

WTC 1 - Child Tax Credit and Working Tax Credit - An introduction

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

Introduction

Child Tax Credit and Working Tax Credit help to support families with children and working people on low incomes.

Child Tax Credit supports families with children and young persons aged from 16 but under 20 years old. You can claim whether or not you are in work.

All families with children, with income of up to £58,000 a year (or up to £66,000 a year if there is a child under one year old), can claim the credit in the same way.

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.

Who can claim? To qualify for tax credits, you must 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 get them even if they do not live in the UK. Phone the [Helpline](#) for more information if you don't live in the UK but you, or your partner if you have one

- are a national of another country in the European Economic Area (EEA*) or of Switzerland and you work in the UK
- are a Crown servant posted overseas or their accompanying partner
- are a national of an EEA Member State (including the UK) or of Switzerland, living in the EEA or Switzerland, and are receiving UK state pension or contributions-based Jobseeker's Allowance.

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

You may not be entitled to tax credits if you are subject to immigration control. You are subject to immigration control if the Home Office says your leave to enter or remain in the UK is on the condition that you do not have recourse to public funds, or if you require leave to enter or remain in the UK but do not have it. More information about these rules

can be found online at www.hmrc.gov.uk/taxcredits/residence-rules.htm Phone the [Helpline](#) if you need any more help.

If you are single (or permanently separated), you make a claim based on your individual circumstances.

If you are

- a married couple living together and not separated, or
- a man and a woman living together as if you are married, or
- a couple in a civil partnership, or
- a couple living together as if they were in a civil partnership

you must claim together, based on your joint circumstances.

Child Tax Credit

Child Tax Credit supports families with children.

Can I claim?

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

Child Tax Credit helps to support

- a child until 1 September after their 16th birthday
- a young person aged from 16 but under 20 years old in full-time education or unwaged training, up to and including 'A' levels, NVQ level 3 or Scottish Highers or approved, unwaged training
- a young person aged 16 or 17 who
 - has left full-time non advanced education or training but does not have a job or a training place and has registered with the Careers Service or Connexions Service (Training and Employment Agency in Northern Ireland)
 - is not claiming Income Support, Incapacity Benefit or tax credits in his or her own right
 - is not in full-time work of 24 hours or more a week.

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 below shows how much money you could get for the tax year 2008-2009 (that is, 6 April 2008 to 5 April 2009) if you cannot get Working Tax Credit. You could get higher amounts 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, for both the Child and Working Tax Credits, taxable income such as

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

counts as income in 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	Two Children	Three Children
Not working	2,635	4,720	6,810
5,000	2,635	4,720	6,810
8,000	2,635	4,720	6,810
10,000	2,635	4,720	6,810
15,000	2,635	4,720	6,810
20,000	905	2,995	5,085
25,000	545	1,045	3,135
30,000	545	545	1,185
35,000	545	545	545
40,000	545	545	545
45,000	545	545	545
50,000	545	545	545
55,000	210	210	210
60,000	-	-	-

Note: If you have a child under one year old or with a disability, you may be entitled to more.

What if I have a new baby?

You will receive a higher rate of Child Tax Credit, which we pay for a year from the child's birth.

How do you pay Child Tax Credit?

We pay Child Tax Credit directly to the main carer for all the children in the family. You can choose whether to get payments weekly or every four weeks.

We normally pay tax credits into a bank or building society account.

What if I get Income Support or income-based Jobseeker's Allowance?

If you get Income Support or income-based Jobseeker's Allowance you are entitled to the maximum amount of Child Tax Credit for your children.

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** work at least 16 hours a week.

If you don't have children you can claim Working Tax Credit if

- you are aged 25 or over **and** work at least 30 hours a week
- you are aged 16 or over **and** work at least 16 hours a week **and** you qualify for a disability element of Working Tax Credit
- you or your partner are aged 50 or over **and** work at least 16 hours a week **and** are returning to work after claiming qualifying out-of-work benefits.

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 2008-2009 (that is, 6 April 2008 to 5 April 2009) 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	Two Children	Three Children
0	2,635	4,720	6,810
5,000 ¹	6,205	8,295	10,380
8,612 ²	6,090	8,175	10,265
10,000	5,545	7,635	9,725
15,000	3,595	5,685	7,775
20,000	1,645	3,735	5,825
25,000	545	1,785	3,875
30,000	545	545	1,925
35,000	545	545	545
40,000	545	545	545
45,000	545	545	545
50,000	545	545	545
55,000	210	210	210
60,000	-	-	-

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

²In families with an income of £8,612 a year or more, at least one adult is assumed to be working 30 hours or more a week (consistent with the minimum wage of £5.52 for those aged 22 and older).

Note: If you have a child under one year old or 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.

Working Tax Credit, for those without children (£)

Annual Income (£)	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
8,612 ¹	1,685	3,455
9,000	1,530	3,300
10,000	1,140	2,910
11,000	750	2,520
12,000	360	2,130
13,000	-	1,740
14,000	-	1,350
15,000	-	960
16,000	-	570
17,000	-	180
18,000	-	-

¹Someone aged 25 or over, working 30 hours a week on National Minimum Wage would earn £8,612 a year.

You can receive 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 qualifying 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 guidance 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, both you and your partner must each work at least 16 hours, unless one of you is unable to work because of incapacity.

The childcare element is worth up to 80p 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

- £140 a week (£175 x 80%) for one child, or
- £240 a week (£300 x 80%) for two or more children.

If you spend £100 a week, the childcare element is worth up to £80 in tax credit. If you spend £40 a week, the childcare element is worth up to £32.

The childcare element is added to the amount of Working Tax Credit you can get. 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 or building society account.

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

We pay the childcare element of Working Tax Credit directly to the main carer for all the children in the family, along with Child Tax Credit.

How do I claim or get more information?

If you think you might be able to claim Child Tax Credit or Working Tax Credit or both, you can go online at <http://taxcredits.direct.gov.uk/> to check.

If you would like a claim pack sent to you or need 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**
- visit any HMRC Enquiry Centre.

Our Helplines are open between 8.00am and 8.00pm, seven days a week (except Christmas Day, Boxing Day, New Year's Day and Easter Sunday).

You should give us

- your income details (and those of your partner if you have one) for the tax year 2007-2008 (that is, from 6 April 2007 to 5 April 2008), and
- your National Insurance number (and that of your partner). It looks like this – AB123456C.

What do I need to make a claim for 2008-2009?

To help you claim, you (and your partner if you have one) should keep any information you have about your income for the tax year 2007-2008, including

- the P60 tax certificate your employer gave you after the end of that tax year, and your form P11D or P9D (if you get one)
- any statements your bank or building society send you of interest received in that year, and
- details of your taxable profits or losses for that year, if you were self-employed.

Customer Service

HM Revenue & Customs commitment

We aim to provide a high quality service with guidance that is simple, clear and accurate.

We will

- be professional and helpful
- act with integrity and fairness, and
- treat your affairs in strict confidence within the law.

We aim to handle your affairs promptly and accurately so that you receive or pay only the right amount due.

Putting things right

If you are not satisfied with our service, please let the person dealing with your affairs 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 HMRC Enquiry Centres
- help with filling in forms
- for people with hearing difficulties
 - RNID Typetalk
 - 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](#), 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.

**Issued by HM Revenue & Customs Customer Information Team
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