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[Income Reviews: Overview](#)

The CMG will carry out two different types of income check to ensure that a non-resident parent's maintenance liability is always based on the most up to date and reliable income information. These are:

- the annual review(AR), and
- the periodic current income check (PCIC)

The Annual Review is conducted in **all** cases, whereas the Periodic Current Income Check will only be applied when a Maintenance Calculation is based on Current Income that has been in place and unchanged for 11 months. Refer to the Income Chapter for additional information about the different types of income.

Both the Annual Review and Periodic Current Income Check are CMG instigated changes of circumstances, which have their own specific legal provisions.

NOTE:

- where there is a variation in place based on earned / unearned income will also be checked when the annual review takes place. Up to date details for these types of income will be automatically requested from HMRC. Refer to the Decision Making Guidance for further information.
- variations do not have a periodic current income check

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What is the annual review?

Regulations 19-21 of the Child Support Maintenance Calculation Regulations 2012

The Annual Review is a process that the CMG will follow every year on all on-going cases to:

- Obtain updated Historic Income information from HMRC, and
- Ensure maintenance calculations are based on the most up-to-date and reliable income information that is available

When does the annual review take place?

2012/2677 Regulation 19 of the Child Support Maintenance Calculation Regulations 2012

When an Initial Maintenance Calculation is completed, CMS will automatically set an Annual Review Date for a period 12 months from the initial effective date. However, the Annual Review Process will start 30 days before this date; this is known as the Annual Income Update. This ensures we have sufficient time to obtain and check up to date information about the non-resident parent's income / other circumstances before a formal decision is made at the Annual Review Date.

When the information needed has been received, the Annual Income Update will be completed and notified to the non-resident parent and the parent with care. This will show what the Maintenance Calculation will look like for the following year. This is an informal notification and is not subject to appeal. The purpose of the Annual Income Update is to provide the parents with the opportunity to submit any additional information or to tell us if we have anything wrong before the new decision actually takes effect.

The parents will be advised that unless they provide any further information, a formal calculation will be made using this income information at the Annual Review Date. The decision will be effective from this date and normal appeal rights apply.

NOTE: Where a maintenance calculation is in place and a further application is made in relation to the non-resident parent but for a different qualifying child, the annual review dates will be aligned. This means the review date of the new application will take place on the next annual review date of the calculation already in force.

[Annual income review: process overview](#)

30 days before the Annual Review Date, CMS will issue an automated request to HMRC to obtain the non-resident parent's income information for the latest available tax year. The next action will depend on whether the Maintenance Calculation is based on Historic or Current Income. Refer to the Decision Making Guidance (below) for further information.

[Annual income review: maintenance calculation based on historic income: Decision Making Guidance](#)

The following sections summaries the possible outcomes and actions you will need to take when you are completing the Annual Income Review on a Historic Income case. This means a case where the Maintenance Calculation is based on Historic Income when the Annual Income Review process starts.

30 days before the Annual Review Date CMS will automatically request the non-resident parent's income information from HMRC for the latest available tax year.

At this stage there are two possible outcomes: (1) HMRC provides a nil figure or (2) HMRC provides a positive income figure. Use the drop downs below for further guidance

HMRC provide a nil income figure

[2013/1517](#) *Regulation 8(1) of the Child Support (Miscellaneous Amendment) Regulations 2013*

- If the Maintenance Calculation is currently based on Historic Income; and
- HMRC provide a nil income figure

CMS will automatically replace the existing income figure with the new nil (£0.00) income figure. The Annual Income Update will be completed and notified to both parents. This will show that the Maintenance Calculation for the following year will be nil (£0.00). This is an informal notification and is not subject to appeal. The purpose of the Annual Income Update is to provide the parents with the opportunity to submit

any additional information or to tell us if we have anything wrong before the new decision actually takes effect.

The parents will be advised that unless they provide any further information, a formal calculation will be made using this income information at the Annual Review Date. The decision will be effective from this date and normal appeal rights apply.

The things a parent may report include:

If the non-resident parent has any [Current Income Employed](#) or [Current Income Self Employed](#).

Refer to the Current Income Guidance for advice on what evidence to request if one of the parties confirm that the non-resident parent has Current Income

NOTE: The duty to report an increase in Current Income of £7 or more does not apply in these circumstances. This is because the Nil liability is based on Historic Income not Current Income. The duty only applies to non-resident parents that are based on Current Income.

