



# **Views on eligibility for tax credits and Child Benefit and any stigma associated with claiming these**

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# Executive Summary

A telephone survey of tax credit and Child Benefit customers was conducted in summer 2010. This research looked at the views of those who received tax credits and Child Benefit and asked them to consider how income limits should be set for entitlement for the benefits they received. Also included are views on the stigma attached to claiming tax credits and other benefits.

**Who should receive help with tax credits and Child Benefit?** Tax credit recipients were asked what the maximum household income should be up to which families with children should get tax credits. About half (52 per cent) would cap tax credits at household income levels of up to £30,000, rising to around three-quarters (75 per cent) when the cap was extended to incomes up to £40,000.

Six in ten of those earning *over* £40,000 would set the limit at *over* £40,000, and were much more likely than those with a household income of under £20,800 to say this. There was strong disagreement with the statement “giving me tax credits is a waste of taxpayers’ money” (84 per cent disagreed) but this figure dropped to 67 per cent for those with a household income of £40,000 or more.

Child Benefit recipients were asked what should be the maximum household income up to which families with children should get Child Benefit. Four in ten (39 per cent) would cap Child Benefit at household income levels of up to £30,000. This increased to six in ten (58 per cent) when the cap was extended to incomes up to £40,000.

Those earning *over* £40,000, six in ten (61 per cent) would set the limit for Child Benefit at *over* £40,000, compared to two in ten (20 per cent) of those households earning under £20,800. Half of recipients (54 per cent) agreed with the principle of Child Benefit for everyone regardless of income while a third (33 per cent) disagreed with Child Benefit for all.

**How do views of who should receive financial support differ between Child Benefit and tax credits?** There was greater support for Child Benefit being given to those on higher household incomes than for tax credits. For example (without being prompted with income bands) 12 per cent of customers thought that the upper household income limit for receiving Child Benefit should be above £60,000 compared with two per cent who selected this limit for tax credits. When asked to select an income cap (and respondents were again not prompted with income bands) about half chose a level below or up to £40,000 for tax credits and Child Benefit.

**What is the stigma attached to claiming tax credits?** Twenty-five per cent thought there was stigma associated with claiming tax credits, compared with 66 per cent who thought this about social security benefits. This may be linked to how tax credits are perceived. Seventy-seven per cent agreed that tax credits were different to other benefits as they rewarded those that work.

## Conclusions

The majority of tax credit and Child Benefit customers were able to set an income limit for eligibility. Over half of recipients would set limits for receiving tax credits or Child Benefit at household incomes of up to £30,000 and £40,000 respectively. Recipients showed strong support for tax credits or Child Benefit being given to the income band which they were in. There was however greater support for Child Benefit being given to those on higher household incomes than for tax credits.

# 1. Introduction

Working Tax Credits (WTC) and Child Tax Credits (CTC) were introduced in 2004 with the aims of reducing child poverty, providing a financial incentive to work and increasing financial support to families. Child Benefit was introduced in 1977 and also tackles child poverty and provides support to families.

The income levels at which tax credits are received is reviewed each year by the Government. Child Benefit has been available to any family with a child under the age of 16 or under the age of 20 depending on the child's circumstances, but from January 2013 families with a higher rate taxpayer will no longer be eligible.

The aim of this report is to explore customers' views about how levels of income should affect eligibility for tax credits and Child Benefit. The following key areas are addressed:

- What income limit should be put on eligibility for tax credits?
- What income limit should be put on eligibility for Child Benefit?
- How do views of who should get financial support differ between Child Benefit and tax credits?
- What is the stigma attached to claiming tax credits and how does this differ from other benefits?

This report is based on analysis of survey data collected as part of the Panel Study of Tax Credits and Child Benefit Customers. The study was conducted by the National Centre for Social Research on behalf of HMRC. The first wave of the Panel Study was conducted in 2008 and involved face to face interviews with 3,706 current and previous tax credits recipients. 1,200 persons who responded to the face-to-face study were interviewed again via telephone in 2009.

Questions presented in this report were asked in the 2010 telephone survey of tax credit and child benefit customers conducted in August/September 2010<sup>1</sup>. Results shown in this report are based on a sub-sample of around 800 respondents selected from the larger sample of respondents on the Panel Study of Tax Credits and Child Benefit Customers<sup>2</sup>.

