

Change - Income

This procedure guides you through recording a change in income. This action is handled by caseworkers in the case owning segment at the time the change is reported.

The Child Maintenance Group (CMG) may be notified of a change in income by the paying parent, receiving parent, child in Scotland (CiS), third party or employer. A request for change can be received at any point in the lifecycle of the case and may be reported over the phone or by post.

If a client requests a change to income via self service an SR is generated, the source shows as **PWC (Self Service)** or **NRP (Self Service)**. This SR must be completed in the same way as those where the client has reported the change over the phone or by letter.

Where a client reports a change in income following a period of unemployment refer to [Change Employment Status](#).

When a client reports a change of income by telephone use this opportunity to explain the change must be greater than 25% of the income currently used to calculate the maintenance assessment to have an impact. This helps manage the client's expectations and may prevent unnecessary reports of small changes to income. You can use the [offline calculator](#) to determine whether a reported change breaches the 25% tolerance level. An SR should only be raised where tolerance is breached.

When a client reports a change of income by correspondence or via self service, the SR should be raised and actioned regardless of whether the tolerance will breach.

Paying parents assessed on current income are legally bound to inform us when their income increases by 25% or more but for self employed paying parent's there is no requirement to report increases in income. Use the [offline calculator](#) to determine whether a reported change breaches the 25% tolerance level.

For more information on current income when the paying parent is employed, refer to the Policy, Law and Decision Making Guidance .

For more information on current income when the paying parent is self-employed, refer to the Policy, Law and Decision Making Guidance. .

When a sick absence such as a move to Statutory Sick Pay results in a change of income greater than 25%, a change to income should be considered.

If a paying parent calls to report a 25% increase in their earnings then verbal evidence of the change can be accepted where the paying parent is employed. If the paying parent is self employed, verbal evidence cannot be used.

When a receiving parent reports a change by telephone an explanation must be supplied with reasonable grounds and acceptable evidence to why they believe the paying parent's income has changed.

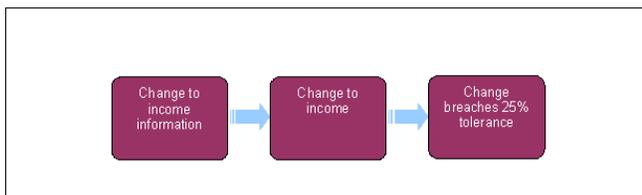
If a receiving parent reports a change of income by correspondence or via self service an SR should be raised and actioned regardless of whether an explanation or evidence has been provided.

Any change to income must be expected to last for the foreseeable future or the change will be declined.

A change may be reported when a paying parent disagrees with the provisional assessment, before the initial assessment has been finalised.

Paying parents assessed on historic income are not legally obliged to report any changes to their income, any changes will be assessed during the annual review.

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



 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.

Income Change Information Received

 If a decision has been made to decline/reject a **Change Income** SR as evidence was not received within 14 days, but evidence is then received within allowable time i.e. 30 days + 2 days for posting, from the date the decision to decline/reject the change was made, refer to [Mandatory Reconsideration](#).

- Before completing the change to income, check to see if the change has an effective date that is earlier than the last annual review. The annual review can be checked on the **Summary Case Details** screen. If the date is earlier, follow the process as detailed in the **Procedural Exceptions** tab.
- Create the following service request (SR) against the person reporting the change of income:
 - **Process = Change Of Circumstances (CofC)**
 - **Area = Change To Employment/Income**
 - **Sub Area = Change Income**
- The **Source** is the person reporting the change. From the **Source** dropdown select their role on the case e.g. NRP or PWC. Link the SR to the case by selecting the **Case#** MVG. This displays the case under **Available**. Select **Add** to link the SR to the case which will display under **Selected**, then select **OK**.
- In the **Change Carer/Income** view update the **Subject Details** in the **CofC More Info**, record the paying parent's name, reported date and select **NRP** from the **Subject Type** dropdown.

 If the SR has already been created a warning message will show. Close the duplicate SR by updating the **Status** to **Closed**, and the **Sub Status** to **Cancelled**. Use the original SR to complete the change of circumstances.
- Record the effective date in the **SR Details**. The effective date recorded depends on the circumstance of the case, for more information refer to Policy, Law and Decision Making Guide 

 If the client reports a change to income before the initial calculation SR is completed, check if the income change occurred before or after the initial effective date. Use the initial effective date for any change to income that occurs before.
- Change the SR **Status** to **In Progress**, continue with **Record Change to Income**. Do not use the employed income figure pulled through from HMRC.

