



DER - Self Selected - Set Up

A deduction from earnings request (DER) is one of the preferred methods of payment from (MOPF) which the Child Maintenance Group (CMG) can use to secure payments of child maintenance and/or arrears from the wages/earnings of a paying parent who is a member of the Armed Forces. This procedure concerns DER's that the paying parent has chosen as their preferred MOPF, known as self selected DER's. For enforced DER's refer to [DER - Enforced](#).



Although a DER can be specified as a MOPF, it cannot be used legally to collect any fees (e.g. DNA test costs, court fees etc). A DER can only be used to secure:

- Regular Maintenance (RM)
- Arrears
- Both arrears and future payments of RM

The DER service request (SR) will deduct any fees before DER scheduling takes place.

A DER schedule is calculated and issued to the Ministry of Defence (MOD) payroll department and the money is sent directly to the CMG. A DER can be a chosen MOPF or can be imposed. For more information refer to [DER - Enforced](#).

An indication of how the paying parent may like to pay is gathered at application stage but the MOPF is only processed once the normal deduction rate (NDR) is calculated and confirmed with the paying parent.

When contacting the paying parent you should make them aware that using the CMG's collect and pay service will incur collection fees, and that they can avoid these fees by making their own family based arrangement, or by choosing direct pay. For further information on collection fees, refer to [Collection Fees Summary](#). For further information on direct pay, refer to [Direct Pay Summary](#).

You will need to consider whether the paying parent is likely to pay maintenance before advising them about direct pay. For further information, refer to the Policy, Law and Decision Making Guidance .

A DER can only be set up if the paying parent is not on active duty. This must be confirmed with the paying parent if possible and by contacting the Forces focal point to verify.

DERs are set up by caseworkers as part of the application process or as a change of circumstances (CofC).



Where there is a reactive transition case, you will need to ask for the arrears to be fast tracked onto the 2012 system. For more information on fast track arrears refer to [Fast Track Legacy Arrears to 2012 System](#). Although this speeds up the receiving parent arrears decision process, any further deferral rules will still apply. Due to this there is no set time frame for arrears to be sent to the 2012 scheme and the time taken will depend on each individual case.

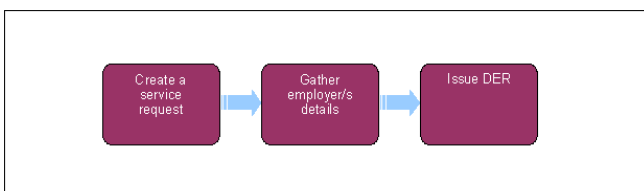
Below is an explanation of the timescales involved in the DER process:

The first collection on the schedule will depend on when you are completing the schedule. If you are completing this process before 30th in 31 day months, 29th in 30 day month or 27th of February, the system will include the next available collection e.g. If completing the schedule on or before 29th June, the system will collect during July with the first collection being due by the 19th August. If completing the schedule on 30th June the first collection will be 19th September.

The last collection will depend on the annual review date of the case. The system will schedule 2 more collections after the case annual review. To work this out, check the annual review date and then count the two 19th of the month after this date. E.g. annual review is 10th June the final two collection dates will be 19th June & 19th July. If the annual review date is the 19th then this will count towards the two collections e.g. annual review is 19th June the final two collection dates will be 19th June & 19th July. Once you have the first collection date and last collection date you can work out how many collections you will have.

For more information on enforcing a DER, refer to the [DER - Enforced](#) procedure.

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.


 Before setting up a method of payment, verify the existing MOP to ensure that the system or another caseworker has not created/replaced the exact same MOP. To do this select the clients **Contact** then select the **Financial Accounts** view. If the same MOP is already in place, take no further action. If the client has not previously had a MOPF in place and setting up a MOPF for the first time, refer to [Method Of Payment From - Set Up Initial](#).

 The current profile must also be checked to determine whether a MOPF is currently suspended on the case, this will need to be unsuspended before continuing. For more information please refer to [DER - Cancel](#)

 Remember to set DEO desire flag in default standing order cases, except in cases where the paying parent is self employed.

