

Tax Credits - The annual cycle

1. APRIL 6

Start of the tax year. Tax credit claims last for a maximum of one tax year.

3. APRIL – JUNE 'RENEWALS'

At some point after the start of the tax year, HMRC will issue a '[renewals pack](#)' to claimants in order to complete the annual review process. The name 'renewals' is often misleading as the pack has two main functions. The first is to confirm income for the tax year just ended in order to finalise that claim. The second is to act as a claim for the new tax year. If a claim has ended, the purpose of the forms may only be to finalise the claim for the year just ended. If a new claim is made as a result of this process, it is treated as being made from 6 April.

6. AUG 1 ONWARDS - TERMINATIONS

If the 'renewals' process is not completed by July 31 (either with actual income or an estimate), HMRC will stop provisional payments and finalise the claim for the year just ended based on information they hold. Any provisional payments made between April 6 and the termination date will become an overpayment. The claim can be [reinstated in certain circumstances](#).

2. PROVISIONAL PAYMENTS

At the start of each new tax year, HMRC issue a **provisional award** which is based on income for the tax year just ended (if available, if not HMRC will use the last known income applying the disregard as appropriate). Payments made during this period are often called [provisional payments](#) as they are made before the claimant makes their actual claim for the year. This ensures there is no gap in payments after the end of the tax year.

4. JULY 31

If HMRC have asked for a reply to 'renewal' forms issued between April and June, the claimant must respond by July 31 (1st Specified date) at the latest. If actual income for the year just ended is not known, an estimate can be given.

5. INITIAL AWARDS

As soon as the renewals process is complete, a claim for the current year is treated as made from April 6 and an [initial award](#) for the year issued. This award will most likely be based on previous year income. At the same time a final award notice for the year just ended will also be issued.

8. APRIL 5

End of the tax year.

7. JANUARY 31

If the claimant provided an estimate to HMRC of their income for the year just ended during the renewals process they must confirm their actual income by this date (2nd specified date). If an actual income is not given by this date, the estimated income will be treated as actual income which may be incorrect.