Please see the technical report for details of these waves of data collection<sup>3</sup>.

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<sup>1</sup> All findings in this report refer to tax credit recipients who were in receipt of tax credits between 2007/2008 and 2009/2010

<sup>2</sup> Unless stated otherwise, all the differences cited in the text are statistically significant at the 95% level; this means that these differences are unlikely to have occurred by chance.

<sup>3</sup> Please refer to the technical reports of the 2009 Panel Study of Tax Credits and Child Benefit Customers and 2010 Telephone Study of Tax Credits and Child Benefit Customers for the full details (see <http://www.natcen.ac.uk/study/tax-credit--child-benefit-study>)

## 2. What income limit should be put on eligibility for tax credits?

### 2.1 Household income limits for tax credits

All tax credits claimants interviewed were asked what was the maximum household income up to which they thought *families with children should get tax credits*. The amount of support an eligible family can receive in tax credits depends on their income and which tax credit elements they are eligible for. At the time of asking these survey questions the second income threshold at which entitlement to CTC was reduced was £50,000<sup>4</sup>. As discussed later, answers to these questions may have been constrained by this knowledge (as the current situation may have provided a guide to what limits should be).

Looking at unprompted responses only (where respondents were not prompted by suggested income groups) three in ten (27 per cent) did not know what income limit should be specified. Fewer than one in ten thought that tax credits should extend to those with incomes over £50,000. Summing responses as shown in Table 2.1, the cumulative percentage column shows that three in ten (35 per cent) would cap tax credits at household income levels of £30,000 or lower, adding 18 per cent who would set it at up to a £40,000 threshold and 13 per cent who would set the limit at up to £50,000, means that two-thirds (66 per cent) supported tax credits at a cap not exceeding £50,000.

**Table 2.1: Up to what annual household income do you think families with children ought to get money through tax credits if it were up to you to set a maximum?**

Proposed annual household income limit for receipt of tax credits	%	Cumulative Percent of those who gave level
up to £20,000	13	13
up to £30,000	23	35
up to £40,000	18	53
up to £50,000	13	66
up to £60,000	5	72
over £60,000	2	73
Don't know	27	100
Total	100	
Base	618	

Base: All TC claimants – *unprompted responses*

Respondents who answered “don’t know” when asked to specify a household income cap for tax credits were then prompted with a set of income bands. Responses from the prompted and unprompted questions have been merged together in Table 2.2.

<sup>4</sup> At the time these questions were asked in 2010, tax credit entitlement meant that once the WTC and child element had tapered out, there was a plateau (termed 'family element only'). The family element of the CTC did not begin to be tapered until annual household income exceeded £50,000, over which entitlement to tax credits was reduced by 6.67 per cent of income above that threshold.

We now find that half (52 per cent) would cap tax credits at household income levels of up to £30,000, and when including the 23 per cent who would set the limit at up to £40,000, the total who would set a cap not exceeding £40,000 was almost eight in ten (75 per cent) of respondents.<sup>5</sup>

**Table 2.2: Up to what annual household income do you think families with children ought to get money through tax credits if it were up to you to set a maximum?**

Proposed annual household income limit for receipt of tax credits	%	Cumulative Percent of those who gave level
up to £20,000	22	22
up to £30,000	31	52
up to £40,000	23	75
over £40,000*	22	97
Don't know	4	100
Total**	100	
Base	613	

Base: All TC claimants (as table 2.3 where the respondent provided their income) – *unprompted and prompted with banded income groups*

\* Respondents were not prompted with income categories above £40,000 so this combined table with prompted responses cannot show higher income breakdown

\*\*Categories do not sum to 100% due to rounding

Looking at these combined responses by household income of respondent (Table 2.3) people showed strong support for tax credits being extended to their own income band. For example, 57 per cent of those earning over £40,000 said that tax credits should extend to people earning over £40,000, while only 11 per cent of those earning less than £20,800 said this.

<sup>5</sup> If prompted respondents (the 27% who said 'don't know' when first asked to set a limit) had been given income bands above £40,000 rather than one universal category of 'over £40,000' this may have encouraged some respondents to set a limit at above £40,000, reducing the proportion responding 'up to £40,000'.

