EXAMPLE 4

Once Joyce’s second child is born she needs to claim childcare costs of £150 per week.

Her first relevant period will be calculated in the same way as Example 2 giving entitlement for those 117 days of £2,105.85. Her second will be calculated as follows:

For the second relevant period 1/8/14 – 05/04/15 (248 days)

<table>
<thead>
<tr>
<th></th>
<th>£</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>WTC basic</td>
<td>5.32</td>
<td></td>
</tr>
<tr>
<td>WTC lone parent</td>
<td>5.46</td>
<td></td>
</tr>
<tr>
<td>WTC 30 hour</td>
<td>2.20</td>
<td></td>
</tr>
<tr>
<td>CTC child element (first child)</td>
<td>7.54</td>
<td></td>
</tr>
<tr>
<td>CTC child element (second child)</td>
<td>7.54</td>
<td></td>
</tr>
<tr>
<td>CTC family element</td>
<td>1.50</td>
<td></td>
</tr>
</tbody>
</table>

MAX CREDITS (excluding childcare) 29.56 x 248 days 7,330.88

WTC Childcare element 3,709.81
£150 x 52/365 x 248 = £5,299.73 x 70%

MAXIMUM CREDITS (incl. childcare) 11,040.69

Income 6,794.52
10,000 x 248/365*
Less threshold 4,362.09
6,420 x 248/365**
‘Excess income’* 2,432.43
x 41%
Reduction due to income 997.29 ( 997.29)

TOTAL for RP 2 (£11040.69 - £997.29) 10,043.40

Overall total for 2014-2015 (2,105.85+10,043.40) 12,149.25

* - Income and ‘excess income’ is rounded down to the nearest penny
** - The threshold is rounded up to the nearest penny