

TCM0228260

Payment - overpayments (F-P): overpayments - notional entitlement - household breakdown reported late

Revision published 03 February 2016

First published

24 February 2015

Last published

25 February 2021

Next review

24 February 2020

Search all manuals

Previous changes

Live URL

<https://www.gov.uk/hmrc-internal-manuals/tax-credits-manual/tcm0228260> (link is external)

Follow this content

Follow

Redacted text exempt under the FOI Act

Checklist

Before you follow this guidance, make sure you have

followed the guidance in TCM0138020

the correct user roles to follow this guidance. Use the B&C Roles and Access Catalogue. You can find this by going to the Benefits & Credits homepage, selecting 'R' on the B&C A-Z index, selecting 'Roles and Access Process', selecting 'Roles & Access Catalogue' from the Related links menu

access to the Remission database

access to the CSSG Letters database

access to SEES letters and forms.

Required information

Obtain the following information from the customer

all their circumstances in the notional entitlement periods

full actual household income details for all appropriate notional entitlement periods.

Background

From 18 January 2010, there has been a new policy decision on how and when to apply notional entitlement. (NE)

For people who start living together or separate and who report changes late, HMRC will take into account what they would have been entitled to, had they reported the change promptly in determining any overpayment from their old tax credits award. This is called the notional entitlement period.

From 6 April 2012, a late notification is when the household breakdown is reported over 31 days late. Prior to 6 April 2012, a late notification is when the household breakdown is reported over 93 days late.

When calculating the overpayment, HMRC will offset any tax credits payments the customer would have been entitled to receive had they reported the change promptly.

[Top of page](#)

[Guidance](#)

Note: When sending customer, staff or process data to another individual or team, make sure you follow the latest data security guidelines or contact the Data Guardian or Data Security Team for advice.

[Top of page](#)

[Step 1](#)

If you are dealing with a new referral, go to Step 2.

If you are dealing with an expired BF or a reply to form TC909, go to Step 21.

If you are dealing with an expired BF date where you are waiting for the customer to submit a new claim, go to Step 7.

If you are dealing with an expired BF date where the new claim is awaiting award, go to Step 8.

If you are dealing with a reply following a request to have the new claim backdated, go to Step 13.

[Top of page](#)

[Step 2](#)

Check the household breakdown claim for any markers signals or household notes to indicate any of the following. For how to do this, use TCM1000117, TCM1000067 or TCM1000366

complex case

failed residency

current appeal action

compliance termination

renewal termination

Household Notes with the prefix OD89 or OD90 or evidence the customer has previously received notional entitlement.

Note: You will need to check all households to establish if the customer has previously received notional entitlement.

If there are no markers signals or household notes, go to Step 7.

If you work on the International/UK Complex Team and there are no other markers signals or household notes go to Step 7

If there is an appeal marker on the claim, go to Step 5.

If the customer has previously applied or received notional entitlement, go to Step 6.

If the claim is renewals terminated, go to Step 7.

If the claim has compliance interest or is compliance terminated, go to Step 3.

Note: If Household Notes indicate the household breakdown is the result of Credit Reference Agency (CRA) work or as a result of E&F initiatives you need to treat the referral as having a compliance interest.

If you are dealing with a WAM or Priority 1 referral and the claim has a failed residency or has a complex case marker

send the notional entitlement referral to International Complex / UK Complex Team, at Waterview Park, Washington, NE38 8QG

update household notes with the message NC92 from TCM0164020. For how to do this, use TCM1000001

for Priority 1 referrals inform the caseworker of the action you have taken

take no further action.

If you are dealing with a CSSG or Appeals referral and the claim has a failed residency or has a complex case marker

update the referral to show the case will need to be sent to International Complex / UK Complex Team, at Waterview Park, Washington, NE38 8QG

return the referral to the caseworker for them to take the appropriate action

update household notes with the message OD89 from TCM0166020. For how to do this, use TCM1000001

take no further action.

Note: If you are in any doubt whether the claim is a complex case, contact TAL with your query

Top of page

Step 3

Check household notes for any messages which may indicate there has been or there is a compliance interest, or an appeals interest. For how to do this, use TCM1000067.

