Department for Work & Pensions Procedures ▸ Third Party - Offset

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Third Party - Offset

A third party offset payment is when a paying parent pays for things such as utility bills, rent, repairs on behalf of the receiving parent on a qualifying child's home, in respect of child maintenance paid, after notification of a maintenance calculation decision and wants this to be considered as child maintenance.

This procedure guides you through recording a third party offset payment on a paying parent/receiving parent account. This involves contacting both parties by telephone or mail to confirm they both agree with the payment, and to offset the payment against arrears and to future liabilities if required.

In accordance with Regulation 6 of the Child Support (Management of Payments and Arrears) Regulations 2009, if the receiving parent doesn't agree to the third party offset payment. Then you will need to close the SR and inform the paying parent that the payment hasn't been accepted by the receiving parent. For more information on this refer to Policy, Law and Decision Making Guidance.

The decision to accept or reject a third party offset payment is discretionary which means that the decision doesn't carry appeal rights, however it can still be challenged by judicial review. For more information refer to Judicial Review.

For more information refer to Policy, Law and Decision Making Guidance
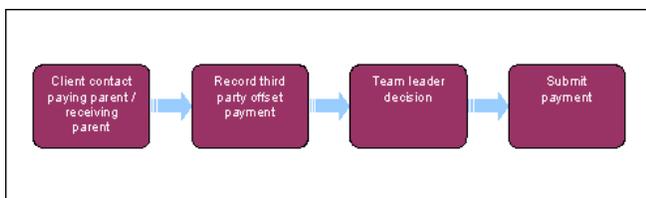
ℹ When speaking to clients always use the new terminology. For more information refer to Terminology Changes.

ℹ 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.

Client contact paying parent/receiving parent

1. When notification is received that a third party offset payment has been made from a paying parent, create a service request (SR) for the case.

2. From the drop down list select:

   - **Process = Payments**

   - **Area = Manage Payment**

   - **Sub Area = Record Third Party Offset**

3. Update the SR **Status** to **In Progress**. An activity plan will be created based depending on the method of payment and can be viewed within the more info tab.

4. In the **More Info** tab, select **Payments** then the **Payment Allocation** applet to populate the required field.

5. Confirm that the payment meets the criteria of a third party payment. If it doesn't go to **Step 10**. For more information on what payments meet the criteria of a third party payment refer to the Policy, Law and Decision Making Guidance

6. Enter the reported amount of third party offset made into the relevant field.

7. Contact the paying parent and receiving parent by phone to verify that they both agree that the payment has been made. If contact to the paying parent or receiving parent by phone fails, issue CMSL2312 to the paying parent and CMSL2313 to the receiving parent to determine whether they both agree with the payment.

   ℹ When discussing a third party offset payment with both parties, be sure to inform them that a third party offset payment is not an acceptable method of payment (MOP). If both parties want this type of arrangement discuss changing the MOP to direct pay. For more information refer to Direct Pay Summary.

8. If neither party have responded within 14 days, update the **Notes** then go to **step 12**. For more information on decision making refer to the Policy, Law and Decision Making Guidance.

Caseworker decision

9. When the paying parent and receiving parent have responded, record the outcome of the SR as either:

   - **Both Parties Agree** - Go to **step 12**

     or

   - **One Or Both Parties Disagree**

10. If the receiving parent disagrees that a payment has taken place, you cannot continue with the claim, issue letter CMSL2314 to the paying parent and CMSL2315 to the receiving parent informing them of your decision and how you reached this.

11. Cancel the SR, set the **Status** to **Closed** and the **Sub Status** to **Rejected**.

Record third party offset payment

12. Within the payment allocation applet in the payments tab, select **Get Payment Allocation Details** to view the active liabilities the paying parent has on BaNCS for the receiving parent's account.

13. Select the liabilities for the allocation of funds and then select **Update Siebel**. Allocate the amount received to the paying parent liabilities in the **Amt Allocated** field. You will need to decide whether to offset against:

   - Arrears - This will reduce the paying parent's arrears balance. For more information refer to Policy, Law and Decision Making Guidance.

   - Current Liability - The paying parent will stop making payments for a set amount of time to offset the third party payment. For more information refer to Policy, Law and Decision Making Guidance.

Request team leader authorisation

14. After the evidence has been gathered and your decision has been made to proceed with the offset, set the **Resolution Code** to **Accepted**, this will generate an **Approval Request**, forward this to a team leader (TL) for authorisation.

