



Department
for Work &
Pensions

Real Time Information awareness aid for local authorities

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Real Time Information awareness aid for local authorities

Introduction

1. Real Time Information (RTI) is the HM Revenue & Customs (HMRC) system for collecting Pay as You Earn (PAYE) information from employers and pension providers, who are required to provide HMRC with income details immediately after each payment they make.
2. The Department for Work and Pensions (DWP) and HMRC have a joint Fraud and Error Strategy, encouraging collaboration to support activity to reduce fraud and error. RTI is an example of such an activity and provides local authorities (LAs) with information to help identify fraud and error in Housing Benefit (HB).

Background

3. DWP's business rules supporting the match of RTI data from HMRC has been running for a number of years. Mandatory Bulk Data Match RTI started again in May 2017, with some LAs opting to also receive Optional RTI referrals.

Purpose

4. The purpose of this guide is to provide LAs with clear up to date information on how the process works and in doing so, help staff in the processing of RTI referrals.

Information received from RTI data

5. RTI data should not be any different to the payslips that claimants provide and, as such, should be treated the same as any other evidence used to determine HB entitlement.

Hours of work

6. As HMRC do not require employers to provide them with details of the exact number of hours worked, this information cannot be provided to LAs.

RTI data is not received in real time

7. RTI referrals are as a result of DWP carrying out a monthly data matching exercise using the latest data supplied to DWP by both LAs and HMRC. The data match identifies cases where claimants have either failed to declare, or have under declared earnings from employment or Non State Pensions (NSP).

8. This data is as up to date as it possibly can be recognising time lags associated with the:

- data match process
- production and issue of the data to LAs
- subsequent scheduling of work within LAs

This means that at the point at which referrals are reviewed by LAs the data can never be considered 'real time'.

Delivery schedule

9. The schedule below provides insight into production timescales.

DWP send list of National Insurance numbers (NINOs) selected for data matching to HMRC	5th of month
HMRC return RTI data to DWP	11th of month
DWP send RTI referral data to LAs	Between 17th and 24th of month

Duplicated referrals

10. It is more likely that RTI referrals will be duplicated within the Optional RTI files rather than the Mandatory RTI files, as the data match processes operate differently.

11. Any Mandatory RTI referrals that are made based on the same information will not be issued again for 6 months. This means that these claimant NINOs will not be included in the monthly selection being submitted to HMRC for data matching.

12. Any Optional RTI referrals that have not been actioned in a particular month by the LA will be included in the batch of NINOs being submitted to HMRC for data matching the following month. This means that depending on the number of Mandatory RTI referrals available in subsequent months, the recycled Optional RTI referrals may or may not be reissued.

13. However, the change in emphasis to action Optional RTI referrals, brought about by the introduction of Right Benefit Initiative, coupled with the time lags associated with data production, means DWP are now considering whether to extend the reselection period beyond the current one month. This would go some way towards reducing the volume of duplication.

Ranking

14. Referrals are ranked in order to determine the best ones to issue monthly. DWP do this by calculating the difference between, the total sum of earnings/NSP identified from the RTI PAYE records and the sum of the declared earnings/NSP seen on the latest snapshot of LA held information.
15. The referral with the highest differential is ranked as #1. There can be referrals with the same ranking number, this would indicate the discrepancy amount is the same for all those with the same ranking.

Ranking variable

16. The variable is working as designed. However there are a number of design limitations that can result in some referrals being perceived, once reviewed by LAs, as being too highly ranked.
17. For example, RTI information is reported to HMRC by employers as gross earnings, whereas LAs record net earnings for benefit assessment on their IT systems. This produces a mismatch between gross and net earnings within the data match process, inflating the true monetary value discrepancy, resulting in a higher ranking position.
18. At present the data match process is comparing a monthly NSP value from HMRC against a weekly NSP value held on LA IT systems, again inflating the true monetary value discrepancy, resulting in a higher ranking position.
19. DWP are looking to rectify this problem to ensure weekly HMRC NSP data is matched against weekly LA NSP data.

Non State Pension indicators

20. Employers and pension providers provide the same input data to HMRC. However pension providers are required to set a 'Y' indicator to confirm the income data relates to NSP. However we are aware of instances where this has not been done.
21. LAs can undertake checks if they are in doubt that income badged as earnings is accurate by considering:
 - the name of the employer; this may suggest the income is from a pension fund
 - the absence of NI contributions; these are not paid on pension income

Averaging of payslips

22. The averaging of payslips is not done by HMRC or DWP. The data supplied on the RTI contains lots of individual pay submissions (payslips). The LA software supplier then displays this information to the LA user. On some LA IT systems payslips are grouped together according to their system design.

23. LA staff are advised to contact their software supplier if they are having problems with how the payslips have been averaged.

RTI guidance

24. Guidance covering RTI has been issued and updated since 2014. All are available on www.gov.uk and are listed below

- HB A15/2014
- HB A16/2014
- HB A1/2015
- HB G5/2016
- HB A5/2016
- HB A7/2017

Escalation routes

25. If you have any issues with RTI referrals you should contact DWP's Housing Delivery Division Local Authority Support and Security Team (LASST) by email: la-sst.hdd@dwp.gsi.gov.uk