

#### 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 £1,747.99. Her second will be calculated as follows:

For the second relevant period 1/8/21– 05/04/22 (248 days)

Step1:

WTC basic		£5.50
WTC lone parent		£5.65
WTC 30 hour		£2.28
CTC child element (first child)		£7.80
CTC child element (second child)		£7.80
CTC family element		£1.50
MAX CREDIT	£30.53 x 248 days	£7,571.44
WTC Childcare element		
(£150 x 52/365 x 248 = £5,299.73 x 70%)		£3,709.81
MAXIMUM CREDITS (incl. childcare)		£11,281.25

Step 2:

Income (£13,500 x 248/365*)		£9,172.60
Less threshold (£6,565 x 248/365**)		£4,460.61
'Excess income'*		£4,711.99
x 41%		
Reduction due to income		£1,931.91 (£1,931.91)
TOTAL for RP 2		£11,281.25 - £1,931.91 £9,349.34
Overall total for 2021/22		
(£1,747.99 + £9,349.34)		£11,097.33

\* - Income and 'excess income' is rounded down to the nearest penny

\*\* - The threshold is rounded up to the nearest penny