HMRC provide a positive income figure [1]

Regulation 20 of the Child Support Maintenance Calculation Regulations 2012

Regulation 19 of the Child Support Maintenance Calculation Regulations (Northern Ireland) 2012

- If the Maintenance Calculation is based on Historic Income and;
- HMRC provide a new positive figure at the Annual Review

CMS will automatically replace the existing income figure with the new income figure. The Annual income Update will be completed and notified to both parents. This will show what the Maintenance Calculation will look like for the following year. This is an informal notification and is not subject to appeal. The purpose of the Annual Income Update is to provide the parents with the opportunity to submit any additional information or to tell us if we have anything wrong before the new decision actually takes effect.

The parents will be advised that unless they provide any further information, a formal calculation will be made using this income information at the Annual Review Date. The decision will be effective from this date and normal appeal rights will apply.

The things a parent may report include:

- If we have anything wrong;
- If there are other factors / changes that might affect their liability; and

- If the non-resident parent's Current Income is at least 25% different to the latest HMRC figure.

Use the links below for further information on the action you would need to take if any of the above is reported.

Non-resident parent reports that the income figure used is wrong

If the non-resident parent reports that the income figure used in the Annual Income Update is incorrect, they should be asked to provide information / evidence confirming this.

For example: the non-resident parent may report that the Historic Income figure provided by HMRC is incorrect. See [Historic income figure disputes](#) for further guidance.

Non-resident parent reports other information that could affect liability

There are a range of Other Factors (e.g. non-income related factors) that can affect the non-resident parent's liability. For example: the non-resident parent may have Shared Care of a qualifying child or relevant other children living with them. Refer to the guidance on Other Factors for full details.

If a non-resident parent reports a non-income related change then this should be treated as a request for a supersession. They will be required to provide the normal evidence needed for the type of change and normal effective date rules apply.

Refer to the guidance on [Other Factors](#) and [Supersessions](#) for further advice.

Example

- The annual review date is 01 January
- On 02 December the non-resident parent is issued with the Annual income Update based on the latest available income information from HMRC
- On 07 December the non-resident parent reports a Relevant Other Child
- A supersession is completed to take account of the Relevant Other Child with an effective date of 07 December (date change is reported)
- On 01 January the annual review decision is made with an effective date of 01 January, this will also take account of the Relevant Other Child.

Change of Circumstances application made before annual review but evidence received after it

A change of circumstances application was made before the Annual Review date, however supporting evidence is only received after the Annual Review date but still within 30 days of the notification, CMG can initiate a revision to take into account the

change of circumstances and then further revise from the Annual Review date if necessary

Party reports current income is at least 25% different to HMRC figure

[2012/2677](#) *Regulation 34 of the Child Support Maintenance Calculation Regulations 2012*

NOTE: If there is a variation in place then the 25% comparison should take place on the income figure before it was adjusted to take account of any variation.

If the non-resident parent's Current Income is at least 25% different to the new Historic Income figure, they should be asked to provide evidence. Refer to the section on Current Income for details of the process you should follow and the information you will need to obtain.

When you have obtained evidence of the non-resident parent's Current Income, you will need to carry out two checks:

1. Compare the Current Income figure against the existing Historic Income figure in place.
 - If the Current Income figure is at least 25% different then a supersession should be completed to reflect this change immediately. Refer to the Guidance on Effective Dates for further advice.
 - If it is not at least 25% different then the existing Maintenance Calculation does not need to be altered at this point.
2. Compare the Current Income figure against the new Historic Income figure obtained from HMRC and used to produce the Annual Income Update.
 - If the Current Income figure is at least 25% different then you should replace the Historic Income figure with the new Current Income figure. The Maintenance Calculation figure will be based on the new Current Income figure with effect from the Annual Review Date.
 - If it is not at least 25% different, the Maintenance Calculation will continue to be based on the new Historic Income figure with effect from the Annual Review Date.

Example

- Non-resident parent's existing Maintenance Calculation is based on a gross weekly income of £300. The annual review date is 01 January
- On 02 December HMRC provide a Historic Income figure for the latest available tax-year of £250

- On receipt of the Annual Income Update the non-resident parent reports that their Current Income is £175 – date change reported is 07 December
- Current Income of £175 is firstly compared to the existing Historic Income of £300
- There is a 25% difference so a supersession is completed to take account of the non-resident parent's Current Income with an effective date of 07 December (because the calculation is based on Historic Income, the effective date will be the date the change is reported, irrespective of if the income has increased or decreased)
- Current Income of £175 is then compared to the new Historic Income of £250

There is a 25% difference so a further supersession is completed to take account of the non-resident parent's Current Income with an effective date of 01 January (the annual review date).

