

Variation - Additional Income

Variations are specific types of changes which allow us to look at some circumstances which are not covered by the basic maintenance calculation rules. If a variation succeeds the maintenance calculation will be adjusted accordingly.

A variation may be made in specific circumstances where the receiving parent, paying parent, or child in Scotland (CIS) believes the maintenance liability should take into account their exceptional circumstance. The paying parent, receiving parent or child in Scotland (CIS) can apply for an additional income variation. The variation amount awarded will be applied to the paying parent's assessable income used in the calculation. There are two distinct types of variation: special expenses variation will reduce the amount of income used to calculate maintenance and additional income variation will increase it. This procedure deals with additional income.

Additional income is where a receiving parent claims that the paying parent has an additional income source that is not taken into account within the standard formula. The paying parent can also apply to have this income taken into account. The types of additional income are:

- Paying parent on flat or nil rate with gross weekly income (also referred to as earned income) - over £100 per week
- Unearned income - over £2,500 per annum
- Diversion of income - no threshold

Once an application for child maintenance has been made a client may apply for a variation at any time during the life of the case.


Where an application for a variation is received in relation to a calculation decision notified within the last 30 days (with certain exceptions) - following completion of the variation action, the client must legally accrue a right of appeal to Her Majesty's Court and Tribunal Service (HMCTS).

Applications for variations can be made by letter or by phone.

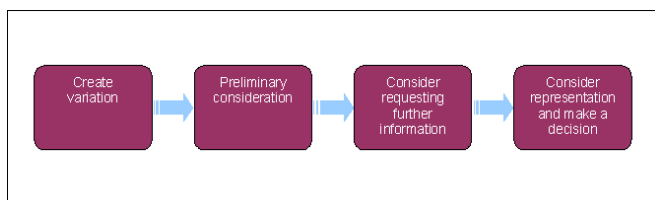
Variations are dealt with by caseworkers in whichever business area the case is currently located.

Caseworkers in the applications service may create service requests but they will be completed within maintenance service.

This process will explain how to enter the additional income variation on the system and the steps required to gather evidence.

For more information refer to the Policy, Law and Decision Making guidance 

A guide has been developed to further help with this. For information refer to **Variations** in the **Fundamentals** site in the Enhanced Support Model.






 When speaking to clients always use the new terminology. For more information refer to [Terminology Changes](#).

 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.

Create variation

1.  If the client requested the variation over the phone, you can gather information during the call. Explain the variations process and manage their expectations on what will happen next. Ensure that the client understands that the other party will be contacted to verify the information they've provided. To see what information you need, refer to CMSF2000 and the Policy, Law and Decision Making guidance .
2.  If the client would prefer to complete a form themselves follow **steps 2 - 6**. If the client is fine providing the information over the phone go to step 5.
Create a new SR with the following:

- **Process = Manage Inbound Call**
- **Area = General Enquiry**
- **Sub Area = General Enquiry**
- **Source = NRP**


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


3. Set the **Status to In Progress**. Issue form CMSF2000, for more information refer to [Letters \(Outbound\) - Send To Client](#). You can consider additional income for the following grounds:

- Flat or Nil Rate with gross weekly income (referred to as earned income) - over £100 per week
- Unearned income - over £2,500 per annum
- Diversion of income - no threshold



An additional income variation can still be relevant even if the paying parent is on a nil rate liability. For example, the paying parent could be in a residential home and still have relevant additional income such as a pension.

4. Once you have issued the form, set the **Status to Closed** and the **Sub Status to Complete**.
5. As soon as you have been notified of additional income create a new SR using the paying parent's details. The SR needs to be created against the paying parent regardless of who has applied for the variation. If the paying parent asks for a variation on more than one ground, create a separate SR for each variation requested. Select the following options:
- **Process = Perform Calculation**
 - **Area = Variation**
 - **Sub Area = Additional Income**

 If the applicant asks for a variation on more than one ground, create a separate SR for each ground requested.

 If a change is requested for a self-employed or dual employed client, consider raising an advice request to the advice and guidance (A&G) team. For more information refer to [Advice and Guidance - Create Request](#)

6. If the **Perform Calculation SR** has used **Historic** or **Current Income** go to the **Procedural Exceptions** tab in **Calculation - Post Initial** to complete the **Perform Calculation Checks**. If the **Perform Calculation SR** has used **Benefit Income, Estimation of Earnings** or a **Default Maintenance Decision (DMD)** go to the **Procedural Exceptions** tab in **Calculation - Non-HMRC** to complete the **Perform Calculation Checks**.
7. If the client has opted to complete the CMSF2000 themselves, inform them that they have 14 days to provide evidence or we may reject the variation request. Additionally, inform them that if they raise the same variation in the future then it will only become effective from the date of the subsequent application, and that this is also subject to receipt of satisfactory evidence within 14 days. Set a **Wait** period in the SR for 14 days to allow time for the applicant to respond. If you do not receive the required documentation within 14 days of opening this SR then close it with the reason as **Rejected**.
8. Attach any supporting evidence supplied to the SR, including the variation application form CMSF2000, if the client completed one.
9. Work out the variation effective date using the evidence supplied by the applicant. You can amend this later if new evidence is received. The effective date of the variation will be the date notified.

