



**HM REVENUE & CUSTOMS**  
Analysis Team

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**Child and Working Tax Credits  
Statistics**

**April 2009**

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This issue, and issues back to July 2003, can be found on the HM Revenue & Customs web site: <http://www.hmrc.gov.uk/stats/personal-tax-credits/menu.htm>

The next issue, for December 2009, will be published on 22 December 2009.

**See the Introduction for changes to the tables since December 2006**

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Note: Certain figures, mainly in Sections 1 and 2, do not fall under National Statistics. See the Introduction.

# Child and Working Tax Credits Statistics

April 2009

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## Introduction

### What are tax credits?

Tax Credits is a flexible system of financial support designed to deliver support as and when a family needs it, tailored to their specific circumstances. They are part of wider government policy to provide support to parents returning to work, reduce child poverty and increase financial support for all families. The flexibility of the design of the system means that as families' circumstances change, so (daily) entitlement to tax credits changes. This means tax credits can respond quickly to families' changing circumstances providing support to those that need them most.

Tax credits are based on household circumstances and can be claimed jointly by members of a couple, or by singles. Entitlement is based on the following factors:

- age
- income
- hours worked
- number and age of children
- childcare costs
- disabilities

[For further information about who can claim please refer to the HMRC website.](#)

Tax Credits are made up of:

#### *Child Tax Credit (CTC)*

Brings together income-related support for children and for qualifying young people aged 16-19 who are in full time non-advanced education or approved training into a single tax credit, payable to the main carer. Families can claim whether or not the adults are in work.

#### *Working Tax Credit (WTC)*

Provides in-work support for people on low incomes, with or without children. It extends eligibility to in-work support to people who work 16 hours or more a week and;

- are aged at least 16 and are responsible for a child or young person,
- are aged at least 16 and are receiving or have recently received a qualifying sickness or disability related benefit and have a disability that puts them at a disadvantage of getting a job, or
- are over 50 and going back to work after being on a qualifying out of work benefit for at least six months.

Otherwise it is extended to people who are aged 25 and over who work 30 hours a week or more.

**CTC** is made up of the following elements,

- **Family element:** which is the basic element for families responsible for one or more children or qualifying young people, with a higher rate of family element known as baby element to families with one or more children under one year old
- **Child element:** which is paid for each child or qualifying young person the claimant is responsible for
- **Severe disability element:** for each child or qualifying young person the claimant is responsible for if they get Disability Living Allowance (Highest Care Component) for the child

Some out of work families with children do not receive CTC but instead receive the equivalent amount via child and related allowances in Income Support or income-based Jobseeker's Allowance (IS/JSA). These families are included in the figures, generally together with out of work families receiving CTC. In due course, they will be "migrated" to tax credits.

**WTC** is made up of the following elements,

- **Basic element:** which is paid to any working person who meets the basic eligibility conditions
- **Lone Parent element:** for lone parents
- **Second adult element:** for couples
- **30 hour element:** for individuals who work at least 30 hours a week, couples where one person works at least 30 hours a week or couples who have a child and work a total of 30 hours or more a week between them where one of them works at least 16 hours a week
- **Disability element:** for people who work at least 16 hours a week and who have a disability that puts them at a disadvantage in getting a job and who are receiving or have recently received a qualifying sickness or disability related benefit
- **Severe disability element:** for people who are in receipt of Disability Living Allowance (Highest Care Component) or Attendance Allowance at the highest rate.
- **50 plus element:** for people aged 50 or over who are starting work at least 16 hours a week after being on qualifying out of work benefits for at least 6 months
- **Childcare element:** for single people who work at least 16 hours a week or couples who both work at least 16 hours a week and who spend money on registered or approved childcare

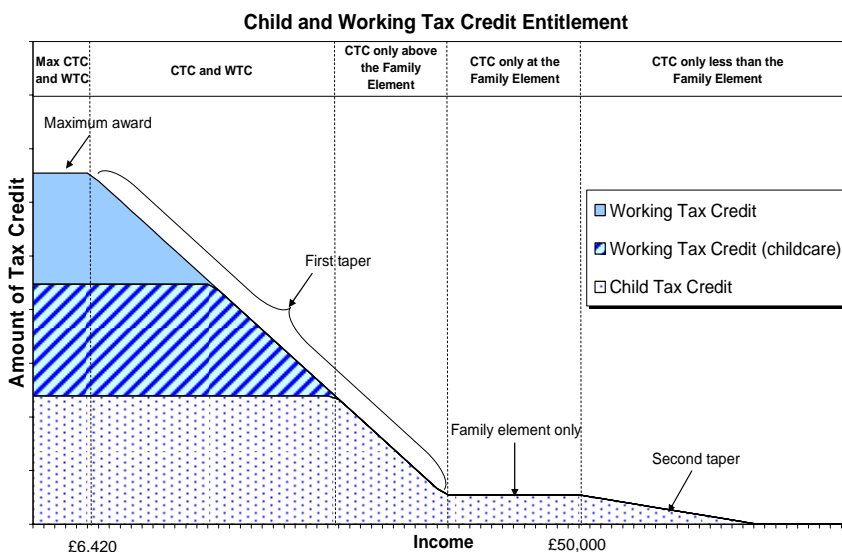
**Tapering:** is the amount of the award that will be reduced when the household income exceeds a given threshold. Tapering reduces WTC first, then CTC, then finally the Family Element

The amount of support an eligible family can receive (known as their *entitlement*) varies depending on their income and which tax credit elements they are eligible for. First, a family's maximum possible entitlement is worked out by adding up all the different elements of CTC and WTC they are eligible for (described on page 2).

A household's actual entitlement is then determined by tapering this maximum amount according to different thresholds. As demonstrated within the diagram below, families eligible for the WTC receive the full entitlement until their annual household income reaches £6,420, after which the amount of tax credits they receive is reduced by 39 pence (the 'first taper') for each additional £1 they earn beyond this threshold.

If a household is out of work and therefore eligible for the CTC only, they will receive the full entitlement until their annual household income reaches £16,040. After this point, the amount of tax credits they receive is again reduced by 39 pence for each additional £1 of income beyond this threshold (note that this is not shown on the diagram below).

Once the WTC and child element have tapered out, there is a plateau as the family element of the CTC does not begin to be tapered until annual household income exceeds £50,000, over which entitlement to tax credits is reduced by 6.67 per cent of income (the 'second taper') above that threshold.



Because of the range of possible eligibilities and interactions between the elements, both the maximum award and the shape of the above award profile will be different for every family that has different circumstances.

Tax Credits are based on household income. The income used to calculate the award is based on the families' income from the previous tax year, or on their most recently reported circumstances in-year. A family's tax credits award is provisional until finalised at the end of the year, when it is checked against their final income for the year. This publication relates to a snapshot of tax credit support based on these 'provisional' tax credits awards.

## What does this publication tell me?

The provisional awards are currently published at the end of April and December. These statistics are as close to real-time as possible and represent the picture as at the beginning of April and December. These are National Statistics and the date of publication is pre-announced at least a month in advance if not in the previous publication, for instance this set of April 2009 statistics were published on April 30<sup>th</sup>.

Each release consists of two actual publications, the main publication and the geographical publication. The main publication includes a Country and Government Office Region summary, with the geographical publication going to a lower level. This series has been produced roughly bi-annually since the introduction of Child and Working Tax Credits in April 2003.

As only a sample of data is used detailed analysis at the sub-geographical regions is not always possible. These statistics include analysis at the following geographical levels:

- Country and Government Office Region (GOR);
- Local Authority (LA);
- Westminster Parliamentary Constituency; and
- Scottish Parliamentary Constituency;

## Who might be interested?

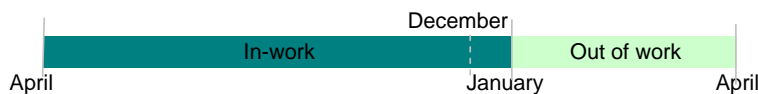
The statistics contained in this publication will be of interest for anyone that is looking for the latest possible data on Tax Credits. Specifically, there are aggregate statistics on who is getting what level of tax credits support as well as breakdowns by various sub-categories - e.g., family composition, family income, work status, and geographical analyses. It may be of interest to academics, thinktanks, political parties interested in the twin aims of Tax Credits: eradicating child poverty and improving work incentives. Equally it may be of interest for people considering wider questions on government support systems and/or others designing benefit systems. Finally, the geographical analyses might be of interest at the more local level, giving some indication of the level of government support in each Government Office Region.

### **Provisional awards vs finalised awards**

***It is important to recognise that the terms 'provisional' and 'finalised' when used in this context do not have the traditional meanings in terms of other National Statistics releases where the former is an early view which the latter will revise with updated estimates. Here, when we refer to statistics on 'provisional awards', this is a snapshot of families in award at the specific reference date looking at the circumstances of the award at that time. By the time we talk about 'finalised awards' this will refer to a wider population of families - effectively all families that were in award at all snapshots across the year - and where the history of their circumstances is known for the full year. In that sense, the finalised estimates are materially different to the provisional award estimates and should not be construed as revisions to earlier estimates.***

At the start of the year, the tax credit award will be a provisional award reflecting the reported circumstances as at April 6th (the start of the tax year). Over the course of the year, a family's circumstances may or may not change. As and when a family's circumstances change, the provisional award is updated each time with the latest set of circumstances and a new provisional award re-calculated. It is only at finalisation (usually four to nine months after the end of the tax year) that the family's circumstances for the whole year are known and a finalised award can be calculated. As a result, the finalised award statistics are not available until around 12 months after the end of the entitlement year in question. Given this lag in availability of data, there is some value in looking at a snapshot of families' circumstances at any given time to give some indication of the level of support one might expect to see subsequently at finalisation.

To illustrate the difference, let us look at a family that has one change of circumstance throughout the year, moving from in-work to out of work in January of any one year:



The snapshot data looking at the provisional award in December will model entitlement for the whole year on the basis that the family is in-work for the whole year (since we do not know about the move out of work at that time). It is not until finalisation - and thereby in the finalised award data publication - that the family's entitlement will be modelled on the basis of 9 months in-work and 3 months out of work.

So the figures for provisional awards are more up to date, but are subject to retrospective change. The sizes of these changes can be seen by comparing the data for selected dates in finalised awards with data published earlier on provisional awards at the same snapshot dates. The provisional award data tables classify families according to the levels of their entitlement at the reference date, modelled from data on their circumstances and their latest annual incomes reported and processed by that date. The actual amount being received at that date can be lower, due to the recovery of earlier overpayments. The tables describe as "recipients" all families with positive modelled entitlement, though in some cases the payments are reduced to zero. For more details, see the Technical Note.

### **Which publication should I use?**

Generally, if you are content with the most accurate, but less timely, statistics, use the finalised awards data publication. If you are more concerned with getting the latest up-to-date information that may not align exactly with finalised data further down the line, use the provisional awards data. Sticking to the finalised award data will also mean the figures will align with other published data on Tax Credits such as information in HMRC's Departmental Accounts.



## What information do the tables contain?

CTC and WTC are claimed by individuals, or jointly by couples, whether or not they have children (described as "families" in this publication). These tables cover families who had claimed, and were eligible for, CTC (or the equivalent via benefits) or WTC at 1 April 2009 (the "reference date") and who were recipients at that date.

From April 2007, the tables exclude families whose modelled entitlements are tapered to zero through incomes. These families were originally included because they may, retrospectively, have positive entitlements at finalisation. However, this is no longer at all likely for the majority of such families. Their numbers have been swelled by families whose youngest children have left full time education, who continue to satisfy the qualifying conditions for WTC (see above), but whose incomes are sufficient to taper the WTC entitlements to zero.

The tables in Sections 3 and 8 cover out of work families with children; and the figures for such families in Sections 1 and 2 are shown with the same degree of rounding as the figures for in-work families, and are classed as National Statistics. This follows the availability of a new data source for out of work families receiving their child support via benefits (see "Data sources", below).

Tables 8.2 and 8.3 from the main publication give a Country and GOR summary which includes the number of families receiving CTC above the family element, as well as the number of families benefiting from help with childcare.

## Summary of main aggregates

Table 2.1 shows that, on 1 April 2009:

**6.1 million families, containing 10.1 million children, were tax credit recipients or were receiving the equivalent child support through benefits;**

These families comprised:

**5.7 million families with children receiving CTC, or the equivalent via benefits:**

1.4 million in which no adult was in work

1.8 million in work receiving the maximum CTC, and also receiving WTC

0.7 million in work receiving less than the maximum CTC, but more than the family element

1.6 million in work receiving the family element of CTC

0.2 million in work receiving less than the family element of CTC.

