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 1/8/16 – 05/04/17 (248 days)

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>WTC basic</td>
<td>£5.37</td>
</tr>
<tr>
<td>WTC lone parent</td>
<td>£5.51</td>
</tr>
<tr>
<td>WTC 30 hour</td>
<td>£2.22</td>
</tr>
<tr>
<td>CTC child element (first child)</td>
<td>£7.62</td>
</tr>
<tr>
<td>CTC child element (second child)</td>
<td>£7.62</td>
</tr>
<tr>
<td>CTC family element</td>
<td>£1.50</td>
</tr>
</tbody>
</table>

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

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

MAXIMUM CREDITS (incl. childcare) 11,110.14

\[
\text{Income} \\
12,500 \times 248/365^* \\
\text{Less threshold} \\
6,420 \times 248/365^{**} \\
\text{‘Excess income’}^* \\
\text{x 41%} \\
\text{Reduction due to income} \\
1,693.73 \\
\]

TOTAL for RP 2 (£11,110.14 - £1,693.73) 9416.41

Overall total for 2016-2017 (1,800.69+9,416.41) 11,217.10

* - Income and ‘excess income’ is rounded down to the nearest penny
** - The threshold is rounded up to the nearest penny