

## EXAMPLE 5

To calculate the income cut off in any given circumstances:

$$(\text{Maximum credits} \times 100/41) + \text{£6,565}$$

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

	£
WTC basic	2,005
WTC couple	2,060
WTC 30 hour	830
CTC child element	2,845
CTC family element	545

$$\text{TOTAL } 8,285 \times 100/41 = \text{£20,207.31}$$

Add threshold      6,565

Cut-off point      £26,772.31

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

	£
WTC basic	2,005
WTC couple	2,060
WTC 30 hour	830
WTC childcare	10,556
CTC child elements x 3	8,535
CTC family element	545

TOTAL       $24,531.00 \times 100/41 = \text{£ } 59,831.70$

Add threshold      6,565

Cut-off point       $\text{£ } 66,396.70$

Similar calculations can be carried out for CTC only claimants, using the threshold of £16,480 instead of £6,565.