How to complete your tax credits claim form for 2003

The claim form (TC600) is supplied with these notes

Please keep these notes for future reference
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About Child Tax Credit and Working Tax Credit

These notes will help you fill in the tax credits claim form. Please phone the Helpline if you need more help. The box on the left shows the Helpline numbers, including textphone numbers for people with speech or hearing difficulties who use a textphone. Please take care to use the right number.

Please also phone the Helpline if you want
• a large print or Braille version of these notes,
• a Welsh language version of the form and notes, or
• help in another language.

Introduction

You can claim two tax credits: Child Tax Credit and Working Tax Credit.

To claim, fill in the claim form, form TC600, available with this booklet, or go on line at www.inlandrevenue.gov.uk/taxcredits

If you use the form, these notes will help you complete it.

Can you claim?

To qualify for tax credits you must be aged 16 or over and live in the United Kingdom. The United Kingdom (UK) is England, Scotland, Wales and Northern Ireland. See the following pages for other conditions that apply to Child Tax Credit and Working Tax Credit.

For tax credit purposes, you live in the United Kingdom if your main home is in the UK (although you may go abroad from time to time for holidays or on business).

You may also qualify if you do not live in the UK but you are
• a citizen of another country in the European Economic Area (EEA) and you work in the United Kingdom, or
• a Crown Servant posted overseas, or
• a citizen of a country in the European Economic Area (including the UK) living abroad and you receive a UK state pension or contributions-based Jobseeker’s Allowance.

If you think you fall into one of these categories, please phone the Helpline.

Couples

Couples must make a joint tax credits claim.

You are a couple if you are
• married and not separated, or
• a man and a woman living together as if you are married and
• both of you are at least 16 and live in the UK.

The claim form requires information about both of you. You will share responsibility for the information you provide. If you are part of a couple, you cannot decide to claim as a single person.
You are not a couple for Child Tax Credit purposes if
• one of you is under 16 or does not live in the UK (or otherwise qualify as a crown servant or EEA citizen – see the previous page). That person cannot claim tax credits, and the other person (if they satisfy the conditions) should make an individual claim.
• you and your partner are the same sex – you will need to make individual claims.

Income
The amount of tax credits you receive will depend on your annual income. For the purposes of your tax credits claim, your annual income is your income for a tax year (joint income if you are a couple). The form asks for details of your income for the tax year 2001–02, which ran from 6 April 2001 until 5 April 2002.

If you have children, you are likely to get some tax credit if your income (joint income if you are a couple) is less than £58,000 a year (or £66,000 if you have a child under the age of one). If you don’t have children, you are likely to get some credit if your income (joint income if you are a couple) is less than £13,500 a year.

Child Tax Credit is for people who are responsible for at least one child or qualifying young person (see below). Claim if you have a child or qualifying young person who usually lives with you, and you are
• a single (or separated) person, or
• a married couple living together, or
• a man and woman living together as if you are married.

You do not have to be working to claim Child Tax Credit.

Children and qualifying young people
For Child Tax Credit purposes
• a person is a child until 1 September following their 16th birthday.
• a qualifying young person is anyone aged 16, 17 or 18 (unless they still count as a child) who
  – is in full time education (see the notes on page 13), or
  – has left full time education but does not have a job or a training place and has registered with the Careers Service, Connexions Service or equivalent (see page 13).

In the rest of these notes and on the form, where we use the term child or children, we also mean qualifying young people.

How Child Tax Credit is made up
Child Tax Credit is made up of the following:
• Family element – paid to families responsible for at least one child. A higher rate of family element, known as the baby element, is paid to families with a child under one year old. There is only one family element for each family regardless of how many children usually live with you.
• **Child element** – one for each child you are responsible for.
• **Disability element** – one for each child you are responsible for if
  – you are receiving Disability Living Allowance for the child, or
  – the child is registered blind or has been taken off the blind register in the 28 weeks before the date of claim.
• **Severe disability element** – one for each child you are responsible for if you receive Disability Living Allowance (Highest Care Component) for the child.

Working Tax Credit is for people who are employed or self-employed (either on their own or in partnership), who
• usually work 16 hours or more a week,
• are paid for that work, and
• expect to work for at least 4 weeks,
and who are
• aged 16 or over and responsible for at least one child, or
• aged 16 or over and disabled, or
• aged 25 or over and usually work at least 30 hours a week, or
• aged 50 or over and have recently started work after receiving certain benefits for at least 6 months (see page 23).

**How Working Tax Credit is made up**

Working Tax Credit is made up of the following:
• **Basic element** – paid to any working person who meets the conditions.
• **Lone parent element** – for lone parents.
• **Couples element** – for couples.
• **30 hour element** – for people who work at least 30 hours a week. Couples with at least one child can claim the 30 hour element if they work at least 30 hours a week between them.
• **Disability element** – for working people with a disability (see the notes on page 11 and pages 38–40).
• **Severe disability element** – for people with a severe disability (see the notes on page 11 and pages 38–40).
• **50 plus element** – for people aged 50 or over who have just returned to work after a period on benefit (see the note for box 4.4 on page 23).
• **Child care element** – for working families who spend money on approved child care (see the notes beginning on page 16).
Filling in the claim form

To help us deal with your claim quickly, please
• write inside the boxes in black ink.
• use CAPITAL letters. Use one box for each letter and leave a space between words.

Please do not write outside the boxes on the form (unless you make a mistake – see below).

Pages 3–5 of the form ask for details of your children and any child care providers you use. There is space for three children and two child care providers. If you need more space, cut out and complete the extra form on pages 45 and 46 of these notes, and send it to us with your claim form.

If you have more than five children or use more than four child care providers, please photocopy pages 45 and 46 before you fill them in. Or use a separate sheet of paper with your name and National Insurance number on it (and your partner’s details if you are part of a couple). Put the number of the question and give the additional information.

Please do not use correcting fluid on the claim form. If you make a mistake, strike through your error. Write the correct information either immediately to the right of or underneath the relevant box.

If a box does not apply to you, please leave it blank. Do not strike it through. Please do not write things like NOT APPLICABLE or N/A in any boxes.

Read all the questions carefully. Check these notes if you are not sure about your answer. If you need help, phone the Helpline.

Couples

If you are part of a couple, give details of one of you in the YOU column and the other in the YOUR PARTNER column. It makes no difference who completes which column, so long as this stays the same throughout the form.

You share responsibility for all the information on the claim form, so
• you must both check that the information given on the claim form is correct.
• you must each sign and date a declaration on page 12 of the claim form.

Appointees

If you have been appointed to act for the claimant(s), (either by us, the Department for Work and Pensions, the Department for Social Development, or a court of law), please make sure that you complete the APPOINTEE section on page 12 of the form, to
• explain why they cannot fill in the form themselves, and
• sign the appointee declaration.

You can also use the APPOINTEE section to apply to be appointed to act for the claimant(s) for the first time.

For more details about completing the APPOINTEE section, see page 37 of these notes.
PART 1
PERSONAL DETAILS

Box numbers refer to boxes on the form

1.1 Your title and surname
Tell us how you like to be addressed, for example MR, MRS, MISS, MS, or any other title such as DR. Then enter your surname.

1.2 First names
Enter your first names. If you have several, just enter as many as will fit in the boxes.

1.3 Address
We ask for your postcode and house number first. This makes it easier for us to check whether we have your correct address.
If you are claiming with your partner, and you both live at the same address, just put your address in the YOU column.

1.4 Date of birth
Please enter your date of birth in figures. For example 29 04 1967.

1.5 National Insurance number
We need your National Insurance number to deal with your claim. It should have the same format as the National Insurance number shown here – 2 letters, 6 numbers, then 1 letter. You can find it on
• your National Insurance number card,
• your PAYE Coding Notice (P2) from us,
• your P60 End of year certificate that you get from your employer after the end of each tax year, or
• any letter from us, the Department for Work and Pensions, or Jobcentre Plus (in Northern Ireland, from the Department for Social Development or Social Security Agency).
It may also be on the payslips you get from your employer.
If you do not enter a National Insurance number, your claim may not be valid and we may not be able to pay you any tax credits.
If you don’t know your National Insurance number, contact your local Department for Work and Pensions or Department for Social Development office. It will be listed in the Phone Book/Yellow Pages under Department for...
If you know that you have never had a National Insurance number, please phone the Helpline.
1.6 Phone numbers

We would like to phone you if we have any questions about your claim. Please give the phone number(s) you want us to use.

1.7 Male or female

Put ‘X’ in one box. We cannot accept joint claims if you and your partner are the same sex – you will need to make individual claims.

1.8 United Kingdom national

You are a UK national if you hold a UK passport, or if you or one of your parents were born in England, Scotland, Wales or Northern Ireland. If you are not sure, please phone the Helpline.

