Department for Work & Pensions Procedures ▸ DFB - Set Up

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DFB - Set Up

Deduction from benefit (DFB) is a method of payment from (MOPF) in which amounts are taken directly from a paying parent's benefit to pay child maintenance.

For all cases where maintenance is to be collected via the paying parent's (or their partner's) benefit, the owning caseworker is required to set up the MOPF as DFB.

The Child Maintenance Group (CMG) interfaces with the benefits directorate and the Defence Business Service (DBS) to request child maintenance deductions from benefit (DFB). The type of interface used to request DFB depends on the benefit from which deductions are to be taken, and also if the deduction has adjustments in place for shared care or direct pay.

ⓘ DBS has replaced the Service Personnel and Veterans Agency (SPVA)

Collection fees will apply to DFB, these fees will be fixed at an amount of 20% of the ongoing maintenance (OGM), which will be collected in addition to the OGM. For further information on collection fees, refer to Collection Fees - Summary.

For benefits where deductions are requested clerically, the owning caseworker needs to send form CMSF2014 to the relevant office. This is sent via email after locating the Benefit centre using the Factual Information Network Database (FIND) or locating the Pension centre using the DWP Office Database.

This process guides you on how to set up a DFB as a MOPF and after a change of circumstances.

For more information refer to the Policy, Law and Decision Making Guidance: ⚖
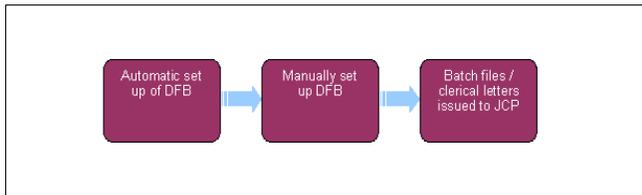
ⓘ This procedure uses the terms receiving parent and paying parent.

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.

Details

Deductions from Benefit (DFB)

⚠ Before setting up a method of payment, first verify the existing MOP to ensure that the system or another caseworker has not created/replaced the exact same MOP. To do this, select the **Contact** then select the **Financial Accounts** view. If the same MOP is already in place, take no further action. If the client has not previously had a MOPF in place and setting up a MOPF for the first time, refer to Method Of Payment From - Set Up Initial.

ⓘ The current profile must also be checked to determine whether a MOPF is currently suspended on the case, this will need to be unsuspended before continuing. For more information please refer to DFB - Cancel

1. Where the case is pre provisional calculation, if a paying parent is shown to be in receipt of benefit, and the receiving parent has not chosen Direct Pay, DFB must be manually set up as the MOPF. Go to **Set up DFB** below.

   For income-based benefits which attract the standard flat rate of maintenance, this process is fully automated. Contributory based benefits are fully automated regardless of the maintenance calculation being standard or non-standard.

   The automated set up of DfB is appropriate during a change in circumstances to a paying parent's benefit status/details where an automated 'on' benefit notification is received and the full amount of flat rate maintenance is to be deducted from the following benefit types:

   - Job Seekers Allowance income based [JSA(IB)]

   - Employment Support Allowance income related [ESA(IR)]

   - Income Support (IS)

   - Pension Credit (PC)

   ⓘ CMG do not make deductions from the following:

   - Attendance Allowance (AA)

- Disability Living Allowance (DLA)

- Personal Independence Payments (PIPs)

The 2012 system automatically records the benefit information, recalculates the maintenance to the flat rate amount, and sets DFB as the new method of payment from (MOPF). It also sets the first payment date and frequency as monthly. For more information on on/off benefit notifications refer to CIS – Get Benefit Award and CIS – Receive Changes To Benefit Info.

If arrears accrue during the time taken to complete the set up of a DfB, contact the paying parent to advise that the arrears cannot be deducted from their benefit. Request a card payment from the paying parent for the arrears. For more information see Credit/Debit card - one off payment. The paying parent should have been advised at Gather paying parent information of the start of their liability and that their child maintenance liability will be backdated to this date. Remind the paying parent of this, and also that any arrears which accrue prior to the first payment will be expected to be paid in full.

