

**Memorandum of Understanding (Process)
between
HMRC (PT Operations) and
The Department for Work and Pensions, Universal Credit
In Respect of the
Exchange of Information as a result of the
Interface established between RTI and UC**

The reference number of the related Umbrella MoU is: MOU-U-A.

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1. Introduction

Real Time Information (RTI) was a key government priority aimed at improving the operation of Pay As You Earn (PAYE). Since the introduction of RTI employers submit payroll information to Her Majesty's Revenue and Custom (HMRC) whenever they make payments to their employees enabling HMRC to maintain an accurate view of tax paid and tax owed. RTI has also been crucial to the successful introduction of Universal Credits (UC) – the Government's flagship welfare programme.

UC is a benefit paid to people who are out of work or on a low income. It provides ongoing support for claimants as they move into, and out of, work. As a consequence the Department for Work and Pensions (DWP) – the department that administers UC – has a dependency on HMRC for the provision of earnings information relating to UC claimants.

This Memorandum of Understanding (MoU) sets out the high level agreement between HMRC and DWP governing the exchange of information – both system to system and operationally – to better enable this collaboration.

An Umbrella MOU for the exchange of information between HMRC and DWP is in existence and is referenced MOU-U-A.

2. Legal Basis

The legal basis upon which this MOU rests is Section 127 of the Welfare Reform Act 2012, which permits HMRC to disclose information held for its functions to DWP for the purpose of its functions.

3. Purpose of the agreement

The RTI-UC interface has been designed to ensure real time earnings information is available to DWP for the purposes of calculating an accurate benefit entitlement for claimants in the fulfilment of government policy.

The utilisation of earnings information provided by HMRC will reduce the possibility of fraud and error and increase both the accuracy of the calculations, thereby reducing the likelihood of overpayments, and the efficiency of the process.

In order to ensure a high level of customer service is provided to claimants and maintain the reputation of both departments HMRC and DWP will collaborate at an operational level to resolve disputes.

4. Procedure

The RTI-UC interface relies on an automated system to system data transfer. UC pushes an interest file to RTI once a day, detailing those NINOs for which earnings information is required if it is available. After the interest file has been processed by the RTI system all available earnings for each NINO with a UC interest is collated by RTI and returned to UC. In addition an exceptions file is created and sent detailing all of those NINOs that did not match a NINO within the HMRC systems. Within this file mismatched NINOs are listed enabling DWP to investigate the reason for the mismatch and, if applicable, inform claimants of their requirement to self report their earnings.

HMRC receives the interest file from DWP by 15:00 each day, seven days a week. HMRC returns earnings at 08:00, 11:00, 13:30 and 16:00 Monday to Friday and exceptions at 08:00 Monday to Friday.

In addition, ad hoc processes have been defined to support the resolution of disputes and to ensure that an E2E service management wrapper is provided for the systems. These processes are reliant on the exchange of operational information, which may be technical system related information, but may also be claimant/employee related information.

5. Security and Assurance

For the purpose of the RTI-UC interface only information deemed necessary to meet the governments business objectives will be exchanged. The system to system data transfer has been accredited thus assuring the HMRC information owner of the security protocols employed to protect the data whilst in transit. The resultant risks will remain with HMRC because the details of the security protocols employed to protect the data whilst in transit have not been shared with DWP.

Following receipt of the data, DWP have agreed to;