If you are not a UK national, do not put an ‘X’ in box 1.8. But make sure you answer question 1.9, because you may still be able to claim tax credits. In particular, the following people are entitled to tax credits on the same basis as UK nationals:

- nationals of other countries in the European Economic Area,
- people who have been granted leave to remain in the United Kingdom indefinitely (including those with exceptional leave to remain),
- people who have been granted asylum in the UK.

1.9 Where you usually live

You usually live in the UK if your main home is in the UK (England, Scotland, Wales or Northern Ireland), although you may go abroad from time to time on holiday or on business. If you do not live in the UK, you may still qualify for tax credits in certain circumstances – see page 5. If this applies to you, please tell us the country where you live.

1.10 Other names

Enter in box 1.10 any other names you use, or have used, when contacting government departments. For example, you may have married and changed your name as a consequence.

Just give as many of your other names as will fit into the boxes.
Disability and incapacity

If you (or your partner) are disabled or incapacitated, this could increase any tax credit you get. Read the following notes to decide whether boxes 1.11 to 1.13 on the form apply to you.

1.11 Disability

You can get a disability element of Working Tax Credit if
• you work for 16 hours or more a week (see pages 21–23), and
• you have a disability which puts you at a disadvantage in getting a job, and
• you are, or have recently been, receiving one of certain qualifying benefits, or you recently became sick or disabled whilst in work and are eligible to use the Fast-Track route to a disability element.

For more information on the tests you have to meet to show that you are at a disadvantage in getting a job, please see page 38. For details of the qualifying benefits or the Fast-Track procedure, see pages 39–40. We may ask you to nominate a professional who can confirm how your disability affects you – for example, an occupational therapist, community or district nurse, or doctor.

You cannot get a disability element if you do not meet these tests. In this case, please leave box 1.11 blank.

1.12 Disability Living Allowance (Highest Care Component) or Attendance Allowance (Higher Rate)

If you, or your partner if you have one, get one of these benefits and you qualify for Working Tax Credit, you can get the severe disability element of the tax credit. The person who gets one of these benefits does not have to be the person who is working.

1.13 Incapacity and claiming the child care element of Working Tax Credit

You will be treated as incapacitated for the purposes of claiming the child care element of Working Tax Credit if
• you currently receive
  – Disability Living Allowance
  – Attendance Allowance
  – Severe Disablement Allowance
  – Incapacity Benefit at the short-term higher rate or long-term rate
  – Industrial Injuries Benefit with Constant Attendance Allowance for you
  – War Disablement Pension with Constant Attendance Allowance or Mobility Supplement for you

or you or your partner receive Council Tax Benefit or Housing Benefit with a Disability Premium or Higher Pensioner Premium for you

or you have been provided with a vehicle under the Invalid Vehicle Scheme.

If any of these applies to you put ‘X’ in box 1.13.
Fill in Part 2 of the form if you are the person mainly responsible for at least one child or qualifying young person. For Child Tax Credit purposes you are mainly responsible for a child if he or she usually lives with you. You will be mainly responsible even if, at the time of claim, that child is temporarily away from home, for example because they are on holiday, staying with relatives, in hospital, or away at school.

You do not have to be working to claim Child Tax Credit.

If you are in the process of adopting a child or are fostering a child, you can get Child Tax Credit only if the Local Authority is not paying you for the child’s accommodation or maintenance. If you receive payments but are unsure what they are for, you should contact your Welfare Officer.

You will not be treated as responsible for a child who
• has claimed tax credits in their own right, or
• having been found guilty of an offence and sentenced by a court, is in custody or detention for a period of 4 months or more, or
• is aged 16 to 18 and is no longer in full time education, unless they are registered with the Careers Service, Connexions Service or equivalent (see page 13).

The amount of Child Tax Credit depends on the number of children or young people living with you. The form has space for details of up to three children. If you are responsible for more than three children, use the extra sheet on page 45 of these notes.

If a child you are responsible for also lives with another family for part of the time, you must decide who has the main responsibility for the child. If it’s you, you can claim Child Tax Credit for that child. If not, you can’t.

If another person makes a claim for the same child, we will ask you for evidence to show who has the main responsibility for the child. But do not send any evidence with your claim.

If you have any questions about who has main responsibility for the child, please phone the Helpline.

Age rules

You can claim Child Tax Credit for a child up to 1 September after their 16th birthday.

You can also claim for a young person aged 16, 17 or 18 provided they are in full time education (see below). You can claim Child Tax Credit until a child’s 19th birthday if they do not leave full time education before that date.

You can also receive Child Tax Credit for a further 20 weeks after a young person leaves full time education, provided they have registered for work or training with the Careers Service, Connexions Service or equivalent (see page 13), and are still under 18.
**Full time education**

Young people aged 16, 17 or 18 are in full time education if they are studying

- **at school or college**, or a similar establishment recognised by the Secretary of State, the relevant minister in Scotland, or the Department for Education and Work in Northern Ireland.

- **for a qualification at or below NVQ level 3, A level or Scottish Highers**. This does **not** include studying for a university degree or similar qualification.

- **for at least 12 hours a week** during normal term time, not including meal breaks or time spent on unsupervised study.

A young person will still count as being in full time education in any week where

- as part of the curriculum, they are on holiday or preparing for exams.

- they are away from school or college due to sickness or ill-health but are intending to return to that course of education.

- they have ended one course of education but have registered for another one starting in the following term, and the only reason for not currently studying is that they are waiting for that course to start.

**Registering with the Careers Service or Connexions Service**

If a young person has left full time education you can continue to receive tax credit for a further 20 weeks from the date they left that education, but only if they have registered for work or training with

- their local Careers Service, or

- the Connexions Service, in certain areas of England and Wales, or

- a body authorised for these purposes by the appropriate minister or department in Scotland or Northern Ireland.

If the young person leaves full time education before 6 April 2003 you can only get Child Tax Credit for that part of the 20 weeks left to run after 6 April 2003.

**2.1 Child Benefit reference number**

If you (or your partner) are receiving Child Benefit for any of the children you are claiming for, you must tell us your Child Benefit reference number. You can find this on the letter that the Child Benefit Office sends you each April to tell you how much Child Benefit you will receive.

We may ask for evidence that the child is living with you (for example, if someone else is receiving Child Benefit for a child that you have included on your tax credits claim). But you should not send any evidence with your claim.
Surname
Enter the child’s surname.

2.3 First names
Enter the child’s first names. If the child has several, just enter as many as will fit into the boxes.

2.4 Date of birth
Enter the child’s date of birth in figures. For example 15 01 2002. If the child will be 16 or over on 6 April 2003, make sure you also fill in box 2.7 or 2.8 if appropriate.

2.5 About the child
Put ‘X’ in as many boxes as apply.

If you receive Disability Living Allowance for your child you may receive the disability element of Child Tax Credit.

If you get Disability Living Allowance (Highest Care Component), you may receive the severe disability element of Child Tax Credit.

The 28-week period referred to in connection with a child coming off the blind register is the 28 weeks before you fill in the form.

2.6 The date you became responsible for the child
You can only get Child Tax Credit for a child from the date

- the child started living with you and
- you became the person (or couple) with the main responsibility for the child.

The date a child started to live with you will usually be the date they were born (even if they were born in hospital). But you may need to put a later date in box 2.6. For example,

- if you become the person with the main responsibility for a child who was previously living with, or the responsibility of, someone else, enter the date you became responsible.
- if a child is placed with you for fostering or adoption, enter the date they started living with you. But if the Local Authority is making payments to you for the child, please phone the Helpline.
- if you are claiming tax credits as a couple, enter the date the child started living with you and your partner. But if one of you had the main responsibility for the child before you became a couple, you may be able to get tax credits for that earlier period. Phone the Helpline for advice about what to enter in box 2.6.
- if you are claiming tax credits as a single person, but you were previously responsible for the child as part of a couple, phone the Helpline for advice about what to enter in box 2.6.
You cannot get Child Tax Credit for a period of more than 3 months before the date you make your claim, no matter how long ago you became responsible for the child or young person.

2.7 Full time education

Enter ‘X’ in the box if this child is 16 or over but under 19, and is in full time education (see page 13). If you are completing the claim form before 6 April 2003, enter ‘X’ only if the child will be 16, 17 or 18 and in full time education on 6 April 2003.

2.8 Careers/Connexions Service

If a young person you are responsible for has left full time education and registered with the Careers Service, Connexions Service, or equivalent (see page 13), you can get Child Tax Credit for a further 20 weeks from the date they left full time education.

Enter the date they left full time education in box 2.8.
As part of Working Tax Credit you may qualify for help towards the costs of child care.