Set up DFB

Set up DFB

1. Set up of DFB requires caseworker intervention in the following situations:

   - The paying parent is shown to be in receipt of benefit during the provisional calculation stage of a case. Refer to Calculation - Provisional for further details

   - The amount of child maintenance to be deducted is non-standard i.e. less than the flat rate

   - The benefit from which deductions are to be taken is not one of those listed below:

       - Job Seekers Allowance income based [JSA(IB)]

       - Job Seekers Allowance contribution based [JSA(C)]

       - Employment Support Allowance income related [ESA(IR)]

       - Employment Support Allowance contribution based [ESA(C)]

       - Income Support

       - Pension Credit (PC)

2. In some cases, after an automated on benefit notification, a Payment SR is generated by the system for caseworker action. In this situation continue from **step 3**. If the 2012 system has not generated a Payment Service Request (SR), Create a Change of Circumstances (CofC) parent SR by selecting:

   - Process = Change of Circumstances

   - Area= Change Method of Payment

   - Sub Area = Change Method of Payment From

   - Source = NRP

   Update the **Subject Details** section of the applet by completing the **Last Name** field and change the **Status** of the SR to **In Progress** - the system generates an activity plan. For more information on methods of payment refer to the Policy, Law and Decision Making Guidance

   ⚖

   ⓘ Whether the set up of DFB is automated, the **NIL DFB/Deduction DFB** field will not be completed. It is an optional field and can be used when the MOPF is set up manually to reflect a flat rate calculation against the MOPF. Whether or not the field is completed will not affect the set up of a DFB.

3. Create a child SR to set up the MOPF as follows:

   - **Process = Payments**

   - **Area = Method of Payment From**

   - **Sub Area = Benefits Agency**

4. Select action from:

   - **Create MOP** – to create a new method of payment at initial set up of DFB

   - **Replace MOP** – to replace an existing method of payment, after a change of circumstances

5. Update the SR to **In Progress**. Failure to do this will means the case cannot be progressed. The system generates an activity plan to follow.

6. Select the client's internal account number.

   ⓘ BaNCS (internal account) numbers are required to process payments. Every client has a BaNCS number generated by the 2012 system at the initial application stage.

7. Select the **Current Payment Method** MVG to check for an existing MOP. If a MOP exists, consider whether it should be cancelled before continuing to set up a new one.

8. Select the **Benefit Office ID** MVG and select the appropriate office for deductions.

⚠️ If there is more than one benefit or allowance in payment decide which benefit to select for DfB. Consider the following:

- Income based Job Seekers Allowance (JSA IB), income related Employment Support Allowance (ESA IR) and Income Support take priority over contributions based benefits, when deciding which benefit to request deduction from

- Contributions based benefits take priority over Universal Credit

For more information on deductions from benefit, please refer to the Policy, Law and Decision Making Guidance: ⚖️

9. Update the **Resolution Code** to **Benefit Confirmed** and save the SR, this will enable the **Send MOP** button.

10. The payment collection day must be set with today's date.

ℹ️ Calculation of the first promise to pay collection date is governed by the following:

- The Payment Collection Day which is manually recorded against the DFB MOPF
- The date the promise to pay schedule is created

The system will calculate the first DFB collection on the date the schedule is created as payment collection day + 2 months.

For example, the payment collection day is entered as the first of the month (i.e. 01/09/16). The schedule must be produced on the same day that the DFB MOPF is set up, this will calculate a first collection date of 01/11/2016. This provides 8 weeks to receive the first DFB payment.

11. Select **Send MOP** and if a successful response is received from BaNCS update the Payments SR in the following way:

- **Status = Closed**
- **Sub Status = Completed**

⚠️ When BaNCS returns a **Success** message, the correct **Resolution Code** must be selected and not set to **Transaction Rejected**.

12. If the DFB is being set up due to a change of circumstances, accept the change in the change to benefit details SR by updating the **Resolution Code** to **COC Accepted**, this closes the SR. A Perform Calculation SR will generate when the **Resolution Code** is updated within the **CoC SR**.

ℹ️ Where the benefit is IS, JSA (IB) or ESA (IR) and a standard deduction applies, the deduction request is sent automatically via CIS. This allows CMG to set an interest on CIS which is picked up by JCP systems and acts as a 'proxy' for the deduction request.

ℹ️ Where the benefit is JSA(C), ESA(C) or Pension Credit (and a standard or non-standard deduction applies) OR it is one of the benefits listed in **step 1** but non-standard deductions apply, the request is sent automatically from CMS 2012 to the JCP system and includes the amount to be deducted.

⚠️ Do not print the form to set up deductions from Universal Credit (UC). Go to **Setting up deductions from Universal Credit**.

13. Return to the **CofC SR** and close it by changing the **Status** to **Closed** and the **Sub status** to **Complete**.