 If a client makes an application for a Variation within 30 +2 days of the maintenance calculation being notified, the maintenance calculation can be revised to take the Variation into account from the effective date, providing the ground arose from this date. For information on revisions refer to Policy, Law and Decision Making Guidance 

10. Update the following fields.

- **Source of Income:** the source of income on which the liability is currently calculated i.e. HMRC, Current income, Benefit.
- **Variation Type**
- **Earned Income tax year:**
 - **Income not taken into account - use this if paying parent is in receipt of benefit**
 - **Unearned income - use this if MC is nil, Flat Rate, Basic Rate or Basic Rate Plus**
 - **Diversion of income**


Update the **Status** of the SR to **In Progress** to generate the relevant letters. For more information on addition income variations refer to [Fundamentals](#).

11.  Complete all necessary fields within the **Variation Details applet**. Entries for each are not mandatory.



- **Relevant QC/ROC Last Name:** this is not required and should be left blank.
- **Income Diversion Details:** input the variation details - Unearned income, Additional Income or Diversion of
- **Annual Variation Amount:** X.XX .
- **Weekly Variation Amount:** when the variation is to be approved this field should be updated with the accepted weekly variation amount.


12. Manually issue a CMSL4060 where the paying parent has applied and a CMSL4058 where the receiving parent has applied advising them that their application has been received.


Preliminary Consideration

13. Perform preliminary consideration by checking the variation application to make sure that it has been made on the proper grounds and in appropriate circumstances and record your decision in the Notes field. For more information refer to preliminary consideration in the Policy, Law and Decision Making guidance. 
14. Complete the relevant steps depending on your decision:
 - Variation passes preliminary consideration – go to **step 15**
 - Variation doesn't pass preliminary consideration – go to **step 70** and reject the variation.

Gather Income Details

15. The next action depends on the type of variation:
 - Earned/unearned income – complete **steps 15-17**
 - Diversion of income – complete **step 18**
16. For unearned and earned income variations, you should
 - If any gross historic unearned income data is available on the system which has been previously obtained from HMRC
 - If no gross historic unearned income data exists obtain gross historic unearned income data by selecting the **Get Unearned Income** button
17. When HMRC provides details of:
 - Earned income go to **step 19** for earned income representations. For more information refer to the Policy, Law and Decision Making guidance. 
 - Unearned income go to **step 36** for unearned income representations. For more information refer to the Policy, Law and Decision Making guidance. 

For diversion of income variations and guidance on gathering evidence and consideration before decision making refer to the Policy, Law and Decision Making guidance 




 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

18. Consider whether you have sufficient information to warrant further investigation into the diversion of income. Then record your decision in **Notes**. Take the relevant action depending on your decision.
 - Sufficient information to continue - go to **step 52** for diversion of income representations
 - Insufficient information to continue - go to **step 70** and reject the application


For more information on information and evidence refer to the Policy, Law and Decision Making Guidance 


Earned income representations

Earned income at least £100 per week

19. Complete **steps 20-26** when Her Majesty's Revenue and Customs (HMRC) provides earned income of at least £100 per week for the latest available tax year. Go to **step 27** when HMRC has no earned income data or provides earned income below £100 per week for the latest available tax year.
20.  Send representation letter CMSL4052 to the paying parent to notify them of the variation application and request income details. Set a **Wait** period in the SR for 14 days to allow time for the paying parent to respond.
 -  Where the paying parent has more than one income source on the system, this letter will contain incorrect information. Issue this letter clerically via the contingency process.
21.  Send representation letter CMSL4061 to all receiving parents in the case group, once you've given the paying parent the opportunity to respond. Set a **Wait** period in the SR for 14 days to allow time for the receiving parent/s to respond.
22. To send representation letters to more than one receiving parent, take the following action:
 - Select **Case Number** and select the linked case/s to associate them with the Variation SR
 - Create a new activity step with type **Letter - Outbound**
 - Select the letter template
 - Drill down on the activity and select the **Service - Recipients** view
 - Select the PWC and select **Add as Recipient** to mark them as an addressee
 - Select **Create Correspondence** - this will take you to the Correspondence screen

- Select **Generate** to create the letter
- Select **Open Generated Document** when required, to view the letter


 Repeat these steps whenever you need to send a letter to more than one client. If all parties respond prior to the end of the 14 day period and all parties agree to the evidence provided, you don't have to wait the full 14 days and can continue with the variation straight away.