**Table 2.3: Limit of household income up to which respondents thought families with children ought to get money through tax credits by household income**

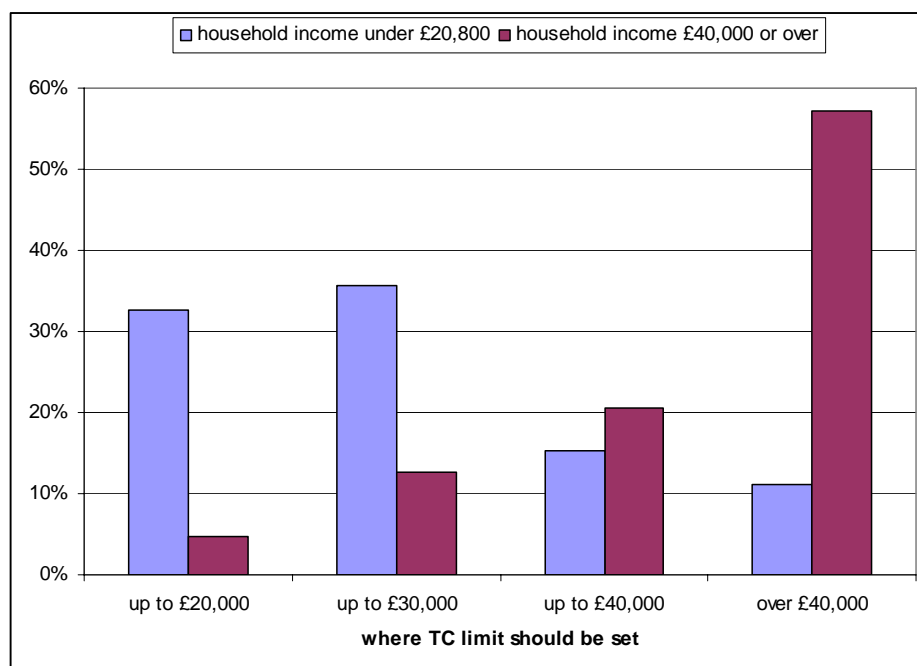
Proposed annual household income limit for receipt of TC	Household income of respondent (actual)				Total
	under £20,800	between £20,800 and £31,199	between £31,200 and £39,999	£40,000 or over	
	%				
up to £20,000	33	9	0	5	22
up to £30,000	36	31	16	13	31
up to £40,000	15	39	30	21	23
over £40,000	11	21	50	57	22
Don't know	5	0	4	5	4
Total	100	100	100	100	100
Base	358	136	56	63	613

Base: All TC claimants - *unprompted and prompted with banded income groups*

Respondents were not prompted with income categories above £40,000 so this combined table with prompted responses cannot show higher income breakdown

The next chart illustrates how answers differ by household income of respondents. Of households earning under £20,800, 33 per cent supported tax credits being capped at this level, compared with only 5 per cent of households earning over £40,000 who would cap tax credits to this level.

**Chart 2.1: Limit of household income up to which respondents thought families with children ought to get money through tax credits by household income of under £20,800 and £40,000 or over**