14. Where the benefit is JSA IB, JSA C, ESA IR, ESA C, Income Support or Pension Credit, the benefit agency will send a success response via the system interface within five calendar days to confirm that deductions will begin. This will display in **Benefit Response** in the **Contact** view.

If a DFB set up for JSA IB, JSA C, ESA IR, ESA C, Income Support or Pension Credit has failed, the Benefit Agency will send a rejection via the system interface. The system will generate an SR to alert caseworkers to this. The system will also generate an SR when there has been no response to the DFB request after five calendar days. For more information refer to DFB failure.

Setting up clerical deduction requests

Emailing clerical deduction requests

1. Clerical deduction requests must be emailed when benefits are administered clerically and for the following benefits: Incapacity Benefit, Maternity Allowance, State Pension, Retirement Allowance, Severe Disability Allowance, Industrial Injuries, Carer's Allowance, Bereavement Allowance (Widows benefit, Bereavement Benefit, Widows Mother's allowance, Widowed Parent Allowance)

⚠️ Check that the client does not receive any income related benefits before completing CMSF2014. Where the deduction is for the full flat rate, deductions from the income related benefit will trigger automatically. If this is not identified and a CMSF2014 is issued for another benefit, two lots of deductions will be received by CMG.

2. Complete the following paying parent details in an electronic copy of CMSF2014:

- Personal details
- Benefit office ID
- Deduction amount
- Paying parent's benefit partner (if applicable)

Benefit centre

3. Find the relevant benefit centre and email address by accessing the Factual Information Network Database (FIND). Select **Find a benefit centre** and complete a search using the first half of the paying parent's post code. If more than one result is returned, always select the Benefit Centre (BC) result.

   Select the relevant benefit centre hyperlink to view the BC details. Navigate to **Benefits dealt with at this office**, near the top of the page and select the hyperlink for the required benefit. Find the correct email contact address for the BC under the heading Internal Processing Teams - Changes. For example 'JCP Gloucester BDC ESA Change of Circs'.

   If the benefit is not dealt with by that office, select the paper icon next to the appropriate benefit from the box labelled **Benefits in post code area that are dealt with elsewhere**. Select the **benefit name** hyperlink from Benefits dealt with at this office and use the email address listed under the heading Internal Processing Team - Changes. Move to **Step 8**.

Pension centre

4. Find the relevant pension centre by accessing the DWP Office Database. Select **Pensions directorate** and complete a search using the first half of the paying parent's post code. If more than one result is returned, select the top result.

5. Send an email with the completed **CMSF2014** attached to the correct owning office. Put the following the in the Subject field: OFFICIAL - CMG Deduction Request for CM2012.

6. The following email addresses will only be used by CMG to send deduction notifications:

   - Burnley Pension Centre: BURNLEYEMPOWER.THIRDPARTYDEDUCTIONSINBOX@DWP.GSI.GOV.UK

   - Cwmbran Pension Centre: CWMBRANPENSIONCENTRE@DWP.GSI.GOV.UK

   - Dundee Pension Centre: 3SBHVC@DWP.GSI.GOV.UK

   - Motherwell Pension Centre: MotherwellpensionCentre.counciltax@DWP.GSI.GOV.uk

   - Newcastle Pension Centre: TYNEVIEWPARKJBLOCKPHASE2.NEWCASTLEPENSIONCENTREHOUSINGTEAM@DWP.GSI.GOV.UK

   - Seaham Pension Centre: SEAHAM.TPP@DWP.GSI.GOV.UK

   - Swansea Pension Centre: SWANSEA.THIRDPARTYPAYMENTS@DWP.GSI.GOV.UK

   - Warrington Pension Centre: WARRINGTON.GREENREPORTEDCHANGES@DWP.GSI.GOV.UK

Carers Allowance

7. Email requests for deductions from Carers Allowance must be sent to CA.ENQUIREHANDOVER@DWP.GSI.GOV.UK. When this email is issued, an autoreply will be received, please disregard this as request will be actioned.

8. Send an email with the completed **CMSF2014** attached to the correct owning office with the following **Subject**: **OFFICIAL - CMG Deduction Request for CM2012**.

9. The owning office implements the deductions within 14 days of receipt of the request. When the owning office cannot implement deductions they email a response back to the originator of the request, detailing the reason why. Take the following actions:

   - If the request is not completed within 14 days send a duplicate **CMSF2014** attached to an email, with the following text in the Subject field: OFFICIAL - URGENT DUPLICATE CMG CM2012 Deduction Request

   If the owning office can make the deductions requested, the start date of the deductions will be the first full week of benefit following receipt of the Child Maintenance Group (CMG) request. When the deduction cannot be made, the owning office will send a rejection - see Benefit Response in the Contact view. For more information refer to DFB - Failure.