23.  Call the paying parent when HMRC has provided earned income of at least £100 per week for the latest available tax year. Tell the paying parent that a variation has been requested and explain the process to alleviate any concerns they may have. Explain the income details provided by HMRC to give the paying parent the opportunity provide new information if they disagree with it.
24. When the paying parent says that the HMRC figure doesn't reflect their current income, explain that we can use more recent income details, but only if they differ by at least 25% from the current HMRC figure. If the paying parent is sending evidence, ensure that they understand this must be returned within 14 days.






For more information on earned income representations refer to the Policy, Law and Decision Making guidance. 

25. When you've requested information over the phone or in writing, record the information you've requested in the Activity Plan. Set a **Wait** period in the SR for 14 days to allow time for a response. You can set a shorter **Wait** period if you expect the information before then.
26. Once you've given the paying parent the opportunity to provide information go to **step 60** and make a decision. If the paying parent has provided evidence and you think that the receiving parent/s could challenge this with their own evidence, go to **step 30**.

Earned Income below £100 per week or no earned income

27. When there is no HMRC data or when the HMRC figure is below £100 per week, consider whether it is appropriate to ask the paying parent for their current earned income. If the paying parent requested the variation, request current income details now. If the receiving parent requested the variation, consider whether there is sufficient evidence that the paying parent has income above £100. For more information, refer to the Policy, Law and Decision Making guidance 





- If you can consider current income go to **step 28**
- If you can't consider current income go to **step 70** to reject the application

28.  Send representation letter CMSL4053 to the paying parent to notify them of the variation application and request income details.
29.  Call the paying parent and advise them that a variation has been requested. Explain the process to alleviate any concerns they may have. Explain the income details you need the paying parent to send in and ensure that they understand that this needs to be returned within 14 days.
30. Record the information you've requested in the Activity Plan and set a **Wait** period in the SR for 14 days to allow time for a response. You can set a shorter **Wait** period if you expect the information before then.
31. Once you've given the paying parent the opportunity to provide information your next action will depend on whether you have evidence of the paying parent's income:
 - If the paying parent has provided evidence – go to **step 32**
 - If you have no evidence of the paying parent's income – go to **step 35**
32.  Send representation letter CMSL4061 to all receiving parents in the case group, once the paying parent has responded. Set a **Wait** period in the SR for 14 days to allow time for the receiving parent/s to respond.
33.  Call the receiving parent/s and update them on the information provided by the paying parent. If the receiving parent disputes the information, explain what information they need to send in and the timescales to do this.
34. When you've finished gathering evidence, go to **step 61** if you have enough evidence to make a decision. If you have no evidence of the paying parent's income, go to **step 35** instead.
35. When the paying parent hasn't provided income details:
 - Consider using an estimate of income to complete the variation application
For more information on evidence refer to the Policy, Law and Decision Making Guidance. 
 - Consider contacting an investigative officer to gather information - For more information refer to [Investigative Action](#).
 - Consider requesting the information from source, e.g. contact pension provider by sending CSF431.



Unearned Income representations

36. Navigate to the **Variation Details** tab (found in the **More Tabs** drop down menu) and record details of the information provided by HMRC. For more information refer to [HMRC - Unearned Income Variation](#) in related items.
37. When HMRC provides unearned income of at least £2500 for the latest available tax year go to **step 38**. When HMRC provides unearned income below £2500 or nil unearned income, go to **step 44**.



Unearned income at least £2500 per annum

38.  Send representation letter CMSL4052 to the paying parent to notify them of the variation application and request income details. Set a **Wait** period in the SR for 14 days to allow time for the paying parent to respond.
 -  Where the paying parent has more than one income source on the system, this letter will contain incorrect information. Issue this letter clerically via the contingency process.
39.  Send representation letter CMSL4061 to all receiving parents in the case group, once you've given the paying parent the opportunity to respond. Set a **Wait** period in the SR for 14 days to allow time for the receiving parent/s to respond.
40.  Call the paying parent when HMRC provides a figure of at least £2500 per year for the latest available tax year. Tell the paying parent that a variation has been requested and explain the process to alleviate any concerns they may have. Explain the income details provided by HMRC to give the paying parent the opportunity to provide new information if they disagree with this figure.
41. When the paying parent says that the HMRC figure doesn't reflect their current income, ask the paying parent to send in evidence of a more recent tax year than the HMRC figure. Ensure that the paying parent understands that this needs to be returned within 14 days.
42. When you've requested information over the phone or in writing, record the information you've requested in the activity plan and set a **Wait** period in the SR for 14 days to allow time for a response. You can set a shorter **Wait** period if you expect the information before then.
43. If the paying parent has provided evidence and you think that the receiving parent could challenge this with their own evidence, go to **step 48**. If you don't think that the receiving parent could challenge the evidence with their own evidence go to **step 61**.