[Annual Income Review: Variation based on Historic Income: Decision Making Guidance](#)

Variations based on Earned / Unearned Income will also be checked when the Annual Review takes place. Up to date details for these types of income will be automatically requested from HMRC if one of these Variations is in place. Use the appropriate section below for further advice.

Unearned income: HMRC provide a positive income figure

- If the unearned income variation is based on Historic Income and;
- HMRC provide a new positive figure at the Annual Review

CMS will automatically replace the existing income figure with the new income figure. This information will be combined with that of the main calculation and the Annual Income Update will be notified to both parents. This will show what the Maintenance Calculation, including the variation, will look like for the following year. This is an informal notification and is not subject to appeal. The purpose of the Annual Income Update is to provide the parents with the opportunity to submit any additional information or to tell us if we have anything wrong before the new decision actually takes effect.

The parents will be advised that unless they provide any further information, a formal calculation will be made using this income information at the Annual Review Date. The decision will be effective from this date and normal appeal rights apply.

The things a parent may report include:

- The unearned income amount has increased / decreased, or;

- The unearned income has ceased.

Refer to the Decision Making Guidance on Changes to a Variation, [Unearned Income](#) for further advice

Unearned income: HMRC provide a nil figure [1]

- If the unearned income variation is based on Historic Income and;
- HMRC provide a nil figure at the Annual Review

CMS will automatically replace the existing income figure with the new nil income figure. This information will be combined with that of the main calculation and the Annual Income Update will be notified to both parents. This will show what the Maintenance Calculation, including the variation, will look like for the following year. This is an informal notification and is not subject to appeal. The purpose of the Annual Income Update is to provide the parents with the opportunity to submit any additional information or to tell us if we have anything wrong before the new decision actually takes effect.

The parents will be advised that unless they provide any further information, a formal calculation will be made using this income information at the Annual Review Date. The decision will be effective from this date and normal appeal rights apply.

The things a parent may report include:

- The non-resident parent has current unearned income

Refer to the Decision Making Guidance on Gathering Information and Evidence, [Unearned Income](#) for further advice.

Earned income: HMRC provide a positive figure [1]

- If the earned income variation is based on Historic Income and;
- HMRC provide a new positive figure at the Annual Review

CMS will automatically replace the existing income figure with the new income figure. This information will be combined with that of the main calculation and the Annual Income Update will be notified to both parents. This will show what the Maintenance Calculation, including the variation, will look like for the following year. This is an informal notification and is not subject to appeal. The purpose of the Annual Income Update is to provide the parents with the opportunity to submit any additional information or to tell us if we have anything wrong before the new decision actually takes effect.

The parents will be advised that unless they provide any further information, a formal calculation will be made using this income information at the Annual Review Date. The decision will be effective from this date and normal appeal rights apply.

The things a parent may report include:

- The earned income amount has increased / decreased, or;
- The earned income has ceased.

Refer to the Decision Making Guidance on Changes to a Variation, [Earned Income](#) for further advice

Earned income: HMRC provide a nil figure

- If the earned income variation is based on Historic Income and;
- HMRC provide a nil figure at the Annual Review

CMS will automatically replace the existing income figure with the new nil income figure. This information will be combined with that of the main calculation and the Annual Income Update will be notified to both parents. This will show what the Maintenance Calculation, including the variation, will look like for the following year. This is an informal notification and is not subject to appeal. The purpose of the Annual Income Update is to provide the parents with the opportunity to submit any additional information or to tell us if we have anything wrong before the new decision actually takes effect.

The parents will be advised that unless they provide any further information, a formal calculation will be made using this income information at the Annual Review Date. The decision will be effective from this date and normal appeal rights apply.

The things a parent may report include:

- The non-resident parent has current earned income

Refer to the Decision Making Guidance on Gathering Information and Evidence, [Earned Income](#) for further advice.

NOTE: Earned Income variations do not have a Periodic Current Income Check; therefore unless the parents report Current Income, the nil income figure will remain in place until the next Annual Review.

