



HM Revenue
& Customs

Child Tax Credit and Working Tax Credit

An introduction

Contents

Introduction

Who can claim? 1

Child Tax Credit

Can I claim? 3

How much can I claim? 4

What if I have a new baby? 5

How do you pay Child Tax Credit? 5

What if I'm getting another benefit? 5

Working Tax Credit

Can I claim? 6

How much can I claim? 6

Can I get help with the costs of
childcare if I'm working? 8

How do you pay Working Tax Credit? 9

How do I claim or get more information?

Help and advice 10

Backdating your claim 10

Your rights and obligations

Putting things right 11

Customers with particular needs 11

We have a range of services for people with disabilities, including guidance in Braille, audio and large print. All of our leaflets are also available in large print. Please contact us on any of our phone Helplines if you need these services.

This leaflet explains what Child Tax Credit and Working Tax Credit are, who can get them and how to make a claim.

Who can claim?

Introduction

Child Tax Credit supports families with children (this can include children until their 16th birthday and young persons aged from 16 but under 20 years old). You can claim whether or not you are in work.

The amount you get is based on your income. All families with at least one child and a household income of up to £41,300 a year can claim in the same way. You may still be entitled to Child Tax Credit if your household income is higher than this and you are claiming for two or more children, your child has a disability or you are claiming childcare costs.

Working Tax Credit supports working people (whether employed or self-employed) on low incomes by topping up earnings.

Child Tax Credit and Working Tax Credit do not affect Child Benefit payments, which we pay separately.

To qualify for tax credits, you have to be aged 16 or over and usually live in the United Kingdom (UK) - that is, England, Scotland, Wales or Northern Ireland. The UK does not include the Channel Islands or the Isle of Man.

Some people may be able to get tax credits even if they do not live in the UK.

Please phone the Helpline (see page 10) for more information if you don't live in the UK but you (or your partner if you have one) are a national of a country in the European Economic Area (EEA*) or of Switzerland and you either:

- work in the UK
- are a Crown servant posted overseas or their accompanying partner
- live in the EEA or Switzerland and are receiving:
 - UK state pension
 - contribution-based Employment and Support Allowance
 - Industrial Injuries Disablement benefit
 - Widow's benefit/Bereavement benefit
 - Incapacity Benefit
 - Severe Disablement Allowance.

*The EEA consists of all Member States of the European Union (EU) plus Norway, Iceland and Liechtenstein.

You may not be able to get tax credits if you're subject to 'immigration control'. Immigration control means either one of the following:

- the Home Office gives you permission to stay in the UK (known as 'leave to enter or remain') but this permission is given to you on the grounds that you don't claim certain benefits, tax credits or housing help paid by the UK government (known as 'recourse to public funds'), or
- you need permission to stay in the UK - again known as 'leave to enter or remain' - but you do not have it
- you have been refused permission to stay in the UK, but you have appealed against that decision and your appeal hasn't been decided yet
- you have been given permission to stay in the UK, but on the condition that someone else like a friend or relative, pays for your upkeep and provides you with somewhere to live.

Sometimes if you're subject to immigration control you might still be able to claim tax credits, for example a couple and only one of you is subject to immigration control.

More information about these rules can be found on our website. Go to www.hmrc.gov.uk/taxcredits and follow the link for

Tax credits - Who qualifies? and then *New arrivals to the UK and tax credits*. You can also see our factsheet *WTC/FS5 Tax credits - coming to the United Kingdom*. You can get a copy:

- online, by going to www.hmrc.gov.uk/leaflets/wtc-fs5.pdf
- by phoning our helpline (see page 10).

You must make a joint claim as a couple if you are:

- married, or
- in a civil partnership

unless you are separated under a court order or your separation is likely to be permanent.

You must also claim as a couple if you are living with someone as if you are:

- married, or
- in a civil partnership.

If you do not have a partner you should make a single claim based on your individual circumstances.

Child Tax Credit

Can I claim?

Child Tax Credit supports families with children.

You can claim Child Tax Credit if you are responsible for at least one child or young person. You don't have to be working to claim.

You can usually claim Child Tax Credit for a child who lives with you until 31 August after their 16th birthday. After this, you can still claim for them as long as they are under 20 and in full-time non-advanced education or approved training.

Full-time non-advanced education will usually be in a school or college, averaging more than 12 hours supervised study a week (in term time) studying for qualifications like:

- A levels
- Scottish Highers
- NVQ at level 3.

Education does not count as full-time non-advanced education if it is provided by your child's employer or any office your child holds. If your child does not study at a school or college, check with the Helpline (see page 10) to see if they qualify.

Approved training includes training courses like Entry to Employment, Foundation Learning Programme, Skillbuild or Get Ready for Work. Training provided by an employer as part of a job contract doesn't count as approved.