To claim the child care element of Working Tax Credit,
• lone parents must work 16 hours a week or more.
• couples can claim if
  – both of you work 16 hours a week or more, or
  – one of you works 16 hours a week or more and the other is treated as incapacitated because he or she meets the conditions outlined in the notes to question 1.13 on page 11.

If you are on maternity leave and receiving Statutory Maternity Pay or Maternity Allowance (or from 6 April 2003, Statutory Adoption or Paternity Pay) you are still counted as working for the purposes of the child care element. So you can claim the costs of child care for any existing children. But until you go back to work you cannot claim the cost of child care for the new child that you have taken leave to look after.

You do not have to complete this part of the form if you do not wish to claim help with child care costs.

The maximum amount of child care element

You can get help with up to 70% of your child care costs subject to maximum limits on the weekly costs you can claim for. If you pay for child care for only one child the maximum cost you can claim for is £135 a week, if you pay for child care for two or more children the maximum is £200. So the maximum weekly amount of child care element you can receive is shown in the table below. But the actual amount of help you receive will depend on your income.

<table>
<thead>
<tr>
<th>Number of children</th>
<th>Weekly limit</th>
<th>Maximum rate</th>
<th>Maximum child care element</th>
</tr>
</thead>
<tbody>
<tr>
<td>One child</td>
<td>£135</td>
<td>70%</td>
<td>£135 x 70% = £94.50</td>
</tr>
<tr>
<td>Two or more children</td>
<td>£200</td>
<td>70%</td>
<td>£200 x 70% = £140.00</td>
</tr>
</tbody>
</table>

Child’s age for child care element

You can claim for any child up to 1 September following their 15th birthday.

But you can claim up to 1 September following a child’s 16th birthday if the child is registered blind, or has been taken off the blind register within the last 28 weeks, or you receive Disability Living Allowance for them. (The 28-week period is the 28 weeks before you fill in the form.)

Approved child care

You must be paying for your child or children to receive child care provided by a person or organisation that is
• a registered childminder, nursery or playscheme,
• an out of hours club on school premises run by a school or a Local Authority,
• a child care scheme run by an approved provider. For example, an out of school hours scheme, or a provider approved under a Ministry of Defence accreditation scheme abroad.
A childcarer who is approved to care for your child or children in your own home.

A domiciliary worker or nurse from a registered agency who cares for the child or children in your own home. If you think this applies to you, phone the Helpline.

A registered childminder or child care scheme, or an approved home child care provider, is one that is registered or approved:

- in England, by OFSTED or the Care Standards Commission.
- in Wales, by the Care Standards Inspectorate for Wales.
- in Scotland, by the Scottish Commission for the Regulation of Care.
- in Northern Ireland, by a Health and Social Services Trust.

Your scheme, childminder or home child care provider will be able to tell you whether or not they are approved or registered.

You cannot claim the costs of any form of child care arrangement that does not fit into one of the categories above.

**Child care in your home provided by a relative**

You will not get the child care element if the child care in your home is provided by a relative of your child. A relative of the child means a parent, grandparent, aunt or uncle, or brother or sister, whether by blood, half blood, marriage or affinity. If you have any questions about the meaning of relative, please phone the Helpline.

**When an arrangement starts or stops**

You cannot continue to receive the child care element once an arrangement with a provider stops, although you can claim if you enter into a new arrangement with another provider.

An arrangement stops when your average weekly costs for that provider reduce to zero.

To claim the child care element, complete the details on page 5 of the claim form in full. There is space to fill in the details of up to two child care providers. If you use more than two providers you will need to give the extra details on a separate sheet – there’s one on page 46 of these notes. You must already have entered into an arrangement with a child care provider to be able to claim the child care element.

If you do not fill these details in accurately it may take longer to deal with your claim.
3.3 Child care provider’s phone number
We may contact your provider to check the arrangement you have with them.

3.4 Approval or registration details
You can only get the child care element if your child care provider is approved or registered, so it is essential that you complete these details accurately. Ask your child care provider if you are not sure.

3.7 Average weekly child care costs
The child care element is based on your average weekly child care costs.

Using the instructions below, work out your average weekly child care costs and then enter this figure in box 3.7 on the claim form.

If you pay for child care weekly and pay the same amount each week
• Work out your average weekly costs by adding together your weekly costs for the last 4 weeks and dividing the total by 4.

If you pay for child care costs weekly and you pay different amounts at different times (for example, you pay more in the school holidays than during term time).
• Add up the total amount you have paid for child care in the last 52 weeks. (If you started using child care less than 52 weeks ago, work out what you expect to spend on child care in the next 52 weeks.) Include
  – any increases in costs during the school holidays or at any other times.
  – any weeks when you did not pay for child care.
• Divide the total by 52 to work out your average weekly costs.

Example 1 – Ahmed usually pays £60 a week for child care. However in the Easter holidays, summer holidays and for two half term holidays (10 weeks in total) he pays £100.
His total costs for 52 weeks are (£100 x 10) + (£60 x 42) = £3,520
His average weekly costs are therefore £3,520 ÷ 52 = £68.

Example 2 – June does not pay for child care during term time, but in the school holidays she pays an approved playscheme £110 a week to look after her son. She uses the scheme for 2 weeks in the Easter holidays, 7 weeks in the summer holidays, 1 week at Christmas, and two half term holidays (1 week each), making 12 weeks in total.
Her total costs for 52 weeks are (£110 x 12) + (£0 x 40) = £1,320
Her average weekly costs are therefore £1,320 ÷ 52 = £26.

If you pay for child care monthly and pay the same amount each month
• Work out your average weekly costs by multiplying the amount you paid in the last month by 12 and dividing the total by 52.
If you pay for child care monthly and you pay different amounts at different times (for example, you pay more in the school holidays than during term time)

- Add up the total amount you have paid for child care in the last 12 months. (If you started using child care less than 12 months ago, work out what you expect to spend on child care in the next 12 months.)
- Divide the total by 52 to work out your average weekly costs.

**Example** – Carmen pays for child care monthly but the amount she pays varies from month to month.

Her monthly payments in the last 12 months were:

- £0 for April
- £200 a month for February, October and December
- £400 a month for July and August
- £150 a month for the other six months

\[
\begin{align*}
\text{Total} &= 0 + 200 + 200 + 400 + 400 + 150 \\
&= £2,300
\end{align*}
\]

Carmen’s average weekly costs are therefore \(\frac{£2,300}{52} = £45\).

If you have just made an arrangement with a child care provider and have not yet started to pay them

- Work out your average weekly costs by estimating what you will be paying for each week. You should ask your provider how much they intend to charge you before you give us your estimate. If you overestimate what you are going to pay, your tax credit payment may be reduced later and you may have to pay back any overpayment.

Please round up your average weekly child care costs to the nearest pound. For example, if your average weekly child care costs are £97.12, enter £98 in box 3.7.

**Changes in your child care arrangements**

After you have claimed the child care element, the amount you are due can be adjusted if your child care costs change. You need to tell us about any of the changes listed below so that we pay you the right amount of child care element. You can tell us about changes by phoning the Helpline.

**What counts as a change?**

When working out whether or not your average weekly costs have changed you must use the same method as you used to work out your average weekly costs originally.

You **must** tell us within 3 months if

- your average weekly costs fall to zero, or
- your average weekly costs fall by £10 or more.

If you don’t tell us about these changes you may be overpaid tax credits and have to pay some back. You may also have to pay a penalty.

Also tell us if your average weekly costs rise by £10 or more for at least 4 weeks in a row.
The change to your average weekly costs has to remain in place for at least 4 weeks. If the change reduces the amount of tax credit you are entitled to we will only reduce your award after the first 4 weeks of the change so you should tell us as soon as possible. If the change increases your tax credits we will increase your award from the first week as long as the change lasts for 4 weeks.

If you don’t tell us about a rise in costs you may not get as much tax credit as you should. To get any increase in your tax credit backdated to the week in which the costs first increased you must tell us within 3 months of that first week.

How do I work out whether or not my average weekly child care costs have changed?

If your average is based on your total costs for the year divided by 52

- work out whether your average weekly costs have changed by looking at what you expect to pay over the next 52 weeks (or 12 months)
- divide that by 52. If it is £10 or more higher or lower than your current average then you should tell us.
- Because your weekly average is is based on a whole year’s costs any change to the weekly average will be treated as being in place for the required 4 consecutive weeks.

Example – Shahida usually pays £40 a week for child care. However in the Easter holidays, summer holidays and for two half term holidays (10 weeks in total) she pays £120.

Her total costs for 52 weeks are (£120 x 10) + (£40 x 42) = £2,880
Shahida’s average weekly costs are therefore £2,880 ÷ 52 = £56.