If Compliance investigated the claim on or before 5 April 2008, go to Step 7.

If Compliance investigated the claim on or after 6 April 2008, and there are no notes to indicate the customer has appealed, go to Step 4.

If Compliance investigated the claim on or after 6 April 2008 and there are notes to indicate the customer is appealing or has appealed the decision, go to Step 5.

Note: Repeat this action for all households.

Top of page

Step 4

Contact Compliance or the E&F work area to confirm if notional entitlement is appropriate. For how to do this, use TCM1000022.

Note: Notional entitlement is not appropriate if the overpayment has arisen as a result of deliberate error. Compliance will decide if notional entitlement is appropriate by establishing if there was a deliberate error. For further information on how deliberate error is decided, follow the guidance in CCM10750 (link is external).

If the caseworker confirms there has not been a deliberate error and you can apply notional entitlement, go to Step 7.

If the caseworker confirms you cannot apply notional entitlement because there has been a deliberate error and you are dealing with a referral from CSSG, Appeals or the Priority 1 team

make a note of the reasons on a TC648 telephone record sheet

update Household Notes using the 'Debt Recovery' category with the message OE05 from TCM0166020. For how to do this, use TCM1000001

complete the referral with the decision 'NE cannot be applied - refused by Compliance'

return the referral to the originator

send any documents to storage. Follow the guidance in TCM0074140

take no further action.

If the caseworker confirms you cannot apply notional entitlement because there has been a deliberate error and you are dealing with a new WAM referral or correspondence

make a note of the reasons on a TC648 telephone record sheet

complete the referral with the decision 'NE cannot be applied - refused by Compliance' complete and issue form TC1085 to the customer telling them we cannot apply notional entitlement

update Household Notes using the 'Debt Recovery' category with the message OE05 from TCM0166020. For how to do this, use TCM1000001

send any documents to storage. Follow the guidance in TCM0074140

take no further action.

Top of page

Step 5

Check the referral to confirm if notional entitlement is appropriate.

Note: If the customer is appealing against a compliance decision to end the household, the Appeals Officer can only request notional entitlement if they establish there has not been a deliberate error or if the compliance decision is overturned and the appeal has been upheld. The Appeals office will provide evidence on the referral sheet to support their decision to apply notional entitlement.

If the referral form indicates Appeals have upheld the customers appeal and consider notional entitlement should be applied, go to Step 6.

If the referral form does not indicate the Appeal has been upheld

contact the originator

establish if the appeal has been upheld

establish the behaviour category to identify if there has been a deliberate error. Follow guidance in CCM10710 (link is external)

make a note of all evidence and reasons on form TC648.

If you are provided with evidence which confirms notional entitlement is appropriate, go to Step 7.

If you consider after receiving the evidence that notional entitlement is not appropriate and you are dealing with a referral from Appeals, CSSG or the Priority 1 team

make a note of all evidence and reasons you have used to make this decision on form TC648

update Household Notes using the 'Debt Recovery' category with the message OD89 from TCM0166020. For how to do this, use TCM1000001

complete the referral with the decision 'NE can not be applied - deliberate error'

return the referral to the originator

send any documents to storage. Follow the guidance in TCM0074140

take no further action.

If you consider after receiving the evidence that notional entitlement is not appropriate and you are dealing with a WAM referral or correspondence

make a note of all evidence and reasons you have used to make this decision on form TC648

update Household Notes using the 'Debt Recovery' category with the message OD49 from TCM0166020. For how to do this, use TCM1000001

complete the referral with the decision 'NE can not be applied - deliberate error'

complete and issue form TC1084 to the customer telling them we have refused their request

send any documents to storage. Follow the guidance in TCM0074140

take no further action.

Note: If you have any concerns on whether notional entitlement should be applied, refer to your TALLO and/or your line manager for further advice.

Note: For examples of how to determine if a customer is eligible to receive notional entitlement where there is a compliance interest, use TCM0228220. For further examples use CCM10720 (link is external) and CCM10750 (link is external).

