	Procedures ▸ HMRC - Summary Of Earned Income	I Like It	Tags & Notes
Department for Work & Pensions			

Procedures > Pages > Interfaces > HMRC-summary-of-earned-income

HMRC - Summary Of Earned Income

A real time interface with Her Majesty's Revenue & Customs (HMRC) system provides us with the latest complete, historic, taxable annual earnings for a paying parent. This is the foundation for setting the paying parent's calculation at the initial stage of the case and at annual review.

This procedure is used by caseworkers within the application, new case, maintenance and enforcement services.

The gross income provided by HMRC is the yearly amount before income tax and national insurance are deducted, but after occupational pension scheme contributions are deducted.

The system does not receive income from the current tax year (because HMRC is awaiting its completion), it is the income for the latest complete tax year that is provided by HMRC. Where the prior tax year is unavailable, HMRC attempt to provide the year before (and so on, for up to six years prior).

The earnings summary amount that HMRC provides may be comprised of different earnings elements e.g. wages, pension. If a client queries the figure received from HMRC that is used in the assessment calculation a caseworker can get a more detailed breakdown of this figure by performing a breakdown of income summary. For further information, refer to HMRC - Breakdown of Income Summary.

If, after performing a breakdown of income summary, the paying parent states that the income figure received from HMRC is inaccurate, explain that HMRC calculated their gross weekly income using information that the client, their employer or a third party e.g. their accountant, gave to HMRC. HMRC only holds income received from these sources - nothing more. If the paying parent is concerned about the accuracy of the information they should speak to their employer or third party contact (accountant) as HMRC only reacts to changes from these sources.

Details of earned income provided by HMRC

HMRC use information provided by the 2012 system to check their database. Providing the paying parent has been traced on their system, HMRC sends a response to us with the following details:

- A single taxable earned income figure for the latest complete tax year

- The source that the income figure is based upon i.e. pay as you earn (PAYE) or self assessment (SA). If both are present in the same year, only the SA figure is provided as this also contains the PAYE information

- Dates of employment and/or self employment throughout the tax year

- The tax year in which the information has been obtained. The 2012 system displays the tax year as a single year figure, for example if the year returned is 2012 this represents the 2011-2012 tax year

If HMRC have no record of earned income for the paying parent, then a No Income response is recorded in the calculation service request.

Re-triggering of HMRC earned income interface

Generally requests for HMRC income are automatically triggered by the 2012 system at appropriate stages in the case lifecycle (at application stage and annual review). However, there are occasions where the earned income interface must be manually triggered by a caseworker.

If the income source is displayed as N/A following a provisional calculation this may have been caused by the interface with HMRC not working. Always re-trigger the HMRC income interface if the income source displays N/A after provisional calculation unless you know the N/A income return is correct i.e.
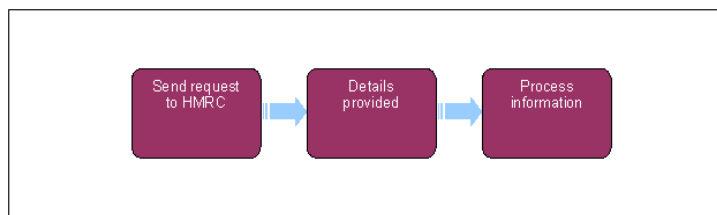
- The provisional calculation service request states **No Income Details**

- There is an HMRC Income Check service request (this indicates it is not in HMRC's central data warehouse. The special client records (SCR) team handle obtaining income for these cases.)

Blank HMRC Returns

Some employers will never be returned by HMRC, as HMRC have marked them as Senstive. For more information refer to **HMRC Sensitive Employers** in **Procedural Exceptions**.

For more information on re-triggering the HMRC earned income interface, refer to the **Details** section.

A guide has been developed for further help with this. For more information refer to **HMRC/CIS/Current income** in the Fundamentals site in the Enhanced Support Model

ℹ️ 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.