- Only use the data for purposes that are in accordance with the legal basis under which it has been received.
- Only hold the data while there is a business need to keep it
- Ensure that only people who have a genuine business need to see the data will have access to it
- Store data received securely and in accordance with the prevailing central government standards, for example in secure premises and on secure IT systems
- Move, process and destroy data securely i.e. in line with HM Government [Security Policy Framework](#) and in particular Security Policy 2: Security of Information, issued by the Cabinet Office, when handling, transferring, storing, accessing or destroying information.
- Comply with reporting requirements (e.g. reporting data losses or wrongful disclosure), in line with the Cabinet Office [Checklist for Managing Potential Loss of Data or Information](#). Report any data losses, wrongful disclosures or breaches of security relating to information originating in HMRC to the designated contacts immediately (within 24 hours of becoming aware). This includes both advising and consulting with HMRC on the appropriate steps to take, e.g. notification of the Information Commissioner's Office or dissemination of any information to the data subjects.
- Review this MOU with HMRC annually, until such time that the system is deemed to be stable, at which time a 5-yearly review cycle will be implemented.
- Allow HMRC Internal Audit to request an audit to help in deciding whether HMRC should continue to provide the data to DWP.
- Provide written, signed assurance that they have complied with these undertakings regularly upon request.
- DWP will share the PAYE real time information it receives from HMRC with Local Authorities in relation to UC claimants for the purpose of administering Local Council Tax Reduction Schemes. The data will be shared in line with the Security Policy Framework as identified above. DWP will ensure that the sharing of this data is covered by a Data Sharing MOU between DWP and LAs.

6. Data Protection Act 1998 (DPA) and Human Rights Act 1998 (HRA)

Nothing in this Memorandum of Understanding will limit the receiving department's legal obligations under the Data Protection legislation.

All the information transferred by HMRC should be relevant, necessary and proportionate to enable DWP to carry out their task or process.

The Data Controller (as defined in the glossary of terms) is [HMRC](#)

The Data Processor (as defined in the glossary of terms) is [DWP](#)

7. Freedom of Information (FOI) Act 2000

HMRC and DWP are subject to the requirements of the Freedom of Information Act 2000 (FOI) and shall assist and co-operate with each other to enable each department to comply with their information disclosure obligations.

In the event of one department receiving a FOI request that involves disclosing information that has been provided by the other department, the department in question will notify the other to allow it the opportunity to make representations on the potential impact of disclosure.

All HMRC FOI requests must be notified to Central Policy FOI Team who will engage with the central FOI team in the supplying organisation.

8. Direct, or browser Access specific expectations

Not Applicable.

9. Costs/charges

For the purpose of the RTI-UC interface no direct costs will be applicable as a result of this collaboration.

10. Contact details

HMRC – Business As Usual

Contact	E-mail	Responsibility
		PT P&P PAYE Process Owner
		IMS Account Management
		IMS Lives Services
		Review Coordinator
		Security Incidents

DWP – Business As Usual

Contact	E-mail	Responsibility
		Asset/Process Owner – Live Services
		Asset/Process Owner – UC Programme
		Live Services
		Review Coordinator
		Security Incidents
		Freedom of Information Requests

11. Reporting and review arrangements

The content of this MOU will be reviewed as part of each release of RTI until such time that the RTI programme ceases to exist at which time it will be reviewed annually for two years before a 5-yearly cycle of reviews is considered to be appropriate.

12. Resolving issues

If any complaints, problems or issues arise that are specific to this information exchange implemented by way of the RTI interface that cannot be resolved through the BAU operational processes (see named contacts at section 12) they will be reported in writing to:

	For HMRC	For DWP Live Services	For DWP UC Programme
Name			
Job Title	Head of IMS Live Services	Customer Service Delivery Director	UC Programme Pathfinder Director
Team	IMS Live Services	Customer Service Delivery	UC Programme
GSI email			
Telephone			

14. Document Control Personnel

Key personnel	Name	Organisation (Team)
Author(s)	██████████	RTI Programme, stage 4 DWP relationship manager
	██████████ V2.0c to V3.0	DWP UC Strategic Design and Planning
Approvers		HMRC – N/A
Review Control		HMRC – N/A