Base: All TC claimants - *unprompted and prompted responses*

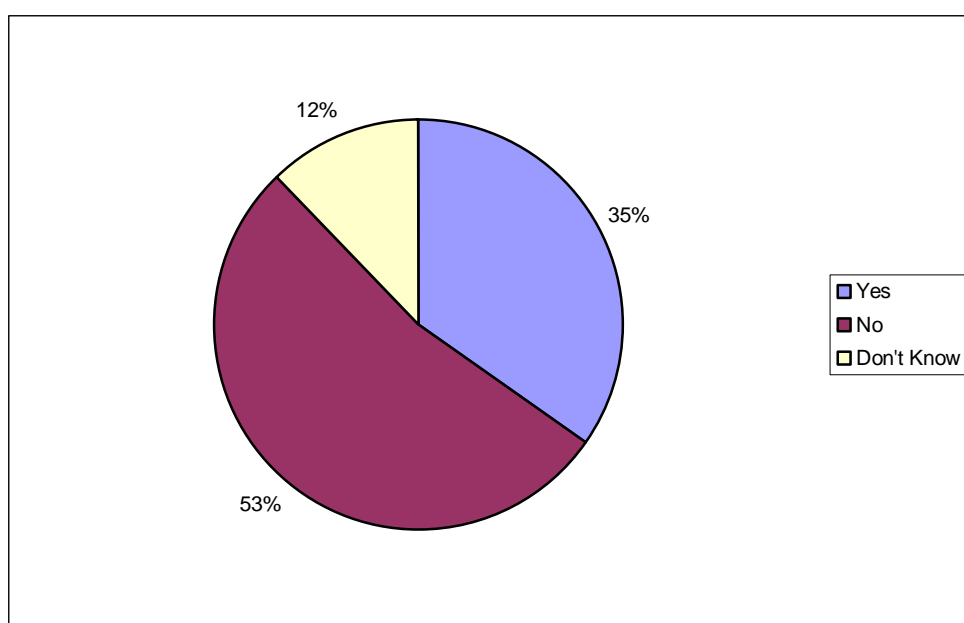


## 2.2 Should the eligibility requirement to work 16 hours a week be reduced?

At the time the survey took place in 2010, qualification for tax credits (in terms of hours worked) required those who were single or in a couple to have one person work 30 hours or more a week. Single people could qualify if they worked at least 16 hours a week as could those in a couple where one person worked at least 16 hours a week and that person had a disability.

All respondents currently working any number of hours and claiming tax credits were asked *if tax credits should be paid to people without children working less than 16 hours a week* (Chart 2.2). There was low support for extending tax credits to those working less than 16 hours a week. Thirty-five per cent said it should be paid to those working less than 16 hours a week. Half (53 per cent) said tax credits should not be paid to these people and another 12 per cent did not know.

**Chart 2.2: Do you think tax credits should be paid to people without children who work between 1 and 15 hours a week?**



Base: All TC claimants in work

## 2.3 Views of government spending on tax credits

In considering perceptions of tax credits, customers were asked if they agreed or disagreed with the statement *“giving me tax credits is a waste of taxpayers’ money”*. Eight per cent of tax credits claimants agreed with the statement but 84 per cent disagreed with the statement (as shown in Table 2.3).

Respondents on lower incomes were more likely to disagree that giving them tax credits was a waste of money (86 per cent of those earning under £20,800 and 90 per cent of those earning £20,800- £31,199 disagreed). Even among the higher earners on incomes over £40,000, two-thirds (67 per cent) also said that giving them tax credits was not a waste of money (Table 2.3).

**Table 2.3: “Giving me tax credits is a waste of taxpayers’ money”, by household income**

	Household income				Total
	under £20,800	between £20,800 and £31,199	between £31,200 and £39,999	£40,000 or over	
	%				
Agree	8	4	9	14	8
Neither agree nor disagree	6	5	14	19	8
Disagree	86	90	77	67	84
Total	100	100	100	100	100
Base	356	136	56	63	611

Base: All TC claimants

All tax credit recipients interviewed were asked to make a judgement about whether they deserved tax credits as much as those on lower income than themselves (Table 2.5), which further indicates their views of the current tax credits eligibility criteria.

Overall, 73 per cent agreed with the statement that “*I deserve tax credits just like those on lower incomes than me*” and 9 per cent disagreed. Those earning over £40,000 were less likely to say this than those on lower incomes, just over half (56%) agreed that they deserved tax credits just like those on lower incomes.

**Table 2.5: “I deserve tax credits just like those on lower incomes than me”, by household income**

	Household income				Total
	under £20,800	between £20,800 and £31,199	between £31,200 and £39,999	£40,000 or over	
	%				
Agree	73	79	84	56	73
Neither agree nor disagree	18	14	11	31	18
Disagree	9	7	5	13	9
Total	100	100	100	100	100
Base	354	135	56	62	607

Base: All TC claimants

## 3. What income limit should be put on eligibility for Child Benefit?

### 3.1 Household income limits for Child Benefit

All Child Benefit claimants interviewed were asked the maximum household income up to which they thought *families with children should get Child Benefit*. Looking at unprompted responses only (where respondents were not prompted with income categories) when asked up to *what household income families with children should get Child Benefit*, two in ten (20 per cent) did not know what limit to specify (Table 3.1). This suggested that customers were more able to offer an opinion on this than for tax credits where three in ten (27 per cent) did not give an unprompted opinion (Table 2.1).