[Annual income review: Maintenance calculation is based on current income: Decision Making Guidance](#)

The following sections summaries the possible outcomes and action you will need to take when you are completing an Annual Review on a Current Income case. This means a case where the Maintenance Calculation is based on Current Income when the Annual Income Update process starts.

30 days before the Annual Review Date, CMS will automatically request Historic Income details from HMRC. This is known as the Annual Income Update. At this stage there are two possible outcomes.

HMRC provide nil income figure

[2012/2677](#) Regulation 34(2)(a) of the Child Support (Maintenance Calculations) Regulations 2012

- If the Maintenance Calculation is based on Current Income; and
- HMRC provide a nil income figure at the Annual Income Update

The Maintenance Calculation will continue to be based on the existing Current Income figure until the Periodic Current Income Check.

An Annual Income Update will be issued, showing that the Maintenance Calculation will continue to be based on the existing Current Income figure from the Annual Review date. This will ensure the parents have the opportunity to tell us if any other factors affecting the Maintenance Calculation have changed.

HMRC provide a positive income figure [2]

[2012/2677](#) Regulation 34(2)(a) of the Child Support Maintenance Calculation Regulations 2012

- If the Maintenance Calculation is based on Current Income; and
- HMRC provide a positive income figure at the Annual Review

CMS will automatically compare the new Historic Income figure with the existing Current Income figure.

If the existing Current Income figure is still at least 25% different to the new Historic Income figure, then the Maintenance Calculation will continue to be based on the existing figure. An Annual Income Update using this figure will be produced and issued to the parents, informing them that the Maintenance Calculation will continue to be based on Current Income from the Annual Review date.

If the existing Current Income figure is not at least 25% different to the new Historic Income figure, then the new Historic Income figure will be used with effect from the Annual Review Date. An Annual Income Update will be issued to the parents informing them of this.

These are informal notifications and are not subject to appeal. The purpose of the Annual Income Update is to provide the parents with the opportunity to submit any additional information or to tell us if we have anything wrong before the new decision actually takes effect.

The parents will be advised that unless they provide any further information, a formal calculation will be made using this income information at the Annual Review Date. The decision will be effective from this date and normal appeal rights apply.

The things a parent may report include:

- If we have anything wrong;
- If there are any other factors / changes that might affect liability.

The following sections explain the action you need to take if a client contacts you after the Annual Income Update has been issued to report an error or a change in circumstances.

Non-resident parent reports that the historic income figure is wrong

If a non-resident parent reports that something in the Annual Income Update is incorrect, they should be asked to provide information / evidence confirming this.

For example: the non-resident parent may report that the Historic Income figure provided by HMRC is incorrect.

Refer to Historic Income Disputes, [Current Income Employed](#)

Non-resident parent reports other information / changes that could affect liability

There are a range of Other Factors (e.g. non-income related factors) that can affect the non-resident parent's liability. For example: the non-resident parent may have Shared Care of a qualifying child or relevant other children living with them. Refer to the guidance on Other Factors for full details.

If a non-resident parent or parent with care reports a non-income related change at the Annual Income Update, this should be treated as a request for a supersession. They will be required to provide the normal evidence needed for that type of change and the effective date will depend on the type of change and when it is reported.

Refer to the guidance on [Other Factors](#) and [Supersessions](#) for further advice.

Example

- The annual review date is 01 January
- On 02 December the non-resident parent is issued with an Annual Income Update based on the latest available income information from HMRC
- On 07 December the non-resident parent reports a Relevant Other Child
- A supersession is completed to take account of the Relevant Other Child with an effective date of 07 December (date change is reported)

- On 01 January the annual review decision is made with an effective date of 01 January, this will also take account of the Relevant Other Child

Annual income review: variation based on current income: Decision Making Guidance

Variations based on Earned / Unearned Income will also be checked when the Annual Review takes place. Up to date details for these types of income will be automatically requested from HMRC if one of these Variations is in place. Use the appropriate dropdown below for further advice.

Unearned income: HMRC provide a positive income figure

- If the unearned income variation is based on Current Income and;
- HMRC provide a new positive figure at the Annual Review

CMS will automatically use the income figure that relates to the most recent complete tax-year. This information will be combined with that of the main calculation and the Annual Income Update will be notified to both parents. This will show what the Maintenance Calculation, including the variation, will look like for the following year. This is an informal notification and is not subject to appeal. The purpose of the Annual Income Update is to provide the parents with the opportunity to submit any additional information or to tell us if we have anything wrong before the new decision actually takes effect.