Record Change to Income

Record Change to Income

- Confirm no record already exists before contacting the third party team to set up a new employer. Select the **Third Party Accounts** tab and the **Query** tab. Type the name of the third party in the **Name** field and select **Go**. Ensure that the employer record retrieved has the **Organisation Type** held as **Unverified Employer**.

If the 3rd party record is held as any other **Organisation Type** then refer to [3rd Party - Set Up](#) to have the employer added as an **Unverified Employer**. On completion, select the **Third Party Accounts** tab to check that the new employer details have been added.

If no results exist, a blank screen is returned. Searching is case sensitive, so if no results are displayed, try an alternative spelling or case. Check if any other information is known about the third party, for example a telephone number, and retry the search using the new information.
- Select **Go To Income Summary View** from the **CofC More Info** view.
- Update the new income record by selecting either **Modify** or **New**, see below:
 - **Modify** - use this when current income/notional income is present at NRP contact level and it needs to be modified. The existing current/notional income will be overwritten. Annual Irregular and Foreign Exchange fields should be blank. The modify button should always be used, even if there is a new employer. For more information refer to [Third Party - Set Up](#)
 - **New** - only use this when there is HMRC income present and no current income/notional income for the paying parent, or where it has been reported and confirmed that the client has multiple employers. This allows more than one employer to be added to the client's record, so that the system will then add the new income record to the existing one, if one existed previously. For more information refer to [Third Party Employer - Set Up](#)

 Where evidence is provided and conversion from a foreign currency is required (e.g. payslips) access the online [Currency Converter](#). The rate of exchange applicable is that at the effective date.

 When recording income from a pension the pension provider should be recorded as the employer. For more information on when pension earnings can be used as an income source refer to [Variation - Additional Income](#) and refer to the Policy, Law and Decision Making Guidance. 
- Complete any relevant information in the **Account Income Details** applet including the verified/unverified income details and ensure there is a phone number and start date for the employer. The start date is the date the paying parent started working for the employer, if this is not known use today's date.
- Where recording private pension details, only use the **New Private Pension** field, and delete the **Current Private Pension** field if populated. The **Annual Pension Contribution** field within the **Go to Income Summary View** should be left blank as populating this with the pension figure means the system will incorrectly double the pension amount.

 Where the paying parent makes payments to an employee pension scheme, this adjustment will already have been made in the historic income figure provided. Make no further adjustment to the historic income figure for these contributions.

If we have received a positive income figure from HMRC but the paying parent reports that their occupational pension contributions were not automatically deducted by their employer (and the employer has provided confirmation of this), or the figure does not take into account

private pension contributions, use the private pension functionality to adjust the HMRC figure. This same functionality applies where we are notified after the initial calculation has been carried out where the income source is HMRC. Tolerance does not apply.

For how to add a Pension see [Pensions Summary](#)

6. Record whether further evidence is needed to verify the change by updating the SR **Sub Status** to either:

- **Request Evidence** - use this **Sub Status** where the paying parent reports a change on historic income:
 - If the change is reported by the employer or receiving parent go to **Request Verification**
 - If the change has been reported by the paying parent but further evidence is required go to **Information Requested/Received from Paying Parent**
- **Further Evidence n/a** - only to be used if the paying parent is reporting the change and has provided acceptable evidence such as:
 - If paying parent is assessed on current income and provides acceptable evidence verbally or in writing
 - If paying parent is assessed on HMRC income, the income has decreased and the paying parent provides acceptable written evidence
 - If paying parent gives permission to confirm income with the employer, evidence provided by the employer can be accepted verbally
 - If the income has been updated by HMRC during initial calculation

 Verbal evidence is not to be considered for short term changes to current income, or where HMRC has not returned any income figure. HMRC returns of **£0.00** count as an income figure. For more information on current income evidence refer to the Policy, Law and Decision Making Guidance. 

7. Change the SR **Sub Status** to **New Income Verified** and go to **Check Change Breaches Tolerance**.

Request Verification

Request verification

Change reported by employer

1.  If the information received is from the employer, request verification of the information from the paying parent. Issue letter **CMSL4212** to the paying parent. Change the **Status** of the SR to **Wait** and allow 14 days from the date the letter was issued.