In October 2003 she starts to work longer hours and needs her childminder to look after her children for more hours each week. During term time she will now have to pay £50 a week and in the 10 weeks of the holidays she will be paying £140 a week.

Her total costs for the next 52 weeks are
(£140 x 10) + (£50 x 42) = £3,500.
Her new average weekly costs are therefore £3,500 ÷ 52 = £68.
That is an increase over her previous average of more than £10.

And as it is worked out by looking at costs for a whole year, it is treated as lasting for more than 4 weeks (in fact it will last for a whole year). So Shahida should tell us straight away.

If your average is based on your costs for the past 4 weeks or one month.

- To work out whether your average weekly costs have changed you should look at what you will pay in each of the next 4 weeks.
  If it is £10 or more higher or lower than your current average in each one of the 4 weeks you should tell us.

Ignore changes in your average weekly costs of less than £10.

Please phone the Helpline immediately if your costs have changed and you think your child care element needs to be adjusted.
Only complete this part if

- you do paid work as an employee or self-employed person (on your own or in partnership), or
- you will start to do such paid work within the next 7 days – any tax credit you get will be on the basis that you do in fact start that paid work, or
- you or your partner are on sick leave or maternity, paternity or adoption leave from work – you may still be treated as working (see pages 22–23).

If you are responsible for a child or you have a disability, you may qualify for Working Tax Credit if you are aged 16 or over and you (for couples, one of you) usually work 16 hours a week or more. If you usually work 30 hours or more a week, you may get a higher rate of Working Tax Credit. Couples with at least one child can claim the 30 hour element if they work at least 30 hours a week between them.

If you are not responsible for a child and do not have a disability, you may still qualify for Working Tax Credit if you are aged 25 or over and you usually work 30 hours a week or more.

If your current working hours are less than 16 (or 30 if you do not have children or a disability) you will not get Working Tax Credit. If you are part of a couple and you both work, we need work details about both of you.

If you are aged 50 or over, even if you are not responsible for a child and do not have a disability, you may still qualify for Working Tax Credit if you have recently started work of at least 16 hours a week after receiving certain benefits for at least 6 months. See the note for box 4.4 on page 23.

**4.1 Place of work**

Put ‘X’ in the box if you usually work in the United Kingdom (that is England, Scotland, Wales or Northern Ireland), even though you may go abroad from time to time as part of your work. If you usually work outside the United Kingdom, enter the country in which you usually work.

**4.2 Usual hours**

If you are an employee, enter the number of hours you usually work and are paid for each week. Include overtime if this regularly forms part of your working week. If your hours change from week to week, enter the number of hours a week that you and your employer(s) consider to be your usual working hours.

If you are self-employed, enter the number of hours you spend working in your business in a normal week.

If you do seasonal work, or work more hours at certain times of the year, enter the number of hours a week you are working now.

If you work only during school terms, and your work forms a regular pattern over the year, enter the number of hours a week you work during school terms.
These examples may help you work out your usual working hours:

**Example 1** – Jim usually works 28 hours a week. This week he took two days off unpaid and only worked 17 hours. But he expects to work 28 hours next week, and each week for the foreseeable future. So his usual hours are 28 hours a week.

**Example 2** – Bill is contracted to work 25 hours a week. This week he has also done 10 hours of overtime. Last week, Bill did no overtime at all, but most weeks he does 5 hours of overtime. His usual hours are therefore 30 hours a week, made up of the 25 hours a week he is contracted to work, and the 5 hours overtime he usually does each week. The fact that in the last couple of weeks he has not worked exactly 30 hours does not matter.

**Example 3** – Every fortnight, Sue works 14 hours one week, and 18 hours the next. This hardly ever changes. To work out her usual weekly hours, she should therefore look at the average number of hours she works over this regular cycle. Sue’s usual hours are therefore 16 hours a week.

**Example 4** – Mick has worked 30 hours a week for the last 12 months. But two weeks ago he left his job. Although he is looking for a new job, he is not currently working at all. His usual hours are therefore nil. The fact that he has worked until recently doesn’t affect this.

**Example 5** – Anne hasn’t worked at all for the last 10 years. She started a new job last week, working 20 hours a week. Her usual hours are therefore 20 hours a week. The fact that she only started last week does not alter the fact that she now usually works 20 hours a week.

**Example 6** – Sam usually does 35 hours seasonal work a week for 3 months each summer. She can claim Working Tax Credit during this 3-month period, but when she finishes this seasonal work, her Working Tax Credit will stop, unless she gets another job within a week of finishing. She cannot get Working Tax Credit until the next period in which her usual hours of work are high enough for her to qualify again.

If you need more help in deciding how many hours you usually work, please phone the Helpline.

**Sickness**

If you are on sick leave and expect to return to work once you are recovered, your usual hours are the hours you usually worked immediately before you became ill.

Similarly, if you have temporarily reduced your hours because of sickness but you and your employer expect you to return to your usual working pattern, enter your usual hours. If you are not sure, please phone the Helpline.

**Maternity leave**

If you are, or have been, on maternity leave and receiving Statutory Maternity Pay or Maternity Allowance, any week that you receive Statutory Maternity Pay or Maternity Allowance counts as a working week. Treat such a week as being in work for the same number of hours as you usually worked immediately before you went on maternity leave.
Adoption or paternity leave
if you are claiming on or after 6 April 2003

Statutory Adoption Pay and Statutory Paternity Pay are available from 6 April 2003. If you are, or have been, on adoption or paternity leave receiving Statutory Adoption Pay or Statutory Paternity Pay, any week that you receive it counts as a working week. Treat such a week as being in work for the same number of hours as you usually worked immediately before you went on adoption or paternity leave.

4.3 Starting work or changing your hours, and coming off benefits if you are claiming on or after 6 April 2003

Fill in this question if you have previously claimed Income Support, income-based Jobseeker’s Allowance or Minimum Income Guarantee, but stopped in the last 3 months. Enter the date that you started work or your hours changed so that you no longer qualified for these benefits. (From October 2003, State Pension Credit replaces Minimum Income Guarantee. If you claimed State Pension Credit, please phone the Helpline.)

4.4 ‘50 plus’ element

The 50 plus element only applies to those who are returning to work on or after 6 April 2003 and are 50 or over on the date they return to work. The 50 plus element is payable for 12 months from the date you started work.

Enter the date you, or your partner if you have one, started work (or are going to start work), if you
• are 50 or over, and
• have returned to work for at least 16 hours a week, and
• were getting one or more of the following benefits for the 6 months before you started work:
  – Jobseeker’s Allowance,
  – Incapacity Benefit,
  – Severe Disablement Allowance,
  – Income Support,
  – Minimum Income Guarantee. (From October 2003, State Pension Credit replaces Minimum Income Guarantee. If you have received State Pension Credit, please phone the Helpline.)

You can also claim if you have been signing on for National Insurance Credits for 6 months. If you received Invalid Care Allowance, Bereavement Allowance or Widowed Parent’s Allowance before making a successful claim to one of the benefits listed above, the period during which you received any of these allowances will count towards this six-month period.

If you have returned to work but your partner was receiving one of the benefits listed above you can still qualify if a dependent supplement was paid as part of the benefit. If you have had short breaks between periods on benefit, you may still be eligible for the 50 plus element of Working Tax Credit.
If you meet the above conditions, you will get the basic element of Working Tax Credit and the 50 plus element. You may also get other elements of Working Tax Credit that apply to you, such as the couples element or disability element, but only if

- you are responsible for at least one child, or
- you are disabled, or
- you work 30 or more hours a week.

If you are 50 or over and returning to work before 6 April 2003 you may be eligible for the New Deal 50 plus Employment Credit. Contact your local New Deal adviser. Ignore box 4.4 on the form.

**Working as an employee**

Your employer will usually pay any Working Tax Credit due with your wages.

### 4.5 Your jobs

Enter the number of paid jobs you have. If you have one job, put ‘1’ in box 4.5.

### 4.6 Employer’s name

Enter your employer’s full name. For example, MAPLE AND SUGDEN LIMITED, not MAPLES.

If you have more than one employer, enter in boxes 4.6 to 4.10 details of the job where you work the most hours. If you work the same number of hours for two or more employers, choose one employer and enter their details in boxes 4.6 to 4.10.

### 4.7 Employer’s PAYE reference

Please make sure you give us the right reference, in full. It should have the same format as the reference shown here. You can find it on your Notice of Coding (P2) from us. Your employer’s PAYE reference will also be shown on your P60 End of year certificate, which your employer gives you after each tax year. It may also be on the payslips you get from your employer.

But if you have changed jobs since getting any of these items, make sure that you give us your current employer’s PAYE reference. Ask your employer if you are not sure.