Top of page

Step 6

Note: Notional entitlement will only be applied once. If the customer has previously reported a late household breakdown and we have applied notional entitlement to reduce the overpayment they will not be eligible to have notional entitlement applied to their latest household breakdown claim.

If the customer has not previously received notional entitlement due to a household breakdown, go to Step 7.

If the customer has previously received notional entitlement due to a household breakdown and you are dealing with a referral from CSSG, Priority 1 or Appeals

update Household Notes using the 'Debt Recovery' category with the message OD93 from TCM0166020. For how to do this, use TCM1000001

complete the referral with the decision 'Not entitled to NE - previously received'

return the referral to the originator

send any documents to storage. Follow the guidance in TCM0074140

take no further action.

If the customer has previously received notional entitlement due to a household breakdown and you are dealing with a new WAM referral or correspondence

update Household Notes using the 'Debt Recovery' category with the message OD93 from TCM0166020. For how to do this, use TCM1000001

complete the referral with the decision 'Not entitled to NE - previously received'

complete and issue form TC1084 to the customer telling them we have refused their request and the reason why

send any documents to storage. Follow the guidance in TCM0074140

take no further action.

Top of page

Step 7

Use the Notional entitlement / check list (Word 38KB) ([link is external](#)) whilst working through this guidance to calculate the correct notional entitlement period.

Check if the customer has submitted a new claim. For how to do this, use TCM1000147.

If the customer has submitted a new claim, go to Step 8.

If the customer has not yet submitted a new claim and we received the referral or correspondence less than one month ago

set a BF date of 30 days on the case

take no further action.

If the customer has not yet submitted a new claim and we received the referral or correspondence more than one month ago and you are dealing with a WAM referral or correspondence

update Household Notes using the 'Debt Recovery' category with the message OD95 from TCM0166020. For how to do this, use TCM1000001

complete the referral with the decision 'Not entitled to NE - no new claim'

prepare and issue form TC1084 to the customer telling them we have refused their request and the reason why

send the documents to storage. Follow the guidance in TCM0074140

take no further action.

If the customer has not yet submitted a new claim and we received the referral or correspondence more than one month ago and you are dealing with a referral from CSSG, Priority 1 or Appeals

complete the referral with the decision 'Not entitled to NE - no new claim'

update Household Notes using the 'Debt Recovery' category with the message OD95 from TCM0166020. For how to do this, use TCM1000001

return the referral to the originator

send any documents to storage. Follow the guidance in TCM0074140

take no further action.

Top of page

Step 8

Check the status of the new claim. For how to do this, use TCM1000101.

If the status of the new claim is 'Award Issued', 'Rejected', 'Ceased', 'Terminated' or 'Withdrawn', go to Step 9.

If the status of the new claim is 'Awaiting Award'

set a BF date of 30 days on the case

Note: Ensure you periodically check the tax credits computer to determine if the status of the claim changes to 'Award Issued', 'Rejected', 'Ceased', 'Terminated' or 'Withdrawn'.

Note: If you are dealing with an expired BF and the claim is still showing as 'Awaiting Award' after 30 days refer the case to your TALLO.

take no further action.

Top of page

Step 9

Check the total amount of the outstanding WTC and CTC overpayment on all claim periods affected by the household breakdown. For how to do this, use TCM1000216.

make a note on the Notional entitlement / complaint handling sheet (Word 56KB) (link is external) of the

current outstanding overpayment amounts for WTC for each period (A)

current outstanding overpayment amounts for CTC for each period (B)

the total outstanding overpayment amounts for each period (C) (A added to B)

Note: You must repeat this action for all the years included in the notional entitlement period.

Note: If there is an amount shown in the 'adjustment field' showing as an 'Auto Remission' or 'Manual Remission (Recoverable)' you will need to include the remission amount when calculating the total outstanding overpayment. For how to do this, use TCM1000196.

If there are outstanding overpayments, go to Step 11.

If there are no outstanding overpayments for any years relating to the household breakdown identified as (C) above, go to Step 10.

Top of page

Step 10

As there are no outstanding overpayments Notional entitlement is not applicable.