For more information about evidence and when it is needed refer to the Policy, Law and Decision Making Guidance: 

2. If the paying parent:

- Responds and provides evidence, record any evidence in the **Gather record evidence tab**, update the outcome and change the **Sub Status** of the SR to **New Income Verified**. This creates further steps in the Activity Plan. Consider if SMS is appropriate - for more information refer to [SMS Text](#)
- When amending the income amount in the **Employment Details** applet, select **New** if the amount is new to the system and select **Modify** if changing an existing/notional income. Notional income is historic income already held on the system but not used in the calculation as it hasn't breached the tolerance level.
 -  If you use the **New** button when income already exists, it will add to the existing income making the case incorrect.

 The telephone number field on the SR must be populated. If the client does not have a business number and is not willing to provide a personal number, enter 0s into this field to allow you to progress with the SR. Go to **Check Change Breaches Tolerance**.

- Does not respond or does not provide evidence, decide whether any evidence which may have been provided by the employer is acceptable and change the **Sub Status** of the SR to either **CoC Accepted** or **CoC Declined**. This creates further steps in the Activity Plan.

Change reported by the receiving parent

3.  When the change of income has been raised by the receiving parent, a valid reason must be provided as to why they believe the paying parent's income has changed. Where this is not provided, call the receiving parent to ask for an explanation of why they believe there has been a change. If a valid reason is provided go to **step 5**.

4.  If telephone contact is unsuccessful, send CMSL9537 to the receiving parent, set the **Status** of the SR to **Wait** and allow 14 days for a response. If the receiving parent:

- Provides the required information, go to **step 5**. Consider if SMS is appropriate - for more information refer to [SMS Text](#)
- Doesn't provide the information; send CMSL9642 to the receiving parent to advise them that the change is being declined due to failure to provide a valid reason for the income change.

CMSL9642 has no appeal rights, so must only be sent if we cannot accept the original letter from the receiving parent as a valid request for change. When this letter has been issued, close the SR by:

- Update the SR and SR **Notes** to record that the change has failed verification due to not breaching tolerance, or insufficient evidence has been supplied to support the change.
 - Update the **Activity Plan outcome** and SR **Sub Status** to **CofC Decline**. Update the **Resolution Code** to **CofC Rejected**. Close the SR setting the **Status** to **Closed** and the **Sub Status** to **Complete**.
5.   Call the paying parent to discuss the change and request evidence of their income. If telephone contact is unsuccessful, send letter CMSL4212 to the paying parent. Change the **Status** of the SR to **Wait** and allow 14 days from the date that the letter was issued.
6. If the paying parent:
- Responds and provides evidence, update the outcome and change the **Sub Status** of the SR to **New Income Verified**. This creates further steps in the Activity Plan. Consider if SMS is appropriate - for more information refer to [SMS Text](#)
 - When amending the income amount in the **Employment Details** applet, select **New** if the amount is new to the system and select **Modify** if changing an existing/notional income. Notional income is historic income already held on the system but not used in the calculation as it hasn't breached the tolerance level.
 -  If selected the **New** button when income already exists, it will add to the existing income making the case incorrect.
-  The telephone number field on the SR must be populated. If the client does not have a business number and is not willing to provide a personal number, enter 0's into this field to allow you to progress with the SR.
- Go to **Check Change Breaches Tolerance**.
- Does not respond or does not provide evidence, change the **Sub Status** of the SR to **Verify With Employer**. This provides further steps in the Activity Plan. Go to **Verify With Employer**.
- For more information about evidence and when it is needed refer to the Policy, Law and Decision Making Guidance 

Information Requested/Received from Paying Parent

Information received from the paying parent

1.  Verbal evidence can be accepted when a paying parent has reported a wage increase when the active income record is already based on either current or HMRC income, however where HMRC has not returned any income record written evidence should still be sought. **CMSL4212** should still be sent where a decrease is reported, or where you have made the decision to seek written evidence of a wage increase. Change the **Status** of the SR to **Wait** and allow 14 days from the date that the letter was issued.
2. If the paying parent:
 - Verbal evidence or provided evidence acceptable, record any evidence in the **Gather Record Evidence** tab, then update the **outcome** field (in the activity plan) and change the **Sub Status** of the SR to **New Income Verified**. Go to **Check Change Breaches Tolerance**.
 -  When recording current income include all income types. For more information refer to Policy, Law and Decision Making Guidance. 
 -  When recording current income convert the amount to an annual figure using the appropriate calculation. For more information and examples on Calculating the Annual Current Income Figure refer to Policy, Law and Decision Making Guidance. 
 - Responds and does not provide enough evidence, change the **Sub Status** of the SR to **Verify with Employer** and go to Verify With Employer. For more information about evidence and when it is needed refer to the Policy, Law and Decision Making Guidance 
 - Does not respond within 14 days, change the **Sub Status** of the SR to **Not Verified** and go to **Tolerance Not Breached or Insufficient Evidence** to decline the change. Send **CMSL3405** if the change was for a private pension.

