



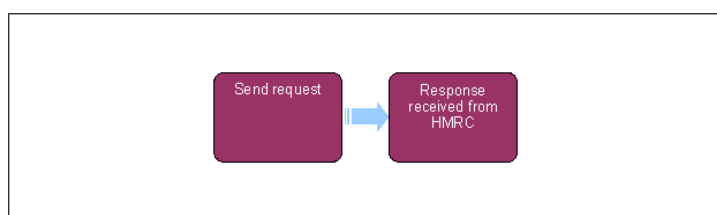
## HMRC - Breakdown Of Income Summary

This process is to show caseworkers how to request an earned income breakdown figure from Her Majesty's Revenue & Customs (HMRC) and details the type of information returned by them. This can take place in either the application, new case team, maintenance service or enforcement service.

HMRC provide us with the income information for paying parents through an interface. This information is in the form of the paying parent's gross amount earned for the most recent complete tax year held. The gross income provided is yearly income before income tax and national insurance are deducted, but after occupational pension scheme contributions are taken away. For further information, refer to [HMRC - Summary of Earned Income](#).

The income can be queried by either the paying parent or receiving parent. In this scenario caseworkers can request a more detailed breakdown of the paying parent's earned income from the HMRC.

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.

This process can be used to help with some queries/disputes that a client may raise following the use of Her Majesty's Revenue & Customs (HMRC) income figure used in an assessment.



If, after performing a breakdown of income summary, the paying parent states that the income figure received from HMRC is inaccurate, explain that HMRC worked out that their gross weekly income using information that the client, their employer or a third party such as their accountant gave to HMRC. HMRC only holds the income they receive from these sources - nothing more. If they have a concern about the accuracy of the information, they should speak to their employer or third party contact (accountant) about the accuracy of the data as HMRC will only react to changes from these sources.



If a general query is raised regarding why the Child Maintenance Group (CMG) uses historical gross income from HMRC, then caseworkers should refer the client to legislation supporting the income/source used and not request an earned income

breakdown. For more information on historical gross income refer to the Policy, Law and Decision Making Guidance 

### Send Request

1. If an SR exists on the case, use this to perform the Breakdown of Income. If no SR exists, create a General enquiry SR as follows:

- **Process = Manage inbound call**
- **Area = General Enquiry**
- **Sub-Area = General Enquiry**

Update the SR **notes** giving the reason for the breakdown of income request eg Paying parent asking if his private pension has been included.



When creating the general enquiry SR, remember to assign it to the correct case.

2. Select the relevant paying parent and the **Contact** view followed by the **Customer Profile** tab.
3. Select **Income/Employment Details** and the **Get HMRC Income** tab.

4. Enter the tax year to request within the applet. If nothing is returned leave out the tax year, so HMRC can return latest complete tax year details.
5. From the drop down select **Income Breakdown**.
6. Select the **Get Income** button.
7. Once the earned income breakdown is requested for the relevant tax year, the system sends the paying parent's details to HMRC's system.



If an HMRC Income Check SR generates for the Special Client Records (SCR) team, follow [HMRC - Unmatched Income](#) and then return to the relevant point in this procedure.

## Response received from HMRC

8. HMRC use the information provided to check their database.
9. Where a match is found, HMRC return a breakdown of the income information in real time. In the **Income Employment Details** applet, an entry will display in the **Income Name** view called **Earned Income Breakdown - HMRC**. Selecting this the **Income Account** view will show a breakdown of the income supplied, this can consist of:
  - Employment income figure
  - Trading income figure
  - Taxable pension income figure
  - Date of employment or self employment



The figures received from HMRC should match the total amount of the gross income already held on the 2012 system if they are for the same tax year. Where this is not the case, then a review of the income held on the system is required to change them to the revised figure. For more information refer to [HMRC - Summary of earned Income](#).



When the 2012 system displays returns it does so as a single year figure, for example if the year returned is 2012 this represents the 2011-2012 tax year



Under no circumstances should the paying parent or receiving parent be referred to HMRC if they disagree with an income amount received in the interface. If the paying parent believes that there has been a mistake for a given tax year, then they should be directed to their payroll for them to check and amend (if necessary) with HMRC, or if they (or their accountant) have provided HMRC with the income details via self assessment they should amend their record.



Under no circumstances should a receiving parent be informed of any of the details contained in the earned income breakdown. The receiving parent must only be given assurance that the details obtained from HMRC are accurate.

[Change - Income](#)

[HMRC - Summary Of Earned Income](#)

[HMRC - Unearned Income Variation](#)

[HMRC - Unmatched Income](#)

[Revision/Correction - Change To Income](#)

[Variation - Additional Income](#)

[Are employees' "allowable expenses" deducted by HMRC from the paying parent's gross income amount that is received in the earned i](#)

No they are not deducted from the HMRC earned income figure received, nor should they be. "Allowable expenses" for employees are doing a job that are not reimbursed by an employer e.g. professional subscriptions, allowable travel, certain clothing costs etc. If these expenses they may claim some tax relief from HMRC. However 2012 Scheme legislation does not make any allowances. Allowa not be confused with benefits in kind. Benefits in kind are benefits that an employer pays to an employee that HMRC consider taxable in the HMRC earned income interface and form part of the paying parent's assessable income for 2012 Scheme calculation purposes.

[A paying parent states that the earnings used are wrong and that HMRC have incorrect details](#)

For PAYE people, HMRC only hold income information that has been reported to them by an employer. Therefore if this record is parent must report this to their employer who will amend the details that they send to HMRC. Once the HMRC record has been correct should contact CMG and the income interface for that tax year can be retrIGGERED. If the amount has changed the case needs to be re earnings figure from HMRC.

For self assessment people, they themselves need to correct the income records and advise HMRC of this. or if they use an account they must do it. Again, once the correct earnings have been received and processed by HMRC the income interface can be re-trig revised.

---

A paying parent has provided a p60 and it is less than what has been returned in the HMRC earned income interface. What should I do?

Firstly a P60 is issued per employer so one p60 is not the full story. The paying parent may have worked for someone else in the additional taxable income e.g. a benefit that is taxed, a pension etc. The paying parent may even be self employed as well as employed of income - if it says SA this means self assessment and indicates self employment). Trigger an income breakdown request, this will be given by HMRC into more detail. Talk the results through with the paying parent.

---

A receiving parent claims the paying parent works but also receives a private pension, what should i do?

You can assure the receiving parent that pensions are classed as earnings and will be included in the earned income figure that HMRC decide to trigger an income breakdown request which should bring back a total for the pension; however you are not legally able to speak with the receiving parent.

---