If you are dealing with a referral from CSSG, Appeals or the Priority 1 Team

complete the referral with the decision 'NE not applicable - no outstanding overpayment'

update Household Notes using the 'Debt Recovery' category with the message OE04 from TCM0166020. For how to do this, use TCM1000001

return the referral to the case worker

send any documents to storage. Follow the guidance in TCM0074140

take no further action.

If you are dealing with a WAM referral or correspondence

complete the referral with the decision 'NE not applicable - no outstanding overpayment'

prepare and issue form TC1085 to the customer

update Household Notes using the 'Debt Recovery' category with the message OE04 from TCM0166020. For how to do this, use TCM1000001

send any documents to storage. Follow the guidance in TCM0074140

take no further action.

Top of page

Step 11

Check if all outstanding overpayments that fall within the notional entitlement period have been suspended. For how to do this, use TCM1000084.

If there are outstanding overpayments and recovery action has been suspended, go to Step 12.

If there are outstanding overpayments but recovery action has not been suspended

set a Manual Suspension marker against each affected tax year to suspend recovery. For how to do this, use TCM1000335

go to Step 12.

Top of page

Step 12

Check the new claim and note the date we received the claim and the effective start date. For how to do this, use TCM1000246.

Note: The maximum period for backdating a claim received before 06-04-2012 is 93 days earlier than the received date. The maximum period for claims received on or after 06-04-2012 is 31 days earlier than the received date.

make a note of the potential effective date. For how to do this, use TCM1000480.

compare the potential effective date with the effective start date of the new claim For how to do this, use TCM1000218 for pre award and TCM1000047 for post award claims

If the potential effective date is earlier than what is shown on system, go to Step 13.

If the potential effective date is later or the same as what is shown on system, go to Step 14.

If you establish the new claim has already been backdated, go to Step 14.

Top of page

Step 13

Note: For notional entitlement referrals, we will proactively identify and apply backdating to the new claim. The customer does not need to request backdating.

Check household notes to establish if a backdating referral has already been sent.

If the new claim needs backdating and a backdating referral has not already been sent

complete the backdating stencil backdating / referral (Word 62KB) (link is external)

send by email entering 'Notional Entitlement' in the subject field to 'TCO,CSU-Referrals' (B&C)

set a BF date of 30 days

take no further action.

If the new claim needs backdating and a backdating referral has already been sent

set a BF date of 30 days on the case

Note: Ensure you periodically check the tax credits computer to determine if the status of the claim changes to 'Award Issued', 'Rejected', 'Ceased', 'Terminated' or 'Withdrawn'.

take no further action.

Top of page

Step 14

Use the 'Notional entitlement / complaint handling sheet' whilst working through this guidance to calculate the notional entitlement period and amount.

check the effective date of the household breakdown on the latest version of the award and note this on the 'Notional entitlement / complaint handling sheet. For how to do this, use TCM1000217

check if the claim has been renewals terminated and note this on the Notional entitlement / complaint handling sheet. For how to do this, use, TCM1000025.

Note: If the household breakdown has been reported during the renewal period we do not need to consider the renewal element. The system will show the household breakdown date as 5 April to reflect the system termination. You will need to check household notes to confirm the date we were notified of the household breakdown.

If the effective date of household breakdown was during the renewal period and the claim has been renewals terminated, go to Step 15.

If the effective date of the household breakdown was not during the renewal period and the claim has not been renewals terminated, go to Step 16.

If the effective date of the household breakdown was not during the renewal period but the claim has been renewals terminated, go to Step 15.

Top of page

Step 15

Use the 'Notional entitlement / complaint handling sheet' whilst working through this guidance to calculate the notional entitlement period and amount.

Note: 'Good cause' and 'restore' action does not need to be considered when applying notional entitlement to renewals terminated cases. The period from when the claim was terminated (6 April) to the day of the household breakdown cannot be included in the notional entitlement calculation.

The maximum notional entitlement period for a household breakdown claim which has been renewal terminated will be

from the day after the effective date of the household breakdown to the date the breakdown was reported or, if earlier, the day before the start date of the new claim

the period from 6 April to the date of the household breakdown was reported will be classed as a recoverable overpayment.