**0.5 million families in work without children, receiving only WTC.**

3.5 million recipient families were couples (3.4 million had children).

2.6 million were single adults (2.3 million had children).

Later tables show that:

470 thousand families were benefiting from the childcare element of WTC; they were receiving an average of £69 per week help with their childcare costs;

124 thousand families were benefiting from the disabled worker element of WTC;

469 thousand families receiving CTC were benefiting from the baby addition to the family element;

*Note: Figures are separately rounded, which can lead to the components as shown not summing to the total.*

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## Section 1 : Time series

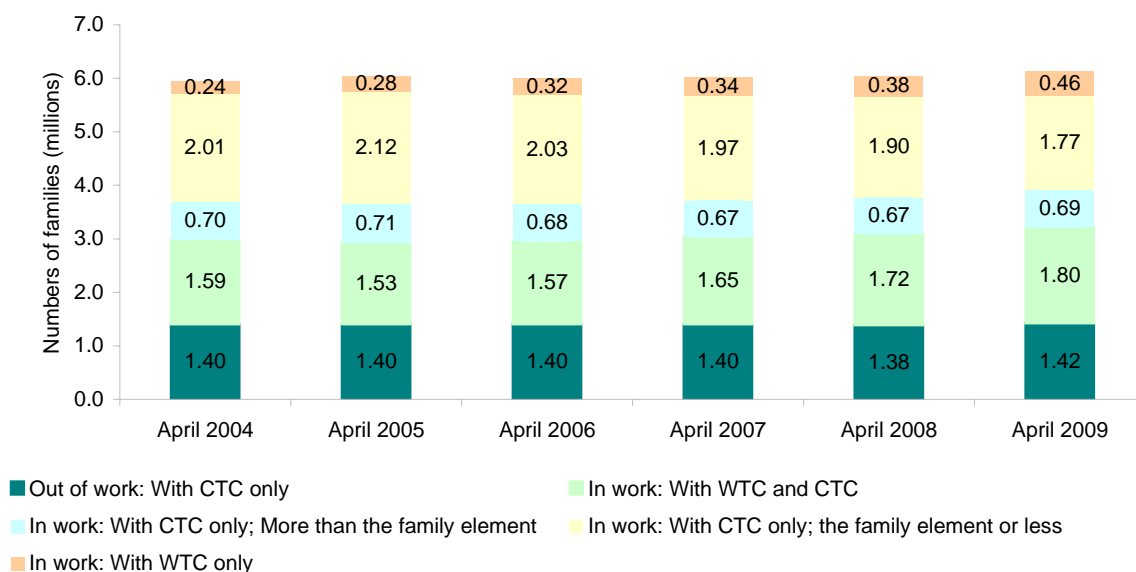
**Section 1 provides statistics on the history of the Tax Credits system, between April 2004 and April 2009. This enables comparison across time, across different Tax Credits populations and describes how various parts of the system have changed over time.**

Figure 1.1 shows that the overall numbers of families receiving tax credits has remained broadly level at around 6.0 million since April 2005, slightly up on the 5.9 million in April 2004 although April 2009 saw an additional increase to around 6.1 million. Within this broadly stable overall number, the composition of the Tax Credits population is changing over time.

The numbers of families receiving relatively high awards - that is in-work families receiving WTC and CTC - have risen from around 1.6 million in April 2004 to 1.8 million in April 2009. During the same period, the numbers of in-work families receiving CTC only with a value more than the family element has remained relatively stable at 0.7 million. The numbers of in-work families receiving CTC only with a value of the family element or less has fallen from a relatively stable 2.0 million in April 2004 to April 2007 down to 1.9 million in April 2008 and now 1.8 million in April 2009. Numbers of in-work families without children - receiving WTC only - have increased steadily since April 2004, rising from around 240,000 to 460,000 in April 2009.

The numbers of families receiving tax credits when out of work has remained relatively stable at around 1.4 million since April 2004 and as yet, there has been no appreciable spike in out of work families during the economic downturn.

Figure 1.1: Numbers of families receiving different amounts of Tax Credits



HMRC has been set a Departmental Strategic Objective to increase the numbers of families without children receiving WTC-only to 555,000 by 31 March 2011. Figure 1.2 shows that the numbers of families without children receiving WTC-only has risen over time, almost doubling from 235,000 in April 2004 to around 455,000 in April 2009. The rate of increase has increased since a plateau of 320,000 between December 2005 and December 2006 with the fastest growth occurring between April 2008 and December 2008.

Figure 1.2: Numbers of families receiving WTC-only (working families without children)

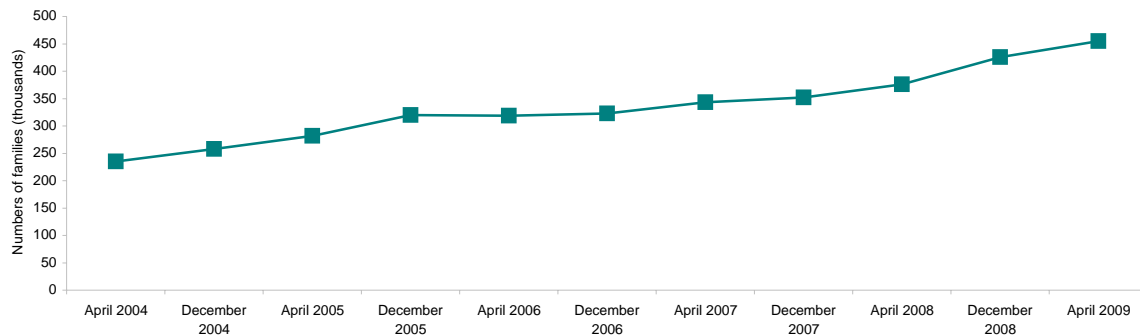
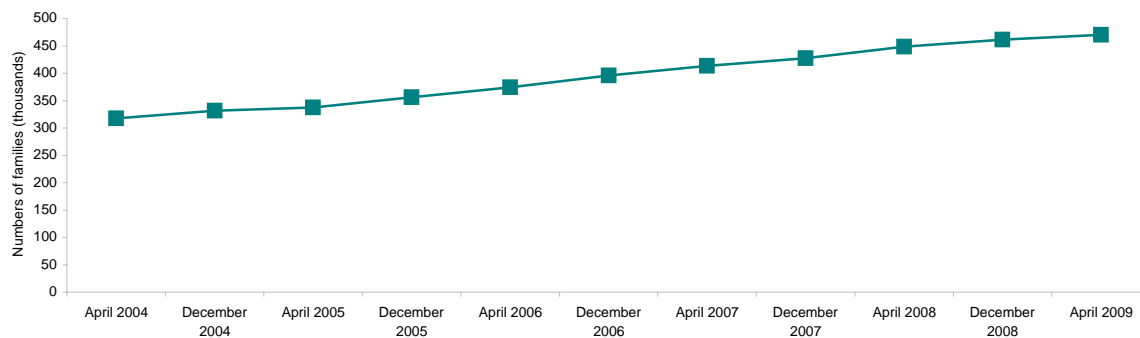


Figure 1.3 shows that the numbers of families benefiting from the childcare element has consistently risen over time, from 318,000 in April 2004 to around 471,000 in April 2009.

Figure 1.3: Numbers of families benefiting from the childcare element



N.B. This figure is not derivable solely from the statistics in this publication. It includes information from previous releases of the provisional award data publications.

**Table 1.1 : Families receiving CTC or WTC, or with children and receiving out of work benefits, July 2003 to April 2009.***Thousands*

	Total out of work families <sup>1</sup>	In work families				Total In work families	Total in receipt (out of work and in work families)
		With Children		With No Children			
		Receiving WTC and CTC	Receiving CTC only	Receiving WTC only			
		More than the family element	Family element or less				
11 Jul 2003	1,400	1,465	647	1,851	121	4,084	5,500
3 Oct 2003	1,400	1,481	663	1,934	200	4,278	5,700
5 Jan 2004	1,400	1,548	687	1,973	215	4,423	5,900
5 Apr 2004	1,400	1,589	704	2,013	235	4,541	6,000
3 Dec 2004	1,400	1,492	694	2,075	258	4,519	5,900
5 Apr 2005	1,400	1,531	711	2,115	282	4,639	6,000
5 Dec 2005	1,300	1,497	697	2,024	320	4,538	5,900
3 Apr 2006	1,400	1,565	684	2,033	319	4,601	6,000
2 Dec 2006	1,400	1,596	657	1,951	323	4,526	5,900
3 Apr 2007	1,398	1,645	665	1,966	343	4,619	6,017
4 Dec 2007	1,345	1,650	658	1,882	352	4,541	5,886
5 Apr 2008	1,383	1,715	671	1,898	376	4,660	6,043
4 Dec 2008	1,389	1,763	679	1,763	426	4,630	6,019
1 Apr 2009	1,418	1,804	688	1,766	455	4,714	6,131

Note: Between each April and December families' awards are stopped (a) at 31 August if their only qualifying child falls out of entitlement at that date, or (b) in the autumn if they fail to return their Annual Declaration for the previous year. This introduces some seasonality into the figures.

Note: For each date, these data describe awards current at that date, based on incomes and circumstances reported and processed by that date. The publication "Child and Working Tax Credits Statistics. Finalised awards" gives retrospective figures based on later information, including in particular incomes and other details reported during the following tax year at

<sup>1</sup> For dates up to December 2006, these numbers do not fall under National Statistics. They include both such families receiving CTC and other families with children receiving the equivalent level of child support through out-of-work benefits. Estimates of the latter are based on numbers at various dates up to May 2006, interpolations to the reference dates and a forecast for

## Section 2 : Summary tables

Section 2 provides summary information on the tax credits population at April 2009 at the higher level of aggregation. Sections 3 - 8 go into more detailed breakdowns.

Figure 2.1 shows that the majority of lone parent families with children receive either the full award of CTC (when out of work) or WTC and CTC (when in work). There are just 2,000 lone parent families that are entitled to less than the family element. The pattern for couples is less clear with the largest single grouping receiving the family element of CTC though the next largest group is the WTC and CTC award, followed by those receiving CTC only more than the family element. A majority of families with no children (receiving WTC only) are single recipients.

Figure 2.1: Composition of families receiving different types of tax credits

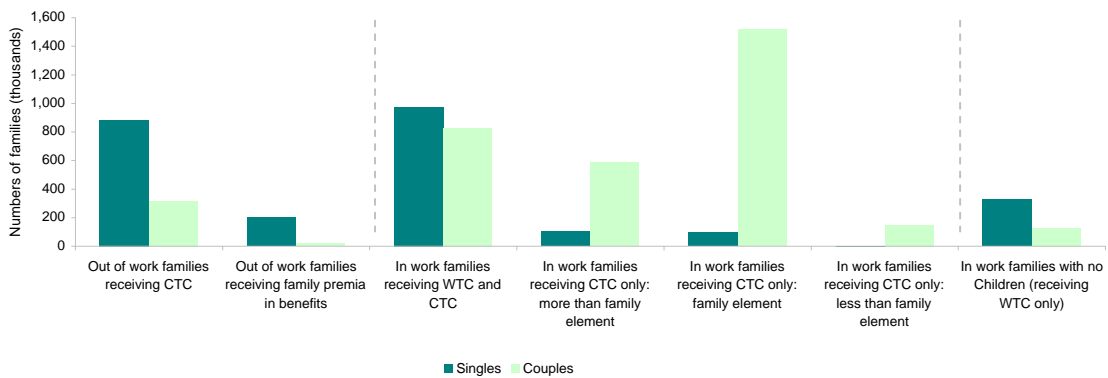
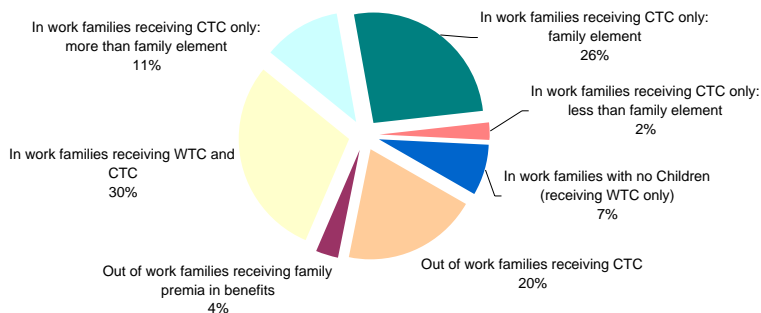


Figure 2.2 shows that 24% of families in receipt are out of work families (20% receiving CTC and 4% receiving family premia in benefits) with the remaining 76% of families in receipt in-work families. Within this, 30% of families in receipt are receiving the higher value awards (WTC and CTC) while 11% are receiving CTC-only at a value greater than the family element ('on the first taper' - see section 1). 28% are receiving CTC-only to a value of the family element or less while the remaining 7% are in-work families with no children (receiving WTC-only).