Unearned income below £2500 or no unearned income

44. When HMRC provides nil income, income below £2500 or no income details at all, consider using a more recent complete tax year. If you can't use a more recent complete tax year, go to **step 45**.
45.  Send representation letter CMSL4053 to the paying parent to notify them of the variation application and request income details.
46.  Call the paying parent when no HMRC income details are available. Tell the paying parent that a variation has been requested and explain the process to alleviate any concerns they may have. Explain that you need income details from a more recent tax year and the reason for this. Ensure that the paying parent understands that they have 14 days to send this in.
47. When you've requested information over the phone or in writing, record the information you've requested in the Activity Plan. Set a **Wait** period in the SR for 14 days to allow time for a response. You can set a shorter **Wait** period if you expect the information before then.
48. Once you've given the paying parent the opportunity to provide information your next action will depend on whether you have evidence of the paying parent's income:
 - If the paying parent has provided evidence and you think that the receiving parent/s could challenge this with their own evidence - go to **step 49**
 - If the paying parent has provided information and you're ready to make a decision - go to **step 61**
 - If you have no evidence of the paying parent's income, consider gathering information from the receiving parent/s - go to **step 50**



For more information on evidence refer to the Policy, Law and Decision Making guidance. 



49.  Call the receiving parent/s and update them on the information provided by the paying parent. If the receiving parent disputes this information, explain that they need to send in evidence to support this.
50.  If the call is unsuccessful, ask the receiving parent to call to discuss the variation by sending CMSL4062. Set a **Wait** period in the SR for seven days to allow time for the receiving parent to call.
51. When you've finished gathering evidence from the paying parent and receiving parent/s, go to **step 61** and make a decision. If you don't have enough evidence to make a decision, consider contacting an investigative officer to gather this before proceeding to **step 61**.

Diversion of income representations


There is no threshold for diversion of income variations. For information refer to Variations in the [Fundamentals](#) site in the Enhanced Support Model.

For more information on diversion of income refer to the Policy, Law and Decision Making guidance. 


52.  Call the paying parent when the receiving parent has applied for diversion of income. Tell the paying parent that a variation has been requested and explain the process to alleviate any concerns they may have. Explain the income details you need the paying parent to send in and ensure that they understand that this needs to be returned within 14 days.
53.  If the call was unsuccessful send representation letter CMSL4053 to the paying parent to notify them of the variation application and request income details.
54. When you've requested information over the phone or in writing, record the information you've requested in the activity plan. Set a **Wait** period in the SR for 14 days to allow time for a response. You can set a shorter **Wait** period if you expect the information before then.
55. When the wait period expires or evidence is received the action to take depends on the response.

56. Once you've given the paying parent the opportunity to provide information your next action will depend on whether you have evidence of the paying parent's income:
- If the paying parent has provided evidence and you think that the receiving parent/s could challenge this with their own evidence – go to **step 57**
 - If the paying parent has provided information and you're ready to make a decision, go to **step 61**
 - If you have no evidence of the paying parent's income – go to **step 61**
57.  Call the receiving parent/s and update them on information provided by the paying parent. If the receiving parent disputes this information, explain that they need to send in evidence to support this.
58.  If the call is unsuccessful, ask the receiving parent to call in to discuss the variation by sending CMSL4062. Set a **Wait** period in the SR for seven days to allow time for the receiving parent to call in.
59. Once you've given the receiving parent the opportunity to provide information, go to **step 61**.
60. When you've finished gathering evidence from the paying parent and receiving parent/s, go to **step 61** and make a decision. If you don't have enough evidence to make a decision, consider contacting an investigative officer to gather this before proceeding to **step 61**. For more information refer to [Investigative Action](#).

Make a Decision

61. When you've finished gathering evidence, decide whether you can accept or reject the variation based on the evidence you have. Then refer to the relevant steps:
- Accept variation – go to **step 62**
 - Reject variation – go to **step 70**
-  If the case is not Direct Pay and there is not already a MOPF recorded for the paying parent, you will be required to set up a MOPF before you can proceed with the variation.


Accept variation application

62. Record your reasons for accepting the variation in the **Notes** field, explaining how you've considered your decision to be just and equitable. This is recorded as a Welfare of the Child Decision. Set the **Sub Status** to **Validate Variation**.
For more information on accepting a variation refer to the Policy, Law and Decision Making guidance. 
-  Where the variation has been accepted, go to the Variations tab and select **New** and enter the following details for the variation in the **Variation Details** tab:

- Relevant QC or ROC for the variation (Only if relevant to the variation)
- Description of the variation
- Frequency (weekly/monthly)
- Number of times (e.g. twice a week)
- Amount – amount provided by paying parent/receiving parent as spend amount
- Actual amount – actual amount that you have verified using evidence - do not complete this field until the end of the process when evidence has been verified.
- The year input into the **Tax Year** and **Unearned Income Assess Year** should be the same.