The parents will be advised that unless they provide any further information, a formal calculation will be made using this income information at the Annual Review Date. The decision will be effective from this date and normal appeal rights apply.

The things a parent may report include:

- The unearned income amount has increased / decreased, or;
- The unearned income has ceased.

Refer to the Decision Making Guidance on Changes to a Variation, [Unearned Income](#) for further advice

Unearned income: HMRC provide a nil figure [2]

- If the unearned income variation is based on Current Income and;
- HMRC provide a nil figure at the Annual Review

CMS will automatically replace the existing income figure with the new nil income figure. This information will be combined with that of the main calculation and the Annual Income Update will be notified to both parents. This will show what the Maintenance Calculation, including the variation, will look like for the following year.

This is an informal notification and is not subject to appeal. The purpose of the Annual Income Update is to provide the parents with the opportunity to submit any additional information or to tell us if we have anything wrong before the new decision actually takes effect.

The parents will be advised that unless they provide any further information, a formal calculation will be made using this income information at the Annual Review Date. The decision will be effective from this date and normal appeal rights apply.

The things a parent may report include:

- The non-resident parent has current unearned income

Refer to the Decision Making Guidance on Gathering Information and Evidence, [Unearned Income](#) for further advice.

Earned income: HMRC provide a positive figure [2]

- If the earned income variation is based on Current Income and;
- HMRC provide a new positive figure at the Annual Review

CMS will automatically compare the new Historic Income figure with the existing Current Income figure.

- If the existing Current Income figure is still at least 25% different to the new Historic Income figure, then the variation will continue to be based on the existing figure.
- If the existing Current Income figure is not at least 25% different to the new Historic Income figure, then the new Historic Income figure will be used.

The relevant information will be combined with that of the main calculation and the Annual Income Update will be notified to both parents. This will show what the Maintenance Calculation, including the variation, will look like for the following year.

These are informal notifications and are not subject to appeal. The purpose of the Annual Income Update is to provide the parent's with the opportunity to submit any additional information or to tell us if we have anything wrong before the new decision actually takes effect.

The parent's will be advised that unless they provide any further information, a formal calculation will be made using this income information at the Annual Review Date. The decision will be effective from this date and normal appeal rights apply.

The things a parent may report include:

- the earned income amount has increased / decreased, or
- the earned income has ceased

Refer to the Decision Making Guidance on Changes to a Variation, [Earned Income](#) for further advice

Earned income: HMRC provide a nil figure [2]

- If the earned income variation is based on Current Income and;
- HMRC provide a nil figure at the Annual Review

CMS will automatically retain the existing Current Income figure. This information will be combined with that of the main calculation and the Annual Income Update will be notified to both parents. This will show what the Maintenance Calculation, including the variation, will look like for the following year. This is an informal notification and is not subject to appeal. The purpose of the Annual Income Update is to provide the parents with the opportunity to submit any additional information or to tell us if we have anything wrong before the new decision actually takes effect.

The parents will be advised that unless they provide any further information, a formal calculation will be made using this income information at the Annual Review Date. The decision will be effective from this date and normal appeal rights apply.

The things a parent may report include:

- The non-resident parent's current earned income has increased / decreased;
- The non-resident parent's current earned income has ceased.

Refer to the Decision Making Guidance on Changes to a Variation, [Earned Income](#) for further advice.

NOTE: Earned Income variations do not have a Periodic Current Income Check; therefore unless the parents report a change to the Current Income figure then it will remain in place until the next Annual Review.

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What is a periodic income check?

Regulation 22 Child Support Maintenance Calculation Regulations 2012

The purpose of the Periodic Current Income Check is:

- to obtain up-to-date evidence of the non-resident parent's Current Income; and
- to ensure that the non-resident parent's Current Income remains at least 25% different to any Historic Income figure available from HMRC.

A key aspect to consider for the Periodic Current Income Check is that:

- The CMS is **obliged** to review the income level being used at the Periodic Case Income Check Review date; however
- The CMS is **not obliged** to change the income used for the new Maintenance Calculation

Therefore a decision can be made to exercise judgement as to the most appropriate evidence to be used to determine the level of income.