Figure 2.2: Recipient families: proportion of families receiving each type of award





**Table 2.1 Recipient families, couples and single adults and their children.**

	Families			Number of children in recipient families
	Singles	Couples	Total	
<i>Thousands</i>				
<b>Out of work families with children</b>				
Receiving CTC	883.4	318.3	1,201.7	2,251.7
<i>of which maximum award<sup>1</sup></i>	873.7	276.2	1,149.9	2,162.2
<i>of which tapered</i>	9.7	42.1	51.8	89.5
Receiving family premia in benefits <sup>2</sup>	198.4	17.5	215.9	443.0
<b>Total out of work families with children</b>	<b>1,081.8</b>	<b>335.9</b>	<b>1,417.7</b>	<b>2,694.7</b>
<b>In work families</b>				
<b>With children</b>				
Of which receiving WTC <sup>3</sup> and CTC				
<i>and maximum award<sup>1</sup></i>	430.4	216.9	647.3	1,201.5
<i>and tapered</i>	544.4	612.7	1,157.0	2,016.9
<b>Total receiving WTC<sup>3</sup> and CTC</b>	<b>974.8</b>	<b>829.6</b>	<b>1,804.3</b>	<b>3,218.4</b>
Of which receiving CTC only				
<i>and more than family element</i>	102.4	585.6	688.0	1,433.5
<i>and family element</i>	96.3	1,517.4	1,613.7	2,454.0
<i>and less than family element</i>	2.0	150.1	152.1	256.0
<b>Total receiving CTC only</b>	<b>200.7</b>	<b>2,253.2</b>	<b>2,453.9</b>	<b>4,143.6</b>
<b>Total With Children</b>	<b>1,175.4</b>	<b>3,082.7</b>	<b>4,258.3</b>	<b>7,362.0</b>
<b>No children (receiving WTC only)</b>				
<i>of which maximum award<sup>1</sup></i>	131.7	25.8	157.5	-
<i>of which tapered</i>	194.9	102.8	297.8	-
<b>Total no Children (receiving WTC only)</b>	<b>326.6</b>	<b>128.6</b>	<b>455.3</b>	<b>-</b>
<b>Total In-work families</b>	<b>1,502.1</b>	<b>3,211.4</b>	<b>4,713.5</b>	<b>7,362.0</b>
<b>All families</b>				
With children	2,257.2	3,418.6	5,676.0	10,056.7
Other	326.6	128.6	455.3	-
<b>Total All families</b>	<b>2,583.9</b>	<b>3,547.2</b>	<b>6,131.1</b>	<b>10,056.7</b>

<sup>1</sup> Where the award is not reduced through tapering, either because the family is passported to maximum CTC through receipt of out of work benefits, or because the annual income is below the relevant first threshold. See the Technical Note.

<sup>2</sup> See the Introduction. Not tapered.

<sup>3</sup> Includes 95.9 thousand families (59.5 thousand couples and 36.4 thousand singles) where the WTC entitlement is less than or equal to the childcare element and is therefore paid together with CTC.

### Section 3 : Age, gender and children of recipient families

Section 3 focuses on the demographic make up of the Tax Credits population. In particular, it looks at the age and gender of the adults in the family as well as the number and age of children in each family.

Figure 3.1 shows that the majority of singles/one-parents and couples have adults in the age range 40-49; the next largest category being the 35-39 age range. On the whole the age distribution for singles/one parent families is younger than that of couples.

Figure 3.1: Age breakdown of adults in receipt

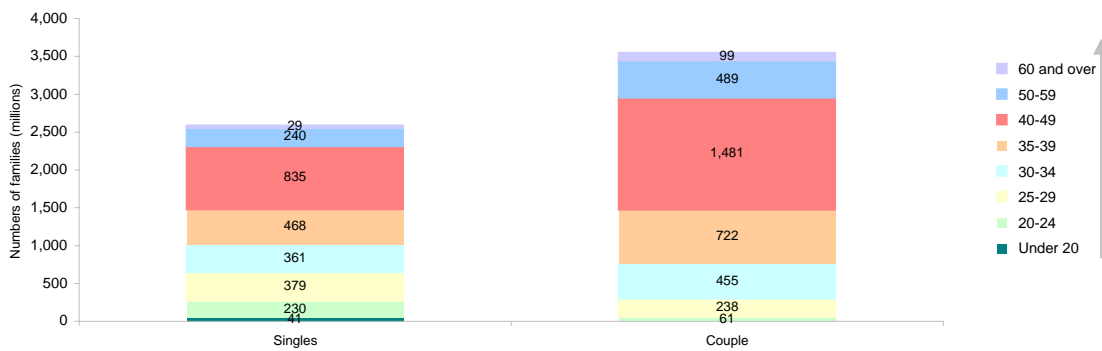


Figure 3.2 shows that the overwhelming majority of families with children are made up of either one or two children with single parent families more likely to have one child than couples. For couples there are almost the same number of families with one child as there are two children. Beyond this, couples are more likely to have larger family sizes. There are 76,000 families with 5 or more children.

Figure 3.2: Number of children in families in receipt

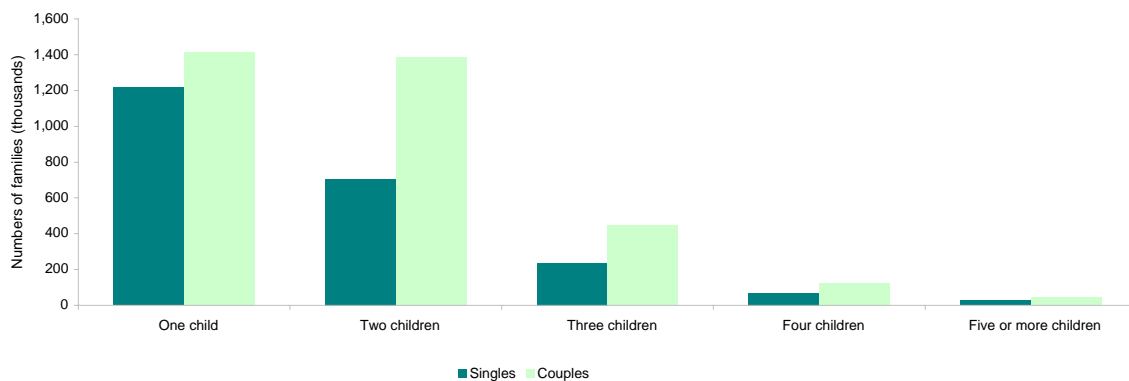


Figure 3.3 shows that the majority of lone parent families and couples with children have children in the age range 10-16; the next largest category being the 5-9 age range for couples with children and the under 5 age range for lone parent families. A minority of children for both single and couple families are aged 16 and over - as one might expect due to tax credit eligibility requirements (as well as the relative size of the age category).

Figure 3.3: Age of children in families in receipt

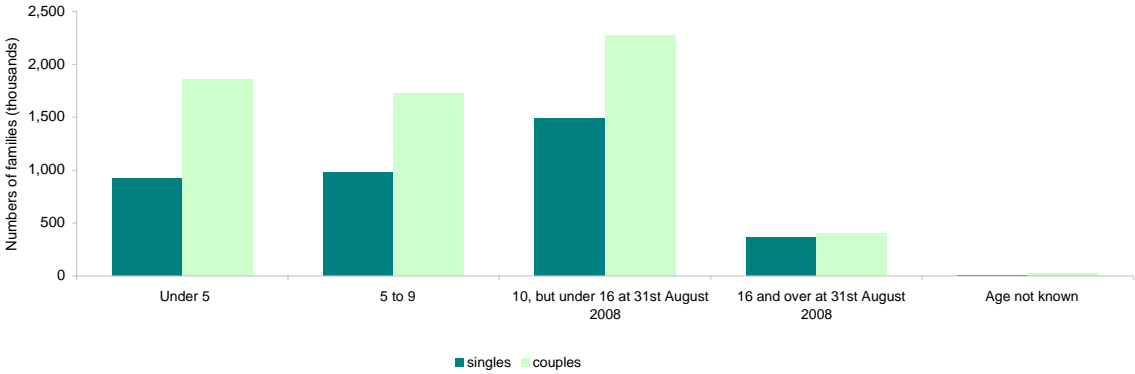


Table 3.1: Recipient families: ages and genders of adults.

Thousands

	Total out of work families <sup>1</sup>	In-work families					Total In work families	Total in receipt (out of work and in work families)
		With children			With No Children			
		Receiving WTC and CTC	Receiving CTC only			Receiving WTC only		
			More than the family element	Family element or less	Less than family element			
<b>Singles</b>								
Age of adult								
Under 20	36.0	4.6	-	-	-	0.4	5.0	41.0
20-24	155.6	69.2	0.7	0.2	-	4.3	74.4	230.0
25-29	191.3	132.0	3.6	1.6	-	50.4	187.6	379.0
30-34	156.5	153.8	9.0	6.5	-	35.4	204.7	361.2
35-39	188.2	206.4	22.7	16.6	0.3	34.0	280.0	468.2
40-49	274.7	349.6	56.3	55.6	1.4	97.6	560.4	835.0
50-59	66.7	57.3	9.8	15.3	0.3	91.0	173.7	240.4
60 and over	12.9	1.8	0.3	0.5	-	13.6	16.2	29.1
<b>Total Singles</b>	<b>1,081.8</b>	<b>974.8</b>	<b>102.4</b>	<b>96.3</b>	<b>2.0</b>	<b>326.6</b>	<b>1,502.1</b>	<b>2,583.9</b>
Gender of working adult								
Female	1,013.1	918.1	88.6	78.6	1.5	180.4	1,267.2	2,280.3
Male	68.7	56.7	13.7	17.7	0.6	146.2	234.9	303.6
<b>Couples</b>								
Age of eldest adult <sup>1</sup>								
Under 20	-	0.9	-	-	-	-	0.9	0.9
20-24	16.3	29.5	7.7	7.3	0.1	0.2	44.7	61.0
25-29	33.5	91.0	41.5	63.1	3.4	5.4	204.4	237.9
30-34	42.9	136.1	86.2	167.1	18.2	4.8	412.4	455.3
35-39	58.6	175.3	140.7	307.7	35.3	4.3	663.2	721.8
40-49	109.0	295.5	248.3	731.3	72.7	24.0	1,371.8	1,480.8
50-59	47.9	88.6	54.7	219.5	19.2	58.9	440.8	488.7
60 and over	26.1	12.6	6.5	21.6	1.3	31.1	73.1	99.2
<b>Total Couples</b>	<b>335.9</b>	<b>829.6</b>	<b>585.6</b>	<b>1,517.4</b>	<b>150.1</b>	<b>128.6</b>	<b>3,211.4</b>	<b>3,547.2</b>
Gender of working adult(s) in couple								
Female sole worker <sup>2</sup>	-	117.6	42.3	70.6	3.7	30.9	265.1	-
Male sole worker <sup>2</sup>	-	480.6	290.4	463.2	32.3	61.6	1,328.2	-
Both adults in work <sup>2</sup>	-	231.3	252.9	983.7	114.1	36.2	1,618.2	-

<sup>1</sup> For out of work families receiving their child support via benefits, the age of the Child Benefit claimant.<sup>2</sup> "Worker" here means an adult working for at least 16 hours per week.

Table 3.2: Recipient families with children, by family size; ages of children.