When amending the income amount in the **Employment Details** applet, select **New** if the amount is new to the system and select **Modify** if changing an existing/notional income. Notional income is historic income already held on the system but not used in the calculation as it hasn't breached the tolerance level.

 If selecting the **New** button when income already exists, it will add to the existing income making the case incorrect.

 The telephone number field on the SR must be populated. If the client does not have a business number and is not willing to provide a personal number, enter 0's into this field.

Verify With Employer

Verify With Employer

1.   If an employer is willing to give verbal confirmation of the paying parents income, this can be accepted. Call the employer to discuss the income change and gain confirmation. Where telephone contact is unsuccessful or the employer refuses to give confirmation

over the phone send letter **CMSL4001**.

 Some employers may be unwilling to provide personal information over the telephone. To prevent any delay in progressing the case, an email can be sent to the employer from a shared inbox while speaking to the employer on the phone to confirm our identity. Please refer to [Employer – Manage Contact](#) for further information.

- From the **3rd Party Account MVG** button in the SR select the third party employer, or appropriate third party if self-employed. Check a Third Party Number (TRN) attached to the employer account before proceeding, if there is no TRN the Third Party Account has not been created for the employer, refer to [Third Party Employer - Set Up](#)

For more information regarding self-employed evidence refer to the Policy, Law and Decision Making Guidance 

-  From the activity plan select the 3rd Party letter template to issue **CMSL4001** to the employer requesting evidence.

 The system automatically defaults to the date the letter is generated, change the dates to the relevant period the income is required for.

- Set the SR **Status** to **Wait** and allow 14 days for a response.

- If the employer:
 - Responds and confirms the change to income, select **Verified** in the **Activity Plan** and go to **step 6**.
 - Responds but confirms that the income hasn't changed, select **Not Verified** in the Activity Plan. Send letter **CMSL4240** to the receiving parent and **CMSL9535** to the paying parent to advise that the paying parent's income hasn't changed, then go to **Tolerance Not Breached or Insufficient Evidence**.
 - When no response is received, make enquiries as to why information has not been returned prior to considering referral of the employer for criminal action.
 - Responds and confirms paying parent is self employed and they do not hold any evidence due to self employment, go to **Tolerance Not Breached or Insufficient Evidence**.
 - Is unable to be contacted as the paying parent is self employed and there is no appropriate third party, go to **Tolerance Not Breached or Insufficient Evidence**.

 When the information is not received from the employer raise the Enforcement SR against the case, leaving the last name field blank in the SR box and enter the employer as the source. The employer is legally required to provide the information we ask for. For more information refer to [Suspicion of Criminal Activity](#).

-  If a paying parent informed us of a change in employment details, record the details, send letter CMSL4257 to advise that the change of employment details have been verified. For more information refer to [Change - Employment Status](#).

- Change the **Sub Status** of the SR to **Verified**.

- When amending the income amount in the **Employment Details** applet with in the **Go To Income Summary** view, select **New** if the amount is new to the system and select **Modify** if changing an existing/notional income. Notional income is historic income already held on the system but not used in the calculation as it hasn't breached the tolerance level.

 If selecting the **New** button when income already exists, it will add to the existing income making the case incorrect.

 The telephone number field on the SR must be populated. If the client does not have a business number and is not willing to provide a personal number, enter 0's into this field.

- Proceed with **Check Change Breaches Tolerance**.

Check Change Breaches Tolerance

Check Change Breaches Tolerance

- Within the Income Summary page, select **Tolerance Check**. The system performs a check to determine whether the new figure breaches the 25% tolerance (i.e. has changed by 25% or more when compared to the current figure being used in the maintenance calculation). If tolerance has not breached, sufficient evidence has not been supplied or the change will not last for the foreseeable future, continue to **Tolerance Not Breached or Insufficient Evidence** to decline the change, if tolerance has been breached go to **Tolerance Breached**.

 If more than two employers have been added to the **Change Income SR**, check the **Actual Effective Income** field once the **Tolerance Check** button has been pressed, to ensure that all of the incomes have been added together for the purposes of tolerance. If not, raise an incident to TCS.

