

## Effective Date Table 2 - Supersession - Income Related Changes

Relevant PLDMG links

[Effective Dates](#)

[Supersessions](#)

Circumstances	Effective Date
<p>Historic Income - Person with Care/Non- resident Parent requests change to Current Income.</p>	<p>The effective date is the date the change was reported.</p> <p>If the maintenance calculation is based on historic income the NRP is not legally required to report a change.</p>
<p>Current Income - Parent with Care/Non- resident Parent report decrease in income of 25%</p>	<p>The effective date is the date the change was reported.</p>
<p>Current Income (employed) - Parent with Care/Non- resident Parent report increase in income of 25% (liability not currently nil)</p>	<p>The effective date is the date the increase in income occurred.</p> <p>If the maintenance calculation is based on current income the NRP is legally required to report an increase of 25% or more.</p>
<p>Current Income (self-employed) - Parent with Care/Non- resident Parent report increase in income of 25% (liability not</p>	<p>The effective date is the date the change was reported.</p> <p>If the existing calculation is based on current income and the liability is not the nil rate, the NRP is not required to report any change in their current income from self-employment.</p>

currently nil).	
Nil Income - Parent with Care/Non-resident Parent report that Non-resident Parent now has nil income.	The effective date is the date the change was reported.
Nil Current Income - Parent with Care/Non-resident Parent report increase to at least £7 per week	<p>The effective date is the date the increase in income occurred or the date the new income started being received.</p> <p>NRPs whose liability is based on current income and the liability is nil are required to inform the CMS if they start receiving gross weekly income of £7 or more per week.</p> <p>If the NRP has a nil rate liability for other reasons (for example they are a child or they are a prisoner) there is no obligation on them to report an increase in current income.</p>
CMS notified Non-resident Parent has started or ceased claiming a Prescribed Benefit	The effective date is the date the increase in income occurred.
Annual Review	The effective date of an Annual Review decision is the annual review date. This will always be the anniversary of the initial effective date. Where the initial effective date was 29th February (leap year), the Annual Review Date will be set for 1 March of the following year.
Current Income Review	<p>The effective date of a Current Income review decision is the date the decision is made.</p> <p><b>Example A</b></p> <p>The NRP's liability is based on current income. A periodic current income check is due to take place on 1 June 2014 to ensure the NRP's income remains at least 25% different to the latest HMRC figure. The CMS requests current income</p>

	<p>details on 1 May 2014. Evidence is provided on 10 May 2014.</p> <p>The NRP's current income is no longer at least 25% different to the latest HMRC figure and so they are placed back on HMRC data.</p> <p>The decision is made on 10 May 2014, therefore the effective date = 10 May 2014.</p>
Nil Liability – Non-resident Parent in Prison or held on remand	The effective date is the date the change was reported.
Variation – New application	<p>The effective date is the date the application is made.</p> <p>Where an application for a Variation is made before a decision has been reached on the initial Maintenance Calculation, the effective date is:</p> <ul style="list-style-type: none"> <li>• the initial effective date, if the ground the application is based on existed from the initial effective date of the Maintenance Calculation; or,</li> <li>• the date the ground arose if this is after the initial effective date.</li> </ul>
Variation – New application – Future change	<p>The effective date of an application for a Variation or a change to a Variation that is expected to occur from a known future date, is the date that change is expected to occur.</p> <p><b>Example B</b></p> <p>The NRP has an existing Variation in place for Prior Debts. The NRP reports on 16th February 2016 that they have agreed with the PWC to start having contact with the Qualifying Child once a week from 1st March 2016. The NRP will travel by train which will cost £20 for a return journey.</p> <p>The decision will be made with a future effective date of 1st March 2016.</p>
Variation –	The effective date of a reported change to an existing

<p>Change to existing variation</p>	<p>Variation is the date the CMS is notified. The only exception to this is where there is an earned income variation in place and the NRP has a duty to report increases in current income of 25% or more. In these circumstances, the effective date will be the date the change occurred.</p> <p><b>Example C</b></p> <p>The NRP reports on 16th February 2016 that their Contact Costs have increased because the Qualifying Child has moved further away.</p> <p>The effective date will be the 16th February 2016.</p>
<p>Current Income - Parent with Care/Non-resident Parent report that the Non-resident Parent is paying into a private or occupational pension</p>	<p>The effective date will be the date the change is reported.</p>
<p>Historic Income – CMS is notified that the Non-resident Parent is paying into a private or occupational pension not included in the historic income figure provided by HMRC</p>	<p>Where private pension contributions are made for the relevant tax year and not included in the historic income figure, the calculation will be revised using the adjusted historic income figure.</p> <p><b>Example D</b></p> <p>The NRP reports on 17th March 2016 that private pension contributions they made for the tax year 2014/15 have not been taken into account in the initial maintenance calculation calculated using historic income for the tax year 2014/15 effective from 3rd January 2016. The historic income is adjusted to account for the pension contributions and calculation effective from 3rd January 2016 is revised.</p>
<p>Estimated Current Income - Non-resident Parent or a third party provides</p>	<p>The effective date is the date the actual income is reported. If a Maintenance Calculation is based on estimated income and a non-resident parent or a third party provides evidence confirming their actual income, the Tolerance Rule will not apply. This is because an assessment based on evidence of</p>

<p>actual Current Income.</p>	<p>actual income is always preferable to an estimate. Non-resident parents will therefore not be required to show that their actual income is at least 25% different to their estimated income for a supersession to be agreed. The effective date of the change will be the date that the actual income is reported to the Child Maintenance Service.</p>
<p>Default Maintenance Decision (DMD) – Income/employer information provided by the client.</p>	<p>If the income information commenced after the DMD effective date, the DMD will remain in place and a supersession can be considered. The effective date of the supersession is the date the income is reported by the client</p>
<p>Default Maintenance Decision (DMD) – NRP employer information obtained from a third party (HMRC)</p>	<p>There may be occasions where CMS obtains NRP employer information (for example from HMRC). This will provide the opportunity to consider replacing the DMD with a maintenance calculation. If the income information commenced after the DMD effective date, the DMD will remain in place and a supersession can be considered. The effective date is the date the information is subsequently received from the employer.</p> <p>Example.</p> <ul style="list-style-type: none"> <li>• a DMD is in place from an initial effective date - 01/01/16</li> <li>• HMRC employer details received through DEO request process - 01/05/16</li> <li>• enquiry form issued to NRP employer to request earnings details from them - 04/05/16</li> <li>• NRP employer provides information on 20/05/16 detailing earnings from the start of the NRPs employment which commenced on 15/04/16</li> <li>• therefore the effective date of the supersession is 20/05/16. This is the date that the information is received from the employer. The key reason why we use this date is the fact of having the information required to convert the DMD, which essentially</li> </ul>

means knowing the income of the NRP. The information provided to CMS through HMRC's contact provides employer details but, in itself, is not sufficient to enable CMS to calculate a maintenance calculation

- therefore the DMD will remain in place, followed by a supersession maintenance calculation with an effective date of 20/05/2016

For all other benefits: The award end date displayed within CIS is the last day of benefit entitlement.

Example: CIS shows award end date of 01 January 2016 (last day of benefit entitlement).

When completing the Change Benefit Details SR, the effective date and benefit end date field should be completed with 01 January 2016.

This will end the client's benefit entitlement on the correct date.

The system will use the benefit end date to produce a calculation which is effective from 02 January 2016. This is the first day of non-benefit entitlement.