Thousands

	Total out of work families <sup>1</sup>	In-work families				Total with children	Total families with children in receipt (out of work and in work families) <sup>1</sup>
		With children					
		Receiving WTC and CTC	More than the family element	Family element or less	Less than family element		
<b>Family size.</b>							
<b>Singles</b>							
One child	526.8	554.7	55.3	79.0	1.3	690.3	1,217.1
Two children	333.7	317.1	38.1	16.1	0.7	372.0	705.6
Three children	145.9	82.5	7.6	1.2	-	91.3	237.4
Four children	51.6	16.8	1.0	-	-	17.8	69.6
Five or more children	23.8	3.6	0.2	-	-	3.8	27.6
<b>Total Singles</b>	<b>1,081.8</b>	<b>974.8</b>	<b>102.4</b>	<b>96.3</b>	<b>2.0</b>	<b>1,175.4</b>	<b>2,257.2</b>
<b>Couples</b>							
One child	120.8	291.9	127.3	806.8	66.5	1,292.5	1,413.4
Two children	109.3	316.5	285.3	609.0	67.0	1,277.8	1,387.0
Three children	61.9	146.5	128.9	92.8	14.2	382.4	444.4
Four children	27.3	52.9	34.5	8.3	2.1	97.8	125.1
Five or more children	16.6	21.8	9.5	0.5	0.3	32.1	48.7
<b>Total All couples</b>	<b>335.9</b>	<b>829.6</b>	<b>585.6</b>	<b>1,517.4</b>	<b>150.1</b>	<b>3,082.7</b>	<b>3,418.6</b>
<b>All families</b>							
One child	647.7	846.6	182.6	885.8	67.7	1,982.7	2,630.5
Two children	442.9	633.5	323.4	625.1	67.6	1,649.6	2,092.6
Three children	207.8	229.0	136.6	94.0	14.3	473.9	681.8
Four children	78.9	69.7	35.6	8.3	2.1	115.7	194.6
Five or more children	40.4	25.4	9.7	0.5	0.3	35.9	76.4
<b>Total All families</b>	<b>1,417.7</b>	<b>1,804.3</b>	<b>688.0</b>	<b>1,613.7</b>	<b>152.1</b>	<b>4,258.3</b>	<b>5,676.0</b>
<b>With a child aged under one year at the reference date<sup>1</sup></b>	140.8	137.2	66.2	103.3	21.1	327.8	468.6
<b>Number of children by age.</b>							
<b>Singles</b>							
Under 5	587.8	317.6	12.7	7.0	0.3	337.6	925.3
5 to 9	538.7	391.0	29.7	20.7	0.6	442.0	980.7
10, but under 16 at 31st August 2008	689.4	643.3	88.3	66.9	1.6	800.1	1,489.6
16 and over at 31st August 2008	144.4	170.0	29.1	20.4	0.3	219.8	364.2
Age not known <sup>2</sup>	7.6	0.9	-	-	-	0.9	8.5
<b>Total Singles</b>	<b>1,968.0</b>	<b>1,522.8</b>	<b>159.7</b>	<b>114.9</b>	<b>2.9</b>	<b>1,800.3</b>	<b>3,768.3</b>
<b>Couples</b>							
Under 5	215.3	567.4	380.6	613.6	81.9	1,643.5	1,858.8
5 to 9	191.5	472.6	374.8	619.8	67.1	1,534.3	1,725.9
10, but under 16 at 31st August 2008	252.6	542.7	438.0	956.9	86.9	2,024.5	2,277.1
16 and over at 31st August 2008	58.4	102.1	77.2	148.7	17.2	345.2	403.5
Age not known <sup>2</sup>	9.0	10.9	3.2	-	-	14.1	23.1
<b>Total Couples</b>	<b>726.7</b>	<b>1,695.6</b>	<b>1,273.9</b>	<b>2,339.0</b>	<b>253.1</b>	<b>5,561.6</b>	<b>6,288.4</b>
<b>All families</b>							
Under 5	803.1	885.0	393.3	620.5	82.2	1,981.0	2,784.1
5 to 9	730.2	863.6	404.5	640.5	67.8	1,976.4	2,706.6
10, but under 16 at 31st August 2008	942.0	1,186.0	526.2	1,023.9	88.5	2,824.6	3,766.7
16 and over at 31st August 2008	202.8	272.1	106.3	169.1	17.5	565.0	767.7
Age not known <sup>2</sup>	16.6	11.8	3.2	-	-	15.0	31.6
<b>Total All families</b>	<b>2,694.7</b>	<b>3,218.4</b>	<b>1,433.5</b>	<b>2,454.0</b>	<b>256.0</b>	<b>7,362.0</b>	<b>10,056.7</b>

<sup>1</sup> Excludes families with babies whose awards did not reflect the baby, or who had no award, at the reference date but whose final annual award will include a baby addition starting by that date. They have three months to report the baby and benefit in full

<sup>2</sup> For large families, not all dates of birth were copied to the data base used to produce these figures.

## Section 4 : Hours worked and childcare of in-work recipient families

Section 4 focuses on the in-work recipient families with work-related breakdowns on the numbers of hours worked per week and the number of families benefiting from the 30-hour element. It also covers childcare-related breakdowns such as the numbers of families benefiting from the childcare element, the hours worked per week, the age distribution of the children, and detailed breakdowns of the costs.

Figure 4.1 shows the number of weekly hours worked by the main worker in in-work families in receipt. The overwhelming majority of main workers in a couple family are working full-time (or the equivalent of 35 hours or more). Single parent families are more evenly split with a narrow majority working 35 or more hours per week with 16-24 hours being the next most likely work pattern. This reflects the most common work patterns being either part-time or full-time.

Figure 4.1: Weekly hours worked by main worker for in-work families in receipt

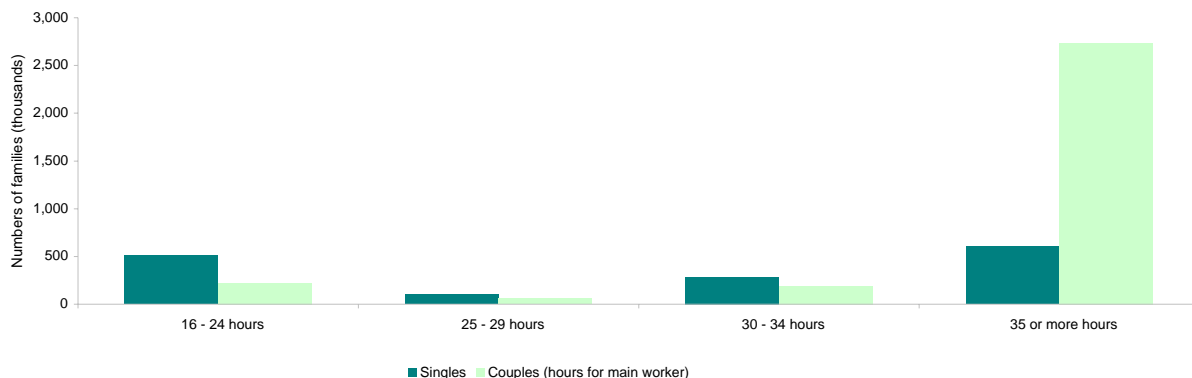


Figure 4.2 shows the average weekly help with childcare costs for single parent, couple, and all families. The costs are broadly split across the cost bands for each of the categories mostly reflecting the range of different numbers of hours childcare provision is claimed for.

Figure 4.2: Eligible childcare costs allowed (per week)



**Table 4.1: In-work recipient families: hours worked.**

*Thousands*

	In-work families						Total In work families
	With children				With No Children		
	Receiving WTC and CTC	Receiving CTC only			Receiving WTC only		
		More than the family element	Family element	Less than family element			
<b>Hours worked by main worker</b>							
<b>Singles</b>							
16 - 24 hours	474.0	9.8	4.2	-	26.4	514.4	
25 - 29 hours	85.9	6.1	3.3	-	4.2	99.5	
30 - 34 hours	152.5	12.9	8.0	-	112.2	285.6	
35 or more hours	262.4	73.5	80.8	1.9	183.9	602.5	
<b>Total Singles</b>	<b>974.8</b>	<b>102.4</b>	<b>96.3</b>	<b>2.0</b>	<b>326.6</b>	<b>1,502.1</b>	
<b>Couples (hours for main worker)</b>							
16 - 24 hours	173.6	22.0	24.0	1.0	5.2	225.8	
25 - 29 hours	35.2	10.1	12.7	0.6	0.9	59.5	
30 - 34 hours	97.8	27.7	31.3	2.0	32.4	191.2	
35 or more hours	523.0	525.9	1,449.5	146.4	90.2	2,735.0	
<b>Total Couples</b>	<b>829.6</b>	<b>585.6</b>	<b>1,517.4</b>	<b>150.1</b>	<b>128.6</b>	<b>3,211.4</b>	

Table 4.2: In-work recipient couples: combination of hours worked.

Thousands

	Hours worked by main worker					Total
	16 - 24	25-29	30-34	35-39	40 or more	
<b>Hours worked by partner of main worker</b>						
<b>Couples with children, and receiving more than CTC family element</b>						
Not in work	162.9	30.4	82.1	216.0	317.8	809.1
1-5	1.5	0.5	1.4	4.9	8.4	16.7
6-10	4.4	1.4	3.5	14.4	26.0	49.8
11-15	4.7	1.4	3.6	16.8	28.7	55.3
16-24	22.0	9.8	23.3	84.7	129.1	268.9
25-29	-	1.8	4.9	18.9	28.1	53.6
30 or more	-	-	6.7	51.7	103.3	161.7
<b>Total with children and receiving more than the family element</b>	<b>195.5</b>	<b>45.3</b>	<b>125.4</b>	<b>407.5</b>	<b>641.4</b>	<b>1,415.2</b>
<b>Other couples with children</b>						
Not in work	19.0	8.1	12.3	150.2	204.7	394.2
1-5	0.4	0.1	0.4	6.8	10.8	18.4
6-10	0.6	0.3	1.1	22.0	35.8	59.8
11-15	1.0	0.5	1.8	38.1	55.9	97.3
16-24	4.0	3.1	9.7	176.2	236.6	429.7
25-29	-	1.1	3.3	56.7	75.5	136.6
30 or more	-	-	4.7	210.2	316.6	531.5
<b>Total other couples with children</b>	<b>25.0</b>	<b>13.3</b>	<b>33.3</b>	<b>660.1</b>	<b>935.8</b>	<b>1,667.5</b>
<b>Couples without children</b>						
Not in work	3.8	0.5	24.5	28.0	27.3	84.1
1-5	0.1	-	0.3	0.3	0.5	1.3
6-10	0.2	-	0.8	0.9	1.6	3.5
11-15	0.2	-	0.8	1.1	1.5	3.6
16-24	1.0	0.3	3.5	3.6	6.1	14.4
25-29	-	0.1	0.7	0.8	1.4	3.0
30 or more	-	-	1.7	4.4	12.6	18.7
<b>Total couples without children</b>	<b>5.2</b>	<b>0.9</b>	<b>32.4</b>	<b>39.1</b>	<b>51.1</b>	<b>128.6</b>
<b>All couples</b>						
Not in work	185.7	38.9	118.9	394.1	549.9	1,287.5
1-5	1.9	0.6	2.1	12.0	19.7	36.4
6-10	5.2	1.8	5.4	37.4	63.4	113.2
11-15	5.8	2.0	6.2	56.0	86.2	156.2
16-24	27.0	13.2	36.5	264.5	371.8	713.1
25-29	-	3.0	8.9	76.4	105.0	193.2
30 or more	-	-	13.1	266.3	432.4	711.9
<b>Total All couples</b>	<b>225.8</b>	<b>59.5</b>	<b>191.2</b>	<b>1,106.6</b>	<b>1,628.4</b>	<b>3,211.4</b>



**Table 4.3 : Families benefiting from the 30-hour credit: family type.**

	<i>Thousands</i>				
	<b>Total</b>	Couples with children	Couples without children	Singles with children	Singles without children
Total families benefiting <sup>1</sup>	2,136.8	1,216.8	122.5	501.3	296.1
Main earner works for at least 30 hours	2,094.3	1,174.3	122.5	501.3	296.1
Neither adult works for 30+ hours, but combined hours exceed 30	42.5	42.5	0.0	-	-
<b>Gender of sole or main worker</b>					
Female	779.0	133.0	34.8	448.8	162.4
Male	1,299.8	1,034.3	79.3	52.5	133.7
Couples - equal hours <sup>2</sup>	58.0	49.5	8.4	-	-
<b>Total</b>	<b>2,136.8</b>	<b>1,216.8</b>	<b>122.5</b>	<b>501.3</b>	<b>296.1</b>

<sup>1</sup> Those claiming the 30-hour element who (a) have children and have an award value above the family element, or (b) have no children and have a positive award.

<sup>2</sup> Couples where the two partners (including those in civil partnerships) work the same number of hours.