15. Version History

Version	Date	Summary of changes	Changes marked
0.1	27.12.12	Initial draft	NA
0.2	28.01.13	Redrafted to take account of comments from the data guardians	No
0.3	05.02.13	Redrafted to take account of comments from the data guardians	No
0.4	20.02.13	Inclusion of HMRC named contacts	No
0.5	07.03.13	Inclusion of DWP named contacts	No
1.0	15.03.13	Final version	No
1.1	22.03.13	Amended version to alter the HMRC escalation contact	No
1.2	26.03.13	Version 1.1 re-saved with the hard copy signatures embedded. Duplication removed within section 5.	No
2.0a	31.03.2014	V2.0a redrafted following the annual review to include additional detail.	No
2.0b	14.04.2014	V2.0b redrafted to take account of comments received, pending DWP confirmation of nominated contacts.	No
2.0c	02.09.2015	To include specific reference to the sharing of data in relation to LCTR between DWP and LAs. Section 5 last bullet point.	No
3.0	04.11.2015	Final sign-off	No

16. Review dates

Version	Publication date	Review date
3		01/08/2017

17. Glossary of Terms and Abbreviations

Definition	Interpretation
Ad Hoc Transfer	is defined as being bulk data with a protective marking of restricted or above and the transfer is part of a pilot or project with a definitive end date
Data Controller	has the meaning set out in section 1 of the Data Protection Act 1998, i.e. 'a [natural or legal] person who (either alone or jointly or in common with other persons) determines the purposes for which and the manner in which any personal data are, or are to be, processed'
Data Processor	has the meaning set out in section 1 of the Data Protection Act 1998, i.e. 'in relation to personal data, any [natural or legal] person who processes the data on behalf of the data controller'
Data Protection Legislation	means the Data Protection Act 1998, the EU Data Protection Directive 95/46/EC, the Regulation of Investigatory Powers Act 2000, the Telecommunications (Lawful Business Practice) (Interception of Communications) Regulations 2000 (SI 2000/2699), the Electronic Communications Data Protection Directive 2002/58/EC, the Privacy and Electronic Communications (EC Directive) Regulations 2003 and all applicable laws and regulations relating to processing of personal data and privacy, including where applicable the guidance and codes of practice issued by the Information Commissioner
Direct Access	Covers an information sharing instance where the receiving Department accesses the Information via direct, or browser, access to the source system rather than as an extracted information transfer. This agreement will require specific terms and conditions ensuring that access is appropriate and correctly applied, managed and recorded.
FoIA	means the Freedom of Information Act 2000 and any subordinate legislation made under this Act together with any guidance and/or codes of practice issued by the Information Commissioner or Ministry of Justice in relation to such legislation.
Granting Access	The governance and authority surrounding the authorisation of a person to have access to a system.
Information Asset Owner (IAO)	means the individual within a directorate, normally the Director, responsible for ensuring that information is handled and managed appropriately
Law	means any applicable law, statute, bye-law, regulation, order, regulatory policy, guidance or industry code, rule of court or directives or requirements of any Regulatory Body, delegated or subordinate legislation or notice of any Regulatory Body

PROTECT

Provisioning Access	The technical channels through which access is made possible, including the request tools associated with this.
Public Sector Body	This will generally be another government department (OGD) but could be another public sector body (e.g. Local Authority). Information sharing with a private sector body with which HMRC has a commercial relationship needs to be covered by a commercial contract, not an MoU.
Regulatory Bodies	means those government departments and regulatory statutory and other entities, committees and bodies which, whether under statute, rules, regulations, codes of practice or otherwise, are entitled to regulate, investigate, or influence matters dealt with in this Agreement and “Regulatory Body” shall be construed accordingly
Senior Information Risk Owner (SIRO)	Provides high level assurance of compliance with HMRC's Information Asset data protection obligations. HMRC's SIRO is [REDACTED] [REDACTED]

Abbreviation	Description
CRCA	The Commissioners for Revenue and Customs Act
MoU	Memorandum of Understanding
FOIA	Freedom of Information Act
FOI	Freedom of Information
HMRC	Her Majesty's Revenue and Customs
PSB	Public Sector Body
SPF	Security Policy Framework