[When does the periodic current income check take place?](#)

The Periodic Current Income Check is a process that the CMG will follow when a Maintenance Calculation has been based on the same Current Income figure for 11 months.

[Periodic current income check: process overview](#)

28 days before the Current Income Check is due, a system prompt will be generated advising you to request new evidence of Current Income from the non-resident parent.

Note: Current Income could have been in place from the initial effective date of the child maintenance calculation and therefore an Annual Review will be due in these circumstances. Where this occurs the Periodic Current Income Check is carried out 58 days after the effective date of the Annual Review.

Therefore depending upon the outcome of the Annual Review (i.e. the HMRC tax year that CMS obtained) will help us determine the next steps to take when considering the Periodic Current Income Check.

When we conduct a Periodic Current Income Check we are seeking to establish current income that is reflective of the NRP's circumstances at the effective date of the income review. This includes deciding whether we should retain the existing current income if it continues to be more reflective of the NRP's circumstances.

This would apply when at the Periodic Current Income Check the NRP does not provide sufficient or any evidence of current income.

[Periodic current income check: Decision Making Guidance](#)

Current Income will be checked when it has been in place unchanged for 11 months to ensure:

- That it remains at least 25% different to any Historic Income figure held; and
- If so, that the figure used is updated on a regular basis

When evidence of the non-resident parent's Current Income is received, the new figure should be compared to the latest Historic Income figure held on CMS. The next action will depend on whether the non-resident parent's Current Income is still 25% different or not.

Requested current income is provided and remains at least 25% different to historic income

Regulation 22(3) of the Child Support Maintenance Calculation Regulations 2012

Regulation 21(3) of the Child Support Maintenance Calculation Regulations (Northern Ireland) 2012

NOTE: If there is a variation in place then the 25% comparison should take place on the income figure before it was adjusted to take account of any variation.

If the provided up to date current income for the non-resident parent is still at least 25% different to the Historic Income figure held, their liability will continue to be based on Current Income. However, the Maintenance Calculation still needs to be updated to reflect the latest Current Income details.

Before you update the Maintenance Calculation you should check whether the non-resident parent is employed or self employed.

If the non-resident parent is employed then you should check whether their new Current Income figure is at least 25% higher than the existing Current Income figure in place.

- If so, this is an increase in income that the non-resident parent was legally obliged to report. You will need to establish the date that the change occurred in order to determine the correct effective date. Refer to the guidance on Supersessions for further advice. (Regulation 9(a) of the Child Support (Consequential and Miscellaneous) Regulations 2012.
- If not, the effective date of the new Maintenance Calculation will be the date that the decision using the new income figure is made.

For self-employed non-resident parents, there is no requirement to report increases in income. The effective date of the Maintenance Calculation using the updated Current Income figure will be the date the decision is made.

Requested current income is provided and is not 25% different to the latest available historic income

Regulation 34(2)(a) of the Child Support (Maintenance Calculation) Regulations 2012

NOTE: If there is a variation in place within the maintenance calculation then the 25% comparison should take place on the income figure before it was adjusted to take account of any variation.

If the non-resident parent's new Current Income is NOT 25% different to the latest available Historic Income figure, CMS will replace the existing Current Income figure with the latest Historic Income figure.

A new maintenance Calculation will be completed using the Historic Income figure and notification of this will be sent to both clients.

The effective date of the decision will be that date that it is made.

Non-resident parent provides evidence and there is no historic income

If the non-resident parent provides evidence of their Current Income but there is no Historic Income to compare it to. (i.e. because they're an employee of HMRC and no historic income information can be obtained for them) they you should update the Maintenance Calculation using the Current Income figure the non-resident parent has provided.

NOTE: There may be situations where Historic Income can never be obtained for a non-resident parent. In these circumstances you should always update the Maintenance Calculation using the most recent Current Income figure provided by the non-resident parent. of their Current Income.

NOTE:

If, as a result of the Annual Review, Current Income has remained in place, then you should proceed with the Current Income Check as normal 30 days after the Annual Review decision to ensure that the parent has had a chance to apply for a review. If, as a result of the Annual Review, Historic Income is now in place, then you do not need to action the Current Income Check.

Non-resident parent does not provide sufficient or any evidence of current income.

When we conduct a Periodic Current Income Check we are seeking to establish current income that is reflective of the NRP's circumstances at the effective date of the income review. This includes deciding whether we should retain the existing current income if it continues to be more reflective of the NRP's circumstances.

