**EXAMPLE 4**

Once Joyce’s second child is born she needs to claim childcare costs of £150 per week. Her first relevant period will be calculated in the same way as Example 2 giving entitlement for those 117 days of £1,800.69.Her second will be calculated as follows:

**For the second relevant period 1/8/17– 05/04/18 (248 days)**

Step1 :

WTC basic £5.37

WTC lone parent £5.51

WTC 30 hour £2.22

CTC child element (first child) £7.62

CTC child element (second child) £7.62

CTC family element £1.50

MAX CREDITS (excluding childcare) £29.84 x 248 days £7,400.32

WTC Childcare element (£150 x 52/365 x 248 = £5,299.73 x 70%) £3,709.82

MAXIMUM CREDITS (incl. childcare) £11,110.14

Step 2:

Income (£12,500 x 248/365\*) £8,493.15

Less threshold (£6,420 x 248/365\*\*) £4,362.09

 ‘Excess income’\* £4,131.06

x 41%

Reduction due to income £1,693.73 (£1,693.73)

**TOTAL for RP 2** £11,110.14 - £1,693.73  **£9,416.41**

 **Overall total for 2017-2018** (£1,800.69 + £9,416.41) **£11,217.10**