Note: Once an award has been finalised it can only be changed in a limited number of circumstances. For this reason, the household breakdown date will always be the effective date of the change on system. The notification date of the household breakdown will be the earliest date all necessary information was provided.

Top of page

Step 16

Use the 'Notional entitlement / complaint handling sheet' whilst working through this guidance to calculate the notional entitlement period and amount.

check Household Notes for the date the customer notified us of the household breakdown and note this date on the 'Notional entitlement / complaint handling sheet. For how to do this, use TCM1000067

make a note on the 'Notional entitlement / complaint handling sheet' of the effective date of the new submitted claim. For how to do this, use TCM1000218

the maximum notional entitlement period will be from the day after the effective date of the household breakdown to the date the breakdown was reported or, if earlier, the day before the start date of the new claim

Note: Once an award has been finalised it can only be changed in a limited number of circumstances. For this reason, the household breakdown date will always be the effective date of the change on system. The notification date of the household breakdown will be the earliest date all necessary information was provided.

Example:

Household notes indicate HMRC were informed by DWP on 16 May 2008 that 'the customer is now living with a partner'. The customer did not contact us until 20 May 2009 to report their household ended on 10 June 2008. We update the customer's records and end the household from 10 June 2008.

the date the household ended will be the 10 June 2008.

the date we were informed of the household breakdown will be 20 May 2009.

If the customer reported the household breakdown on or before 5 April 2012, go to Step 17.

If the customer reported the household breakdown on or after 6 April 2012, go to Step 18.

Top of page

Step 17

Use the 'Notional entitlement / complaint handling sheet' whilst working through this guidance to calculate the notional entitlement period and amount.

consider the maximum notional entitlement period to establish if notional entitlement is applicable.

If the customer reported the change to their household within 93 days of the household breakdown date, go to Step 19.

If the customer reported the change to their household more than 93 days after the household breakdown date and the effective date of the new claim is within the maximum notional entitlement period

the notional entitlement period will be from the day after the household breakdown to the day before the new effective date of claim

make a note of the notional entitlement period you are using on the 'Notional entitlement / complaint handling sheet'

go to Step 20.

If the customer reported the change to their household more than 93 days after the household breakdown date and the effective date of claim is outside the maximum notional entitlement period

the notional entitlement period will be from the day after the household breakdown date to the date the customer notified us of the household breakdown

make a note of the notional entitlement period you are using on the 'Notional entitlement / complaint handling sheet'

go to Step 20.

Top of page

Step 18

Use the 'Notional entitlement / complaint handling sheet' whilst working through this guidance to calculate the notional entitlement period and amount.

consider the maximum notional entitlement period to establish if notional entitlement is applicable.

If the customer reported the change to their household within 31 days of the household breakdown date, go to Step 19.

If the customer reported the change to their household more than 31 days after the household breakdown date and the effective date of claim is within the maximum notional entitlement period the notional entitlement period will be from the day after the household breakdown to the day before the new effective date of claim

make a note of the notional entitlement period you are using on the 'Notional entitlement / complaint handling sheet'

go to Step 20.

If the customer reported the change to their household more than 31 days after the household breakdown date and the effective date of claim is outside the maximum notional entitlement period the notional entitlement period will be from the day after the household breakdown date to the date the customer notified us of the household breakdown

make a note of the notional entitlement period you are using on the 'Notional entitlement / complaint handling sheet'

go to Step 20.

Top of page

Step 19

Notional entitlement is not applicable.

If you are dealing with a WAM referral, correspondence or a DOP referral from CSSG

remove the 'Manual Suspension' marker if set, to un-suspend recovery of the overpayment. For how to do this, use TCM1000336

Note: Repeat this action for all tax years affected by the household breakdown that have been suspended.

complete the referral with the decision 'NE not applicable'

prepare and issue form TC1085 to the customer

update Household Notes using the 'Debt Recovery' category with the message OE07 from TCM0166020. For how to do this, use TCM1000001

take no further action.