    To prevent the casegroup moving segments whilst you are awaiting TL authorisation, set the **Lock Assignment Flag**. For more information on how to do this refer to BOM - Segments Summary.

15. To send to the TL for authorisation:

   - Update the **Resolution code** to **Third Party Accepted**, this will then automatically update the **Status** and **Sub Status** and send for approval.

   - This will then appear in the approver's work queue

Team leader action

The TL will need to review the SR from the caseworker and make a decision on the offset.

16. After viewing all of the information, if you do not agree with the offset:

   - Go back to inbox, set the inbox **Status** to **Rejected**

   - Complete the **Comments** field for rejection reason on the SR

   - Return to the caseworker

17. If you agree with processing the offset:

   - Select the inbox **Status** to **Approved**

   - Enter reasons for approval (optional)

   - Return to caseworker

Caseworker action

18. When the authorisation request has been processed by the TL, record the decision and update the **Notes** field on the SR.

19. Inform the paying parent and receiving parent by mail of the decision, send letter CMSL2314 - We've made a decision about a payment, to the paying parent and CMSL2315 - We've made a decision about a payment, to the receiving parent.

Submit payment

20. Update the **SR** resolution code again to **Third Party Payment Accepted**. Set a **Wait** state for 14 days.

21. After 14 days have elapsed, create an activity of **Letter - Inbound**, and change the status of this activity to **Not Required**.

22. Select **Submit To BaNCS**, BaNCS is updated with the third party offset.

    Consider if a new P2P schedule is necessary after a third party offset payment is accepted.

23. Update the **Status** to **Closed** and the **Sub Status** to **Complete**.

> ℹ️ Ensure all activities are closed, the SR will not close if any activity remains open.

CMSL2312 Please confirm you've made a payment

Checking with paying parent that a third party offset has been made – amount and allocation. If paying parent and receiving parent cannot agree the caseworker decides whether to proceed

Under the sub heading 'Please confirm you've made a payment' select the reason the payment has been made from the following:

- If the reason for payment is a secured mortgage or loan has been taken out to buy or make essential repairs or improvements to the home where the child or children you pay child maintenance for live, use the paragraph 'Reason for payment: A secured mortgage or loan taken out to buy or make essential repairs or improvements to the home where the child or children you pay child maintenance for live'

- If the reason for payment is to pay rent on the home where the child or children the client pays child maintenance for live, use the paragraph 'Reason for payment: Rent on the home where the child or children you pay child maintenance for live'

- If the reason for payment is to pay mains-supplied gas, water or electricity charges on the home where the child or children the client pays child maintenance for live, use the paragraph 'Reason for payment: Mains-supplied gas, water or electricity charges on the home where the child or children you pay child maintenance for live'.

- If the reason for the payment is to cover essential repairs to the heating system in the home where the child or children the client pays child maintenance for live, use the paragraph 'Reason for payment: Essential repairs to the heating system in the home where the child or children you pay child maintenance for live'

- If the reason for payment is to cover essential repairs to maintain the fabric of the home where the child or children the client pays child maintenance for live, use the paragraph 'Reason for payment: Essential repairs to maintain the fabric of the home where the child or children you pay child maintenance for live'

- If the reason for payment is to pay council tax (rates in Northern Ireland) payable by the parent with care for the home where the child or children the client pays child maintenance for live, use the paragraph 'Reason for payment: Council tax (rates in Northern Ireland) payable by the parent with care for the home where the child or children you pay child maintenance for live'

Once completed review the letter to ensure the correct information is provided.

CMSL2313 Please confirm a payment has been made - receiving parent

Checking with receiving parent that a third party offset has been made – amount. If the paying parent and receiving parent cannot agree the caseworker decides whether to proceed.

Under the sub heading 'Please confirm a payment has been made' select the reason the payment was made from the following:

- If the reason for payment is a secured mortgage or loan has been taken out to buy or make essential repairs or improvements to the home where the child or children you pay child maintenance for live, use the paragraph 'Reason for payment: A secured mortgage or loan taken out to buy or make essential repairs or improvements to the home where the child or children you pay child maintenance for live'

- If the reason for payment is to pay rent on the home where the child or children the client pays child maintenance for live, use the paragraph 'Reason for payment: Rent on the home where the child or children you pay child maintenance for live'

- If the reason for payment is to pay mains supplied gas, water or electricity charges on the home where the child or children the client pays child maintenance for live, use the paragraph 'Reason for payment: Mains-supplied gas, water or electricity charges on the home where the child or children you pay child maintenance for live'.

