EXAMPLE 3

Marlene has average weekly childcare costs of £350 for two children. Her RP is 366 days.

Calculation 1: \(350 \times \frac{52}{366} \times 366 = £18,200\)

Calculation 2: \(\frac{300}{7} \times 42.86 \times 366 = 15,686.76\)

The childcare costs used when calculating Marlene’s maximum rate of tax credits are £15,686.76 × 70% = 10,980.74