Create the service request

 DER/DEO setup will need authorisation if you are replacing a mandatory DEO/DER with a self selected one. Activity step 3 for authorisation in the SR only applies in the above scenario and for all other DEO/DER set up or replace, no TL authorisation is required.

 Every time a schedule is set up with a method of payment as DEO on the 2012 scheme, and a case is identified on a CSA schemes, the 2012 maintenance case worker responsible for the case will need to notify the corresponding transition team to set the manual allocation flag on the CSA case. Where the case is subject to reactive transition you will need to ask for the case to be fast tracked onto the 2012 System. For more information on fast track arrears refer to [Fast Track Arrears to 2012 System](#).

This should only be completed once the DEO notification have been issued to the paying parent and the employer during the calculation / schedule process. For further information, refer to [Employer - Triage](#).


- Before setting up a DER on the 2012 scheme, check whether a CSA scheme DER is currently in place:
 - Check the **Cases, More Info** view for any CSA case details in the **Transition Details** applet
 - When CSA case details are held, ask a CSA scheme caseworker to confirm whether a DER is in place.

 If a case is with the partial clerical team, the CSA caseworker will tell you to contact them to confirm this


- If a CSA scheme DER is in place explain to the paying parent that they need to choose a different MOP.
- If you are unable to contact the paying parent the MOPF is set to standing order (SO) as default MOPF. For more information refer to [Standing Order - Set Up](#). However, it is already established at this stage that the paying parent is a member of the Armed Forces, and in the case of DER the employer already exists in the system. It may be that you cannot contact the paying parent because the paying parent is on active duty. This will be checked at **step 15**.
- If the paying parent refuses to agree to a preferred MOPF or indicates that they do not intend to comply with their duty to pay child maintenance or; the paying parent has agreed to make payments through a different method but fails to make a payment when due, then a DER can be issued to the Ministry of Defence (MoD). Unlike a DEO, there is no legal obligation for the MoD to make deductions - the final decision on whether the DER is to be imposed rests with the MoD. If we are issuing a DER to collect arrears the paying parent must have been sent an arrears warning letter before this action can be taken. For more information refer to [DER - Enforced](#) and [Enforcement Charge - Apply](#)

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






- Create a Change of Circumstances (CofC) SR by selecting:
 - Process = Change of Circumstances**
 - Area = Change to Method of Payment From**
 - Sub Area = Change to Method of Payment From**
 - Source = NRP**

Update the **Status** of the SR to **In Progress**. The system will generate an activity plan for you to follow. For more information on methods of payment refer to the Policy, Law and Decision Making Guidance 

- Create a child SR to set up the method of payment from (MOPF) information. From the dropdown lists select:
 - Process = Payments**
 - Area = Method Of Payment From**
 - Sub Area = DER**


 The decision to set up a DER is discretionary and the reasons for selecting this MOPF must be clearly recorded in the **Notes** field. If the paying parent refuses to agree to a preferred MOPF or indicates that they do not intend to comply with their duty to pay child maintenance or; the paying parent has agreed to make payments through a different method but fails to make a payment when due, then a DER can be issued. For more information refer to [Enforcement Charge - Apply](#)

Applying a DER is a discretionary decision, this includes making a Welfare of the Child Decision, for more information on discretionary decisions including a verbatim statement to record in **Notes** refer to Policy, Law and Decision Making Guidance 