- If the reason for the payment is to cover essential repairs to the heating system in the home where the child or children the client pays child maintenance for live, use the paragraph 'Reason for payment: Essential repairs to the heating system in the home where the child or children you pay child maintenance for live'

- If the reason for payment is to cover essential repairs to maintain the fabric of the home where the child or children the client pays child maintenance for live, use the paragraph 'Reason for payment: Essential repairs to maintain the fabric of the home where the child or children you pay child maintenance for live'

- If the reason for payment is to pay council tax (Rates in Northern Ireland) payable by the parent with care for the home where the child or children the client pays child maintenance for live, use the paragraph 'Reason for payment: Council tax (rates in Northern Ireland) payable by the parent with care for the home where the child or children you pay child maintenance for live'

Once completed review the letter to ensure the correct information is provided.

CMSL2314 We've made a decision about a payment

Inform paying parent of caseworker decision on third party offset. The client has 14 days to challenge the decision.

Under the sub heading 'We've made a decision about a payment' use one of the following:

- If the payment is being offset, use the paragraph 'If we have accepted the offset payment'

- If the payment is not being offset, use the paragraph 'If we have NOT accepted the offset payment'

Once completed review the letter to ensure the correct information is provided.

CMSL2315 We've made a decision about a payment - receiving parent

Inform receiving parent of caseworker decision on third party offset. The client has 14 days to challenge the decision.

Under the sub heading 'We've made a decision about a payment' use one of the following:

- If the offset payment has been accepted, use the paragraph 'If we have accepted the offset payment'
- If the offset payment is not being accepted, use the paragraph 'If we have NOT accepted the offset payment'

Once completed review the letter to ensure the correct information is provided.

CMSL2316 We've made a final decision about a payment - paying parent

Inform paying parent that third party offset has been accepted or rejected – final caseworker decision.

Under the sub heading 'We've made a final decision about a payment' use one of the following:

- If the decision to offset the payment still stands, use the paragraph 'If decision to count payment as maintenance still stands'
- If the decision not to offset the payment still stands, use the paragraph 'If decision NOT to count payment as maintenance still stands'
- If the offset payment decision has changed, and the offset payment is now being accepted, use the paragraphs 'If decision to count payment as maintenance has changed'
- If the offset payment decision has changed, and the offset payment is now being rejected, use the paragraphs 'If decision to not count payment as maintenance has changed'

Under the sub heading 'What this means for you' select one of the following:

- If the final decision is that the offset payment should count, use the paragraph 'If our final decision is that the offset payment should count'
- If the final decision is that the offset payment should not count, use the paragraph 'If our final decision is that the offset payment should not count'

Once completed review the letter to ensure the correct information is provided.

CMSL2317 We've made a final decision about a payment - receiving parent

Inform receiving parent that caseworker decision has been accepted or rejected – final caseworker decision.

Under the sub heading 'We've made a final decision about a payment' select one of the following:

- If the decision to offset the payment still stands, use the paragraph 'If decision to count payment as maintenance still stands'
- If the decision not to offset the payment still stands, use the paragraph 'decision NOT to count payment as maintenance still stands'
- If the offset payment decision has changed, and the offset payment is now being rejected, use the paragraphs 'If decision to count payment as maintenance has changed'
- If the offset payment decision has changed, and the offset payment is now being rejected, use the paragraphs 'If decision to not count payment as maintenance has changed'

Under the sub heading 'What this means for you' select one of the following:

- If the final decision is that the offset payment should count, use the paragraph 'If our final decision is that the offset payment should count'
- If the final decision is that the offset payment should not count, use the paragraph 'If our final decision is that the offset payment should not count'

Once completed review the letter to ensure the correct information is provided.

BOM - Segments Summary

Credit/Debit Card - One Off Payments

Direct Pay Summary

Judicial Review

Payment Hierarchy Summary

Payment - Manually Allocate

Terminology Changes

Voluntary Payment

What is a third party offset payment?

This is when a paying parent pays for things such as, utility bills, rent, repairs on behalf of the receiving parent on a qualifying child's home, in respect of child maintenance paid, after notification of a maintenance calculation decision and wants this to be considered as child maintenance.