**Table 4.4: Families benefiting from the childcare element.***Thousands unless stated*

	Singles	Couples			Total
		Both working	Other <sup>1</sup>	All Couples	
<b>Age group, or age groups of children<sup>3</sup></b>					
Under 5 years only	92.9	72.5	1.5	74.0	166.9
Under 5 years plus older	61.1	64.4	2.1	66.6	127.6
5 to 9 years only	65.1	13.4	0.6	13.9	79.0
5 to 9 years plus older	38.0	13.4	0.5	14.0	52.0
10 years and over only	39.7	4.8	0.3	5.1	44.8
<b>Total families benefiting<sup>2</sup></b>	<b>296.8</b>	<b>168.5</b>	<b>5.1</b>	<b>173.6</b>	<b>470.4</b>
<b>Hours worked per week (fewest for couples where both work at least 16 hours)</b>					
16-24	126.0	87.7	1.3	89.0	215.0
25-29	23.6	17.1	0.2	17.3	40.9
30-34	44.1	21.5	0.5	22.0	66.1
35-39	75.1	32.0	1.6	33.5	108.7
40+	28.0	10.3	1.4	11.7	39.7
<b>Total families benefiting<sup>2</sup></b>	<b>296.8</b>	<b>168.5</b>	<b>5.1</b>	<b>173.6</b>	<b>470.4</b>
<b>Eligible childcare costs allowed (per week)</b>					
Under £20	31.4	13.0	0.7	13.7	45.1
£20 - £39.99	48.2	21.2	1.0	22.2	70.3
£40 - £59.99	42.3	22.1	0.7	22.7	65.0
£60 - £79.99	34.4	21.9	0.6	22.5	56.9
£80 - £99.99	29.5	19.6	0.5	20.1	49.6
£100 - £119.99	23.9	16.8	0.4	17.1	41.1
£120 - £149.99 <sup>4</sup>	34.4	21.3	0.5	21.8	56.2
£150 and over	52.7	32.7	0.8	33.5	86.2
<b>Total families benefiting<sup>2</sup></b>	<b>296.8</b>	<b>168.5</b>	<b>5.1</b>	<b>173.6</b>	<b>470.4</b>
<b>Average costs allowed<sup>4</sup> (£ per week)</b>					
	£91.61	£98.79	£85.17	£98.39	£94.12
<b>Average help with childcare costs<sup>5</sup> (£ per week)</b>					
	£71.76	£63.37	£65.40	£63.43	£68.69

<sup>1</sup> The non-working partner is incapacitated, in hospital or in prison.<sup>2</sup> Those claiming the childcare element and with CTC above the family element.<sup>3</sup> Ages of all children in the family, not just those for whom childcare costs are incurred.<sup>4</sup> After taking account of maximum costs allowed (see Appendix B).<sup>5</sup> The difference between the award and the notional award excluding the childcare element.

Table 4.5: In-work single parents: hours worked and childcare.

Thousands

	Age group, or age groups, of children					Total
	Under 5 years only	Under 5 years plus older	5 to 9 years only	5 to 9 years plus older	10 years and older only	
<b>Total single parents</b>						
Weekly hours worked:						
16-20	69.2	54.7	61.6	49.8	155.5	390.7
21-24	17.9	11.8	16.1	11.1	40.4	97.3
25-29	11.6	8.8	15.2	11.1	48.6	95.3
30-34	21.2	14.6	25.2	18.1	94.5	173.6
35-39	40.1	17.7	41.4	22.8	166.1	288.2
40 or more	19.9	8.4	18.7	10.0	73.3	130.4
<b>Total single parents</b>	<b>179.9</b>	<b>116.0</b>	<b>178.1</b>	<b>122.9</b>	<b>578.5</b>	<b>1,175.4</b>
<b>Receiving more than family element: claiming childcare element.</b>						
Weekly hours worked:						
16-20	33.0	25.7	17.4	11.6	9.1	96.8
21-24	11.0	6.6	5.7	3.4	2.5	29.2
25-29	6.9	5.0	5.3	3.3	3.2	23.6
30-34	11.9	8.3	10.4	6.2	7.2	44.1
35-39	20.9	11.1	19.1	10.3	13.8	75.1
40 or more	9.2	4.4	7.1	3.2	3.9	28.0
<b>Total receiving more than family element: claiming childcare element</b>	<b>92.9</b>	<b>61.1</b>	<b>65.1</b>	<b>38.0</b>	<b>39.7</b>	<b>296.8</b>
<b>Receiving more than family element: not claiming childcare elements</b>						
Weekly hours worked:						
16-20	36.0	28.9	43.8	38.1	144.9	291.8
21-24	6.7	5.3	9.8	7.6	36.6	66.0
25-29	4.5	3.7	9.2	7.7	43.3	68.4
30-34	8.9	6.2	13.4	11.4	81.5	121.3
35-39	15.9	6.0	14.6	10.4	111.0	157.8
40 or more	9.1	3.6	7.6	5.4	49.3	75.0
<b>Total receiving more than family element: not claiming childcare elements</b>	<b>81.1</b>	<b>53.7</b>	<b>98.4</b>	<b>80.6</b>	<b>466.5</b>	<b>780.3</b>
<b>Receiving family element or less</b>						
Weekly hours worked:						
16-20	-	-	0.4	-	1.5	2.1
21-24	-	-	0.5	-	1.3	2.1
25-29	-	-	0.7	-	2.2	3.3
30-34	0.4	-	1.5	0.4	5.8	8.2
35-39	3.3	0.7	7.7	2.2	41.4	55.2
40 or more	1.6	0.4	4.0	1.3	20.1	27.4
<b>Total receiving family element or less</b>	<b>5.8</b>	<b>1.3</b>	<b>14.7</b>	<b>4.3</b>	<b>72.3</b>	<b>98.3</b>

## Section 5 : In-work families benefiting from disability elements

**Section 5 focuses on families that are benefiting from the disability elements - that is the disabled worker element, the severely disabled adult element, the disabled child element and the severely disabled child element. There are breakdowns of the family size and the numbers of hours worked by those benefiting as well as breakdowns on overlapping disability/childcare elements.**

Figure 5.1 shows the number of individuals benefiting from the disability elements. There are 125,000 disabled workers, 138,000 disabled children, 33,000 severely disabled adults, and 52,000 severely disabled children in benefiting families.

Figure 5.1: Numbers of individuals benefiting from the disability elements

	<i>thousands</i>
Number of disabled workers in benefiting families	125.3
<i>of which number of severely disabled adults in benefiting families</i>	33.0
Number of disabled children in benefiting families	138.2
<i>of which number of severely disabled in benefiting families</i>	52.1

The relatively low numbers of recipients benefiting from the disability elements mean that further breakdowns here are less reliable. See the following tables for detailed breakdowns.

**Table 5.1: In-work families benefiting from the disabled worker element.***Thousands*

	Singles with children	Singles without children	Couples with children	Couples without children	Total
Disabled worker(s) in family benefiting					
Sole worker <sup>2</sup> is disabled	18.8	56.8	16.0	10.3	101.8
Couples both working - one disabled	-	-	14.2	6.1	20.3
Couples both working - both disabled	-	-	0.9	0.7	1.6
<b>Total families benefiting<sup>1</sup></b>	<b>18.8</b>	<b>56.8</b>	<b>31.1</b>	<b>17.1</b>	<b>123.7</b>
Gender of disabled workers					
Female	17.0	28.5	10.3	6.0	61.9
Male	1.8	28.2	21.6	11.8	63.4
<b>Total disabled workers in benefiting families</b>	<b>18.8</b>	<b>56.8</b>	<b>31.9</b>	<b>17.8</b>	<b>125.3</b>
Ages of disabled workers					
Under 20	-	0.4	-	-	0.4
20-29	1.6	10.6	2.7	0.7	15.6
30-39	6.3	12.5	10.8	1.4	30.9
40-49	8.7	15.9	13.7	4.0	42.3
50-59	2.0	14.5	4.2	8.3	29.0
60 or over	-	3.0	0.5	3.5	7.1
<b>Total disabled workers in benefiting families</b>	<b>18.8</b>	<b>56.8</b>	<b>31.9</b>	<b>17.8</b>	<b>125.3</b>
Hours worked by disabled workers					
16-24	9.7	23.9	10.4	6.9	51.0
25-29	1.5	3.8	1.7	1.0	8.0
30-34	2.8	9.6	3.5	2.6	18.4
35-39	3.6	13.4	8.8	4.1	29.9
40 or more	1.1	6.1	7.5	3.2	17.9
<b>Total disabled workers in benefiting families</b>	<b>18.8</b>	<b>56.8</b>	<b>31.9</b>	<b>17.8</b>	<b>125.3</b>

<sup>1</sup> Those claiming the disabled worker element who (a) have children and have CTC above the family element, or (b) have no children and have a positive WTC award. Disabled workers includes those who are severely disabled and who are also included in Table 5.3.

<sup>2</sup> Throughout this table, "worker" means an adult working for at least 16 hours per week.

**Table 5.2: In-work families benefiting from the disabled child element.**

*Thousands*

	Singles		Couples		Total
	One disabled child	2+ disabled children	One disabled child	2+ disabled children	
Family size					
One child	14.0	-	16.9	-	30.9
Two children	13.8	0.8	35.5	3.1	53.2
Three children	5.2	0.5	20.6	2.9	29.1
Four children	1.2	-	7.4	1.5	10.2
Five or more children	0.3	-	3.1	0.7	4.2
<b>Total families benefiting<sup>1,2</sup></b>	<b>34.4</b>	<b>1.5</b>	<b>83.5</b>	<b>8.2</b>	<b>127.6</b>
Number of disabled children in benefiting families	34.4	3.1	83.5	17.2	138.2
Also with the childcare element	8.6	0.5	5.6	0.4	15.0
Also with the disabled worker element	1.3	0.1	2.6	0.4	4.4

<sup>1</sup> Those with the disabled child element and with CTC above the family element. Disabled children includes those who are severely disabled and included in Table 5.4.

**Table 5.3: In-work families benefiting from the severely disabled adult element.***Thousands*

	Singles		Couples		Total		
	With children	Without children	With children	Without children	With children	Without children	Total
Family size							
No children	-	4.4	-	8.7	-	13.1	13.1
One child	1.7	-	7.2	-	8.8	-	8.8
Two children	0.8	-	6.3	-	7.1	-	7.1
Three children	0.3	-	2.2	-	2.5	-	2.5
Four children	-	-	0.7	-	0.7	-	0.7
Five or more children	-	-	0.2	-	0.2	-	0.2
<b>Total families benefiting<sup>1</sup></b>	<b>2.8</b>	<b>4.4</b>	<b>16.6</b>	<b>8.7</b>	<b>19.5</b>	<b>13.1</b>	<b>32.5</b>
Hours worked by sole or main worker							
16-24	1.4	2.0	3.7	0.8	5.1	2.8	7.9
25-29	0.3	0.2	0.7	0.1	1.0	0.3	1.3
30-34	0.4	0.6	1.9	2.5	2.3	3.0	5.3
35-39	0.6	1.2	5.1	2.8	5.7	4.0	9.7
40 or more	0.2	0.4	5.2	2.5	5.4	2.9	8.3
<b>Total families benefiting<sup>1</sup></b>	<b>2.8</b>	<b>4.4</b>	<b>16.6</b>	<b>8.7</b>	<b>19.5</b>	<b>13.1</b>	<b>32.5</b>
Total severely disabled adults in benefiting families	2.8	4.4	16.8	8.9	19.7	13.3	33.0
Also with childcare element	0.6	-	1.5	-	2.1	-	2.1
Also with disabled worker element	2.8	4.4	5.1	2.8	7.9	7.2	15.1

<sup>1</sup> Those with the severely disabled adult element who (a) have children and have CTC above the family element, or (b) have no children and have a positive WTC award.

**Table 5.4: In-work families benefiting from the severely disabled child element.**

*Thousands*

	Singles	Couples	Total
Family size			
One child	4.7	6.8	11.5
Two children	4.9	15.6	20.4
Three children	2.1	9.4	11.5
Four children	0.5	3.8	4.3
Five or more children	-	1.5	1.7
<b>Total families benefiting<sup>1</sup></b>	<b>12.4</b>	<b>37.0</b>	<b>49.4</b>
Hours worked by main worker			
16-24	6.6	4.3	10.9
25-29	0.8	1.0	1.8
30-34	1.8	2.9	4.7
35-39	2.3	12.3	14.5
40 or more	0.9	16.6	17.5
<b>Total families benefiting<sup>1</sup></b>	<b>12.4</b>	<b>37.0</b>	<b>49.4</b>
Total severely disabled children in benefiting families	12.8	39.2	52.1
Also with childcare element	3.4	2.4	5.8
Also with disabled worker element	0.6	1.1	1.7

<sup>1</sup> Those with the severely disabled child element and with CTC above the family element.



## Section 6 : Annual incomes of in-work recipient families

Section 6 describes the distribution of incomes used to taper awards for families in receipt. This is also broken down by they type of income reported - i.e., the award is based on the family's previous year's income ('PY' income), the family's current year income ('CY' income), and whether the £25,000 disregard has been applied.

Figure 6.1 shows that tax credits covers a broad range of incomes up to £50,000 with the majority of support going to families on incomes of £10,000 or less. Broadly speaking, the higher the income used to taper the award, the fewer the numbers of families in receipt - broadly reflecting the targeted approach to financial support in built in the Tax Credits system.