 There is no 25% tolerance when replacing a DMD, EET or when the PP's unemployment status has been ended. Tolerance does not have to be applied and can be overridden, go to **Tolerance Not Breached or Insufficient Evidence**.

Tolerance Not Breached or Insufficient Evidence

Tolerance not breached or insufficient evidence

-  Where tolerance has not breached call and inform the client of the decision.

2.  Update the **Activity Plan outcome** and SR **Sub Status** to **CofC Decline** then send the following letters:
 - **CMSL4219** to the paying parent
 - **CMSL9534** to the paying parent if the receiving parent or employer reported the change
 - **CMSL9535** to the paying parent if the receiving parent reports a change to income and the paying parent fails to provide further evidence of income
 - **CMSL4242** to the receiving parent if they reported the change
 - **CMSL9538** to the receiving parent if the paying parent or employer reported the change

 If evidence has been supplied but the change is not expected to last 12 weeks for the foreseeable future, reject the change and issue **CMSL4219**.

 If insufficient evidence has been supplied issue **CMSL4222** to the paying parent to decline the change. Currently the CMSL4222 erroneously states that the group have contacted the paying parents employer. A conversation with the paying parent should be had to inform them that this isn't the case.

 If replacing a DMD or ending the paying parent's unemployment status set the activity **Status** of the rejection **Letter (Outbound)** activities to **Not Required**.
3. Update the SR and SR **Notes** to record that the change has failed verification due to not breaching tolerance, or insufficient evidence has been supplied to support the change.
4. Where tolerance is not breached, update the **Resolution Code** to **CofC Accepted** - this will create the notional income record. If insufficient evidence has been received update the **Resolution Code** to **CofC Rejected**. If an error occurs proceed to the **Procedural Exceptions** tab.
5. Close the SR setting the **Status** to **Closed** and the **Sub Status** to **Complete**.

 There is no 25% tolerance when you are replacing a DMD or when the paying parent's unemployment status has been ended. Tolerance does not have to be applied, once the **Change Income** SR is completed this can be overridden, go to [Revision/Correction - Change to Income](#).

Tolerance Breached

Tolerance breached

1. When tolerance has been breached, update the SR **Notes** to record the income decision and that evidence has been supplied to support the change. Update the Activity Plan Outcome and SR **Sub Status** to **CofC Accepted**. If the Source is entered as NRP (Self Service) there is no requirement to update the sub status to CoC Accepted.
2. Update the **Resolution Code** to **CofC Accepted**.
3. Post initial calculation, if there is 25% or more difference to the existing income details a **Perform Calculation** SR is generated automatically to recalculate the liability amount. The system also automatically generates a child SR **Current Income Review** SR with a review date of 12 months from the effective date of change. Changes in income that are accepted prior to completion of the initial calculation will not generate a **Perform Calculation** SR but will be included in the initial calculation. For more information on supersessions refer to the Policy, Law and Decision Making Guidance 

 If a positive income figure is returned via HMRC but the paying parent reports that their pension contributions or foreign exchange costs were not automatically deducted by their employer (and the employer has provided confirmation of this) use the private pension functionality to adjust the figure provided by HMRC. Tolerance does not apply. Refer to [Pensions Summary](#)
4. Go to the **Procedural Exceptions** tab on [Calculation – Post Initial](#) to complete the **Perform Calculation Checks**.
5.  Send the relevant notifications to both parties advising them of the new liability calculation, for more information refer to [Calculation - Post Initial](#)
6. Close the **Change To Income** SR to complete this process. Set the **Status** to **Closed** and the **Sub Status** to **Complete**.

 If changing the income due to an HMRC update during initial calculation, a Revise Income SR is required, for more information refer to [Revision/Correction - Change to Income](#).
7. If the change to income effective date is the same as the master case effective date or within 30 calendar days go to the **Customer Profile** tab on the paying parent's contact screen. Change the **Validity End Date** for the current income and notional income to 58 days after the next annual review. This will cause the **Current Income Review** SR to create after the next annual review.

Exceptions

For Northern Ireland replace CMG with NICMS

For Northern Ireland replace all letters with NI versions

[Change to income effective date is earlier than the Annual Review effective date](#)

Depending on whether HMRC income was updated at the Annual Review or Current income was left in place, select the appropriate section below.