If your child is 16 or 17 and has left full-time non-advanced education or approved training, you may be able to get Child Tax Credit for them for up to 20 weeks after they left. To qualify for these extra weeks, your child needs to have registered with one of the following:

- the careers service, Connexions or similar organisation (in Northern Ireland, the Department for Employment and Learning or an Education and Library board)
- the Ministry of Defence, if they're waiting to join the Armed Forces.

You can't claim Child Tax Credit for a young person aged 16 to 19 who:

- leaves full-time education or approved training and is in paid work for 24 hours or more a week
- claims benefits or tax credits in their own right
- is serving a custodial sentence of more than four months imposed by a court.

How much can I claim?

We pay Child Tax Credit on top of Child Benefit and any Working Tax Credit you may be able to get.

The table on the next page shows how much money you could get for the tax year 2011-12 (that is, 6 April 2011 to 5 April 2012) if you cannot get Working Tax Credit. You could get more if you are in work.

The first figure in each column shows the maximum amount available and decreases as your income (or joint income, if you are part of a couple) increases. In general, taxable income such as:

- earnings from employment or profits from self-employment
- some social security benefits, and
- income from savings

counts as income in both Child and Working Tax Credit claims.

The guidance notes that go with the claim form (TC600) explain in more detail what counts as income.

Child Tax Credit only (£)			
Annual Income (£)	One Child/Young person	Two Children/Young people	Three Children/Young people
No income	3,105	5,660	8,220
5,000	3,105	5,660	8,220
8,000	3,105	5,660	8,220
10,000	3,105	5,660	8,220
15,000	3,105	5,660	8,220
20,000	1,405	3,965	6,525
25,000	545	1,915	4,475
30,000	545	545	2,425
35,000	545	545	545
40,000	545	545	545
45,000	0	0	0

Note: *If you have a child with a disability, you may be entitled to more.*

What if I have a new baby?

The higher rate of Child Tax Credit for a new baby is not available from 6 April 2011.

How do you pay Child Tax Credit?

We pay Child Tax Credit directly to the bank, building society or Post Office Card account of the main carer for all the children in the family. You can choose who is the main carer and whether to get payments weekly or every four weeks.

What if I'm getting another benefit?

If you get one of the following benefits, you are entitled to the maximum amount of Child Tax Credit for your children:

- Income Support
- income-based Jobseeker's Allowance
- income-related Employment and Support Allowance
- Pension Credit.

Working Tax Credit

Working Tax Credit tops up the earnings of working people (employed or self-employed) on low incomes, including those who do not have children. There are extra amounts for:

- working households in which someone has a disability, and
- the costs of qualifying childcare.

Can I claim?

If you are responsible for a child or young person you can claim Working Tax Credit if you are aged 16 or over **and** you or your partner work at least 16 hours a week.

If you aren't responsible for a child or young person you can claim Working Tax Credit if you or your partner:

- are aged 25 or over **and** work at least 30 hours a week
- are aged 16 or over **and**
 - work at least 16 hours a week **and**
 - qualify for the disability element of Working Tax Credit
- are aged 50 or over **and**
 - work at least 16 hours a week **and**
 - qualify for the 50-plus element of Working Tax Credit
- are aged 60 or over **and** work at least 16 hours a week.

The detailed rules for people with disabilities and those aged 50 or over returning to work after a period on benefits are in the notes that go with the claim form.

How much can I claim?

The amount of Working Tax Credit you get is based on your circumstances, for example, how many hours you normally work, and your income (or joint income, if you are part of a couple).

The table below shows how much money you could get for the tax year 2011-12 (that is, 6 April 2011 to 5 April 2012) if you are in work and responsible for at least one child or young person.

Working Tax Credit and Child Tax Credit (£)			
Annual Income (£)	One Child/Young person	Two Children/Young people	Three Children/Young people
5,000 ¹	6,975	9,535	12,095
9,250 ²	6,605	9,165	11,725
10,000	6,300	8,855	11,415
15,000	4,250	6,805	9,365
20,000	2,200	4,755	7,315
25,000	545	2,705	5,265
30,000	545	655	3,215
35,000	545	545	1,165
40,000	545	545	545
45,000	0	0	0

¹ *Those with incomes of £5,000 a year are assumed to work part-time (working between 16 and 30 hours a week).*

² *In families with an income of £9,250 a year or more, at least one adult is assumed to be working 30 hours or more a week (consistent with the minimum adult wage of £5.93 based on October 2010 rates for those aged 21 and over).*

Note: *If you have a child with a disability, you may be entitled to more.*

The table below shows how much money you could get if you are in work and not responsible for any children or young people.

