



Child Tax Credit and Working Tax Credit

An introduction

WTC1

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We have a range of services for people with disabilities, including guidance in Braille, audio and large print. Most of our leaflets are 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.

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 (this can include children until 1 September after their 16th birthday 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 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 get them 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 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 able to get tax credits if you're subject to 'immigration control'. Immigration control means either one of the following:

- the Home Office says you have 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 some benefits, tax credits or housing help paid by the UK government (known as 'recourse to public funds')
- you need permission to stay in the UK - again known as 'leave to enter or remain' - but you do not have it

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 in our fact sheet WTC/FS5 - Tax Credits - coming to the United Kingdom or on our website at www.hmrc.gov.uk

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 have to 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, up to and including 'A' levels, NVQ level 3 or Scottish Highers or approved training
- a young person aged 16 or 17 who
 - has left full-time non advanced education or approved 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, Jobseekers Allowance, Employment and Support Allowance 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 opposite shows how much money you could get for the tax year 2009-10 (that is, 6 April 2009 to 5 April 2010) 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.

Annual Income (£)	Child Tax Credit only (£)		
	One Child	Two Children	Three Children
Not working	2,780	5,020	7,255
5,000	2,780	5,020	7,255
8,000	2,780	5,020	7,255
10,000	2,780	5,020	7,255
15,000	2,780	5,020	7,255
20,000	1,240	3,475	5,715
25,000	545	1,525	3,765
30,000	545	545	1,815
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, income-based Jobseeker's Allowance or income-related Employment and Support Allowance?

If you get Income Support, income-based Jobseeker's Allowance or income-related Employment and Support 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 aren't responsible for a child or young person 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 2009-10 (that is, 6 April 2009 to 5 April 2010) if you are in work and responsible for at least one child or young person.

Annual Income (£)	Working Tax Credit and Child Tax Credit (£)		
	One Child	Two Children	Three Children
Not working	2,780	5,020	7,255
5,000 ¹	6,535	8,770	11,010
8,940 ²	6,330	8,565	10,805
10,000	5,915	8,155	10,390
15,000	3,965	6,205	8,440
20,000	2,015	4,255	6,490
25,000	545	2,305	4,540
30,000	545	545	2,590
35,000	545	545	640
40,000	545	545	545
45,000	545	545	545
50,000	545	545	545
55,000	210	210	210
60,000	–	–	–

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 £8,940 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 £5.73 for those aged 22 and over).

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.

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
8,940 ¹	1,685	3,545
9,000	1,660	3,520
10,000	1,270	3,130
11,000	880	2,740
12,000	490	2,350
13,000	100	1,960
14,000	–	1,570
15,000	–	1,180
16,000	–	790
17,000	–	400
18,000	–	–

¹ Someone aged 25 or over, working 30 hours a week on National Minimum Wage would earn £8,940 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 have to 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 ($£175 \times 80\%$) for one child, or
- £240 a week ($£300 \times 80\%$) 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).

You should give us

- your income details (and those of your partner if you have one) for the tax year 2008-09 (that is, from 6 April 2008 to 5 April 2009), and
- your National Insurance number (and that of your partner). It looks like this - AB123456C.

What do I need to make a claim for 2009-10?

To help you claim, please keep any information you (and your partner if you have one) have about your income for the tax year 2009-10, including

- the P60 tax certificate your employer gave you after the end of that tax year, and your form P1 1D 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.

HM Revenue & Customs commitment

Customer Service

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
 - BT 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 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
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