Figure 6.1: Income used to taper awards: in-work recipients

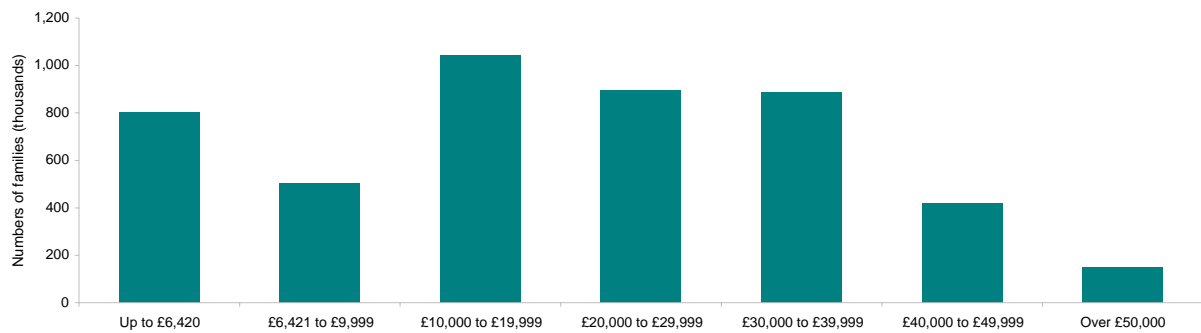


Table 6.1: In-work recipient families: ranges of incomes used to taper awards.

Thousands

	Range of income used to taper awards							Total
	Up to £6,420	£6,421 to £9,999	£10,000 to £19,999	£20,000 to £29,999	£30,000 to £39,999	£40,000 to £50,000	Over £50,000	
<b>With children</b>								
<b>Of which receiving WTC and CTC</b>	<b>647.3</b>	<b>383.1</b>	<b>695.8</b>	<b>64.8</b>	<b>11.1</b>	<b>1.5</b>	<b>0.6</b>	<b>1,804.3</b>
Of which receiving CTC only <i>and above family element</i>	-	-	175.7	827.4	875.6	422.0	153.1	2,453.9
<i>and Family element</i>	-	-	175.7	426.6	76.5	8.2	0.9	688.0
<i>and Below family element</i>	-	-	-	400.8	799.1	413.8	-	1,613.7
-	-	-	-	-	-	-	152.1	152.1
<b>Total receiving CTC only</b>	<b>647.3</b>	<b>383.1</b>	<b>871.5</b>	<b>892.2</b>	<b>886.7</b>	<b>423.5</b>	<b>153.7</b>	<b>4,258.3</b>
<b>Without children</b>								
<b>Receiving WTC only</b>	<b>157.5</b>	<b>120.9</b>	<b>173.0</b>	<b>3.4</b>	<b>0.4</b>	-	-	<b>455.3</b>
<b>Income reported<sup>1</sup>:</b>								
PY income only	436.9	96.3	193.4	403.7	669.0	327.1	104.2	2,230.5
Also CY income	367.8	407.6	851.2	492.0	218.2	96.5	49.6	2,482.8
<b>Total In-work recipient families</b>	<b>804.8</b>	<b>504.0</b>	<b>1,044.5</b>	<b>895.6</b>	<b>887.5</b>	<b>419.0</b>	<b>149.9</b>	<b>4,713.5</b>
<b>Year of income used<sup>1</sup>:</b>								
PY income used								
No CY income reported	436.9	96.3	193.4	403.7	669.0	327.1	104.2	2,230.5
CY income up to £25,000 above PY income	273.5	326.8	640.1	338.9	135.6	54.0	29.0	1,797.9
<b>Total where PY income is used</b>	<b>710.4</b>	<b>423.1</b>	<b>833.5</b>	<b>742.6</b>	<b>804.6</b>	<b>381.1</b>	<b>133.2</b>	<b>4,028.4</b>
CY income used								
Lower than PY income								
<i>of which increasing award value</i>	56.2	80.3	209.3	111.3	23.1	23.3	19.7	523.2
<i>of which not affecting award value<sup>3</sup></i>	37.4	-	-	40.4	57.8	17.7	-	153.2
Over £25,000 above PY income								
<i>of which reducing award value</i>	-	0.5	1.8	1.3	0.7	0.4	0.9	5.6
<i>of which not affecting award value<sup>3</sup></i>	0.7	-	-	0.1	1.0	1.1	-	2.9
<b>Total where CY income is used</b>	<b>94.3</b>	<b>80.8</b>	<b>211.1</b>	<b>153.1</b>	<b>82.6</b>	<b>42.5</b>	<b>20.6</b>	<b>684.9</b>
<b>Total In-work recipient families</b>	<b>804.8</b>	<b>504.0</b>	<b>1,044.5</b>	<b>895.6</b>	<b>887.5</b>	<b>419.0</b>	<b>149.9</b>	<b>4,713.5</b>

<sup>1</sup> "PY income" is income in 2007-08; "CY income" is estimated income in 2008-09. Where CY income is more than £25,000 above PY income, CY income less £25,000 is used. See the Technical Note

<sup>2</sup> Even where CY incomes are below PY incomes, or are more than £25,000 above PY incomes, awards may remain at the maximum, at the family level or tapered to zero

**Table 6.2: Recipient families: awards not reduced through tapering.***Thousands*

	Out of work	In work		Total recipient families where awards are not reduced through tapering <sup>1</sup>
		Receiving WTC and CTC	Receiving WTC only	
<b>Singles</b>				
No children	-	-	131.7	131.7
One child	520.2	228.3	-	748.5
Two children	331.3	144.2	-	475.5
Three children	145.4	44.9	-	190.3
Four children	51.5	10.5	-	62.0
Five or more children	23.8	2.5	-	26.3
<b>Total Singles</b>	<b>1,072.1</b>	<b>430.4</b>	<b>131.7</b>	<b>1,634.3</b>
<b>Couples</b>				
No children	-	-	25.8	25.8
One child	102.6	65.0	-	167.5
Two children	93.0	74.8	-	167.8
Three children	56.2	45.4	-	101.7
Four children	25.8	20.7	-	46.5
Five or more children	16.1	11.1	-	27.2
<b>Total Couples</b>	<b>293.8</b>	<b>216.9</b>	<b>25.8</b>	<b>536.4</b>
<b>Family size</b>				
All families				
No children	-	-	157.5	157.5
One child	622.8	293.2	-	916.0
Two children	424.2	219.0	-	643.3
Three children	201.6	90.3	-	291.9
Four children	77.3	31.2	-	108.5
Five or more children	39.9	13.6	-	53.5
<b>Total All families</b>	<b>1,365.9</b>	<b>647.3</b>	<b>157.5</b>	<b>2,170.7</b>

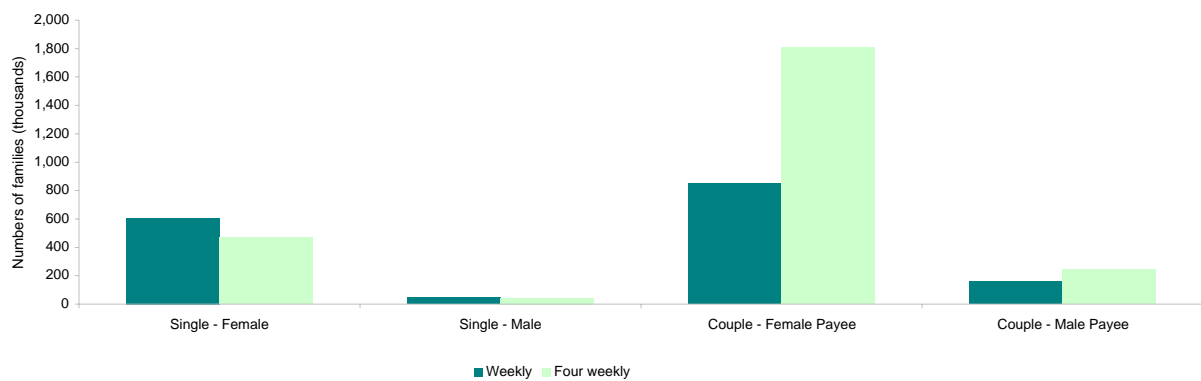
1 For in-work families, those with annual incomes for tapering up to the first income threshold (£6,420). For out of work families, those receiving Income Support, income-based Jobseeker's Allowance or Pension Credit, plus other families with annual incomes for tapering up to the threshold for those entitled to CTC only (£15,575). Ignores any income reduction to benefit entitlement for those receiving their child support via benefits.

## Section 7 : Payments to in-work families

**Section 7 details the chosen payment frequency for families in receipt, broken down by family status and gender of the adults. Tax Credit recipients are able to choose whether they are paid in weekly or 4-weekly intervals.**

Figure 7.1 shows that there is broadly equal preference for weekly and four-weekly payment cycles for most groups apart from in couple families where female payees are more than twice as likely to request four-weekly payment intervals.

Figure 7.1: Chosen frequency of payment: in-work families in receipt of CTC



**Table 7.1: In-work families - chosen frequency of payment, and payees, of CTC.**

Thousands

	Singles		Couples		Total
	Female	Male	Female payee <sup>1</sup>	Male payee <sup>1</sup>	
<b>Chosen frequency of payment<sup>2</sup></b>					
All in work families receiving CTC					
<i>and above family element</i>					
Weekly	592.7	41.1	593.9	121.1	1,348.7
Four weekly	403.3	28.7	588.6	101.3	1,121.9
Frequency not known <sup>3</sup>	10.6	0.7	10.4	-	21.7
<b>Total</b>	<b>1,006.7</b>	<b>70.4</b>	<b>1,192.9</b>	<b>222.3</b>	<b>2,492.3</b>
<i>and at or below family element</i>					
Weekly	13.3	3.3	258.3	38.3	313.2
Four weekly	66.6	14.8	1,217.0	142.2	1,440.7
Frequency not known <sup>3</sup>	0.3	-	11.7	-	12.1
<b>Total</b>	<b>80.1</b>	<b>18.2</b>	<b>1,487.0</b>	<b>180.5</b>	<b>1,765.9</b>
All in work families receiving CTC					
Weekly	606.0	44.3	852.2	159.3	1,661.9
Four weekly	469.9	43.5	1,805.6	243.5	2,562.5
Frequency not known <sup>3</sup>	10.9	0.8	22.1	-	33.8
<b>Total in work families receiving CTC</b>	<b>1,086.8</b>	<b>88.7</b>	<b>2,679.9</b>	<b>402.8</b>	<b>4,258.3</b>
<b>Gender of partner working most hours</b>					
Couples - female works longest					
Weekly	-	-	118.1	23.5	141.6
Four weekly	-	-	196.1	35.4	231.6
Frequency not known <sup>3</sup>	-	-	3.5	-	3.5
<b>Total</b>	<b>-</b>	<b>-</b>	<b>317.7</b>	<b>59.0</b>	<b>376.7</b>
Couples - male works longest					
Weekly	-	-	698.8	129.0	827.8
Four weekly	-	-	1,493.5	192.1	1,685.6
Frequency not known <sup>3</sup>	-	-	16.9	-	16.9
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2,209.3</b>	<b>321.1</b>	<b>2,530.3</b>
Couples - equal hours <sup>4</sup>					
Weekly	-	-	35.3	6.8	42.1
Four weekly	-	-	115.9	16.0	131.9
Frequency not known <sup>3</sup>	-	-	1.7	-	1.7
<b>Total</b>	<b>-</b>	<b>-</b>	<b>152.9</b>	<b>22.8</b>	<b>175.7</b>

<sup>1</sup> The main carer of the children, as nominated in the claim. See the Technical Note.<sup>2</sup> As chosen in the claim. This table, as all others, includes as "recipients" families where adjustments to modelled awards, made to eliminate or minimise prospective overpayments for the year, have reduced to zero the actual rate of payment at the reference date. See the Technical Note.<sup>3</sup> The data giving the frequency for these families were not copied to the data base used to produce these tables.<sup>4</sup> Couples where the two partners work the same number of hours.

## Section 8 : Regional analysis of recipient families

Section 8 details the numbers of families in receipt with a regional breakdown at the level of Government Office Region level. There are detailed breakdowns of the level of support provided in each region, the numbers of families benefiting from the childcare element as well as the disabled worker element and disabled child element.

As seen in figure 8.1, the region with the highest numbers of tax credits recipients is the North West, followed by London and then the South East. The region with the lowest numbers of tax credits recipients is Northern Ireland followed by the North East of England. Within the overall figures, the highest number of families on the higher awards - those receiving WTC and CTC - are from the North West followed by London. The highest number of out of work families in receipt are in London followed by the North West. This takes no account of the size of the population that are eligible for tax credits so one should be careful when drawing inferences from these results.

