

# revenue benefits

## EXAMPLE 5

To calculate the income cut off in any given circumstances:

$$(\text{Maximum credits} \times 100/41) + \text{£6,420}$$

For example, a couple with one child and no disabilities or childcare costs will have a cut off of approximately:

	£
<i>WTC basic</i>	1,960
<i>WTC couple</i>	2,010
<i>WTC 30 hour</i>	810
<i>CTC child element</i>	2,780
<i>CTC family element</i>	545
<b>TOTAL</b>	$8,105 \times 100/41 = \text{£}19,768.29$
<i>Add threshold</i>	6,420.00
<i>Cut-off point</i>	£26,188.29

Contrast this with a couple who have three children and childcare costs of £290 a week:

	£
<i>WTC basic</i>	1,960
<i>WTC couple</i>	2,010
<i>WTC 30 hour</i>	810
<i>WTC childcare</i>	10,556
<i>CTC child elements x 3</i>	8,340
<i>CTC family element</i>	545
<b>TOTAL</b>	$24,221 \times 100/41 = \text{£} 59,075.60$
<i>Add threshold</i>	6,420.00
<i>Cut-off point</i>	£ 65,495.60

Similar calculations can be carried out for CTC only claimants, using the threshold of £16,105 instead of £6,420.