HMRC Income was updated at the Annual Review

No Evidence Received

1.  When the change to income effective date is earlier than the annual review effective date and no evidence has been provided to verify the income, issue **CMSL4222** and **CMSL9535** to the paying parent to decline the change. If the change was reported by the receiving parent, issue **CMSL9642**. Update the SR **Sub Status** to **CofC Decline**.
2. Update the **Resolution Code** to **CofC Rejected**, then update the **Status** to **Closed** and the **Sub Status** to **Complete**.

Evidence Received

3. Where evidence has been received with a new Current Income amount, complete a tolerance check using the [offline calculator](#). The check needs to be completed between the last active income record prior to the Annual Review, and the new current income.
4. Where:
 - Tolerance is not breached in Offline Check, go to **Step 5**
 - Tolerance is breached by 25% or more in the Offline Check, go to **Step 6**
5. Where the tolerance hasn't breached in the offline check, complete the process by following the steps in **Check Change Breaches Tolerance in Details**. Where tolerance is updated onto the system and it is breached, but not breached in the offline check, the SR should be closed and cancelled. All letters need to be issued clerically. If it was the receiving parent or the paying parent's employer who reported the change, issue **CMSL9534** clerically as the system version advises what income was used in the last calculation.
 -  Where the tolerance is not breached in the offline check and it is also not breached in the SR, letters **CMSL4219**, **CMSL9538** and **CMSL4242** can be issued as per OSCAR.
6. Where tolerance breaches 25% in offline check input the **Current Income** amount into the **Change to Income SR** and complete the tolerance check within the **Income Summary** tab. Where the tolerance check:
 - breaches 25% in the SR, continue from **Step 7**
 - is not breached in the SR, continue from **Step 8**
7. Complete the **Change to Income** SR. As tolerance breached in the SR, Current Income would have been left in place at the Annual Review update. Send the Annual Review letters clerically (**CMSL5213** and **CMSL5215**) to confirm that Current Income has been left in place. Following the steps in **Tolerance Breached**. The SR will be closed and completed.
8. Complete the **Change to Income** SR. The change will be declined due to the tolerance not breaching 25%. Update the **Sub Status** to **CofC Decline**. Update the **Resolution Code** to **CofC Accepted**. Do not send the tolerance letter. If an error occurs proceed to **Procedural Exceptions** tab - **Tolerance Not Breached**.
9. Complete a **Revision of Income** SR and override the tolerance. This will allow Current Income to be updated. Issue the **Calculation** letters clerically (**CMSL4092** and **CMSL4098**).
 -  Do not issue the letters from the **Revision of Income** SR as this SR has only been completed as part of the workaround.
 -  As the tolerance didn't breach in the **Change Income** SR, this means the Annual Review would have updated with the HMRC income and overridden the Current Income.
10. To update the Annual Review, end the **Current Income** record in the **Customer Profile**. Use the same date as the start date of the new income.
11. In the **Paying Parent's** contact view, generate a **Perform Calculation** SR against the paying parent with the following values:
 - **Process** = **Perform Calculation**
 - **Area** = **Case Maintenance**
 - **Sub Area** = **Change Client Data**
12. Ensure the calculation effective date is today's date and select the **Calculate Liability** button in the SR.
13. Update the effective date of the **Calculation** SR to the same date as the Annual Review effective date and then update the **SR Status** to **Closed** and the **Sub Status** to **Complete**.
14. Complete a manual adjustment for the period from the Annual Review date to the calculation date. For more information refer to [Calculation Backdated Adjustments](#)
15. When completed, contact both clients to summarise your actions using Lines to Take.

Current Income was left in place at the Annual Review as the HMRC income update was 25% different to the existing current income figure

1. When it is identified that the change to income effective date is earlier than the **Annual Review** effective date and no evidence has been provided to verify the income, issue **CMSL4222/CMSL9535** to the paying parent to decline the change. If it was the receiving parent who reported the change, issue **CMSL9642** to the receiving parent. Update the Activity Plan **Outcome** and SR **Sub Status** to **CofC Decline**. Update the **Resolution Code** to **CofC Rejected**. Close the SR, setting the **Status** to **Closed** and the **Sub Status** to **Complete**.
2. Where evidence has been received with a new **Current Income** amount, complete the **Change to Income** SR.
3. Complete a tolerance check within the **Change to Income** SR. If the tolerance is not breached by 25% or more, the change will be declined. Issue the relevant decline letters from the SR, and then update the Activity Plan **Outcome** and SR **Sub Status** to **CofC Decline**. Update the **Resolution Code** to **CofC Rejected**. Close the SR, setting the **Status** to **Closed** and the **Sub Status** to **Complete**.