Seventeen per cent thought that Child Benefit should be extended to those with incomes over £50,000. Summing responses to create a cumulative percentage shows that a third (33 per cent) would cap Child Benefit at household income levels of £30,000 or lower. When the 15 per cent who set the cap at up to £40,000 are included the total who would set a cap at a level up to £40,000 was 48 per cent, and a total of six in ten (63 per cent) supported Child Benefit at a cap not exceeding an income of £50,000 (Table 3.1)

**Table 3.1: Limit of household income up to which families with children should get Child Benefit**

Proposed annual household income for receipt of child benefit	%	Cumulative Percent of those who gave a level
up to £20,000	15	15
up to £30,000	18	33
up to £40,000	15	48
up to £50,000	15	63
up to £60,000	5	68
over £60,000	12	80
Don't know	20	100
Total	100	
Base	731	

Base: All CB claimants - *unprompted*

These figures are very similar to the percentages who supported these limits for tax credits. It is at the top levels of income that a difference is found between these two levels of financial support, with greater support for giving Child Benefit to those with higher levels of income than tax credits – this may reflect the universal nature of this benefit at the time the question was asked. Twelve per cent set the limit at over £60,000, compared to two per cent who set the limit for receiving tax credits at this level.

Those who answered “don't know” when asked to specify an income level cap for Child Benefit were then prompted with income bands, as in the previous question on

tax credits. Responses from prompted and unprompted responses were merged together in the table below (Table 3.2). Summing responses to create a cumulative percentage shows that there is less support for limiting Child Benefit to lower incomes than for tax credits. Thirty-nine per cent would cap Child Benefit at household income levels of £30,000 or lower compared with 53 per cent for tax credits. Six in ten would cap it at £40,000 or lower (58 per cent) compared with around three quarters (76 per cent) who gave this view for tax credits. There was more support for Child Benefit being provided to the higher income bands, 37 per cent said those household earning over £40,000 should receive Child Benefit compared to 22 per cent for tax credits.

**Table 3.2: Limit of household income up to which respondents thought families with children should get Child Benefit**

Proposed annual household income for receipt of child benefit	%	Cumulative Percent of those who gave a level
up to £20,000	18	18
up to £30,000	21	39
up to £40,000	19	58
Over £40,000	37	95
don't know	5	100
Total	100	
Base	718	

Base: All CB claimants (as table 3.3 where the respondent provided their income) - *unprompted and prompted with banded income groups*

\* Respondents were not prompted with income categories above £40,000 so this combined table with prompted responses cannot show higher income breakdown

As was shown for tax credits, responses by household income of respondent revealed that people showed strong support for Child Benefit being given to their own income band, or those on higher incomes. For example, 61 per cent of those earning over £40,000 said that Child Benefit should extend to people earning over £40,000, while only 20 per cent of those earning less than £20,800 said this (see Chart 3.1 below) with more detail in Table 3.3

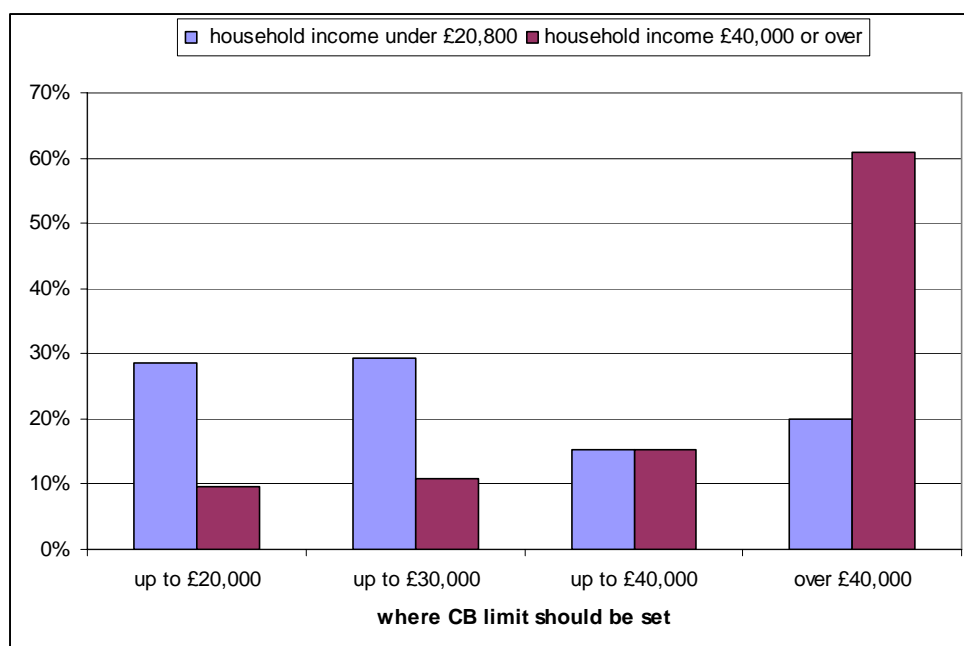
**Table 3.3: Limit of household income up to which respondents thought families with children should get Child Benefit by household income**