Figure 8.1: Numbers of families receiving different amounts of Tax Credits by region

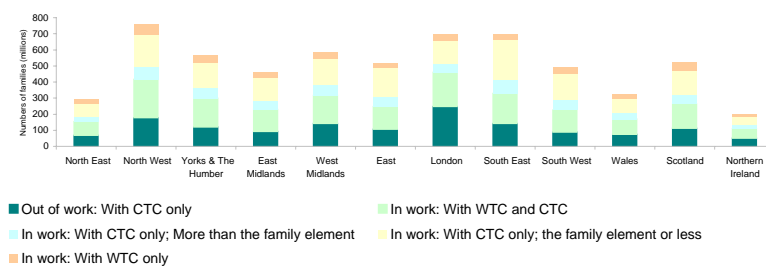


Figure 8.2 shows that the highest average help with childcare costs is in London followed by those in Northern Ireland. The lowest average help with childcare costs is in the South West. This does not automatically imply that the average hourly costs of childcare are higher in London or Northern Ireland since the average number of hours of childcare, as well as interactions with the maximum limits mean that such a direct connection cannot be made.

Figure 8.2: Average help with childcare costs (£ per week)

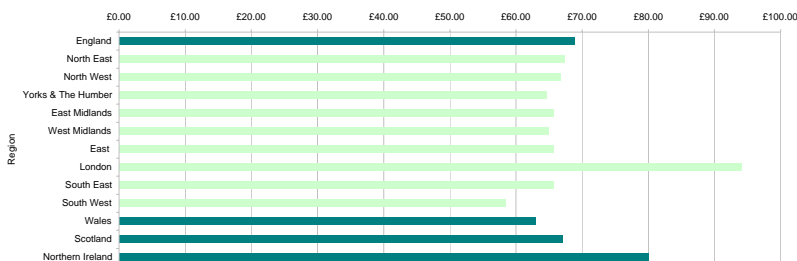


Table 8.1: Recipient families; combination and level of payment by region.

Thousands

	Total out of work families <sup>1</sup>	In work families					Total in work families	Total in receipt (out of work and in work families)
		With children			With no children			
		Receiving WTC and CTC	Receiving CTC only			Receiving WTC only		
			More than family element	Family element	Less than family element			
<b>Singles</b>								
<b>England</b>	893.3	788.3	85.4	82.8	1.8	255.8	1,214.1	2,107.4
North East	51.2	47.9	4.2	3.5	-	19.5	75.1	126.3
North West	136.8	128.6	12.4	10.7	0.3	46.7	198.7	335.5
Yorks & The Humber	86.5	91.1	8.0	6.7	-	33.2	139.0	225.7
East Midlands	66.2	71.6	6.9	5.8	-	24.4	108.7	175.0
West Midlands	102.4	86.7	9.2	8.3	-	27.5	131.7	234.1
East	78.8	74.1	8.9	8.6	0.3	22.2	114.1	192.8
London	198.6	113.5	16.5	18.9	0.3	30.5	179.7	378.3
South East	107.7	104.3	12.5	14.0	0.6	26.0	157.4	265.0
South West	65.2	70.5	6.8	6.3	-	25.8	109.4	174.7
<b>Wales</b>	54.7	51.0	5.3	4.2	-	19.2	79.7	134.5
<b>Scotland</b>	89.8	98.7	8.9	7.2	-	40.5	155.3	245.3
<b>Northern Ireland</b>	40.2	34.4	2.5	1.8	-	9.9	48.6	88.8
Foreign and not known	3.8	2.3	0.2	0.2	-	1.2	3.9	7.8
<b>United Kingdom<sup>2</sup></b>	<b>1,081.8</b>	<b>974.8</b>	<b>102.4</b>	<b>96.3</b>	<b>2.0</b>	<b>326.6</b>	<b>1,502.1</b>	<b>2,583.9</b>
<b>Couples</b>								
<b>England</b>	285.2	704.0	484.8	1,258.3	126.4	103.1	2,676.6	2,961.7
North East	17.3	37.9	25.3	69.0	6.1	8.6	146.9	164.2
North West	41.0	109.1	66.0	174.3	16.6	18.8	384.8	425.9
Yorks & The Humber	32.5	88.6	55.1	135.9	12.1	14.9	306.6	339.0
East Midlands	24.5	65.9	50.2	123.4	11.6	11.1	262.2	286.7
West Midlands	38.0	89.1	58.6	139.5	12.4	12.7	312.3	350.3
East	27.4	65.5	56.3	153.1	16.4	7.9	299.2	326.6
London	48.4	98.7	42.5	111.2	12.5	7.6	272.5	320.8
South East	33.6	82.8	71.9	209.4	25.4	9.9	399.4	433.1
South West	22.6	66.3	58.9	142.4	13.2	11.7	292.5	315.1
<b>Wales</b>	19.2	44.5	32.5	77.8	6.3	9.3	170.4	189.6
<b>Scotland</b>	20.9	52.9	44.8	134.7	13.2	11.4	257.0	277.9
<b>Northern Ireland</b>	9.4	26.3	21.7	42.4	3.8	4.7	98.9	108.4
Foreign and not known	1.2	1.9	1.8	4.2	0.3	0.2	8.4	9.6
<b>United Kingdom<sup>2</sup></b>	<b>335.9</b>	<b>829.6</b>	<b>585.6</b>	<b>1,517.4</b>	<b>150.1</b>	<b>128.6</b>	<b>3,211.4</b>	<b>3,547.2</b>
<b>All families</b>								
<b>England</b>	1,178.5	1,492.2	570.2	1,341.1	128.2	358.9	3,890.6	5,069.2
North East	68.4	85.8	29.5	72.5	6.2	28.0	222.0	290.5
North West	177.8	237.7	78.5	185.0	16.9	65.5	583.6	761.4
Yorks & The Humber	119.0	179.7	63.0	142.6	12.3	48.1	445.7	564.7
East Midlands	90.6	137.6	57.1	129.2	11.7	35.5	371.1	461.7
West Midlands	140.4	175.8	67.8	147.8	12.4	40.2	444.0	584.4
East	106.2	139.6	65.2	161.6	16.7	30.1	413.2	519.4
London	247.0	212.2	59.0	130.0	12.8	38.0	452.0	699.1
South East	141.3	187.1	84.4	223.4	26.0	36.0	556.9	698.1
South West	87.7	136.9	65.7	148.8	13.3	37.5	402.2	489.8
<b>Wales</b>	73.9	95.6	37.8	82.0	6.4	28.5	250.3	324.2
<b>Scotland</b>	110.7	151.6	53.7	141.9	13.4	52.0	412.6	523.2
<b>Northern Ireland</b>	49.6	60.7	24.3	44.2	3.8	14.5	147.5	197.1
Foreign and not known	5.0	4.2	2.1	4.4	0.3	1.4	12.4	17.4
<b>United Kingdom<sup>2</sup></b>	<b>1,417.7</b>	<b>1,804.3</b>	<b>688.0</b>	<b>1,613.7</b>	<b>152.1</b>	<b>455.3</b>	<b>4,713.5</b>	<b>6,131.1</b>

<sup>2</sup> Including foreign and not known.

Table 8.2: Recipient families and their children by region.

Thousands

	Recipient families with children						All recipient families, including with no children
	Out of work		In work				
	Families	Children	More than family element		Family element or below		
			Families	Children	Families	Children	
<b>Singles</b>							
<b>England</b>	893.3	1,641.3	873.7	1,375.3	84.7	101.3	2,107.4
North West	51.2	89.3	52.1	78.1	3.6	4.2	126.3
North West	136.8	245.1	141.0	218.0	11.0	12.9	335.5
Yorks & The Humber	86.5	159.1	99.1	156.8	6.9	8.2	225.7
East Midlands	66.2	121.2	78.5	123.3	5.9	6.8	175.0
West Midlands	102.4	190.1	95.9	150.3	8.4	9.9	234.1
East	78.8	144.0	82.9	131.3	8.8	10.9	192.8
London	198.6	378.9	130.0	212.9	19.1	22.8	378.3
South East	107.7	196.3	116.8	184.7	14.6	17.7	265.0
South West	65.2	117.2	77.3	120.0	6.4	7.8	174.7
<b>Wales</b>	54.7	97.3	56.3	86.5	4.3	5.1	134.5
<b>Scotland</b>	89.8	150.1	107.6	159.4	7.3	8.8	245.3
<b>Northern Ireland</b>	40.2	72.6	36.9	57.2	1.8	2.3	88.8
Foreign and not known	3.8	6.7	2.6	4.0	0.2	0.3	7.8
<b>United Kingdom<sup>1</sup></b>	<b>1,081.8</b>	<b>1,968.0</b>	<b>1,077.1</b>	<b>1,682.5</b>	<b>98.3</b>	<b>117.9</b>	<b>2,583.9</b>
<b>Couples</b>							
<b>England</b>	285.2	621.8	1,188.8	2,502.8	1,384.7	2,153.6	2,961.7
North East	17.3	36.3	63.2	126.7	75.1	110.6	164.2
North West	41.0	89.1	175.1	364.9	190.9	289.6	425.9
Yorks & The Humber	32.5	70.6	143.6	300.9	148.1	224.4	339.0
East Midlands	24.5	52.5	116.1	238.9	135.0	207.5	286.7
West Midlands	38.0	86.3	147.6	317.3	151.9	232.9	350.3
East	27.4	58.5	121.9	257.4	169.5	270.3	326.6
London	48.4	109.6	141.2	308.0	123.7	195.8	320.8
South East	33.6	71.7	154.7	328.1	234.8	377.0	433.1
South West	22.6	47.2	125.2	260.6	155.6	245.5	315.1
<b>Wales</b>	19.2	40.2	77.0	156.7	84.2	128.0	189.6
<b>Scotland</b>	20.9	42.5	97.7	196.8	147.9	227.7	277.9
<b>Northern Ireland</b>	9.4	19.9	48.0	105.5	46.2	75.4	108.4
Foreign and not known	1.2	2.3	3.7	7.8	4.5	7.5	9.6
<b>United Kingdom<sup>1</sup></b>	<b>335.9</b>	<b>726.7</b>	<b>1,415.2</b>	<b>2,969.5</b>	<b>1,667.5</b>	<b>2,592.2</b>	<b>3,547.2</b>
<b>All families</b>							
<b>England</b>	1,178.5	2,263.0	2,062.5	3,878.1	1,469.3	2,254.9	5,069.2
North East	68.4	125.6	115.3	204.8	78.7	114.9	290.5
North West	177.8	334.2	316.2	582.8	201.9	302.5	761.4
Yorks & The Humber	119.0	229.7	242.7	457.7	155.0	232.6	564.7
East Midlands	90.6	173.7	194.7	362.2	140.9	214.3	461.7
West Midlands	140.4	276.5	243.5	467.5	160.3	242.9	584.4
East	106.2	202.5	204.8	388.7	178.3	281.3	519.4
London	247.0	488.5	271.2	520.9	142.8	218.6	699.1
South East	141.3	268.0	271.5	512.8	249.4	394.7	698.1
South West	87.7	164.4	202.5	380.6	162.0	253.3	489.8
<b>Wales</b>	73.9	137.5	133.4	243.2	88.4	133.1	324.2
<b>Scotland</b>	110.7	192.6	205.3	356.1	155.3	236.5	523.2
<b>Northern Ireland</b>	49.6	92.5	84.9	162.7	48.1	77.7	197.1
Foreign and not known	5.0	9.1	6.3	11.8	4.8	7.8	17.4
<b>United Kingdom<sup>1</sup></b>	<b>1,417.7</b>	<b>2,694.7</b>	<b>2,492.3</b>	<b>4,652.0</b>	<b>1,765.9</b>	<b>2,710.0</b>	<b>6,131.1</b>

<sup>1</sup> Including foreign and not known.