4. Where tolerance breaches by 25% or more, issue the **Calculation** letters clerically (**CMSL4092** and **CMSL4098**). Do not issue the letters from the **Change to Income** SR as this SR has only been completed as part of the workaround.
5. Complete an offline tolerance check between the new Current Income and the HMRC income provided at the Annual Review using the [offline calculator](#). If the tolerance is breached, clerically issue the **Annual Review** letters (**CMSL5213** and **CMSL5215**) to advise that Current income will stay in place, then the SR can be closed. If the tolerance hasn't been breached, continue to step 6 to update the Annual Review amount using HMRC income.
6. To update the Annual Review, end the **Current Income** record in the **Customer Profile** view. Use the same date as the start date of the new income.
7. In the **paying parent's** contact view, generate a **Perform Calculation** SR against the paying parent with the following values:
 - **Process = Perform Calculation**
 - **Area = Case Maintenance**
 - **Sub Area = Change Client Data**
8. Ensure the calculation effective date is today's date and select the **Calculate Liability** button in the SR.
9. Update the effective date of the **Calculation** SR to the same date as the Annual Review effective date and then update the SR **Status** to **Closed** and the **Sub Status** to **Complete**.
10. Complete a manual adjustment for the period from the Annual Review date to the calculation date. For more information refer to the Procedural exceptions tab of [Calculation - Post Initial](#).
11. When completed, contact the client/s to summarise your actions using Lines to Take.

Tolerance Not Breached

Complete the following workaround when an error is received updating the **Sub Status** and **Resolution Code**:

1. Select the Sub Status as CofC Decline
2. Complete the generated activities
3. Select the Sub Status as In Progress
4. Select the Resolution Code as CofC Accepted
5. Close the SR setting the Status to Closed and the Sub Status to Complete

CMSL3404 Please give us evidence of payments you make into a personal pension

Request for evidence when the paying parent is on HMRC income and tells us about their personal pension scheme contributions either :

- Before the calculation decision is made
- Within 30 days of the decision being made
- Outside of that 30 day period, but the caseworker accepts that they had good cause for being late

CSML3405 Your child maintenance payments will not change

Letter to the paying parent – your change of income request to take into account a personal pension has been declined because the change has not been verified – no change to maintenance amount. Only sent after we've asked the paying parent for evidence of his income change.

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

CMSL4001 Please find proof of an employee's income

Letter to the employer to determine gross income data for the paying parent. The employer has legal requirement to provide information.

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

CMSL4092 your child maintenance payments have changed

Notice of recalculation to the receiving parent following a change of circumstances.

Under the sub heading 'What this means for you':

If multiple changes of circumstances are reported by the client and more changes are to follow, use paragraph **TM_28591_E** 'Although we were told about more than one change to (paying parent's) circumstances at the same time, this letter shows how the change listed above affects your child maintenance payments.'

If multiple changes of circumstances are reported by the client and no more changes are to follow, use paragraph **TM_28592_E** 'We were told about more than one change to (paying parent's) circumstances at the same time. We have already written to you to tell you how other changes affect your child maintenance payments.'

CMSL4212 We need proof of your income

Letter to the paying parent to provide further evidence of current income.

Under the sub heading 'We need proof of your income' the first paragraph will be set as default, remove if not required and select the subsequent paragraph:

- **TM_10300_E** if we have been told the paying parent's income details have changed
- **TM_10301_E** if the paying parent has asked us to look at the income change

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

CMSL4219 Your child maintenance payments will not change

Letter to the paying parent – your change of income request has been declined because it's not more than 25 percent change – no change to maintenance amount or payment schedule.

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

CMSL4222 Your child maintenance payments will not change

Letter to the paying parent – your change of income request has been declined because the change has not been verified – no change to maintenance amount. Only sent after we've asked the paying parent for evidence of his income change.

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

CMSL4240 Your child maintenance payments will not change

Inform the receiving parent that their requested income change for the paying parent has been declined – not verified with employer.

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

CMSL4242 Your child maintenance payments will not change

Letter to the receiving parent to confirm the paying parent income change they raised has been declined – it was not above the 25 percent threshold.

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

CMSL4257 We've updated our records

Inform the paying parent that their requested change to Employment Details has been verified.

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

CMEL9250 - Urgent - we need some information

Ask accountant for further information about a paying parent .

Complete the free text areas for point 5 and input any further questions if necessary.

CMSL9534 Your child maintenance payments will not change

Letter to the paying parent to decline the change to income when it has been reported by the receiving parent or Employer, and the income hasn't changed by 25 percent.

