustment amount with the transition debt alignment reason code.

Once any outstanding debt on CSA have been either written off or written down, the case will be closed in line with the Legacy transition request (LTR) received from CMS, or on the date determined by any deferral.

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 the **Terminology Changes** procedure in related items.



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.

[Manage Client Arrears Contact \(CSA\) - Summary](#)

[CSA Liability - Summary](#)

[CSA Case Cleanse - Summary](#)

[CSA Inhibit Case Closure - Summary](#)

[CSA Payments to CMS2012 - Summary](#)

[CSA Case Closure Exceptions - Summary](#)

[Legacy Transition Request \(LTR\) - Summary](#)

[Automated Financial Transition Arrears](#)

[Maintain CSA Arrears](#)

[Terminology Changes](#)

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