
LLEWELYN DAVIES
CHARTERED ACCOUNTANTS

WORKING TAX CREDIT



Available to the Employed and Self-Employed

www.llewelyndavies.co.uk

This leaflet explains what the Working Tax Credit is, who can get it and how to make a claim.

Working Tax Credit is a payment to top up the earnings of working people on low incomes, including those who do not have children. There are extra amounts for working households in which someone has a disability. It is available to employees and self-employed people, and includes support for the costs of qualifying childcare.

Who can claim?

To qualify for tax credits, you must usually live in the United Kingdom.

Some people may be eligible even if they do not live in the UK. If you, or your partner if you have one, work in the UK, are a Crown servant posted overseas, or are receiving UK state Pension or contributions-based Jobseeker's Allowance you will qualify

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

If you are

- Part of a married couple, or civil partners, living together and not separated, or
- A man and a woman living together as if you are married, or a same sex couple living together as if you are in a civil partnership.

You must claim together, based on your joint circumstances.

Can I Claim?

People who are responsible for a child or young person can claim Working Tax Credit if

- You are aged 16 or over **and** work at least 16 hours a week.
- If part of a couple the total hours worked in the household **must** be at least 24 hours with one person working 16 hours or more.

People without children can claim Working Tax Credit if

- You are aged 25 to 60 **and** work at least 30 hours a week
- You are aged 16 or over **and** work at least 16 hours a week and you have a disability, which puts you at a disadvantage in getting a job.
- You are aged 60 or over **and** work at least 16 hours a week.

The detailed rules that apply to people with disabilities and to people aged 50 or more returning to work after a period on benefits are explained in the notes, which are issued with the claim form.

How much can I claim?

Working Tax Credit is paid in addition to any Child Tax Credit you may be entitled to.

The amount of Working Tax Credit you receive will be 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 2013/2014 rates are as follows:

Element	Annual	Approx. Weekly Equivalent
Basic	£1,920	£37
Couple & lone parent	£1,970	£38
30 hour	£790	£15
Disability	£2,855	£55
Severe disability	£ 1,220	£22

Can I get help with the costs of childcare if I'm working?

As part of Working Tax Credit, you may qualify for extra help towards the costs of registered or approved childcare. This is known as the **childcare element** within Working Tax Credit. You can only get this 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 prevented from working by incapacity.

The child care element of the Working Tax Credit is worth up to 70p in tax credit of every £1 a week you spend on approved child care, up to a limit of £175 a week if you have one child and up to £300 a week for two or more children. So, the maximum childcare element you can get is either

- £122.50 a week (£175 x 70%) for one child, or
- £210 a week (£300 x 70%) for two or more children.

For example, if you spend £100 a week, the childcare element would be worth up to £70 in tax credit. If you spend £40 a week, the childcare element would be worth up to £28.

Your childcare element is added to the amount of Working Tax Credit you qualify for. The final amount you get will depend on your income or joint income.

How will Working Tax Credit be paid?

H M Revenue & Customs will pay any Working Tax Credit directly to you.

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

If you are entitled to the childcare element of Working Tax Credit, it will be paid directly to the person who is mainly responsible for caring for the children in the family, alongside any payments of Child Tax Credit.

How do I make a claim or get more information?

By filling in and returning the paper form, or

By going online at www.hmrc.gov.uk/taxcredits.

If you don't have access to the Internet, you can check your eligibility or get a claim pack by phoning **0345 300 3900**. This line is open between 8.00a.m. and 8.00p.m. seven days a week.

If you need further advice about Child Tax Credit, Working Tax Credit or the claim forms you can:

- Phone the Helpline on **0345 300 3900**.
- Visit any H M Revenue & Customs Centre.

We hope the contents are a useful summary. We have taken every care in the preparation of the leaflet, however, we can accept no responsibility for any loss occasioned by any person acting or refraining from action as a result of this material.

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