7. Change the **Action** drop down field to **Create MOPF** to create a new method of payment, or if replacing an existing MOPF select **Replace MOPF**.
8. Select the client's **Internal BaNCS Account** Number and select **Self Selected**. Ensure that the paying parent's account is selected as the primary account, failure to do this will result in the DER not setting up correctly.
9. Select the **Current Method of Payment** MVG to check for an existing MOP. If a MOP exists, consider whether it should be cancelled before setting up a new one.
10. Request the paying parent/s employer/s details from Her Majesty's Revenue and Customs (HMRC) by selecting the **Employer Search** button within the SR applet.
11. Check if the **Account** field in the **Information applet** is populated, if any details are held in this field delete the entry. Set the **Status** to **In Progress**
12. Gather employer/s details. Select the Her Majesty's Revenue & Customs (HMRC) button. This creates a link between the paying parent and their employer. Employer/s details are retrieved from the HMRC system and displayed in the SR applet, select **Additional Info** and then **CRA/Websearch** to view this. For more information refer to [HMRC - Employment Details DEO/DER](#).
 -  It is normal for there to be a short delay while this information is retrieved.
 -  As a member of the Armed Forces all payroll details are centralised at the MOD address. The MOD payroll details are populated into the applet after selecting the HMRC button.
13. Select the Internal BaNCS Account Number and associate the employer account number to the paying parent.
 -  Ensure that the paying parent BaNCS account is set as the primary account at this point
 -  When an employer is recorded as both a Third Party and a DER employer select the DER Employer account, failure to do this leads to an incorrect ERN being generated.
14. Update the SR **Status** to **In Progress**. The system generates an activity plan for you to follow. Update the **Reason**, **DEO Type** and **Current MOPF** fields - the **Resolution Code** cannot be updated without entering this information.
15. The SR request displays a list of all the employer/s linked to the paying parent.
 -  If the paying parent has multiple employers and the DER is not imposed the paying parent selects the employer against which they want the DER marked for deduction/s. For further information on calculating the NDR and setting up the payment schedule refer to step 3 onwards in DEO Payment Schedule - Calculate.
16. Determine if the paying parent is on active duty in a recognised war zone. Contact the paying parent if possible and confirm the information provided with the Forces Focal Point. (contact details in the table below) Contact details must not be given out to paying parents or receiving parents (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).

Business Area	Name	Telephone	Email	Office	Fax Number
GB	Martin Hunt	01482 584519 07884 116206	martin.hunt@dwp.gsi.gov.uk	Hull	01482 584495
NI	Peter McQuillan	02895 603520 or extension (78385)3521	peter.mcquillan@cms.gsi.gov.uk	Belfast	02890 414020

 This step is not in the SR activity plan but must be done.

 The Forces Focal Point will contact the Joint Personnel Administration Compulsory (JPAC) process team to check whether the paying parent is on active duty. This check must always be done, either before you initiate DER action or try to increase an existing DER. If this check is not completed and we send the DER and the paying parent is on active duty, then the DER request will be returned by payroll who will not even forward it to the commanding officer for consideration.

17. If the paying parent is not on active duty, go to **step 22**.

Paying parent on active duty

18. If the paying parent is on active duty, update the **Notes** field with this information including the likely completion date of the paying parent's operational commitments.
19. When it has been confirmed that the paying parent is on active duty you must update the paying parent correspondence address to the military via the JPAC process team. For more information refer to [Change - Address Details](#).

JPAC Process Team MP335

SPVA

Kentigern House

65 Brown Street

Glasgow

G2 8EX

Helpline: 0141 224 3600

Fax: 0141 224 3586



If the paying parent subsequently misses any payments you will attempt to contact the paying parent. Check the correspondence address and if the paying parent address is showing as JPAC Process team the paying parent is on active duty.

20. Issue the following letters:
 CMSL6078 informs the paying parent that we will not set up the DER or take any enforcement action whilst the paying parent is on active duty. CMSL6077 advises the receiving parent that a DER will not be set up in time.

21. Set the flag for **NRP on active duty** if this is confirmed prior to the initial assessment. The flag is a tickable checkbox set in the **Accounts - Employers List** section of the **Contact** screen.



Do not set the flag when a schedule is already in place. For more information refer to [Active Duty Flag](#).

22. Update the SR Notes to reflect that the paying parent is on active duty and therefore a DER cannot be set up. (Do not continue with the rest of this procedure.) Proceed with the default MOPF option. For more information refer to [Standing Order -Set Up](#).