HMRC earned income interface trigger

At the provisional calculation and annual review stage the process of triggering the HMRC interface for a response is usually automated by the 2012 system. However there are four occasions when the earned income interface must be manually re-triggered by the caseworker, these are:

- If the interface has timed-out or no income response has been returned from HMRC when one was expected (see section below titled Scenario 1)

- If a client contacts us and informs us that the income details received from HMRC, and used in an assessment calculation have subsequently been amended by HMRC. In this scenario it must be the same tax year that has been amended and used in the assessment calculation (see section below Scenario 2 Client informs us that HMRC income has changed)

- Where a reapplication has been made, the system will look to use the last HMRC information recorded before the previous case closed (see section below titled Scenario 1)

Scenario 1 - How to re-trigger the earned income interface following failure

A re-trigger is appropriate at the following points of the case:

- Receipt of **Gather NRP Information** SR: this is received by the new case team (or paying parent casegroup owning team) following completion of the Establish Maintenance Region process. A two day window exists between receipt of this SR and outbound contact to the paying parent. The team leader/assigned caseworker can review cases to determine whether the N/A Income Source is correct or if an HMRC interface re-trigger is necessary.

- During telephone contact with the paying parent determine when to re-trigger the HMRC interface, (ie natural break in discussion), this must be done before requesting current income information from the paying parent. A good time to do this is after the paying parent contact details are confirmed.

- No contact from the paying parent. If contact with the paying parent has not been established within 14 days following the issue date of the Provisional Calculation letter (CMSL0039), consider whether to apply defaults and re-trigger the HMRC interface if there is no income.

- Paying parent application. Where N/A income is returned during a paying parent application the Initial Calculation will not complete. The new case team (or paying parent casegroup owning team) will receive an incomplete Perform Calc SR. They should cancel this SR, re-trigger the HMRC Interface and create and complete a new Perform Calc SR.

1. Select the paying parent for request of HMRC earned income figure.

2. Select the **Contact** view followed by the **Customer Profile** tab.

3. Select **Income/Employment Details** and **Get HMRC Income**.

4. Do not enter a tax year in the applet. (This field should be left blank if the interface is being re-triggered, due to the interface failing. This enables HMRC to send the latest complete earnings).

5. From the drop down select **Earned Income**.

6. Select the **Get Income** button.

7. A request is sent to HMRC's system for details.
   ℹ️ 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.

8. If HMRC Interface has been retriggered, record the outcome of the retrigger in **Contact notes** if no information is pulled through.

Scenario 2 - Client informs us that HMRC income has changed

i If a case has not reached Initial Calc stage use the existing SR to re-trigger the interface response, if the case is post Initial create the General Enquiry SR. For further information refer to HMRC - Breakdown of Income summary.

9. Raise a **General Enquiry SR** as follows:

   - **Process = Manage Inbound Call**

   - **Area = General Enquiry**

   - **Sub Area = General Enquiry**

   Update the SR **notes** field giving the reason for the amended income e.g. payroll submitted incorrect income figures to HMRC.

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

10. Select the paying parent for request of the HMRC earned income figure.

11. Select the **Contact** view followed by the **Customer Profile** tab.

12. Select **Income/Employment Details,** confirm the same tax year used in the original calculation is entered and select **Get HMRC Income**.

13. From the drop down select **Earned Income**.

14. Select the **Get Income** button

15. A request is sent to HMRC's system for details.

16. If the income details have not changed update the General Enquiry SR **notes** stating **no HMRC income change**, **no revision necessary** and close the SR.
    If the income details have changed for the **same tax year used in the calculation**, the calculation must be revised. Update the **notes** field stating **HMRC income change for tax year used in calculation**, **revision calculation performed**.
    ⚠ Tolerance is disregarded, any income change, however small, results in a re-calculation

17. Generate a **Perf Calc SR** entering the revision date as the original effective date. This SR is linked to the **General Enquiry SR** and both can be accessed via the threadbar at the top of the screen.

    Create the SR using the following values:

    - **Process = Perf calc**

    - **Area = Case maintenance**

    - **Sub-Area = Revision**

    The system populates and validates the case information within the SR. To complete this process and issue the new calculation and promise to pay schedule refer to Calculation - Post Initial.

HMRC Sensitive Employers

There are some employer details that will never be returned for some paying parents, this is because Her Majesty's Revenue & Customs (HMRC) mark them as sensitive, when this data is requested by CMS2012 nothing will be returned.

There are roughly 200,000 persons marked this way by HMRC out of a nationwide working population of roughly 50,000,000. Not all of these will be clients or require a deduction from earnings order (DEO) so it'll only likely effect a very small number of clients.

Below is a list of employers that are known to be considered as sensitive by HMRC, this list isn't exhaustive:

- HMRC

- Home Office

- Police Service of Northern Ireland (PSNI)

- The Security Services (MI5, MI6, GCHQ)

If no employment details are received, which prevents a DEO order being applied, an alternative enforcement action must be used. For more information refer to Arrears - Consider Action.

