



HMRC - Unearned Income Variation

This procedure should only be used after ensuring all initial investigations outlined in the additional income variation procedure have been exhausted and the variation application has passed preliminary investigation. For more information refer to the Policy, Law and Decision Making Guidance

This shows caseworkers how to request an unearned income figure from Her Majesty's Revenue and Customs (HMRC), what kind of information is provided and how once a variation on the grounds of unearned income is in effect, the system gets an automatic update of the figure on an annual basis.

Unearned income is recognised as any form of taxable income that is not taken into account in the maintenance calculation. This type of income includes:

- Property income
- Savings and investment income
- Miscellaneous income

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

Variation requests allow the Child Maintenance Group (CMG) to look at circumstances which are not covered by maintenance calculation rules.

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

Following initial investigation to determine if there is sufficient evidence to accept a request for a variation on the grounds of unearned income, it may still be necessary to check the declared unearned income of a paying parent with HMRC. This is because Section 18 of the Child Maintenance and Other Payments Act 2008 places a duty on the CMG to consider any further information or evidence that is available to it, and to take steps to obtain this information. For more information refer to [Variation - Additional Income](#).

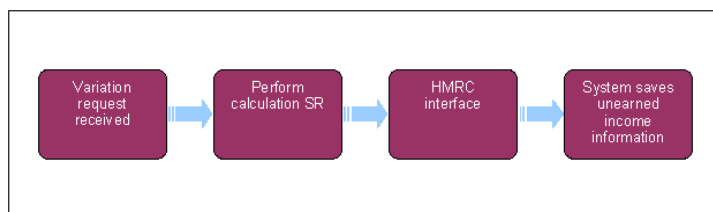
Gather evidence from Her Majesty's Revenue and Customs (HMRC). Depending on the outcome of that request you may need to ask for additional evidence/information from the paying parent. For more information refer to [Variation - Additional Income](#), [Variation - Review Existing and Policy](#), Law and Decision Making guidance:

HMRC matches the information received from the CMG with information on their database and replies by sending up to date information from the most recent complete tax year.



If a client queries the income figure, explain that we worked out their gross weekly income using information that the client, their employer or a third party such as their accountant gave to HMRC. HMRC only holds the income they receive from these sources - nothing more. If they have a concern about the accuracy of the information, they should speak to their employer or third party contact (accountant) about the accuracy of the data as HMRC will only react to changes from these sources.

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



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.

Variation request received

1.

When you receive a variation request on the grounds of unearned income, you must investigate it further. Following initial investigations to determine if there is sufficient evidence to accept a request for a variation, it may still be necessary to check the declared unearned income.

Perform calculation service request (SR)

2. Create a perform calculation SR and from the dropdown menu select:

- **Process = Perform Calculation**
- **Area = Variation**
- **Sub Area = Additional Income**

3. Change the **Status** and **Sub Status** of the SR to **In Progress**, failure to do this means that you cannot progress the SR. This generates an Activity Plan for you to follow.

HMRC interface

4. Complete the Activity Plan and at the point where it says 'get unearned income', select **Get Unearned Income** from the **More Info** tab below.

5. The system requests the latest unearned income that HMRC hold. It will do this by sending HMRC details of the paying parent, including national insurance number (NINO), date of birth (DOB) and surname.




If the minimum details, mentioned above are not held on the 2012 system, the interface does not progress to HMRC. An error message generates instead.

6. HMRC attempts to match the details it receives, to a person on its database. When it finds a match, it sends the following information to the 2012 system:

- Tax year
- Savings and investment income (this includes dividend income)
- Property income
- Miscellaneous income

System saves unearned income information

7. The system saves the information returned from HMRC to be used as evidence of unearned income. For more information on what to do once HMRC information has been received, refer to Policy, Law and Decision Making guidance:  and **Variation - Additional Income**.



When HMRC cannot match the paying parent's details, it sends the following message to the system in an SR: unmatched. You should check if all the details about the paying parent are correct.



When HMRC cannot find any unearned income details it sends a message to the system as an SR, stating that it does not hold any unearned income details for the paying parent.

8. As long as a variation on the grounds of unearned income remains in effect on a case, the system automatically gets an update of the unearned income figure prior to the anniversary of the initial effective date. Any information returned from HMRC will be stored against the **NRP's income details** and the annual review process continues. For more information refer to **Income - Current - Periodic Check**.

Section 18 of the CMOP act 2008 = Section 10 of the Child Maintenance Act 2008, (this section 10 is amending article 28D of the Child Support (NI) Order 1991).

Section 28D of the Child Support Act 1991 = Article 28D of the Child Support (NI) Order 1991.

[Calculation - Post Initial](#)

[Income - Current - Periodic Check](#)

[Variation - Additional Income](#)

[Variation - Cancel](#)

Variation - Review Existing