### 4.8 Your payroll number

Not everyone has a payroll number, but if you do have one please enter it in full. Look on your payslips or P60 End of year certificate.
4.9 Pay Office address
Please enter the address of your pay office. This may not be the same as your workplace or head office.

We ask for postcode and building number first. This helps us check that we have the correct address. If there’s no building number, include the name of the building in the ‘rest of address’ box.

4.10 Employer’s phone number
Enter the number you would ring to make enquiries about your pay.

Working as a self-employed person or in partnership

4.11 Your tax reference
Enter the 10 digit tax reference number shown on page 1 of your tax return, for example, 12345 98765.

4.12 The date you started self-employment
If you only recently started working for yourself (or in partnership) you may not have told us yet or received a tax return. If you don’t know your tax reference, enter the date you started self-employment.
PART 5

INCOME DETAILS

The amount of tax credits you receive depends on your income. For couples it depends on your joint income.

Box numbers refer to boxes on the form

5.1 Social security benefits

If you receive or are claiming one of the following, put ‘X’ in a box in 5.1 and leave the rest of Part 5 blank:

- Income Support – (except when you are receiving Income Support as a run-on payment while working at least 16 hours a week – see ‘Important exception’ below).
- Income-based Jobseeker’s Allowance.
- Minimum Income Guarantee. (From October 2003, State Pension Credit replaces Minimum Income Guarantee. If you have received State Pension Credit, please phone the Helpline.)

You will already have given details of your income to Jobcentre Plus (Social Security Agency in Northern Ireland) as part of your claim for one of these benefits, so there is no need to fill in boxes 5.2–5.6.

If you (for couples, either one of you) are receiving one of those benefits you will automatically receive your maximum entitlement to tax credits when you make your tax credits claim.

Your Child Tax Credit will be counted as income for the purposes of your Income Support, Jobseeker’s Allowance or Minimum Income Guarantee claim. So you will not receive both the Child Tax Credit and the child allowance part of these benefits at the same time. Any Working Tax Credit you receive while claiming one of these benefits will also be counted as income for the purposes of that benefit.

Important exception

We will need to know your income if you are still receiving Income Support in the form of a run-on payment, because

- you have started work within the last two weeks, or
- you are going to start work within the next 7 days.

If this applies to you or your partner, please fill in the rest of Part 5.

What income to include in Part 5

On the form you will need to give details of your income for the tax year 2001–02. That is, from 6 April 2001 to 5 April 2002. The notes below explain what to put in each box on the form and will help you work out the amounts.

If you are a part of a couple your tax credit award is based on your joint income. That means you each need to supply details of your income individually for the year 2001–02. Even if you were not a couple in that year or were only together for part of that year we need details of both of your individual incomes for the whole year.

In general, the income details we ask you to enter in Part 5 are those that would be taken into account for tax purposes. But there are some differences from the income tax rules, so please read the following notes very carefully.
### Taxable social security benefits

Enter the total taxable social security benefits you, and your partner if you have one, received in 2001–02. The working sheet below shows the social security benefits to include. **Do not** include:

- Child Benefit, Working Families' Tax Credit, Disabled Person’s Tax Credit, Disability Living Allowance, Attendance Allowance, Housing benefit or Council Tax Benefit.
- state retirement pension; enter this in box 5.6 (see page 33).

Your social security office may have sent you a record of the taxable amount of benefit you were paid in 2001–02. Add on any extra amount you were paid in these benefits for your children. Contact your local social security office if you do not have details of the amount of benefits paid to you in 2001–02. For general questions on which benefits to include, phone the Helpline.

Enter below the relevant amount of each benefit you or your partner received. Then round down the total to the nearest pound. For example, if the total is £3,456.68 enter £3,456 in box 5.2.

#### BENEFITS – AMOUNT RECEIVED IN 2001–2002

<table>
<thead>
<tr>
<th>Benefit</th>
<th>You</th>
<th>Your partner</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Widowed Mother’s Allowance</strong></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td><em>Including</em> any child dependency increase.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Widowed Parent’s Allowance</strong></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td><em>Including</em> any child dependency increase.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Invalid Care Allowance</strong></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td><em>Including</em> any child dependency increase.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Contributions-Based Jobseeker’s Allowance</strong></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td><em>Excluding</em> any amounts of income-based Jobseeker’s Allowance or any child related element of Jobseeker’s Allowance.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>If you started work and gave your employer a P45U showing these details, do not include them here.</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td><strong>Industrial Death Benefit</strong></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td><em>Excluding</em> Industrial Injuries Disablement Benefit.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Incapacity Benefit</strong></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td><em>Including</em> any child dependency increase.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>Excluding</em> benefit paid in the first 28 weeks of incapacity and benefit paid for a period of incapacity that began before 13 April 1995 and for which Invalidity Benefit used to be payable. If any tax was deducted from your benefit, enter the amount due before tax was taken off.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>If you started work and gave your employer a P45U showing these details, do not include them here.</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td><strong>Widow’s Pension and Bereavement Allowance</strong></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td><em>Including</em> any earnings related additional pension.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong> to enter at box 5.2 (round down to the nearest pound).</td>
<td>£</td>
<td>£</td>
</tr>
</tbody>
</table>
5.3 Earnings as an employee

Use the working sheet on page 29 to work out your total earnings. If you need more help, phone the Helpline.

Step 1

Enter your total income from all your paid employments in the year 6 April 2001 to 5 April 2002. We need to know the amount before taking off Income Tax, National Insurance contributions or other deductions. The box below tells you where to find these details.

Include

- Statutory Sick Pay. This counts as income for tax credits purposes. (It will already be included in the pay figure on your P60 or P45.)
- any tips or gratuities you received.

Do not include

- any Working Families’ Tax Credit, Disabled Person’s Tax Credit or Employment Credit 50+ you received as part of your wages or separately. These credits are not taxed and do not count as income for tax credits purposes.
- any payments from your employer to reimburse you for expenses (including travelling expenses), which you met from your earnings and which arose wholly, exclusively and necessarily in the course of your work.

Where to find details of your pay from employments in the year 6 April 2001 to 5 April 2002 (2001–02)

All of your employers in 2001–02 should have given you a record of your taxable pay. This will be a P60, or a P45 if you left before 5 April 2002.

If you had only one job in the year 2001–02, copy the figure labelled ‘In this employment’ on your P60, or ‘Total pay in this employment’ on your P45.

If you had more than one job, add together the ‘in this employment’ figures from all your P60s and P45s.

If you don’t have a P60 or P45 for a particular job, check whether you have your final 2001–02 payslip. This may show your total pay for the year in that job. (If you were paid monthly in arrears, use the payslip for March 2002.)

If you don’t have a final payslip, you may be able to use another payslip if you were paid the same amount throughout 2001–02. Multiply the pay shown on your weekly/monthly payslip by the number of weeks or months you worked there in the year. But you cannot use this method if your earnings changed during 2001–02.

If you cannot work out your total pay by any of these methods, please phone the Helpline.
Step 2
If you made pension contributions direct to a Revenue-approved pension scheme, take off the amount you paid during the year 6 April 2001 to 5 April 2002.

If you paid into a Personal Pension Plan, you will have received tax relief by paying less than the contributions set out in the Pension Plan schedule. This includes Free-Standing Additional Voluntary Contributions (FSAVCs) and Stakeholder pensions. Enter in the working sheet the gross contributions, before tax relief was given.

Pension contributions are usually paid monthly. Add together the gross monthly contributions shown on your Pension Plan schedule. If you need help, phone the Helpline.

If you paid your pension contributions through your employer you don’t have to deduct anything. Your employer will already have deducted your pension contributions from the pay figure he entered on your P60 or P45, so you can ignore this step. This also applies to Additional Voluntary Contributions (AVCs).

Step 3
Deduct £100 from your income for each week you received Statutory Maternity Pay.

Statutory Maternity Pay is taxable income, but for tax credits purposes £100 a week is ignored.

If you were on maternity leave but your employer did not pay Statutory Maternity Pay, you may have claimed Maternity Allowance instead. Maternity Allowance is not income for the purposes of tax credit and should not be included anywhere on your tax credits claim form.

EARNINGS FROM EMPLOYMENT IN 2001–2002

<table>
<thead>
<tr>
<th>You</th>
<th>Your partner</th>
</tr>
</thead>
<tbody>
<tr>
<td>£</td>
<td>£</td>
</tr>
</tbody>
</table>

Step 1 For each employment, enter your gross pay before taking off Tax and National Insurance contributions. There is space for you and your partner to enter up to four jobs each.

Include
• any tips or gratuities you received, and
• any Statutory Sick Pay you received.

Step 2 Deduct any personal pension contributions you paid direct. Enter the gross figure before any tax relief.

Step 3 Deduct £100 for each week you received Statutory Maternity Pay.