If you are dealing with a referral from Appeals, Priority 1 team or any other referral from CSSG

remove the 'Manual Suspension' marker if set, to un-suspend recovery of the overpayment. For how to do this, use TCM1000336

complete the referral with the decision 'NE not applicable'

for CSSG and Appeals, include the relevant line to take

return the referral to the originator

update Household Notes using the 'Debt Recovery' category with the message OE07 from TCM0166020. For how to do this, use TCM1000001

send the documents to storage. Follow the guidance in TCM0074140

take no further action.

Top of page

Step 20

Make a note of all relevant income and change of circumstances information relating to the period affected by the notional entitlement, contacting the customer if necessary. Follow the guidance in TCM0094080.

If the only information outstanding relates to income, go to Step 21.

If you have noted all the necessary information, go to Step 23.

If the customer has provided all the necessary information you need, go to Step 23.

If the customer has not provided all the necessary information you need or you are unable to contact the customer by phone

issue form TC909 (Word 329KB) (link is external) to the customer to request all necessary information

set a BF date of 30 days

update Household Notes using the 'Debt Recovery' category with the message OD87 from TCM0166020. For how to do this, use TCM1000001

take no further action.

Top of page

Step 21

Access NPS to obtain income details for the relevant period.

Note: You must be aware that there are limitations to using NPS. Details of these limitations can be found at NPS limitations (Word 27KB) (link is external)

If the income figure is available for the period you are looking at,

make a note of the income figure on NPS

go to Step 22.

If the income figure is not available for the period you are looking at,

issue form TC909 (Word 329KB) (link is external) to the customer to request all necessary information

set a BF date of 30 days

update Household Notes using the 'Debt Recovery' category with the message OD87 from TCM0166020. For how to do this, use TCM1000001

take no further action.

Top of page

Step 22

Use the 'Notional entitlement / complaint handling sheet' whilst working through this guidance

If you have all the information you need, go to Step 23.

If the customer has not replied to the TC909 or provided all the information you requested on the TC909

update Household Notes using the 'Debt Recovery' category with the message OE25 from TCM0166020. For how to do this, use TCM1000001

take no further action.

Top of page

Step 23

Use the details provided by the customer and from the new award to calculate the customer's entitlement during the notional entitlement period.

access the 'SEES Tax Credits Entitlement calculator' For how to do this, use TCM1000089

Note: If your notional entitlement period covers more than one tax year, you will need to calculate each tax year separately.

Note: For examples of notional entitlement calculations, follow the guidance in TCM0322475.

make a note on the 'Notional entitlement / complaint handling sheet' of the

notional entitlement amount for WTC for each period (A1)

notional entitlement amount for CTC for each period (B1)

the total notional entitlement (C1) (A1 added to B1)

go to Step 24.

Top of page

Step 24

Compare the total notional entitlement amount (C1) to the total amount of overpayment outstanding (C) and note the difference (Y) on the 'Notional entitlement / complaint handling sheet'.

If the notional entitlement amount (C1) is less than or equal to the outstanding overpayment (C)

the notional entitlement amount (C1) can be applied to reduce the outstanding overpayment amount (C).

make a note on the 'Notional entitlement / complaint handling sheet' of the amount of notional entitlement to be applied to the claim

make a note of any remaining outstanding overpayment on the 'Notional entitlement / complaint handling sheet' (Y)

this figure (Y) will be classed as recoverable

go to Step 25.

If the notional entitlement amount (C1) is more than the outstanding overpayment (C)

the notional entitlement amount (C1) can be applied up to the outstanding overpayment amount (C) to clear the outstanding overpayment amount

any remaining notional entitlement amount (Y) should not be applied to the claim or paid back to the customer

make a note on the 'Notional entitlement / complaint handling sheet' of the amount of notional entitlement to be applied to the claim

make a note of any remaining notional entitlement amount on 'Notional entitlement / complaint handling sheet' (Y)

go to Step 25.

Top of page

Step 25

Check if there is an open appeal on the claim. For how to do this, use TCM1000366.

If there is not an open appeal on the claim, go to Step 26.