The CMG has a policy steer that applies if a member of Her Majesty's Forces is on active duty in a recognised war zone. In recent years this has specifically applied to Northern Ireland and some Middle Eastern countries as and when hostilities have occurred involving British troops. In the scenario where the Armed Forces are at war, the collection of the debt is suspended.

If a DER is already in place and collecting monies, this should remain in place. If arrears have accrued and it is decided that a DER is appropriate, we must bear in mind that if the paying parent is on active duty, they will not be available to negotiate an arrears payment, therefore suspension of arrears collection may be appropriate (i.e. if specifically at war). For more information refer to [Suspend/Unsuspend Liabilities](#).

Issue DER

23. A DER cannot be used legally to collect costs however the paying parent may request to add these costs to the DER schedule. Where a DER is in place and costs are outstanding, caseworkers must ask the paying parent if they wish to pay the costs separately or add these to the schedule.
24. If the paying parent wants to pay the costs separately, calculate the costs and suspend this amount. Refer to [Suspend/Unsuspend Liabilities](#) for guidance. Create an arrears negotiation SR as follows:

- **Process = Arrears**
- **Area = Arrears Management**
- **Sub Area = Arrears Review**

Update the **status** of this SR to **In Progress** and the 2012 System will generate an activity plan.

25. In the lump sum agreements enter the negotiated payment amount. Refer to [Arrears \(Negotiate Payment Schedule\) - Calculate](#), to add another MOPF and complete the schedule.
26. Update the **Resolution Code** to **DER Accepted**. Save the SR then select **Send MOP**. This creates the payment profile for the client in BaNCS.
27. The SR will display the MOD payroll information. Link the MOD employer to the paying parent by selecting the Source as NRP and the Status as Confirmed. This will automatically begin BaNCS transactions to create employer accounts.



BaNCS numbers are required by the system in order to process payments. Every client will have a BaNCS number generated by the system at the initial application stage.



When BaNCS returns a **Success** message, the correct **Resolution Code** must be selected and not set to **Transaction Rejected**.

28. Return to the CofC SR and update the **Resolution Code** to **COC Accepted Status**, **Status** to **Closed** and **Sub Status** to **Complete** to close the SR.
29. Complete the calculation and [Promise To Pay Exceptions](#) process to issue the DER to both the paying parent and the MOD. Cases that are still pre initial will need the initial calculation completing, this step should be performed once the process of getting the case to the initial calculation has been completed.



Issue the DER schedule CMSL2018 to the MOD and a copy to the paying parent.



There is currently an issue whereby the CMSL2018 is not being generated by the 2012 system. For this reason, you will need to cancel the original activity, generate a new activity and then generate the letter. You will then need to edit the letter and send it for team leader approval. Where the CMSL2018 needs additional lines to be added for multiple schedules e-mail the letter to DWP OED Config Library who will arrange for the extra lines to be added and return the document.

CMSL2015 is automatically issued to the paying parent and CMSL6073 to the receiving parent to advise the DER has been set up with the MOD. For further information on issuing this letter refer to [Letters \(Outbound\) - Third Parties/Forward](#).



Set up a review activity dated 5 days after first collection date with a description of **consecutive payment review** and clients reference number to check the first payment is successful. If not successful refer to **Determine Reason for Missed Payment**. If successful set a second **consecutive payment review** dated 5 days after second collection date.

Annual Review

30. At annual review a new DER schedule is produced and issued to the employer/s. The new DER schedule is based on the normal deduction rate (NDR).



The NDR is the amount of regular payments collected from the paying parent and may include maintenance, arrears and costs. The NDR is calculated by dividing the annual liability (inclusive of collection fees and arrears) by the number of collection periods in the forthcoming year.



Arrears amounts are inclusive of any costs (e.g. DNA, court costs) or collection fees that have become arrears.