It's important that you do this before changing the **Resolution Code**.

63. When a paying parent has additional income and receives a non means tested benefit, take the following steps to ensure the on-going maintenance and any arrears are collected correctly:
- On-going maintenance – you are not able to set up a second MOPF to collect the liability above the flat rate so you will have to arrange regular contact with the paying parent to collect the maintenance payments by credit/debit card. For more information refer to [Credit/Debit Card - One Off Payment](#). The flat rate itself will be collected via deduction from benefit.
 - Arrears – check whether the paying parent owes any arrears and ask them for a lump sum payment to cover this. For more information refer to [Missed Payment – Maintenance](#) in related items.



 When a paying parent is in receipt of a benefit, the system won't schedule any arrears as part of the promise to pay schedule. This also applies when the paying parent has additional income. If the paying parent can't make a lump sum payment, manage the receiving parent's expectations on when the arrears will be collected.

64. Update the **Resolution Code** to **Approved** once you've accepted the variation and set up any additional MOPFs.




65.  Letters;

- Issue CMSL4064 to the receiving parent, CMSL4066 to any linked receiving parent/s and CMSL4056 to the paying parent to inform them that the variation has been accepted. These letters are from the perform calculation child SR.

- For variations considered under Mandatory Reconsideration, issue CMSL5934 to the receiving parent, CMSL5935 to any linked receiving parent/s and CMSL5933 to the paying parent. These letters inform the client that the variation has been accepted and is the Mandatory Reconsideration Notice (MRN) needed to appeal. For more information refer to [Mandatory Reconsideration](#).

66.  If following the change to the case the new promise to pay schedule has generated with negative amounts and a refund is not due. You will need to issue a clerical version of the above letters with the OGM amount as £0.00. For more information refer to [Letters \(Outbound\) - Contingency Summary](#).
67. Accepted the variation on the system will complete a revision to the previous calculation so assessment reflects the variation. The system will also generate the payment schedules for the paying parent and receiving parent/s, based on the MOPF/s set up earlier. For more information refer to [Calculation - Post Initial](#).
68. Close the SR by changing the SR **Status** to **Closed** and **Sub Status** to **Complete**.
69.  Call the paying parent and receiving parent/s once you've completed the variation. Explain how your decision has affected the liability and manage the clients expectations on what will happen next.

Reject Variation Application

70.  Record your reasons for rejecting the variation in the **Notes** field and select the relevant reason in the Activity Plan. Update the Activity Plan to issue the appropriate letter:
- CMSL4054 to the paying parent and CMSL4065 to the receiving parent.
 - For variations considered under Mandatory Reconsideration, issue CMSL5936 to the paying parent and CMSL5937 to the receiving parent
-  If rejecting an earned income variation because tolerance has not been breached issue CMSL4054 to the paying parent and CMSL4065 to the receiving parent clerically and complete **Step 71** prior to updating the activity plan.
71. Change the SR Resolution Code to match your rejection reason:
- Failed preliminary consideration – no grounds
 - Failed preliminary consideration – flat rate
 - Failed preliminary consideration – below threshold
 - Failed preliminary consideration – lack of evidence
 - Failure to provide evidence
 - Evidence inconclusive
 - Inconclusive after contest
 - Not just and equitable
 - Below threshold
72. Close the SR by changing the SR **Status** to **Closed** and **Sub Status** to **Complete**.
73.  Call the paying parent and receiving parent/s once you've completed your decision. Explain the reasons why you've rejected the variation and manage their expectations on what will happen next.

CMSF2000 [We've sent you an additional...application form](#)

Additional/diverted income form – this form will include all grounds available to the receiving parent

CMSL4052 [A variation application has been made](#)

Representation letter to the paying parent following receiving parent additional income application (when we have been able to gather information from HMRC)

- All fields in this letter are pre-populated by the system. Once completed review the letter to ensure the correct information is provided

CMSL4053 [We need some information from you](#)

Representation letter to the paying parent following receiving parent variation additional income application (when we have been unable to gather information from HMRC)

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

- If the application was made on the grounds of unearned income, use the paragraph 'If application on grounds of unearned income'