Proposed annual household income limit for receipt of CB	Household income of respondent (actual)				Total
	under £20,800	between £20,800 and £31,199	between £31,200 and £39,999	£40,000 or over	
	%				
up to £20,000	29	11	3	9	18
up to £30,000	29	22	4	11	21
up to £40,000	15	28	22	15	19
over £40,000*	20	38	66	61	37
don't know	7	1	4	4	5
Total	100	100	100	100	100
Base	340	153	67	158	718

Base: All CB claimants - *unprompted and prompted with banded income groups*

\*Respondents were not prompted with income categories above £40,000 so this combined table with prompted responses cannot show higher income breakdown

**Chart 3.1: Limit of household income up to which respondents thought families with children ought to get money through Child Benefit, by household income under £20,800 and £40,000 or over**



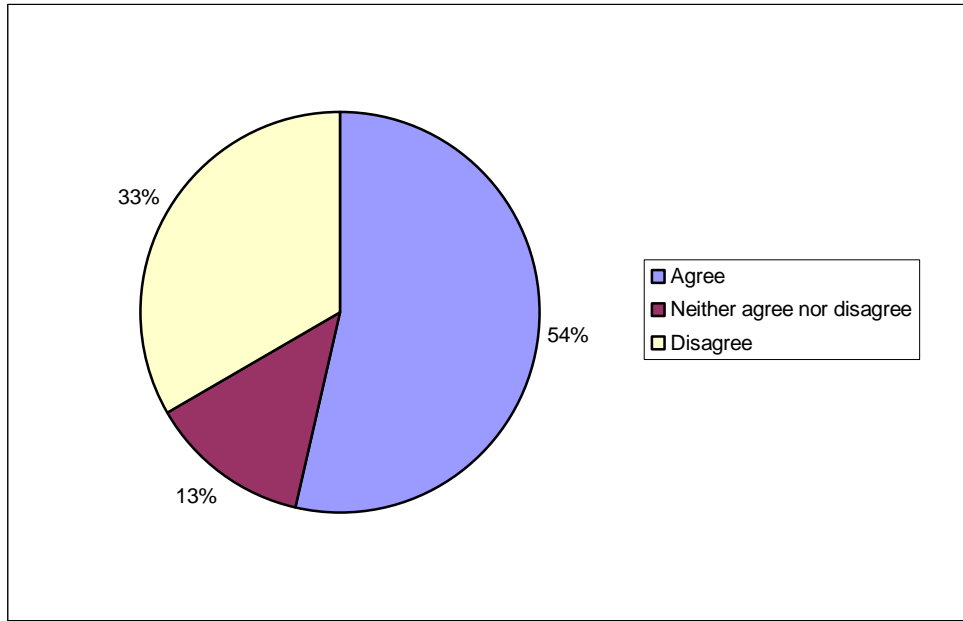
Base: All CB claimants - *unprompted and prompted*

### 3.2 Should Child Benefit be given to everyone with a child under 16 regardless of their income?

All those claiming Child Benefit were asked for their views on the fairness of providing Child Benefit to everyone with children aged under 16. When asked whether they agreed or disagreed with the statement “it is fair that everyone with a child under 16 gets Child Benefit regardless of their household income”, half (54 per

cent) agreed that it is fair while a third (33 per cent) disagreed. Here respondents were being asked to comment on the current situation – respondents can be more inclined to agree with the current situation than disagree which may therefore increase the proportion agreeing at the time the question was asked.

