

Spotlight on: disputed earnings

Introduction

Earnings sent by Real Time Information (RTI) are used to work out a claimant's Universal Credit award. See [Treatment of earnings](#).

Sometimes, claimants dispute these earnings. When this happens, agents must create and complete a 'Refer an RTI dispute' to-do.

About the to-do

The 'Refer an RTI dispute' to-do will support agents to understand if an RTI dispute needs raising.

The to-do helps agents:

- understand what has happened
 - resolve an earnings dispute
 - understand if a dispute needs to be raised to the RTI team for investigation
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Process to raise a dispute

1. Answer any questions the claimant has about their earnings. See [Disputed earnings: Common questions](#).
 2. If the claimant has a problem with their earnings, create the 'Refer an RTI dispute' agent to-do.
 3. Complete the to-do with the claimant and include the pro forma if instructed by the to-do.
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Completing the 'Refer an RTI dispute' to-do

Agents must consider the following as they complete the to-do:

- do not collect or upload the claimant's evidence – this is so we can protect the claimant's information
 - do not tell the claimant to speak to HMRC or their employer directly
 - do not show Searchlight information to the claimant
 - do not leave the to-do open while the RTI team investigates the case
 - 2 monthly earnings in 1 assessment period and late-reported earnings are now reasons for an RTI dispute and should be investigated using the to-do
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Completing the proforma

The to-do will tell the agent if they need to complete and send the Real Time Information (RTI) Dispute Support Tool/Proforma.

Agents must consider the following when completing the pro forma:

- do not save the pro forma to desktop
 - in the 'Reason for dispute' section, give as much information as possible
 - state if the dispute is for a partner
 - clicking 'Send to RTI Support' will pre-populate into an email
 - if the claimant is vulnerable, include 'vulnerable' in the subject line
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Vulnerable claimants

If a vulnerable claimant has a dispute that needs to be referred by the to-do, the agent must include 'vulnerable' in the email subject line.

Agents must only refer a vulnerable claimant's dispute if the to-do advises them to.

Outcomes of the dispute

Upheld and not upheld disputes

If the RTI team cannot resolve the dispute, they will raise it with HMRC who will try to contact the employer by phone or letter.

The upheld or not upheld resolution is then returned to the agent who raised the dispute, or a member of staff detailed on the pro forma.

When this happens, agents must:

1. Upload the pro forma where possible and if not copy and paste Add the response to the claimant history.
2. Inform the claimant of the outcome.

Not determined

When HMRC Joint Management Engagement Team (JMET) receive a referral from the RTI team, they attempt to contact the employer by phone and letter.

If JMET do not receive any information from the employer, they return the dispute with an 'not undetermined' outcome.

If this happens, the claimant can ask for a mandatory reconsideration.

If the claimant does not agree with the outcome

The claimant can ask for a mandatory reconsideration if they do not agree.

Once this has happened, the decision maker makes a new entitlement decision using the claimant's information, provided that all the following criteria are met:

- the disputes process cannot be investigated any further
- the claimant has stated they have evidence such as pay/wage slip or bank statement information
- we have not received information from the employer

The claimant is notified that if we later receive additional information about their earnings, Universal Credit payments may be recovered from them.

In some cases, it may be appropriate to follow the complaints route. Where the policy has been applied correctly, a claimant may contact their local MP if they are still unhappy.

Disputed earnings: common questions

My earnings have been taken into account from the wrong date

The date used to calculate the Universal Credit award is always the date that employers report earnings to DWP via the RTI feed.

I don't understand the amount of earnings used in the Universal Credit calculation

The net figure is used in the Universal Credit calculation. This is the gross (total) earnings minus allowable deductions - for example, tax, National Insurance, pension contributions paid at source through wages. However, if a claimant is gainfully self-employed (and not in the Start-up Period) and has earnings below the level of their Minimum Income Floor (MIF), the claimant's MIF amount will be used as the net figure in the Universal Credit calculation.

If my occupational pension is received through RTI why do I need to declare it?

Even though RTI provides occupational pension income data, DWP's legislation only allows for the automatic use of employment earnings in

the Universal Credit award calculation - not occupational pensions. It is a claimant's responsibility to declare the amount of occupational pension they receive in each assessment period.

Occupational pensions are classed as 'other income' for the Universal Credit award calculation. Other income is treated differently to earnings as it is deducted pound for pound. Earnings have an 'earnings allowance' and are tapered when or if this allowance is exceeded. See Unearned income.

Is my private pension disregarded in the Universal Credit calculation?

Private pensions are not disregarded for Universal Credit purposes if they are paid by a third party deduction. However, if they are taken at source (like the DWP pension) this is disregarded. This is also known as a pension contribution.

Why is Universal Credit using the highest amount of my declared earnings?

When a claimant is in paid employment we find out about their earnings from the claimant facing 'Report your earnings from employers' to-do or Real Time Earnings (RTE). RTE is an automatic feed of earnings information from HMRC.

Agents use the highest declared earnings, whether this is from the 'Report your earnings from employers' to-do or RTE. Fraud risk can be lowered by always preferring the larger amount.

If the amount is disputed by the claimant, then the Process to raise a dispute should be followed.