- If the paying parent is on flat or nil rate with additional gross weekly earned income, use the paragraph 'If NRP on flat rate or nil rate with additional gross weekly earned income - only applicable where HMRC data is nil or below threshold'
- If the application is made on the grounds of diverted income paid to a 3rd party or person, use the paragraph 'If there is diversion of income – paid to a 3rd party or person'
- If the application is made on the grounds of diverted income by paying excessive pension contributions, use the paragraph 'If there is diversion of income – excessive pension contributions'
- If the application is made on the grounds of diverted income by keeping profits within the company, use the paragraph 'If there is diversion of income – profits kept within company'

Under the sub-heading 'What you need to do' select one of the following:

- If the application is made on the grounds of unearned income, use the paragraph 'If application on grounds of unearned income'
- If evidence is needed for earned income (only applicable where HMRC data is nil or below the threshold), use the paragraph 'If evidence needed for 'earned income' - only applicable where HMRC data is nil or below threshold'
- When evidence is needed if income is being diverted to another person – 3rd party through limited company, use the paragraph 'If evidence needed if income is being diverted to another person / third party through a limited company'
- If the paying parent is making excessive pension contributions, use the paragraph 'If NRP is making excessive pension contributions'
- If the paying parent is retaining profits to enhance the company growth, use the paragraph 'If NRP is retaining profits to enhance the Company growth'

All other fields in this letter are pre-populated by the system. Once completed review the letter to ensure the correct information is provided

[CMSL4054 We've made a decision about a variation application](#)

Rejection letter to the paying parent explaining why the variation has been rejected.

This letter will need to be completed clerically if the paying parent is in receipt of benefit.

Under the sub-heading 'We have looked carefully at this application and decided it has been unsuccessful' select from one of the 22 options:

- If the grounds for a variation were not stated, use the paragraph 'If applicant did not state a ground for the variation'
- If insufficient evidence is supplied by the paying parent for special expenses, use the paragraph 'If insufficient evidence – NRP special expenses'
- If the facts don't support the grounds for the variation, use the paragraph 'If the facts given do not support the stated ground'

- If we didn't receive information we requested for the application, use the paragraph 'If we asked for information and did not get it'
- If there is a default maintenance decision in place, use the paragraph 'If Default Maintenance Decision is in place'
- If the application fails the threshold for special expenses, use the paragraph 'If failed threshold for special expenses'
- If after a reduction for special expenses the paying parent income would still be above the capped amount of £3000 per week, use the paragraph 'If after special expenses variation reduction, NRP income would still be above the capped amount of £3000 a week'
- If after an increase due to additional income the paying parent income would still be above the capped amount of £3000 per week, use the paragraph 'If after additional income variation increase, NRP income would still be above the capped amount of £3000 a week'
- If the paying parent or paying parent's partner receive a benefit or benefits, use the paragraph 'If NRP or their partner is on flat rate – benefit in payment'
- If the paying parent is on nil rate of child maintenance, use the paragraph 'If NRP is on nil rate'
- If the paying parent did not breach unearned income threshold, use the paragraph 'If NRP did not breach unearned income threshold'
- If the paying parent did not breach the earned income threshold, use the paragraph 'If NRP did not breach earned income threshold'
- If the paying parent provided evidence to show unearned income was nil, use the paragraph 'If NRP produced evidence to show that unearned income was nil'
- If the paying parent provided evidence to show earned income was nil, use the paragraph 'If NRP produced evidence to show that earned income was nil'

- If the paying parent provided evidence to show diversion of income was for acceptable reasons (payments to pension were reasonable), use the paragraph 'If NRP produced evidence to show that diversion of income was for acceptable reasons – payments to pension were reasonable'
- If the paying parent provided evidence to show diversion of income was for acceptable reasons (keeping reasonable profits within the business), use the paragraph 'If NRP produced evidence to show that diversion of income was for acceptable reasons – keeping reasonable profits within the business'
- If the paying parent provided evidence to show diversion of income was for acceptable reasons (payments made to another party were reasonable), use the paragraph 'If NRP produced evidence to show that diversion of income was for acceptable reasons – payments made to another party were reasonable'
- If the paying parent provided evidence to show diversion of income was for acceptable reasons, use the paragraph 'If NRP produced evidence to show that diversion of income was for acceptable reasons'
- If the decision is based on financial circumstances, use the paragraph 'If 'Just and Equitable' – NRP financial circumstances'
- If the decision is based on the welfare of a child or children, use the paragraph 'If 'Just and Equitable' – welfare of child'
- If the paying parent pays a flat rate of £7 per week, use the paragraph 'If NRP pays £7 a week'
- If the paying parent financial assistance takes special expense variation application below threshold, use the paragraph 'If NRP's financial assistance takes the special expenses variation application below the threshold'

All other fields in this letter are system generated. Once completed review the letter to make sure the correct information is provided.