**Table 8.3: In-work recipient families; beneficiaries of the childcare, disabled child and disabled worker elements by region.**

*Thousands unless stated*

	Benefiting from childcare element <sup>1</sup>				Benefiting from disabled child element <sup>1</sup>	Benefiting from disabled worker element	
	Singles	Couples	Total	Average help with childcare costs <sup>3</sup> (£ per week)		With children <sup>1</sup>	Without children <sup>2</sup>
<b>England</b>	245.1	145.6	390.7	£68.75	103.8	38.6	55.9
North East	13.1	7.5	20.5	£67.34	6.6	3.1	4.7
North West	44.6	27.4	71.9	£66.72	15.7	7.5	11.5
Yorks & The Humber	27.5	17.9	45.4	£64.64	11.4	4.3	6.8
East Midlands	21.7	15.5	37.2	£65.54	10.3	4.0	5.0
West Midlands	28.5	17.7	46.3	£64.90	12.5	4.4	5.6
East	20.0	12.4	32.5	£65.59	11.7	3.2	4.7
London	40.3	10.8	51.1	£93.99	10.2	4.0	4.7
South East	29.5	19.0	48.5	£65.72	15.0	4.1	6.1
South West	19.8	17.4	37.2	£58.46	10.5	4.0	6.7
<b>Wales</b>	12.0	8.9	21.0	£62.96	7.2	3.5	5.1
<b>Scotland</b>	29.7	13.4	43.1	£66.97	10.9	5.0	9.8
<b>Northern Ireland</b>	9.1	5.2	14.3	£79.97	5.4	2.6	2.8
Foreign and not known	0.8	0.5	1.3	£75.05	0.3	-	0.2
<b>United Kingdom<sup>4</sup></b>	<b>296.8</b>	<b>173.6</b>	<b>470.4</b>	<b>£68.69</b>	<b>127.6</b>	<b>49.8</b>	<b>73.9</b>

<sup>1</sup> Families with the relevant element and with CTC awards above the family element.

<sup>2</sup> Families with the disabled worker element and with positive WTC awards.

<sup>3</sup> The difference between the award and the notional award excluding the childcare element.

<sup>4</sup> Including foreign and not known.

## Data sources

The estimates for in-work families in this publication are based on a random sample of HMRC's Tax Credits administrative data at the reference date. The sample covers roughly 10% of single claimants and 20% of couple claimants, therefore there is a degree of sampling error to be expected, as discussed in the publication Appendix.

The estimates for out of work families with children are based on data at 1 April 2009. The estimates for families receiving CTC at that date are based on a scan of the tax credits system taken at that date. The estimates for families receiving their child support via benefits are based on scans of the benefits systems. These identified all families with children receiving benefits at August 2007. The estimates are restricted to families that had qualifying children in Child Benefit awards at August 2007 and were not claiming tax credits at 1 April 2009. However, the split shown at Table 2.1 of out of work families between those receiving their child support via each system takes account of the estimated movement in the split by 1 April 2009.

*Note that this method works because families receiving their child support via benefits can have moved to CTC between August 2007 and April 2009 (for example, when they move into work), but movement in the opposite direction is not possible. Also, since April 2004, all new families receive their child support via CTC, not benefits. An aggregate allowance has however been made for the relatively small number of babies born between August 2007 and April 2009 to families receiving their child support via benefits at the latter date.*

### Sampling uncertainty

The figures are subject to sampling uncertainty. Figures based on fewer than 25 cases are shown as "-". For more details of the sample, and the sampling errors associated with the figures in the tables, see Appendix A.

### Geographical analyses

This publication covers families in the United Kingdom (including Northern Ireland). Section 8 shows analyses of recipient families living in each country of the United Kingdom, and in each Government Office Region in England. The numbers in Table 8.2 are further subdivided by local authority (down to district level) and by parliamentary constituency in "Child and Working Tax Credit Statistics. Geographical analyses. April 2009". That publication also contains details of the method used to allocate individual families to local areas, and how the regions are defined in terms of local authorities.

## Technical note: Entitlement and level of receipt

### Current entitlement

There is a single claim form covering both Child and Working Tax Credits, and entitlement is calculated jointly. Awards run to the end of the tax year, and are based on the element values, thresholds, etc shown at Appendix B.

An annual award is calculated by summing the various elements to which the family is entitled. Unless the family is receiving Income Support, income-based Jobseeker's Allowance or Pension Credit, this sum is reduced if the family's annual income (see below) exceeds the relevant first income threshold. The reduction is 39 per cent of the excess over the threshold. Awards of CTC are not, however, reduced below the level of the family element unless the annual income exceeds the second threshold of £50,000. Once the income exceeds the second threshold the award is further reduced by £1 for every £15 of income over the threshold.

### Annual income and tapering of awards

For 2008-09 awards, the initial calculation of a family's entitlement is based on its relevant income in 2007-08, which is reported for the final calculation of the 2007-08<sup>1</sup> award or on the claim form. Relevant income comprises gross annual taxable income from social security benefits (except pensions) and from employment or self employment, less pension contributions; plus annual income from savings, property, state and private pensions and other sources (but excluding maintenance) in excess of £300. For claims by couples, entitlement is based on their joint annual income.

Final entitlement for 2008-09 is based on 2008-09 income if that is lower than the income in 2007-08, or exceeds it by more than £25,000. However, the first £25,000 of a rise in income in 2008-09 (compared with 2007-08) is disregarded in calculating the tax credit due for that year. The family can report an estimate of its income in 2008-09 at any time, and the award will be recalculated using this income. After the end of the year the award is finalised when the 2008-09 income is known.

### Changes of circumstances

A family's circumstances (number of children, hours worked, childcare costs, disabilities etc) can change within the year. To calculate the annual award, the year is then split into the periods between which the family's circumstances changed. Entitlement is calculated for each period, based on the annual values shown in Appendix B but scaled down to the number of days in the period. The rate of entitlement attributed to each case for this publication is that for the period spanning the reference date.

<sup>1</sup> Some families were not required to report their 2007-08 income, but only to notify HMRC if it differs sufficiently from the latest reported income to affect the level of entitlement. For these cases the latest reported incomes have been taken as proxies for 2007-08 incomes.

**Backdating**

Initial claims can be backdated by up to three months. Changes of circumstance that can potentially increase the value of awards are backdated to when they occurred, or to a date three months before they were reported, whichever is later. Changes that can potentially reduce the value of awards are backdated to when they occurred. However, none of these backdated changes affect the figures in these tables, which are for the reference date and based on information taken into account by the reference date.

**Receipt of CTC and WTC awards, and level of CTC**

The rate of receipt attributed to each sample family for these tables is the entitlement modelled using the information on circumstances and income taken into account by the reference date.

This may not equal the actual amount being received. This can be reduced to eliminate or minimise prospective overpayments for the year, or to recover previous years' overpayments (overpayments can arise when backdated changes of circumstances occur that reduce entitlement retrospectively)

Families without children can only receive WTC. Out of work families with children can only receive CTC. The maximum award (before tapering) of in-work families with children includes both WTC and CTC. The tapering is deemed to reduce WTC first, so families for which the reduction through tapering exceeds the modelled level of WTC are shown as receiving CTC only.

**Payees in couples; and frequency of payment.**

For couples, CTC (plus any WTC up to the level of the childcare element) is paid to the main carer of the children, as nominated in the claim. WTC (in excess of any childcare element) is paid to the adult working for at least 16 hours per week. If both work for at least 16 hours per week then the couple can nominate the payee.

Families are asked to choose between weekly and four-weekly payment of CTC and WTC (separately).

**Main worker**

This is defined as the adult working the most hours.

**Civil partnerships**

Couples in civil partnerships can claim tax credits as couples. Such couples are included as normal in the tables showing families according to the gender of the main earner, or of the recipient of CTC.

## Appendix A: Sampling method and sampling error

The tables are based on a random sample of families receiving CTC or WTC at the reference date. The sample comprises 10 per cent of such single adults (with or without children) and 20 per cent of such couples. Each figure in the tables is derived by weighting the relevant sample cases by the inverses of these sampling fractions<sup>1</sup>.

The figures in the tables are therefore estimates, but we know how accurate they are. For example, suppose that there are 100,000 couples with a characteristic. This number is not known, and we are to estimate it via the sample. Each couple is sampled with a probability of 0.2. Statistical theory says that there is a 95 per cent probability that the number sampled will lie between 19,752 and 20,248, and that the resulting estimate will lie between 98,760 and 101,240. At least approximately, then, where an estimate of 100,000 is derived from the sample, the true figure lies between these figures, with a 95 per cent probability. That is, the "95 per cent confidence interval" for the estimate is the estimate itself plus or minus 1,240.

The width of the confidence interval varies with the size of the estimate and the sampling fraction, as shown in the table below. For estimates that comprise a mixture of couples and single adults, the figures will lie between the two sets shown, according to the mix.

<b>Confidence intervals for estimates of recipient families</b>				
<b>Estimated value</b>	<b>95% confidence interval</b>		<b>As % of the estimate</b>	
	<b>Couples</b>	<b>Single adults</b>	<b>Couples</b>	<b>Single adults</b>
'000	'000	'000		
1	± 0.1	± 0.2	± 12%	± 19%
2	± 0.2	± 0.3	± 8%	± 12%
5	± 0.3	± 0.4	± 6%	± 8%
10	± 0.4	± 0.6	± 4%	± 6%
25	± 0.6	± 0.9	± 2.5%	± 4%
50	± 0.9	± 1.3	± 1.8%	± 2.6%
100	± 1.2	± 1.9	± 1.2%	± 1.9%
250	± 2.0	± 2.9	± 0.8%	± 1.2%
500	± 2.8	± 4.2	± 0.6%	± 0.8%
1,000	± 3.9	± 5.9	± 0.4%	± 0.6%

<sup>1</sup> Each case is further weighted so that the overall total equals an independent count of families with awards.

**Appendix B: CTC and WTC elements and thresholds**

	Annual rate (£), except where specified					
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
<b>Child Tax Credit</b>						
Family element	545	545	545	545	545	545
Family element, baby addition <sup>1</sup>	545	545	545	545	545	545
Child element <sup>2</sup>	1,445	1,625	1,690	1,765	1,845	2,085
Disabled child additional element <sup>3</sup>	2,155	2,215	2,285	2,350	2,440	2,540
Severely disabled child additional element <sup>4</sup>	865	890	920	945	980	1,020
<b>Working Tax Credit</b>						
Basic element	1,525	1,570	1,620	1,665	1,730	1,800
Couples and lone parent element	1,500	1,545	1,595	1,640	1,700	1,770
30 hour element <sup>5</sup>	620	640	660	680	705	735
Disabled worker element	2,040	2,100	2,165	2,225	2,310	2,405
Severely disabled adult element	865	890	920	945	980	1,020
50+ return to work payment <sup>6</sup>						
16 but less than 30 hours per week	1,045	1,075	1,110	1,140	1,185	1,235
at least 30 hours per week	1,565	1,610	1,660	1,705	1,770	1,840
Childcare element						
Maximum eligible costs allowed (£ per week)						
Eligible costs incurred for 1 child	135	135	175	175	175	175
Eligible costs incurred for 2+ children	200	200	300	300	300	300
<i>Percentage of eligible costs covered</i>	70%	70%	70%	80%	80%	80%
<b>Common features</b>						
First income threshold <sup>7</sup>	5,060	5,060	5,220	5,220	5,220	6,420
<i>First withdrawal rate</i>	37%	37%	37%	37%	37%	39%
Second income threshold <sup>8</sup>	50,000	50,000	50,000	50,000	50,000	50,000
<i>Second withdrawal rate</i>	1 in 15	1 in 15	1 in 15	1 in 15	1 in 15	1 in 15
First income threshold for those entitled to Child Tax Credit only <sup>9</sup>	13,230	13,480	13,910	14,155	14,495	15,575
Income increase disregard	2,500	2,500	2,500	25,000	25,000	25,000
Minimum award payable	26	26	26	26	26	26

<sup>1</sup> Payable to families for any period during which they have one or more children aged under 1.

<sup>2</sup> Payable for each child up to 31 August after their 16th birthday, and for each young person for any period in which they are aged under 20 (under 19 to 2005-06) and in full-time non-advanced education, or under 18 and in their first 20 weeks of registration with the Careers service or Connexions.

<sup>3</sup> Payable in addition to the child element for each disabled child.

<sup>4</sup> Payable in addition to the disabled child element for each severely disabled child.

<sup>5</sup> Payable for any period during which normal hours worked (for a couple, summed over the two partners) is at least 30 per week.

<sup>6</sup> Payable for each qualifying adult for the first 12 months following a return to work.

<sup>7</sup> Income is net of pension contributions, and excludes Child Benefit, Housing benefit, Council tax benefit, maintenance and the first £300 of family income other than from work or benefits. The award is reduced by the excess of income over the first threshold, multiplied by the first withdrawal rate.

<sup>8</sup> For those entitled to the Child Tax Credit, the award is reduced only down to the family element, plus the baby addition where relevant, less the excess of income over the second threshold multiplied by the second withdrawal rate.

<sup>9</sup> Those also receiving Income Support, income-based Jobseeker's Allowance or Pension Credit are passported to maximum award with no tapering.