



A Guide to Child Tax Credit and Working Tax Credit

Child Tax Credit and Working Tax Credit are government initiatives to support families with children and working people on low incomes. If you are responsible for at least one child or young person you may qualify for Child Tax Credit. If you work but are on a low income you may qualify for Working Tax Credit. You can often get both types of tax credits. Working Tax Credit also includes a childcare element which can pay up to 70% of childcare costs.

Tax credit payments are not taxable.

Child Benefit payments are not affected by tax credits.

To qualify for tax credits you usually need to be resident in the UK.

Many families with children qualify for tax credits, but you don't have to have children to claim, you may also qualify if you are working and on a low income.

If you are living together as a married couple or as if you are married you must claim together, based on your joint circumstances. If you are single (or separated), you can make a claim based on your own circumstances. Only one parent can claim Child Tax Credits – this is paid to whichever parent is classed as the main carer.

Child Tax Credit

Child Tax Credit is a payment to support families with children. You don't have to be working to claim Child Tax Credit.

Who can claim?

You can claim Child Tax Credit if you are responsible for:

- One or more children aged under 16.
- A young person aged 16 -19 who is in full time education, up to A' Level or equivalent, or on a course of approved training (full time means they're taught or supervised for more than an average of 12 hours a week).
- If your child is aged between 16 and 17, and they're not in full time education or approved training, you may still be able to claim tax credits for them for up to 20 weeks if they have signed up with the Careers Service, Connexions Service or the Ministry of Defence (the 20 weeks start from the date they left the education or training).
- If you have a new baby you can get payments backdated to the date the baby was born as long as you claim within 3 months.
- You do not have to be working to claim.

How much can I claim?

Child Tax Credit will be paid in addition to Child Benefit and any Working Tax Credit. The amount you receive depends on your family income. In general, income which is taxable will count as income, including earnings, some Social Security benefits, and interest from savings.

Visit First Point 8.30am to 5.30pm or ring us on 275 6699

8am to 6pm Monday to Friday.

First Point is in the city centre at Howden House, Union Street - close to the Peace Gardens.

www.sheffield.gov.uk/firstpoint www.asksid.net



Working Tax Credit

Working Tax Credit is a payment to top up earnings of working people on low incomes, both those who are employed and self-employed. This includes people who do not have children. There are extra amounts for working households where someone has a disability.

Who can claim?

If you are responsible for a child or young person you can claim if you are:

- aged 16 or over and work at least 16 hours a week

If you do not have children, you can claim if you are:

- aged 16 or over with a disability and work at least 16 hours a week
- aged 25 or over and work at least 30 hours a week
- aged 50 or over and going back to work after being on out-of-work benefits such as Income Support or Jobseekers Allowance, into paid work of at least 16 hours a week
- aged 60 or over and do paid work of at least 16 hours a week

All of the above criteria are subject to your salary being below the relevant income limit. See more information below on income limits.

How much can I claim?

The amount you receive depends on:

- Your household income
- How many children are living with you
- If you live with someone as a couple
- Whether you work and how many hours you work
- If you pay for childcare
- If you or any child living with you has a disability
- If you are aged 50 or over and are coming off benefits

Income Limits for Claiming Tax Credits

The total annual income limits that generally apply before your tax credits are affected are:

- If you have children - £41,300
- If you are single without children - £12,900
- If you are in a couple without children - £17,700

Personal circumstances may mean that these limits do not apply to you, for example, if you have a large family and pay a lot in childcare or if you have a disability, the income limit could be higher.

There are various tools for calculating how much tax credit you are entitled to on the HM Revenue and Customs (HMRC) website, for example, a tax credit calculator – see Useful contacts section at end. There are also entitlement tables showing the amount you can claim in Working Tax Credits, Child Tax Credits and for childcare on the website. You will not know the actual amount until your claim has been submitted and assessed by the Tax Credit Office.

Please note:

Recent changes mean that there is no longer a higher rate of Child Tax Credit for families with a child under one.

Help with childcare costs

As part of the Working Tax Credit you may qualify for extra help towards the cost of registered or approved childcare. This is called the **childcare element** of the Working Tax Credit. The childcare element is worth up to 70% of eligible childcare costs up to a maximum of £175 per week for families who pay for childcare for one child and £300 per week for families who pay for two or more children. This means you would be able to claim a maximum of £122.50 per week for one child and a maximum of £210 per week for two or more children. The amount you

get will depend on your family income. The childcare element of the Working Tax Credit will be paid direct to the main carer of the child/children, along with any Child Tax Credit.

To claim the Childcare Element

- You and your partner (if you live together) must each work for 16 hours or more per week, **or**
- If you are a lone parent, you must work for 16 hours or more per week, **or**
- You are one of a couple where one partner is working 16 hours or more per week and the other is incapacitated and you care for children of qualifying age and pay for childcare.