[CMSL4056 Your child maintenance payments have changed](#)

Variation decision – change to maintenance liability - paying parent

Under the sub-heading 'How we worked out the variation' select one of the following options for boarding school fees:

- If the boarding element of the school fees could not be determined from the total fees, use the paragraph 'Use if boarding element of fees could not be determined'
- If the amount adjusted is because the maximum amount allowed for this ground is 50% of the paying parent income, use the paragraph 'Use if amount adjusted because the maximum amount allowed for this ground is 50 per cent of NRP income'

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

- If multiple variations are reported in one contact but only a single variation is listed in the letter, with more to follow, use the paragraph 'Use if multiple variations reported in one contact and more changes are to follow'
- If multiple variations are reported in one contact but only a single variation is listed in the letter, with no more to follow, use the paragraph 'Use if multiple variations reported in one contact and no more changes are to follow'

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CMSL4058 - You've made a variation application

Acknowledgement letter to receiving parent following receiving parent additional income application

- **TM_10458_E** -You've made a variation application. We're writing to you to confirm that you asked us to take into account..
- **TM_10462_E** -We'll check the information you've given us to see if we can take it into account.
- **TM_10458_E** -You've told us about a change to a variation.
-
- **TM_10461_E** -We'll check the information you've given us to see if your application should be looked at in more detail or if it should be turned down.

CMSL4060 - You've made a variation application

Acknowledgment letter to the paying parent following paying parent additional income application

- All fields in this letter are system generated, no manual intervention is required

CMSL4061 A variation application has been made

Representation letter to the receiving parent following paying parent additional income application

- All fields in this letter are pre-populated by the system. Once completed review the letter to ensure the correct information is provided

CMSL4062 Please call us as soon as possible

Letter to receiving parent asking them to call us because evidence they sent to us following representations was not correct

- All fields in this letter are system generated, no manual intervention is required

CMSL4064 Your child maintenance payments have changed

Variation decision – change to maintenance liability - receiving parent

Under the sub-heading 'How we worked out the variation' regarding contact costs select one of the following options for boarding school fees:

- If the boarding element of the school fees could not be determined from the total fees, use the paragraph 'Use if boarding element of fees could not be determined'
- If the amount adjusted is because the maximum amount allowed for this ground is 50% of the paying parent income, use the paragraph 'Use if amount adjusted because the maximum amount allowed for this ground is 50 per cent of NRP income'

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

- If multiple variations are reported in one contact but only a single variation is listed in the letter, with more to follow, use the paragraph 'Use if multiple variations reported in one contact and more changes are to follow'
- If multiple variations are reported in one contact but only a single variation is listed in the letter, with no more to follow, use the paragraph 'Use if multiple variations reported in one contact and no more changes are to follow'

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[CMSL4065 We've made a decision about a variation application](#)

Variation rejection to receiving parent – no change to maintenance (prelim and final stage)

Under the sub-heading 'We have looked carefully at this application and decided that it has been unsuccessful' select one of the following 22 options:

- If the grounds for a variation were not stated, use the paragraph 'If applicant did not state a ground for the variation'
- If insufficient evidence is supplied by the paying parent for special expenses, use the paragraph 'If insufficient evidence – NRP special expenses'
- If the facts don't support the grounds for the variation, use the paragraph 'If the facts given do not support the stated ground'
- If we didn't receive information we requested for the application, use the paragraph 'If we asked for information and did not get it'
- If there is a default maintenance decision in place, use the paragraph 'If Default Maintenance Decision is in place'
- If the application fails the threshold for special expenses, use the paragraph 'If failed threshold for special expenses'
- If after a reduction for special expenses the paying parent income would still be above the capped amount of £3000 per week, use the paragraph 'If after special expenses variation reduction, NRP income would still be above the capped amount of £3000 a week'
- If after an increase due to additional income the paying parent income would still be above the capped amount of £3000 per week, use the paragraph 'If after additional income variation increase, NRP income would still be above the capped amount of £3000 a week'