**Chart 3.2: “It is fair that everyone with a child under 16 gets Child Benefit regardless of their household income?”**



Base: All CB claimants

Agreement with the statement was looked at by household income of the respondent. Those with a household income of over £40,000 were less likely to agree that “*it is fair that everyone with a child under 16 gets child benefit regardless of their household income*” than those with an income of less than £20,800 (46 per cent and 57 per cent respectively). Conversely, those with higher household incomes were more likely to disagree, 44 per cent of households earning over £40,000 disagreed, compared to 28 per cent of those earning under £20,800.

**Table 3.3: “It is fair that everyone with a child under 16 gets Child Benefit regardless of their household income?” by household income**

	Household income				Total
	under £20,800	between £20,800 and £31,199	between £31,200 and £39,999	£40,000 or over	
	%				
Agree	57	53	57	46	54
Neither agree nor disagree	15	10	18	9	13
Disagree	28	37	25	44	33
Total	100	100	100	100	100
<i>Base</i>	335	153	67	158	713

Base: All CB claimants

## 4. How do views of eligibility for Child Benefit differ from those for tax credits?

There was greater support for Child Benefit being given at higher levels of income than there was for tax credits. Table 4.1 below shows that 12 per cent of customers thought that the upper annual household income limit for Child Benefit should be above £60,000 compared with 2 per cent who set the limit at that level for tax credits. At lower income limits the table shows that there was a similar level of support – around half would support a limit not higher than £40,000 for tax credits or for Child Benefit (53 per cent and 48 per cent respectively).

This increased support for Child Benefit being extended higher than tax credits may be linked to the view of half the respondents that Child Benefit should be available to all (Chart 3.2).

**Table 4.1: Limit of household income up to which respondents thought families with children should get tax credits/Child Benefit**

	Percentage – TC eligibility	Cumulative Percent – TC eligibility	Percentage – CB eligibility	Cumulative Percent – CB eligibility
up to £20,000	13	13	15	15
up to £30,000	23	35	18	33
up to £40,000	18	53	15	48
up to £50,000	13	66	15	63
up to £60,000	5	72	5	68
over £60,000	2	73	12	80
Don't know	27	100	20	100
	100		100	
<i>Base</i>		618*		731**

\*Base: All TC claimants – unprompted responses

\*\*Base: All CB claimants – unprompted responses



## 5. Is there stigma associated with claiming tax credits compared with claiming other benefits?

All tax credits respondents were asked how they felt/or would feel about claiming tax credits or social security benefits.<sup>6</sup> Eighty-two per cent said they did not feel uncomfortable about claiming tax credits. One in twenty said that claiming tax credits was something they were uncomfortable about “a lot” and around one in ten said they were “a little” uncomfortable about claiming (Table 5.1).

**Table 5.1: Whether felt uncomfortable about claiming tax credits/Child Benefit/social security benefits**

	tax credits*	Child Benefit**	Social Security benefits*
	%		
Yes - a lot	6	2	38
Yes - a little	12	4	15
No	82	94	45
Don't Know	0	0	2
Total	100	100	100
Base	618	730	618

\*Base: All claiming TC

\*\*Base: All claiming CB

The extent to which respondents felt uncomfortable about claiming tax credits was much lower than for social security benefits. Just over a third said that claiming social security was something they would feel uncomfortable about ‘a lot’ - a view that was six times more likely to be held about social security benefits than tax credits (38 per cent for Social Security benefits compared to 6 per cent who said this about tax credits).

Respondents felt the most comfortable about claiming Child Benefit. Ninety-four per cent said they did not feel uncomfortable about claiming. Only six per cent said they felt uncomfortable about claiming Child Benefit (Table 5.1).

Overall, around half of respondents (53 per cent) said they *would feel* uncomfortable (‘a lot’ or ‘a little’) about claiming social security benefits, compared to 18 per cent who felt this about tax credits.

Looking at differences by income, table 5.2 shows that those on lower incomes (between £20,800 and £31,199) are more likely than those on higher incomes (over £40,000) to say they would feel uncomfortable about ‘a lot’ (45 per cent compared to 24 per cent said ‘a lot’).

<sup>6</sup> This question was only asked of a sample of those claiming TC. Responses may be different if this had been asked of a wider population.