This could apply when at the Periodic Current Income Check when the non-resident parent does not provide when requested sufficient or any evidence of their recent current income.

There are 3 possible scenarios:

1. At the previous Annual Review a later HMRC historic income tax year was provided to CMG than the HMRC tax year at the initial effective date
2. At the previous Annual Review the HMRC historic income tax year record income record has not updated to a more recent HMRC tax year
3. At the Periodic Current Income Check there was no HMRC historic income available (N/A) or insufficient evidence of current income has been received from the NRP

Example 1: At the annual review a later HMRC historic income tax year was provided to CMG than the HMRC tax year at the initial effective date

As a result of the annual review the HMRC historic income will have been updated to a more recent tax year, therefore as a result of the periodic current income check if the NRP has not provided up to date current income, consideration should be given to performing a maintenance calculation using the HMRC historic information.

- Initial effective date 23 October 2015
- The HMRC historic income is £50,000
- Tax year 2014 / 2015 is provided to CMS
- The NRP reports current income of £37,000 (as this is a 25% decrease than the historic income)
- Maintenance calculation is therefore based upon current income
- Annual review effective date 23 October 2016
- Tax year 2015 / 2016 is provided to CMS
- The HMRC historic income is £52,000

As the updated income figure is greater than 25% different than the previous historic income figure the current income figure remains in place.

Maintenance calculation is based on current income of £37,000 per year.

Periodic current income check takes place on 23 November 2016

We contact the NRP seeking to obtain up to date current income and relevant information gathering forms are issued. No up to date income information is provided.

In this example as an updated historic income year was available and the NRP has not provided their current income we can decide that the maintenance calculation should be based upon the latest historic income.

Example 2 – At the annual review the HMRC income record has not updated to a more recent tax year

Where the non-resident parent has failed to supply evidence of current income but the HMRC tax year was not updated at the Annual Review, therefore a decision can be made to exercise judgement as to the most appropriate evidence. This could be whether it is relevant to use this historic tax year to determine the maintenance calculation i.e. to revert back to the HMRC income. Alternatively if the existing current income is for a more recent period of time a can a decision could be made to exercise judgement as to the most appropriate evidence. This could be to retain the existing maintenance calculation.

- Initial effective date 06 July 2015
- The HMRC historic income is £25,000
- Tax year 2014 / 2015 is provided to CMS
- On 13 July 2015 the NRP reports current income of £15,000 (as this is a 25% decrease than the historic income)
- We obtain 5 weekly pay slips for the period 17 July to 14 August 2015
- Initial maintenance calculation is therefore based upon current income
- Annual review effective date 06 July 2016
- Tax year 2014 / 2015 is provided to CMS
- The HMRC historic income is £25,000
- Periodic current income check 06 June 2016

We ask the NRP for up to date current income, however, no information is provided.

As no up to date current income has been provided a decision can be made to exercise judgement as to the most appropriate evidence. This could be to amend the maintenance calculation to the historic income figure; however, in this example the current income already being used is for a later period of time than the latest available tax year (current income for the period July - August 2015 being more recent than tax year ending April 2015).

We could therefore decide to retain the existing a maintenance calculation based upon the current income as this is more reflective of the NRPs circumstances.

This is a decision to exercise judgement as to the most appropriate evidence, whatever decision is made; it must be fully and clearly documented.

Example 3 – At the Periodic Current Income Check there was no Historic Income available (N/A) or insufficient evidence has been received from the NRP

Where there is no HMRC record and / or the NRP has failed to supply evidence of current income, a decision to exercise judgement as to the most appropriate evidence. This could be made to retain the existing current income record as this is a more reflective representation of the NRPs circumstances.

Alternatively an Estimating of Earnings Decision or a Default Maintenance Decision can be considered.

Obtaining income information from the paying parent employer

If the paying parent fails to supply evidence, where the employer name is known, information can be requested from the paying parent's employer. If it is not possible to obtain earnings information from the employer, the existing current income can be left in place.

Each of these examples demonstrates that we are taking reasonable steps where appropriate to perform a maintenance calculation based on most recent earnings information that is available.

Refer to the Current Income guidance for advice in the process you should follow and the information that you will need to obtain from an employer. The guidance also explains what you should do if a non-resident parent fails to respond to a request for [Current Income](#) details.

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