Total Earnings (round down to the nearest pound)

Enter this total at box 5.3 Enter this total at box 5.3
5.4 Benefits in kind from your employer

You may have received benefits from your employer which were not paid out in wages but which were taxable. These are called benefits in kind. Your employer should have given you information about these by 6 July 2002, usually on a form P9D or P11D. You do not have to work out the amount of each individual benefit – your employer will tell you the taxable values.

If you have not received a form P9D or P11D for the year 6 April 2001 to 5 April 2002 and you think you should have, ask your employer or phone the Helpline.

For tax credits purposes we will take into account the value of the following benefits in kind:

- Any goods or assets your employer gave you that you could sell for cash. For example, gifts of food, drink, fuel, cigarettes, clothes etc. If you received any goods or assets from your employer, please tell us what the second-hand value would be if you sold them, or what they cost your employer if this is more. These amounts are shown on forms P11D (at section A) and P9D (section A(2), in the third box).

- Any payments made by your employer which you should have paid. For example if your employer paid your rent directly to your landlord or paid your income tax liability or your gas, telephone or electricity bills. Again, these amounts are shown on forms P11D (the first box numbered 1.12 in section B) and P9D (at section A(2), in the first, second and, if appropriate, fifth boxes).

- Cash and non-cash vouchers and credit tokens, such as company credit cards. (But there is no need to tell us about vouchers used to meet the cost of registered child care.) The value of these benefits is shown on forms P11D (at section C) and P9D (add together all the boxes in section B).

If you earn at a rate of £8,500 or more a year (including any benefits in kind), or you are a company director, the following benefits are also taxable and form part of your income for tax credits purposes:

- Allowances paid to you by your employer for using your own car for business or where your employer met any of the running costs such as petrol, repairs etc. The taxable amount is shown on form P11D at section E.

- Any company car or car fuel benefits provided by your employer. Add together boxes 1.16 and 1.17 in section F of the P11D.

If you have had benefits in kind from more than one employer, add the figures together to show the amounts received from all employments.
Enter in box 5.4 the total of these benefits for the year to 5 April 2002, rounded down to the nearest pound. For example, if your 2001–02 benefits in kind were £254.36, put £254 in box 5.4.

Income from self-employment

If you are self-employed (either on your own or in a partnership) and you have sent us your tax return for the year to 5 April 2002, your profit is the figure you entered in box 3.83 on the Self-employment Pages (or box 4.13 on the Partnership Pages) of your tax return. If you have more than one business add together the box 3.83 (or box 4.13) figures.

In box 5.5, enter your total profits,

minus
- the gross amount of any contributions you made to a personal pension scheme,
- any trading losses brought forward from a previous year.
- any amount you added on for averaging in box 3.81 (or 4.12), perhaps because you are a farmer or a market gardener with fluctuating profits. (Averaging is not allowed in tax credit claims.)

plus
- any amount you deducted for averaging in box 3.81 (or 4.12)

Please round down this total to the nearest pound before entering it in box 5.5. For example, if your profits were £8,345.65, enter £8,345 in box 5.5.

If your business receives rental income (or any other income from the ownership of property) include the profits here (not in box 5.6).

The deadline for sending us your tax return for the year ended 5 April 2002 is 31 January 2003. If you are self-employed and
haven’t received a tax return please let us know. If you contact us by 5 October 2002 and we don’t send you the return until after 31 October you will have 3 months from the date we sent it to you to return it – otherwise all tax returns must reach us by 31 January 2003.

If you are now self-employed but had no income from self-employment in 2001–02, leave box 5.5 blank. But please read carefully the information about changes in income on page 43 of these notes.

**Working out your profits if you haven’t sent us your return**

Your business profit is the difference between

• your turnover – all the money your business earned for work you’ve done or goods you’ve sold, and

• your allowable business expenses.

Business expenses are the costs to you of running your business – the cost of buying goods to sell, your business motoring costs, or the costs of making business phone calls. You cannot include private costs, for example the whole of your home phone bill.

Do you have a yearly date on which you make up your books? If so, that is your accounting date. The profit to enter in box 5.5 is your 12 months’ profit up to your accounting date in the year to 5 April 2002. Please round down this total to the nearest pound before entering it in box 5.5. For example, if your profits were £8,345.65, enter £8,345 in box 5.5.

If you’ve only just started working for yourself or need help working this out, call the **Self Assessment Helpline** on 0845 9000 444.

**Losses**

If your business made a loss (box 3.84 or 4.14 on your return) enter ‘0’ in box 5.5. If you have any other income that could be reduced by this loss, call the **Self Assessment Helpline** on 0845 9000 444.

**Other income**

In addition to social security benefits and earnings from your work, we also take into account any other income in the year 6 April 2001 to 5 April 2002, to the extent that it exceeded £300. If you have a partner, that’s one £300 limit between the two of you.

You can receive income from all sorts of places – the following notes describe a few of the most common but if you’re not sure whether you have to fill in box 5.6 phone the Helpline.

If you had income in 2001–02 which you earned jointly with another person but you are no longer part of a couple with that person (i.e. an ex-husband or ex-wife or an ex-partner) only include your share of that joint income. For example, only include half of any interest earned on a joint bank account held with an ex-partner.

If you are sure that all your (both of you added together in the case of a couple) ‘other income’ in the year 6 April 2001 to 5 April 2002 was £300 or less, leave box 5.6 blank.
Box 5.6 is for income that in total exceeds £300 so use the working sheet on page 34 to work out the figure to go on the form.

Do not include in box 5.6 the following:

- Maintenance received from a former partner.
- Working Families’ Tax Credit or Disabled Person’s Tax Credit.
- Student loans or grants to meet the cost of tuition fees. (But you should not deduct student loan repayments from your income.) If you receive a dependant’s grant, please phone the Helpline to find out whether it counts as income for tax credits purposes.
- War pensions.
- Income your children may have had.

If you are not sure what to include, please phone the Helpline.

Savings

Include interest from any bank or building society accounts. This is the interest before tax was taken off (the gross interest). Your cash book or statement will help you work out this figure. If you received any company dividends add the tax credit to the dividend. Ignore tax-free savings (for example ISAs, TESSAs, PEPs, Index Linked and Fixed Interest National Savings Certificates and National Savings Children’s Bonus Bonds).

Property income

Include income from property or land in the UK that you owned or leased out. If this was part of your business income (if you were self-employed) include it in box 5.5, not here. Ignore any income covered by the ‘Rent a Room’ scheme (briefly, if you let furnished accommodation in your own home for £4,250 or less a year).

Trust income

If you received income from a trust, settlement or a deceased person’s estate the trustees or administrators will have given you a certificate telling you what income was paid to you. Include the gross income (that is, the amount before any tax was taken off).

Foreign income

Include the full amount, in British pounds (not foreign currency). Include the gross income (that is, the amount before any foreign tax was taken off). You may deduct any banking charge or commission paid when converting foreign currency to British pounds. If you have any questions about foreign income or your residence status, please phone the Helpline.

State retirement pension

Enter any state retirement pension you received, excluding the Christmas Bonus and the Winter Fuel payment but including:

- the basic (or old age) pension,
- State earnings related pensions (SERPS),
- Graduated pension (graduated retirement benefit),
- any increase for a dependent child,
- any incapacity addition or addition for a dependent adult, and
- any increases paid by the Department for Work and Pensions or Department for Social Development to uprate a guaranteed minimum pension.
Other pensions

If you received a pension other than a State pension, include the full amount before any tax was taken off. Your pension provider should provide you with a P60 by the end of May each year or another certificate of pension paid and tax deducted. Also include annuity payments from a pension scheme.

If part of your pension was an extra amount paid because you were disabled by injury on duty, or by a work-related illness, compared to what would have been paid if you had retired at the same time on ordinary ill health grounds, exclude that extra amount.

Please round this figure to the nearest pound before entering it in box 5.6. For example, if your other income (after deducting £300) was £134.76, enter £134 in box 5.6.

<table>
<thead>
<tr>
<th>Type of income</th>
<th>You</th>
<th>Your partner</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest on savings and investments, and dividends</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Income from property</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Trusts, settlements and estates</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Foreign income</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>State pensions, occupational pensions and personal pensions</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Other income not already entered on the form.</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Total other income</td>
<td>£</td>
<td></td>
<td>£</td>
</tr>
<tr>
<td>Minus £300</td>
<td></td>
<td>(£300)</td>
<td></td>
</tr>
<tr>
<td>Total to be entered in box 5.6</td>
<td></td>
<td></td>
<td>£</td>
</tr>
</tbody>
</table>
PART 6  
PAYMENT DETAILS

We propose to make all direct payments of tax credits into bank or building society accounts. So to receive tax credits, you will need to provide details of an account. Please read the notes on page 36 if you don’t have one. Also see the leaflet, No bank account?, enclosed with the claim form and notes.