**Table 5.2: Would you feel uncomfortable about claiming social security benefits? by household income**

	Household income				Total
	under £20,800	between £20,800 and £31,199	between £31,200 and £39,999	£40,000 or over	
	%				
Yes - a lot	38	45	40	24	38
Yes - a little	14	18	15	11	15
No	47	36	44	64	46
Don't know	1	1	2	3	2
Total	100	100	100	100	100
<i>Base</i>	<i>358</i>	<i>137</i>	<i>55</i>	<i>63</i>	<i>613</i>

Base: All claiming TC (where respondents provided their household income)

Respondents were twice as likely to associate stigma with social security benefits as for tax credits (Table 5.3). Twenty-five per cent thought there was stigma associated with claiming tax credits, but 66 per cent thought there was a stigma associated with social security benefits.

**Table 5.3: 'Is there stigma associated with claiming tax credits/ other Social Security benefits?'**

	Tax credits (%)	Social Security benefits (%)
Agree	25	66
Neither agree nor disagree	27	21
Disagree	49	13
Total	100	100
<i>Base</i>	<i>611</i>	<i>610</i>

Base: All claiming TC

This could be explained by the findings that respondents see tax credits as different to other benefits as they reward those that work<sup>7</sup>. As the following table shows, 77 per cent agreed that "tax credits are different from other benefits as they reward those that work".

<sup>7</sup> This question may lead respondents to answer positively. More questions are needed to fully understand why recipients view tax credits as different to other benefits.

**Table 5.4: 'Tax credits are different from other benefits as they reward those that work?'**

	%
Agree	77
Neither agree nor disagree	15
Disagree	8
Total	100
<i>Base</i>	<i>615</i>

Base: All claiming TC

## 6. Conclusions

This research looked at the views of those who received tax credits and Child Benefit and asked them to consider how income limits should be set for entitlement for the benefits they received. When asked to select an income cap (and respondents were not prompted with income groups) about half chose a level below or up to £40,000 for tax credits and Child Benefit.

When views are included of those respondents who were prompted with income categories, over half of recipients would set limits for receiving tax credits or Child Benefit at household incomes of up to £30,000 and £40,000 respectively. There was greater support for Child Benefit being given to those on higher household incomes (that is over £40,000) than for tax credits. Two in ten supported limits of over £40,000 for tax credits and four in ten supported limits of over £40,000 for Child Benefit.

Claimants' personal circumstances were an indicator of how they would respond to these questions about eligibility limits. There was a clear tendency for both tax credits and Child Benefit claimants to support payments to those on a similar income to themselves. Around six in ten of those earning over £40,000 support a limit of over £40,000 on those receiving tax credits; and around six in ten of those earning over £40,000 supported a limit of over £40,000 for receipt of Child Benefit.

How respondents felt about receiving tax credits may also indicate where they think limits should be set. Most recipients felt that 'I deserve tax credits just like those on lower incomes than me' and disagreed that 'giving me tax credits is a waste of taxpayers' money' (73 per cent and 84 per cent respectively). Those on lower incomes were more likely to feel that giving them tax credits was of value compared to those earning over £40,000.

At the time of answering these questions, the current systems set income limits for tax credit claimants but not for Child Benefit claimants. Respondents may be more inclined to answer in such a way that reflects the norms set out in the current system and therefore be more inclined to cap tax credits rather than Child Benefit. However, claimants did feel that they could put a cap on Child Benefit and only 12 per cent supported Child Benefit being given to those on incomes above £60,000. Of those working and claiming TC about half did not support changing tax credits eligibility for those without children to those working fewer than 16 hours a week.

The extent to which respondents felt uncomfortable about claiming and stigma associated with tax credits was much lower than that perceived for claiming social security benefits. Around a half would feel uncomfortable claiming social security benefits compared with only 18 per cent for tax credits. Both have a higher stigma than Child Benefit, which may be driven by the fact that at the time of asking Child Benefit was available to all with children under 16 years or under 20 years depending on the child's circumstances. Twenty-five per cent thought there was a stigma associated with claiming tax credits, but more (66 per cent) thought there was a stigma associated with social security benefits. This reduced stigma for tax credits may be linked to perceptions of tax credits. Seventy-seven per cent of tax credit claimants agreed that tax credits were different to other benefits as they rewarded those that work.