Application Overview

Calculation - Post Initial

Calculation - Provisional

Fundamentals

Gather Paying Parent Information

HMRC - Breakdown Of Income Summary

HMRC - Unmatched Income

Revision/Correction - Change to 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 a
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.

How does HMRC choose the income to return in the interface?

HMRC's system matches the 2012 scheme legislation requirements. HMRC provides the latest, complete taxable pay in the earne
response. The taxable pay means earnings before any income tax or national insurance is deducted however any pension contributions
a persons earnings are deducted from the figure that is returned. If the paying parent has received any taxable benefits, taxable
pension this is also be included in the figure returned by HMRC.

What does latest, complete earnings mean?

HMRC's system searches for the latest, complete earnings. Initially the HMRC system looks at the last tax year, and then asks th
person's record complete?". Complete means all expected information has been returned for a person and has been processed by HMR
who is employed - all the employers who the person has worked for in the tax year have returned all the required income information.

If the last tax year is not complete, the HMRC system goes to the tax year before and so on up to a maximum of six years. Whe
complete earnings HMRC provide a no income response.

Does the income interface with HMRC include self-employed/self assessment information?

Yes, however the self assessment system allows longer timescales (compared to PAYE) to return end-of-year income informa
information returned may be an older tax year than expected – this is quite normal and the 25% tolerance rules applied to income cha

What happens if a paying parent is self-employed (SA) and also works (PAYE)?

HMRC's system includes both figures and collates them into a single figure before returning them to CMG.

Are government benefits included in the income figure received from HMRC?

If the benefits are taxable they are included. Examples of taxable benefits are Carer's Allowance, Jobseeker's Allowance and Incapacit
pension is taxable and therefore included. Examples of non taxable benefits and therefore not included are child benefit and working
no need to collect non taxable benefit information as the 2012 scheme legislation does not require it for calculation purposes.

Are company "perks" included in the income figure received from HMRC?

Yes but it all depends if they are taxable or not. If they are taxable HMRC refers to these as benefits-in-kind. If they are taxable the
the figure returned by HMRC.

Are savings/investments and property income included in the earned income interface?

No, this type of income is classed as unearned income. Unearned income details are not collected automatically however they are coll
unearned income interface if a variation is being progressed and there is some evidence that the paying parent has unearned income v
assessment.

When should I manually re-trigger the earned income interface?

If this interface fails at the provisional calculation stage then it must be re-triggered. Requests for earnings from a paying parent
should only be made after several attempts to re-trigger the HMRC earned income interface. No tax year date should be entered when
scenario as this will enable HMRC to return the latest complete earnings as per CMG legislation.

If a paying parent reports that their earnings have decreased, can I retrigger the HMRC income interface and use this information as ev

No, this is not allowed as it does not conform to legislation or to the agreement that CMG have with HMRC. The paying parent must earnings evidence for this type of change of circumstance.

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 t additional taxable income e.g. a benefit that is taxed or a pension. The paying parent may even be self-employed as well as employe of the income if it says SA this means self-assessment and indicates self-employment). Trigger an income breakdown request as th figure given by HMRC into more detail. Talk the results through with the paying parent. For more information refer to HMRC - Br Summary.

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

Assure the receiving parent that pensions are classed as earnings and will be included in the earned income figure that HMRC sends us trigger an income breakdown request which should bring back a total for the pension however you are not legally able to share this i receiving parent.

A paying parent states that the earnings used are wrong and that HMRC have incorrect details.

For PAYE clients, HMRC only hold income information that has been reported to them by an employer. If this record is incorrect the report this to their employer who will amend the details that they send to HMRC. Once the HMRC record has been corrected the p contact CMG and the income interface for that tax year can be retriggered. If the amount has changed the case needs to be rev earnings figure from HMRC.

For Self Assessment clients, they need to correct the income records themselves and advise HMRC of this. If they use an accountar then the accountant or representative must do it. Once the correct earnings have been received and processed by HMRC the income triggered and the case revised.

What evidence would be requested from a paying parent who is newly self employed?

Projected earnings would be used, there is no change from the 1993/2003 Scheme process.

What income figure will be used if the paying parent has no information from last year?

If it is not possible to obtain income from the most recent tax year then the income for the prior tax year will be provided.

If the paying parent has been self employed and employed in the same year what figure is used in the calculation?

If both are present in the same year then the self assessment (SA) figure only will be provided as this will also contain the pay information.