Annual Income (£)	Working Tax Credit, for those without children (£)	
	Single person aged 25 or over working 30 hours or more a week	Couple, working adults aged 25 or over, working 30 hours or more a week
9,250 ¹	1,550	3,505
10,000	1,245	3,195
11,000	835	2,785
12,000	425	2,375
13,000	15	1,965
14,000	0	1,555
15,000	0	1,145
16,000	0	735
17,000	0	325
18,000	0	0
19,000	0	0

¹ *Someone aged 25 or over, working 30 hours a week on National Minimum Wage (based on October 2010 rates) would earn £9,250 a year.*

You can get a higher rate of Working Tax Credit if you (or your partner, if you are part of a couple):

- are aged 50 or over and are returning to work after claiming certain out-of-work benefits
- are a working person who qualifies for a disability element, or
- have a severe disability.

Can I get help with the costs of childcare if I'm working?

You may be able to get extra help with the costs of 'registered' or 'approved' childcare. We call this the childcare element of Working Tax Credit. The notes that go with the claim form tell you what 'registered' or 'approved' childcare is.

You can only get the childcare element if you are working at least 16 hours a week. If you are part of a couple, generally both you and your partner have to work at least 16 hours a week. Only one of you has to work at least 16 hours if the other can't work because they are:

- ill or disabled and claiming disability benefits
- in hospital, or
- in prison
 - serving a custodial sentence, or
 - remanded in custody awaiting trial or sentence.

The childcare element is worth up to 70 pence in tax credit for every £1 a week you spend on approved childcare. This is limited to £175 a week if you have one child and £300 a week for two or more children. The maximum childcare element you can get is either:

- £122.50 a week (70% of £175) for one child, or
- £210 a week (70% of £300) for two or more children.

If you spend £100 a week, the childcare element is worth up to £70 in tax credit. If you spend £40 a week, the childcare element is worth up to £28.

The childcare element is in addition to the amount of Working Tax Credit you can get, but is paid with Child Tax Credit to the main carer in the family. The final amount will depend on your income (or joint income, if you are part of a couple).

How do you pay Working Tax Credit?

We pay Working Tax Credit directly to your bank, building society or Post Office Card account.

If you are part of a couple and you both work at least 16 hours a week, you can decide who gets the payments of Working Tax Credit.

How do I claim or get more information?

For more information about tax credits, and to check if you can claim, you can go to our website at www.hmrc.gov.uk/taxcredits
For an estimate of the amount you may receive follow the link for *Tax credits entitlement* then *Tax credits calculator*.

Help and advice

If you want a claim pack or further advice about tax credits, you can:

- phone our Helpline on **0845 300 3900**
- textphone the Helpline (for people with hearing or speech difficulties) on **0845 300 3909**.

For our opening hours, go to www.hmrc.gov.uk/contactus

When you phone you should tell us your:

- income details (and those of your partner if you have one) for the tax year 2010-11 (that is, from 6 April 2010 to 5 April 2011)
- National Insurance number (and that of your partner).

Backdating your claim

This usually happens automatically and we can normally only backdate your tax credits for up to **three** months from the date we get your claim (provided that you have met the qualifying conditions during this period). To avoid losing money make sure you claim straight away.

You will need to ask for backdating if:

- you've been getting Income Support, income-based Jobseeker's Allowance, income-related Employment and Support Allowance or Pension Credit
- you're only claiming Working Tax Credit (you're not claiming for any children).

To ask for backdating you will need to attach a separate sheet of paper to your claim form telling us:

- your name, address and National Insurance number
- the date you started work, or
- the start date of your Income Support, income-based Jobseeker's Allowance, income-related Employment and Support Allowance or Pension Credit.

We may be able to backdate your claim more than three months, if you, your partner or child have a disability or if you're claiming asylum in the UK. For more information go to www.hmrc.gov.uk/taxcredits then follow the link for *Claiming tax credits* then *Backdating or claiming ahead for tax credits*.

Your rights and obligations

Your Charter explains what you can expect from us and what we expect from you. For more information go to www.hmrc.gov.uk/charter

Putting things right

If you are not satisfied with our service, please let us know what is wrong. We will work as quickly as possible to put things right and settle your complaint.

If you are still unhappy, ask for your complaint to be referred to the Complaints Manager.

Customers with particular needs

We offer a range of facilities for customers with particular needs, including:

- wheelchair access to nearly all Enquiry Centres
- help with filling in forms
- for people with hearing difficulties
 - Text relay
 - Induction loops.

We can also arrange additional support, such as:

- home visits, if you have limited mobility or caring responsibilities and cannot get to one of our Enquiry Centres
- services of an interpreter
- sign language interpretation
- leaflets in large print, Braille and audio.

For complete details please:

- go online at www.hmrc.gov.uk/enq or
- contact us. You will find us in *The Phone Book* under HM Revenue & Customs.

These notes are for guidance only and reflect the position at the time of writing. They do not affect any right of appeal.

HMRC Customer Information Team
April 2011 © Crown Copyright 2011

Printed in the U.K. by Paragon. HMRC 04/11 MM



**HM Revenue
& Customs**