Setting up deductions from Universal Credit

Set up deductions from UC

For guidance on setting up a deduction from UC, refer to Universal Credit.

Setting deductions from Defence Business Service (DBS)

Deductions from DBS

1. For deductions from War Pension and War Disablement Pension complete form CMSF2014 clerically. The Benefit Office ID will always be 190005. Place the form in the normal collection point for external post, do not use couriers as the benefits are paid from the DBS. Send the CMSF2014 to the following address:

   DBS

   Veterans UK

   Payments Team

   R6311

Norcross

Blackpool

FY5 3WP

(i) If War Widows Allowance is marked down on the 2012 system as having started after the 5 April 2005, the paying parent is in receipt of Armed Forces Compensation Scheme Payments. Where this occurs cross out the benefit name on the deduction letter and write Armed Forces Compensation Scheme Payments in its place.

(i) For War Pension and War Disablement Pension, the DBS should reply within 10 working days, if the deduction request is rejected. Where the deduction request is successful, the DBS replies within 20 days. If a response is not received, check Common Enquiry Service (CES) to ensure the benefit is still in payment. If it is, contact the benefit office to confirm they have received the request, but for some reason it has not been processed, for example they may be awaiting the rescheduling of other deductions etc. If nothing has been received by the benefit office, call the paying parent to request the missed payment by debit/credit card and end the current DFB on the child maintenance system, refer to Debit/Credit card One off payment and DFB – Cancel, for more information.

Wait 24 hours for the instructions to process and then set up a new deduction request.

CMF2014 Request to benefits agency for deduction of child maintenance

Voucher to benefits payments from a paying parent directly to child maintenance service

All fields in this letter are system generated, no manual intervention is required (with the exception of benefits paid by the SPVA - this request will need to be generated and completed clerically).

Calculation - Provisional

Change - Benefit Status/Details

Change MOPF - Summary

Collection Fees - Summary

Credit/debit card - One off payment

DFB - Cancel

DFB failure

Direct Debit - Set Up

Method of Payment Overview

On Benefit

Terminology Changes

Gather paying parent information

CIS - get benefit award

CIS - receive changes to benefit details

Universal Credit

Which benefits do CMG deduct Child Maintenance from, and how are the deductions requested?

Benefit	Method to set up deductions
Job Seekers Allowance (Income based)	If deductions are non-standard, caseworker intervention is required to set up the DFB. If deductions are for the standard amount, it will usually be an automatic process, however caseworker intervention is sometimes required.
Job Seekers Allowance (Contributions based)	System interface but caseworker intervention required to set up the DFB
Employment Support Allowance (Income Related)	If deductions are non-standard, caseworker intervention is required to set up the DFB. If deductions are for the standard amount, it will usually be an automatic process, however caseworker intervention is sometimes required.

Employment Support Allowance (Contributions based)	System interface but caseworker intervention required to set up the DFB
Income Support	If deductions are non-standard, caseworker intervention is required to set up the DFB. If deductions are for the standard amount, it will usually be an automatic process, however caseworker intervention is sometimes required.
Pension Credit	System interface but caseworker intervention required to set up the DFB
Incapacity Benefit	Clerical request via email using form CMSF2014
Bereavement Benefit/Allowance	Clerical request via email using form CMSF2014
Carer's Allowance	Clerical request via post to Carer's Allowance Unit using form CMSF2014
Industrial Injuries Disablement Benefit	Clerical request via email using form CMSF2014
Maternity Allowance	Clerical request via email using form CMSF2014
Reduced Earnings Allowance	Clerical request via email using form CMSF2014
Retirement Allowance	Clerical request via email using form CMSF2014
Severe Disablement Allowance	Clerical request via email using form CMSF2014
State Pension	Clerical request via email using form CMSF2014
Universal Credit	Clerical request via Universal Credit SPOC using form CMSF2221
War Disablement Pension	Clerical request via post to SPVA using form CMSF2014
War Pension/War Widowers Pension/War Widows Pension	Clerical request via post to SPVA using form CMSF2014
Widows Benefit	Clerical request via email using form CMSF2014
Armed Forces Compensation Payment	Clerical request via post to SPVA using form CMSF2014