**Child Tax Credit**

Child Tax Credit is paid **direct** to the person who is mainly responsible for caring for the child or children. If you are a lone parent you will receive the payment.

**6.1 Payment frequency**

Choose if you want to receive your Child Tax Credit every week or every four weeks. Put ‘X’ in one box only.

**6.2 Main carer**

Only fill this in if you are claiming with your partner. Put ‘X’ in one box to show which one of you is mainly responsible for caring for the children.

Child Tax Credit is paid direct into a bank or building society account. Read the notes on page 36 if you don’t have an account.

**Working Tax Credit**

Working Tax Credit is paid to a person who is working 16 hours or more a week. Couples, if both of you are working 16 hours or more a week, must choose which one of you will receive it. You cannot receive Working Tax Credit if you are not working.

If you are employed, your employer will usually pay any Working Tax Credit with your pay. But until we can arrange this, we will pay you direct into a bank or building society account.

If you are self-employed, we will pay any Working Tax Credit direct into a bank or building society account.

**6.3 Working Tax Credit**

Choose whether you want to receive your Working Tax Credit every week or every four weeks. Put ‘X’ in one box only. If you are an employee, this choice will only apply when we cannot arrange payment through your employer.

**6.4 Who will receive payment?**

Only fill this in if you are claiming with your partner. Put ‘X’ in one box to show who is to get Working Tax Credit. That person must be working at least 16 hours a week.

**Child care element of Working Tax Credit**

If you receive the child care element of Working Tax Credit, this will **always** be paid direct to the person who is mainly responsible
for caring for the child or children, alongside payments of Child Tax Credit.

It will be paid weekly or 4-weekly, depending on how often you have chosen to receive payments of Child Tax Credit.

We will usually pay awards of £2 a week or less in a single lump sum to cover the whole year. We will make the payment direct into your bank or building society account as soon as we have processed your claim. We will not pay awards of £26 or less (that is, 50p a week for awards lasting the whole year).

Payments of £2 a week or less

You can use an existing account for your tax credits, or open a new one. Give details of the account(s) you want us to use in boxes 6.5 to 6.10.

If you do not have an account you will need to open one. Any bank or building society should be able to help you open the best type of account for you. If you have had problems opening an account, or if you are worried about going overdrawn, ask about a basic account. These are sometimes called introductory accounts or starter accounts. Independent advice on the types of account available and how to open one is given in the Financial Services Authority leaflet, No bank account?, enclosed with these notes.

From April 2003 the banks plan to allow you to withdraw money from a basic bank account at any post office.

If you can’t open any type of bank or building society account, or you want to use the new account that the Post Office plans to introduce for benefits and tax credits, please contact the Helpline.

**Payments of £2 a week or less**

**Bank or building society accounts**

<table>
<thead>
<tr>
<th>Helplines</th>
<th>8am–8pm (except Christmas Day, Boxing Day, New Year’s Day and Easter Sunday)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Great Britain</td>
<td>Phone 0845 300 3900, Textphone 0845 300 3909</td>
</tr>
<tr>
<td>Northern Ireland</td>
<td>Phone 0845 603 2000, Textphone 0845 607 6078</td>
</tr>
</tbody>
</table>
You (for couples, each of you) must sign and date a declaration on page 12 of the form. If you do not, it will delay your claim.

You are responsible for all the information you provide on the form. Couples share responsibility for it. The information you give will be used to decide how much you receive in tax credit. You (for couples, both of you) may be liable to repay any tax credit overpaid due to the wrong information being provided on the form.

### Appointees

If you have been appointed to act for a person to whom this claim refers because that person is unable to control their own affairs or has a disability, please sign and date the Appointee Declaration on page 12 of the form.

In the first box, please say why that person cannot fill in the form personally. And if you have been appointed to act for the claimant(s) (by us, the Department for Work and Pensions, the Department for Social Development or a court of law), please also give the date you were appointed and say who appointed you.

If you are applying for the first time to be appointed to act on the claimant(s)' behalf you still must sign the declaration on page 12 and say why the person is unable to complete the form. We will then decide whether to appoint you to act on that person’s behalf.

We may need to contact you for more information and we may want to visit you at a suitable time.

**You are not someone’s appointee** if you are simply helping them to fill in the form and they can understand what you are doing, for example, you help someone in a Citizen’s Advice Bureau or help a friend to fill in the form. If the claimant understands the Declaration and is able to sign it, they should do so.
More about disability and work

You can get a disability element of Working Tax Credit if

- you work for 16 hours or more a week (see pages 21–23), and
- you have a disability which puts you at a disadvantage in getting a job, and
- you are, or have recently been, receiving one of certain qualifying benefits, or you recently became sick or disabled whilst in work and are eligible to use the Fast-Track route to a disability element.

‘Disadvantage’ test

To meet this test you must meet one of the following criteria. We may ask you to nominate a professional involved in your care who can confirm how your disability affects you – for example, an occupational therapist, community or district nurse, or doctor.

1. When standing you cannot keep your balance unless you continually hold onto something.
2. Using any crutches, walking frame, walking stick, prosthesis or similar walking aid which you habitually use, you cannot walk a continuous distance of 100 metres along level ground without stopping or without suffering severe pain.
3. You can use neither of your hands behind your back as in the process of putting on a jacket or of tucking a shirt into trousers.
4. You can extend neither of your arms in front of you so as to shake hands with another person without difficulty.
5. You can put neither of your hands up to your head without difficulty so as to put on a hat.
6. Due to lack of manual dexterity you cannot, with one hand, pick up a coin which is not more than 2.5 centimetres in diameter.
7. You are not able to use your hands or arms to pick up a full jug of 1 litre capacity and pour from it into a cup, without difficulty.
8. You can turn neither of your hands sideways through 180 degrees.
9. You –
   (a) are registered as blind or registered as partially sighted in a register compiled by a local authority, or
   (b) have been certified, in Scotland, as blind or as partially sighted and, in consequence, registered as blind or partially sighted in a register maintained by or on behalf of a regional or island council, or
   (c) have been certified as blind and, in consequence, are registered as blind in a register maintained by or on behalf of a Health and Social Services Board in Northern Ireland.
10. You cannot see to read 16 point print at a distance greater than 20 centimetres, if appropriate, wearing the glasses you normally use.
11. You cannot hear a telephone ring when you are in the same room as the telephone, if appropriate, using a hearing aid you normally use.
12. In a quiet room you have difficulty in hearing what someone talking in a loud voice at a distance of 2 metres says, if appropriate, using a hearing aid you normally use.
13. People who know you well have difficulty in understanding what you say.
14. When a person you know well speaks to you, you have difficulty in understanding what that person says.

15. At least once a year during waking hours you are in a coma or have a fit in which you lose consciousness.

16. You have a mental illness for which you receive regular treatment under the supervision of a medically qualified person.

17. Due to mental disability you are often confused or forgetful.

18. You cannot do the simplest addition and subtraction.

19. Due to mental disability you strike people or damage property or are unable to form normal social relationships.

20. You cannot normally sustain an 8 hour working day or a 5 day working week due to a medical condition or intermittent or continuous severe pain.

21. As a result of an illness or accident you are undergoing a period of habilitation or rehabilitation. This cannot apply to you if you have been getting Disabled Person’s Tax Credit or a disability element of Working Tax Credit in the past two years.

To meet this test you must be able to answer ‘yes’ to one of the following questions. Please note that we may ask for evidence.

Are you currently receiving Disabled Person’s Tax Credit?

In the last 8 weeks leading up to your claim for tax credits, have either of the following ended?
• an award of Disabled Person’s Tax Credit
• an award of Working Tax Credit, including the disability element.

Are you currently receiving any of the following?
• Disability Living Allowance
• Attendance Allowance
• Industrial Injuries Disablement Benefit with Constant Attendance Allowance for you
• War Disablement Pension with Constant Attendance Allowance or Mobility Supplement for you, or
• Have you been provided with a vehicle under the Invalid Vehicle Scheme?

Have you received any of the following in the last six months?
• Incapacity Benefit at the short-term higher rate or long-term rate
• income-based Jobseeker’s Allowance, with a Disability Premium or Higher Pensioner Premium for you
• Income Support with a Disability Premium or Higher Pensioner Premium for you
• Severe Disablement Allowance
• Council Tax Benefit with a Disability Premium or Higher Pension Premium for you
• Housing Benefit with a Disability Premium or Higher Pension Premium for you

‘Qualifying benefits’ test
Have you started training for work within 8 weeks of receiving any of the following?