31. At annual review the system automatically produces the new DER schedule providing the following criteria apply

- DER set up as the method of collection
- Only one method of payment in place
- Only one employer set up
- Not self employed
- The ongoing maintenance amount and arrears amount are equal to or below 40% of the gross annual earned income figure

Where the above criteria does not apply the NDR must always be determined manually

32. The CMG system automatically identifies the criteria and produces and issues the DER schedule following annual review.

33. Where the criteria is not in place, a manual calculation must be carried out and a perform calculation SR automatically displays.



The system shows whether the NDR and promise to pay schedule have been produced and issued manually or automatically. Caseworkers may view the details of the NDR and schedule.

The Charging Warm-Up lines to take for NICMS can be accessed by selecting the following link: [NICMS Charging Warm-Up Lines to Take](#).

[CMSL2015 Your Deduction from Earnings Request is attached](#)

Letter to paying parent informing them that a DER has been set up with the MOD.

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

[CMSL2018 Deductions from Earnings Request](#)

Deductions from Earnings Request for MOD employer with a copy sent to NRP.

Under the sub heading 'Deductions from Earnings Request' enter the name of paying parent's regiment, corps, ship or unit in the Name of paying parent's Regiment, corps, ship or unit free text field.

Enter the paying parent's rank if known, in the paying parent's Rank free text field.

Enter the paying parent's service number in the paying parent's Service Number free text field.

[CMSL6073 We are going to collect your child maintenance payments differently](#)

[CMSL6077 Your child maintenance payments are going to change](#)

The NRP's circumstances have changed (existing and set up), can't collect, review date.

Under the sub heading 'Your child maintenance payments are going to change' select one of the following:

- If we were planning to take action (including or as well as a DER), use paragraph 'If we were planning to take action (including or as well as a DER)'
- If we were already taking other action (Including or as well as a DER), use paragraph 'If we were already taking other action (Including or as well as a DER)'

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

- If there's no DER in place, use paragraph 'If there's no DER in place'
- If there's already a DER in place, use paragraph 'If there's already a DER in place'

[CMSL6078 We are suspending our set up of deductions from your earnings](#)

Tell the paying parent that we are suspending enforcement action because they are on active duty – two options (DER set up or not)

Under the sub heading 'We are suspending our set up of deductions from your earnings' select one of the following:

- If the DER is not yet set up, use paragraph 'If DER is not yet set up'
- If the DER is already set up, use paragraph 'If DER is already set up'

[Arrears \(Negotiate Payment Schedule\) - Calculate](#)

[Arrears Overview](#)

[ATNIC Summary](#)

[Cancel DER](#)

[Case Routing - Enforcement](#)

[Change - Address Details](#)

[Change MOPF - Summary](#)

[Collection Fees - Summary](#)

[DEO - Reconcile](#)

[DER - Enforced](#)

[Direct Pay Summary](#)

[Employer Paying Parent CoC - Individual/Group](#)

[Employer - Triage](#)

[Fast Track Arrears to 2012 System](#)

[HMRC - Employment Details DEO/DER](#)

[Manage Employer Overview](#)

[Standing Order -Set Up](#)

[Suspend/Unsuspend Liabilities](#)

[Terminology Changes](#)

[Transition \(Reactive\) - Invoke](#)

How will the protected earnings proportion (PEP) be notified to employers?

A schedule is sent to employers stating they need to leave the paying parent 60% of their current income. For more information refer to [DER - enforced](#) in related items

When can DERs be applied?

DERs can only be applied if HMRC return, via the interface, current employment details that show the paying parent is employed by the Ministry of Defence (MOD)/Armed Forces. If there are delays in HMRC returning the details a DER cannot be applied even if the paying parent, receiving parent or a third party have informed us of the employment details. Also, a DER cannot be applied if the paying parent is currently on active duty.

Can a caseworker apply a DER if they have had no contact with the paying parent?

No. DERs will not be issued for paying parents who are employed and have not contacted the CMG. Standing Order will be applied.

DERs can be set at the maximum enforceable amount, will this amount always be enforced?

No, the MOD does not always send this amount, only in exceptional circumstances would this happen. For more information refer to [DEO - Enforced](#) in related items.