- If the paying parent or paying parent's partner receive a benefit or benefits, use the paragraph 'If NRP or their partner is on flat rate – benefit in payment'
- If the paying parent is on nil rate of child maintenance, use the paragraph 'If NRP is on nil rate'
- If the paying parent did not breach unearned income threshold, use the paragraph 'If NRP did not breach unearned income threshold'
- If the paying parent did not breach the earned income threshold, use the paragraph 'If NRP did not breach earned income threshold'
- If the paying parent provided evidence to show unearned income was nil, use the paragraph 'If NRP produced evidence to show that unearned income was nil'
- If the paying parent provided evidence to show earned income was nil, use the paragraph 'If NRP produced evidence to show that earned income was nil'
- If the paying parent provided evidence to show diversion of income was for acceptable reasons (payments to pension were reasonable), use the paragraph 'If NRP produced evidence to show that diversion of income was for acceptable reasons – payments to pension were reasonable'
- If the paying parent provided evidence to show diversion of income was for acceptable reasons (keeping reasonable profits within the business), use the paragraph 'If NRP produced evidence to show that diversion of income was for acceptable reasons – keeping reasonable profits within the business'
- If the paying parent provided evidence to show diversion of income was for acceptable reasons (payments made to another party were reasonable), use the paragraph 'If NRP produced evidence to show that diversion of income was for acceptable reasons – payments made to another party were reasonable'
- If the paying parent provided evidence to show diversion of income was for acceptable reasons, use the paragraph 'If NRP produced evidence to show that diversion of income was for acceptable reasons'
- If the decision is based on financial circumstances, use the paragraph 'If 'Just and Equitable' – NRP financial circumstances'
- If the decision is based on the welfare of a child or children, use the paragraph 'If 'Just and Equitable' – welfare of child'
- If the paying parent pays a flat rate of £7 per week, use the paragraph 'If NRP pays £7 a week'
- If the paying parent financial assistance takes special expense variation application below threshold, use the paragraph 'If NRP's financial assistance takes the special expenses variation application below the threshold'

All other fields in this letter are pre-populated by the system. Once completed review the letter to ensure the correct information is provided

CMSL4066 Your child maintenance payments have changed

Variation decision – change to maintenance liability – receiving parents with linked case

Under the sub-heading 'How we worked out the variation' regarding contact costs select one of the following options for boarding school fees:

- If the boarding element of the school fees could not be determined from the total fees, use the paragraph 'Use if boarding element of fees could not be determined'
- If the amount adjusted is because the maximum amount allowed for this ground is 50% of the paying parent's income, use the paragraph 'Use if amount adjusted because the maximum amount allowed for this ground is 50 per cent of NRP income'

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

- If multiple variations are reported in one contact but only a single variation is listed in the letter, with more to follow, use the paragraph 'Use if multiple variations reported in one contact and more changes are to follow'
- If multiple variations are reported in one contact but only a single variation is listed in the letter, with no more to follow, use the paragraph 'Use if multiple variations reported in one contact and no more changes are to follow'

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[CMSL5512 Generic free text](#)

Off system letter.

- Generic free text letter used for information

[CMSL5933 MR Variation decision – change to maintenance liability – PP](#)

Letter to the paying parent informing them of the change to the maintenance calculation after a variation decision and including Mandatory Reconsideration information.

[CMSL5934 MR Variation decision – change to maintenance liability – RP](#)

Letter to the receiving parent informing them of the change to the maintenance calculation after a variation decision and including Mandatory Reconsideration information.

[CMSL5935 To RP who is part of PP multi – maintenance liability calculation after variation decision \(including MR info\)](#)

Letter to the receiving parent, where they are part of a paying parent multiple case group, informing them of the change to the maintenance calculation after a variation decision and including Mandatory Reconsideration information. It should only be sent to the RP who is not the beneficiary of any special expense payments.

[CMSL5936 - to PP – variation application unsuccessful \(including MR\)](#)

Rejection letter to paying parent explaining why the variation has been rejected and that there's no change to the maintenance calculation, including Mandatory Reconsideration information.

[CMSL5937 - to RP – variation application unsuccessful \(including MR\)](#)

Rejection letter to receiving parent explaining why the variation has been rejected and that there's no change to the maintenance calculation, including Mandatory Reconsideration information.

[Arrears Overview](#)

[2012 System Overview](#)

[Calculation - Post Initial](#)

[Credit/Debit Card - One Off Payment](#)

[Fundamentals](#)

[HMRC - Unearned Income Variation](#)

[HMRC - Unmatched Income](#)

[Investigative Action](#)

[Mandatory Reconsideration](#)

[Missed Payment – Maintenance](#)

[Terminology Changes](#)

[Variation - Cancel](#)

[Variation - Review Existing](#)

[Variation - Special Expense](#)

[Work Management](#)

[Financial Investigation Unit \(FIU\) - Summary](#)

[The variation under consideration is particularly contentious, what help is available?](#)

If, after consulting procedures and discussing the case with your team leader, you still need clarification you can raise an Advice and Guidance assistance.

Who can apply for a variation for additional income?

A receiving parent, paying parent or child in Scotland (CIS).

What is the financial threshold for earned income?

An application for earned income can only be agreed if the income is equal to or exceeds £100 per week.

What is the financial threshold for unearned income?

An application for unearned income can only be agreed if the income amount is equal to or exceeds £2500 per year.

What is the financial threshold for diversion of income?

There is no financial threshold for diversion of income variations.

Are employees' "allowable expenses" deducted by HMRC from the paying parent's gross income amount that is received in the earned income interfa

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