- Short-term Incapacity Benefit paid at the higher rate
- Long-term Incapacity Benefit
- Severe Disablement Allowance

And when training stopped, did you start work and claim Disabled Person’s Tax Credit within a further 8 week period?

Training means government-run courses such as Youth Training and Work Preparation or a course that you attended for more than 16 hours a week to learn an occupational or vocational skill.

The Fast-Track allows people who become sick or disabled whilst in work to claim the disability element of Working Tax Credit.

To qualify under the Fast-Track procedure, you must be able to answer ‘yes’ to all of the following questions. Please note that we may ask for evidence of your disability from your doctor.

1. Have you recently become sick or disabled?
2. Have you been getting one or more of the benefits shown in the box alongside
   - for 20 weeks or more (this need not be a single continuous period – add together any periods when you received the benefits or credits that are separated by 8 weeks or less),
   - with the last day of receipt being no more than 8 weeks before you claim Working Tax Credit?
3. Is the disability which puts you at a disadvantage in getting a job likely to last for at least another 6 months, or the rest of your life?
4. Are your gross earnings (that is, before tax and National Insurance contributions are taken off) at least 20% less than they were before you had the disability?
5. Have your earnings reduced by at least £15.00 a week?
Further information

Sending in your claim form

**Very important:** Please use the return envelope provided, and do not fold the form.

Send back the form only, unless you have more than 3 children or use more child care providers than there’s space for. In that case, give the extra details on a separate sheet of paper (pages 45 and 46 of these notes). Put your name and National Insurance number at the top (and your partner’s if you have one). Send the extra sheets in the same envelope, but do not attach them to the form.

Send the form to:

Inland Revenue Tax Credits
Comben House
Farriers Way
Netherton
L69 1BY

What will happen next

We will send you an award notice which tells you how much tax credit you will receive and when payment will start.

Keep the award notice in a safe place.

Other help you may get

You may be entitled to certain benefits such as free prescriptions and free school meals if your income is below a certain level.

We do not administer these benefits. For information about them you will need to contact the organisation that provides the benefit. You may need to use your tax credits award notice as proof of your income for these benefits.

If you receive Housing Benefit or Council Tax Benefit, your tax credits award may reduce or eliminate the amount of your Housing/Council Tax benefit. As soon as you get your award notice you should contact your Housing/Council Tax Benefit office so that they can reassess your award.

The Data Protection Act

The Inland Revenue is a Data Controller under the Data Protection Act. We hold information for the purposes specified in our notification to the Data Protection Commissioner, and may use this information for any of them.

We may get information about you from others, or we may give information to them. If we do, it will only be as the law permits to

- check the accuracy of information,
- prevent or detect crime, or
- protect public funds.

We may check information we receive about you with what is already in our records. This can include information provided by you, as well as others such as other government departments and agencies and overseas tax authorities. We will not give information about you to anyone outside the Inland Revenue unless the law permits us to do so.
If your circumstances change

The tax credits you receive depend on your family circumstances and income. If these change, your entitlement to tax credits may change and you may receive a different amount of tax credit. Please tell us if your family circumstances or income change and it affects the information you gave us on the claim form. Your award notice says more about what to tell us if your income or circumstances change.

Changes you must tell us about

There are some changes that you must tell us about – you may be liable to a penalty if you don’t tell us within 3 months. Tell us by phoning the Helpline.

You must tell us if

• you claim tax credits as a single person, and then you marry or start to live with someone as if you were married.
• you claim tax credits as a couple, but you stop living together or separate from your partner.
• you have claimed the child care element of Working Tax Credit, and your average weekly child care costs go down to zero or go down by £10 a week or more and this change lasts for at least 4 weeks.

If you don’t tell us about a change that affects the tax credit due to you, you may not receive all the money you should, or you may get too much and have to repay some of it. Any increase in your tax credits can only be backdated for up to 3 months, but any reduction in your tax credits will be backdated to the date when your circumstances changed, so it is better to tell us about changes as soon as possible.

To make sure you get the correct tax credits (and don’t receive more than you should, and so have to pay some back), tell us about the following changes.

Changes in the number of children you are responsible for.

For example,

• when a baby is born.
• one of your children leaves the family and moves to live with someone else. This includes children who have been taken into care or fostered to another family, or who have been found guilty by a court and sentenced to custody or detention for a period of 4 months or more.
• a child or young person joins your family.

You don’t need to tell us when a child reaches 16 or a young person reaches 19 so long as you have put their date of birth on your form.

If a child starts or stops full time education.

• A child you are responsible for stays in full time education beyond 1 September following their 16th birthday.
• A young person leaves full time education before they reach 19 or stops full time education but registers with the Careers Service, Connexions Service, or equivalent (see page 13).
Changes in child care

- You start paying an approved child care provider for child care so you will now be able to claim help with the costs of this child care through Working Tax Credit.
- You are already getting help with the costs of child care through Working Tax Credit and your average weekly costs rise by £10 a week or more, for at least 4 weeks in a row.

Changes in your employment

- You change your employer. If you are getting Working Tax Credit, your entitlement to Working Tax Credit won’t stop if the gap between your paid employments is no more than 7 days.
- You change the number of hours you usually work.
  Your working hours fall into one of three bands:
  a) under 16 hours a week
  b) 16 to 29 hours a week
  c) 30 or more hours a week.
  If your hours change and you move into a different band, tell us. Couples with children should also tell us when their combined working hours move above or below 30 hours a week.
- You stop work.

Changes in your income

Your tax credits award is based on your annual income (for couples, this is your joint income). Initially your claim will be based on your annual income for the year to 5 April 2002. But the amount of tax credit you are entitled to can change if your income in the year to 5 April 2004 is different from your income in the year to 5 April 2002.

After you have received your award notice, you should tell us about any of the following changes in your income.
- If you expect your income for the year to 5 April 2004 to be less than your income for the year to 5 April 2002, you may get extra tax credit.
- If you expect your income for the year to 5 April 2004 to be more than £2,500 higher than your income for the year to 5 April 2002, you may get less tax credit. Tell us as soon as possible – if you don’t tell us, you may have to pay back any overpayment after 5 April 2004.

If you expect your income for the year to 5 April 2004 to be no more than £2,500 above your income for the year to 5 April 2002, there’s no need to tell us. It will make no difference to the amount of tax credit you will get.

Other changes you should tell us about

- You, your partner, or a child or young person you are responsible for, becomes or stops being disabled or severely disabled.
- Your partner or one of your children dies.
- Changes of address and bank account details.
Give details of up to 3 children on the claim form. If you have more than 3, please give details here.

When you have filled this page in, cut it out and send it with the claim form in the envelope provided. Please do not staple or pin it to the claim form. If you have more than 5 children, please photocopy this form before filling it in.

---

**Your National Insurance number**

---

**Your surname**

---

**Your partner’s National Insurance number**

---

**Your partner’s surname (if different)**

---

**ADDITIONAL CHILD**

**Surname**

---

**First name(s)**

---

**Date of birth**

---

**Put ‘X’ in the appropriate boxes if,**

- you pay an approved child care provider to care for this child while you are working. See Notes, page 16
- Disability Living Allowance (Lowest or Middle Care Component) is paid for this child. See Notes page 14
- Disability Living Allowance (Highest Care Component) is paid for this child. See Notes, page 14
- this child is registered blind (or has been taken off the blind register in the last 28 weeks). See Notes, page 14

**CHILDREN AGED BETWEEN 16 AND 19**

**If this child is in full time education, put ‘X’ in the box. See Notes, page 13**

**If this child is registered with your local Careers Service or Connexions Service, please enter the date that the child left full time education. See Notes, page 13**

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**If you, or your partner, became responsible for this child on a date other than their date of birth, enter the date you became responsible. See Notes, page 14**

**If this child is registered blind (or has been taken off the blind register in the last 28 weeks). See Notes, page 14**

---
Give details of up to 2 child care providers on the claim form. If you use more than 2, give details here.

Fill this page in, cut it out and send it with the claim form in the envelope provided. Please do not staple or pin it to the claim form. If you use more than 4 child care providers, please photocopy this form before filling it in.

<table>
<thead>
<tr>
<th>Name of child care provider</th>
<th>Provider’s registration number, if they have one</th>
</tr>
</thead>
<tbody>
<tr>
<td>Their address</td>
<td>How many of the children named in this claim are cared for by this provider?</td>
</tr>
<tr>
<td>Postcode</td>
<td>Children</td>
</tr>
<tr>
<td>House or building number</td>
<td></td>
</tr>
<tr>
<td>Rest of address, including house or building name</td>
<td>What is the average weekly cost of this child care provider? You must use the working sheet in the Notes, page 19, to work out your child care costs before you fill in this box</td>
</tr>
<tr>
<td>Their phone number – in full</td>
<td>£ 0 0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name of child care provider</th>
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