Eligible childcare

This means childcare from a registered or approved provider.

- **Ofsted Registered providers.** This includes childminders, day nurseries, playgroups, out of school clubs and some holiday play care.
- **Providers Registered on Ofsted's Voluntary Childcare Register.** Providers or groups previously exempt from registration who are running for more than two hours can opt to go on the voluntary register and are therefore classed as eligible care. This includes nannies and home childcarers, childcare providers for children aged 8 and over, or activity based groups.

Please note:

You will not be able to claim for a relative who takes care of your child unless they are a registered provider and also care for children other than close relatives at the same time. A play scheme must be registered with Ofsted for you to be able to claim costs back. Some schemes are ineligible so it is advisable to check.

How are Tax Credit payments made?

Tax credits are usually paid directly into a bank or building society account or similar. Child Tax Credit will be paid directly to the person who is mainly responsible for caring for the children in the family. If Working Tax Credit is claimed as a couple you need to decide which one of you will receive the payments. Payments can be made either weekly or every four weeks.

How to claim Tax Credits

You can check your eligibility for Tax Credits and make a claim at the HMRC website or the tax credit helpline can give you more information. See useful contacts at the end of the factsheet. You can get help with completing your application form from your local Citizens Advice Bureau.

Other Information:

- Maintenance payments will not be taken into account in the calculation of your income when Child Tax Credit/Working Tax Credit is calculated. This means that if you are in receipt of maintenance you will be able to keep it in addition to your Working Tax Credit.
- Child benefit will continue to be paid and is not affected by Child Tax Credit/Working Tax Credit.
- All credits will be based on annual income for the preceding tax year and will run for a full year. A review is conducted by HM Revenue and Customs at the end of each tax year and adjustments may be made to take into account any change in circumstances within the year that have not been accounted for during the year.
- However tax credits are responsive to change during the year and you should inform HM Revenue and Customs of any change in circumstance.
- Childcare providers will not need to endorse the childcare element, however all claims for childcare will be checked with the provider by HMRC.

Useful Contacts and Information

Sheffield Information Link

Tel: 0114 249 8271 (out of hours answerphone)

9 Leopold Street, Sheffield, S1 2GY

Email: info@sheffinfoolink.org.uk

Website: www.sheffinfoolink.org.uk

Sheffield's Family Information Service. Additional support for families requiring childcare and other services for children and young people in Sheffield.

SIGN (Sheffield Information Giving Network)

Tel: 0114 266 9476 (out of hours answerphone)

Ryegate Children's Centre, Tupton Crescent Road, Sheffield, S10 5DD

Email: sign@sheffinfoolink.org.uk

Monday – Friday 10.00am – 3.00pm, drop in and phone service

Free information for parents and carers with children or young people with special needs or disabilities.

HM Revenue and Customs (HMRC) – Tax Credits

Tax Credit Helpline: 0845 300 3900

Monday to Friday 8.00am – 8.00pm & Saturday 8.00am – 4.00pm. Closed Sunday, Christmas Day, Boxing Day and New Year's Day.

Textphone (for hearing impaired claimants): 0845 300 3909

Website: www.hmrc.gov.uk/taxcredits/

Email service available for some enquiries and updates through the 'Contact us' link on the above website

Tax credit information and claims.

SCOOP AID (Sheffield Committee of One Parents)

Advice Service: Tel. 0114 253 7672, Monday - Friday 10.00am – 2.00pm

All other services: Tel: 0114 253 7670, Monday to Friday 9.00am – 4.30pm

Arbourthorne Lodge, Guilford Avenue, Norfolk Park, Sheffield, S2 2PL

Email: info@scoopaid.org.uk

Website: www.scoopaid.org.uk/

Provides specialist independent advice and support for lone parents in Sheffield and can help with benefit calculations and fast-track forms.

Local Advice Centres and Citizen's Advice Bureaux

Website: www.adviceguide.org.uk - Click on the 'Get Advice' section and use the 'Search for your local CAB' link

For contact details of local advice centres and citizen's advice bureaux

Warm Front

If you claim Working Tax Credit with an income of less than £16,040 including a disability element, or Child Tax Credit with an income of less than £16,040 and own your own home (this includes having a mortgage) or rent it from a private landlord, you can apply for a grant worth up to £3,500 (or £6,000 where your home needs oil central heating) from the Warm Front Team. Warm Front is a government funded initiative and can pay for energy efficiency improvements such as loft and cavity wall insulation and, in some cases, extra heating. Householders receiving disability or other income related benefits may also qualify.

Call the Warm Front Team on 0800 316 2805 or email enquiry@carillionplc.com to find out if you are eligible for a grant. The call is free and lines are open Monday to Friday, 8.00am – 6.00pm, Saturday 9.00am – 5.00pm.

The information on this factsheet is developed and maintained by Sheffield Information Link

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