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

CMSL9535 Your child maintenance payments will not change

When the receiving parent reports a change to income and the paying parent fails to provide further evidence of income and the paying parent's employer confirmed income unchanged, a letter to the paying parent to decline the change - ie no change has taken place to the paying parent's income.

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

CMSL9537 Important information about your child maintenance payments

When a receiving parent reports a change to the paying parent's income, letter to the receiving parent to request further suitable evidence of the change.

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

[CMSL9538 Your child maintenance payments will not change](#)

When the paying parent or Employer reports a change to a paying parent's income and the change isn't 25 percent, a letter to the receiving parent to confirm that the change has been declined as income didn't change by more than 25 percent.

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

[CMSL9642 We cannot change your child maintenance case at this time](#)

Letter to the receiving parent advising change request declined if they haven't provided ANY evidence supporting their claim that a paying parent's income has changed. This letter ONLY to be used following CMSL9537 where there is NO evidence to start CoC process.

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

[CMSL9643 We cannot change your child maintenance case at this time](#)

Letter to the receiving parent or the paying parent advising change request declined as we have confirmed the change has not occurred.

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

[2012 System Finance Overview](#)

[Bonus Calculator](#)

[Calculation process - Explanation](#)

[Change - Employment Status](#)

[Criminal Action - Decide](#)

[Currency Converter](#)

[Income Tax rates and Personal Allowances](#) (GOV.Uk link)

[Letters \(Outbound\) - Contingency Summary](#)

[Letters \(Outbound\) - Send to client](#)

[Offline Calculator](#)

[Pensions](#)

[Terminology Changes](#)

[Third Party - Amend](#)

[Third Party - Set Up](#)

[Third Party Employer - Set Up](#)

[Content Editor \[2\]](#)

[Edit this page to modify your web part content.](#)

[What if the change has been completed but evidence of pension details is received later?](#)

Where current income is used in an assessment and pension details need to be added at a later date, consider if the change request has been received within 30 days of notification of a recent MC.

If the request is within 30 days refer to [Mandatory Reconsideration](#) to progress, if the request is outside 30 days use the **Change Income SR**. This will involve checking the latest current income against the previous current income used in the calculation to ensure that 25% tolerance is breached before the liability is changed.

[What if the incorrect income is input into the SR?](#)

If the **Resolution Code** has not been selected, navigate to the **Income Summary View** and overwrite the incorrect figures in the **Verified Income Details** applet. **Save** then select the **Tolerance Check** button again. Record the action taken in **notes**.

If the Resolution Code has already been selected, continue with the SR through to completion then revise the change.

[Does an extra day need to be included in the daily rate calculations for a leap year?](#)

No, this is not necessary.

Annual liability is always calculated using the number of days to the next annual review multiplied by the daily rate of liability.

For leap years this is the same principle as the system recognises the number of days will be 366 instead of the standard 365.

What if a paying parent reports a change to income from two employers to one employer?

If a paying parent reports a change income from two employers to one new employer, select **Go To Income Summary View** from the **CofC More Info** view. Record the new employer income by selecting **Modify** both employers will appear, end date one employer and modify the other with the new employer/income details.

What if a paying parent was in receipt of benefits or had no income for part of the year?

If the paying parent did not work fully in that year then his payments would be reduced. However there is a legal compulsion on the paying parent to report changes to Income and where this does not occur we will back-date such changes as far as necessary.

When will the caseworker request verification of the paying parent's change of income details?

Wage decreases require written verification.

Can verbal evidence be accepted from the paying parent when there is a change to their income?

While written evidence can be sought, a verbal statement can also be accepted as evidence from a paying parent who is placed on current or historic income and is reporting an increase to their income of 25% or more for the foreseeable future.

When will the Child Maintenance Group consider a change of circumstances for a paying parent's income?

The paying parent's income must change by at least 25% for a minimum of 12 weeks from the income used in the current maintenance calculation in order for the payments to change. Check that the client is aware of the tolerance levels and has used the online calculator, or calculated the change to earnings themselves, to work out if their income change breaches tolerance. A record must be kept, in client notes, of when the client is asked if they've calculated if the change breaches tolerance and if they withdraw their request for a change to income after that discussion. An SR should only be raised where the change breaches tolerance or if the client insists (when the change will not breach tolerance).

Will self employed clients need to update their income when it changes by 25%?

No, any changes to income will be reflected in the next year's tax return.