If there is an open appeal on the claim

update Household Notes using the 'Debt Recovery' category with the message OD89 from TCM0166020. For how to do this, use TCM1000001

complete the referral with

'Open Appeal marker on the claim to be considered'

the amount of notional entitlement that can be applied

for CSSG, Appeals or Priority 1 referrals, return the referral to the originator

for WAM referrals Domestic Violence referrals or correspondence, forward to the Appeals team

take no further action.

Top of page

Step 26

If you are a caseworker on the International Complex/ UK Complex Team and the claim is off system

remit the notional entitlement amounts you calculated earlier against the total outstanding overpayment on the tax years affected by the household breakdown. Follow the guidance in TCM0230060

Note: If the notional entitlement is less than the overpayment outstanding, use the total amount of notional entitlement to remit against either element of tax credits.

For example:

Overpayment: CTC £500.00 and WTC £500.00.

Notional entitlement to remit: CTC £600.00 and WTC £300.00.

Remit the CTC overpayment of £500.00 and add the remaining £100.00 to the WTC total to remit £400.00, leaving a debt of £100.

complete the Remissions Database.

return the referral to CSSG with the relevant Line To Take (LTT)

update Household Notes using the 'Debt Recovery' category with the message OD89 from TCM0166020. For how to do this, use TCM1000001

take no further action

If you are a caseworker on the International Complex/ UK Complex Team and the claim is on system send the SEES calculation and the 'Notional entitlement / complaint handling sheet' to the Notional Entitlement team who will remit and inform CSSG with the relevant Line To Take (LTT).

update Household Notes with the message NL10 from TCM0164020. For how to do this, use TCM1000001.

take no further action

If you are dealing with a referral from CSSG, Appeals, Priority 1 Team or correspondence or a WAM go to Step 27.

Top of page

Step 27

Remove the 'Manual Suspension' marker if set, to unsuspend recovery of the overpayment. For how to do this, use TCM1000336

Note: Repeat this action for all tax years affected by the household breakdown that have been suspended.

remit the notional entitlement amounts you calculated earlier against the total outstanding overpayment on the tax years affected by the household breakdown. Follow the guidance in TCM0230060

complete the Remissions Database.

Note: If the remission amount is £5,000 or more, this needs to be authorised by your Higher Officer.

Note: If the notional entitlement is less than the overpayment outstanding, use the total amount of notional entitlement to remit against either element of tax credits.

For example:

Overpayment: CTC £500.00 and WTC £500.00.

Notional entitlement to remit: CTC £600.00 and WTC £300.00.

Remit the CTC overpayment of £500.00 and add the remaining £100.00 to the WTC total to remit £400.00, leaving a debt of £100.

If you are dealing with a referral from CSSG, Appeals or the Priority 1 Team

update Household Notes using the 'Debt Recovery' category with the message OD89 from TCM0166020. For how to do this, use TCM1000001

complete the referral with the decision 'NE applied' and include the relevant Line To Take (LTT)

pass the case papers to your FLM for checking and sign off

take no further action.

If you are dealing with a WAM or correspondence and you have made a full remit

prepare form TC1086 to be issued to the customer

update Household Notes using the 'Debt Recovery' category with the message OD90 from TCM0166020. For how to do this, use TCM1000001

complete the referral with the decision 'NE applied'

pass the case to your FLM for checking and sign off

take no further action.

Top of page

Step 28

Inform the customer that we cannot consider notional entitlement as they have failed to provide all necessary information.

If you are dealing with a referral from CSSG, Appeal, or Priority 1 team and you have not received all requested information

update Household Notes using the 'Debt Recovery' category with the message OE25 from TCM0166020. For how to do this, use TCM1000001

complete the referral with the decision 'NE cannot be applied - info not received from customer'

return the referral to the originator

send any documents to storage. Follow the guidance in TCM0074140

take no further action.

If you are dealing with a WAM referral or correspondence and you have not received all requested information

update Household Notes using the 'Debt Recovery' category with the message OE25 from TCM0166020. For how to do this, use TCM1000001

prepare and issue form TC1084 to the customer

complete the referral with the decision 'NE cannot be applied - info not received from customer'

send the documents to storage. Follow the guidance in TCM0074140

take no further action.