



HM REVENUE AND CUSTOMS
KAI Benefits & Credits

Child and Working Tax Credits Statistics

Finalised Annual Awards

Supplement on payments in 2014-15



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This issue, and issues back to 2003/04, can be found on the HMRC website:

<https://www.gov.uk/government/collections/personal-tax-credits-statistics>

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Introduction:

What are tax credits?

Tax credits are 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:

<http://www.hmrc.gov.uk/taxcredits/index.htm>

Tax Credits are made up of:

(a) 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.

(b) Working Tax Credit (WTC):

Provides in-work support for people on low incomes, with or without children. A family will normally be eligible for WTC if it contains one of the following:

- ◆ a single person who is responsible for a child or young person and works
- ◆ a couple who are responsible for a child or young person, and who jointly
- ◆ a person who is receiving or has recently received a qualifying sickness or
- ◆ a person is aged 60 or over and works at least 16 hours per week, or
- ◆ If none of the above apply, then a person will still be eligible for WTC if they are aged 25 and over and work 30 hours or more a week.

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.
- ◆ **Child element:** which is paid for each child or qualifying young person the claimant is responsible for
- ◆ **Disability element:** for each child or qualifying young person the claimant is responsible for if they get Disability Living Allowance for the child
- ◆ **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 HMRC and paid via the tax credits system.

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.
- ◆ **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.

Interaction of WTC and CTC

Working families with dependent children can claim both WTC and CTC together. However, the WTC entitlement will continue to reduce after the first income threshold £6,420 (in 2014-15) while CTC does not. The combined entitlement will continue until the household income reaches a point where WTC would be '0'. Families will receive full CTC entitlement until their income reaches £16,010 (in 2014-15). From that point CTC entitlement will start to decline.

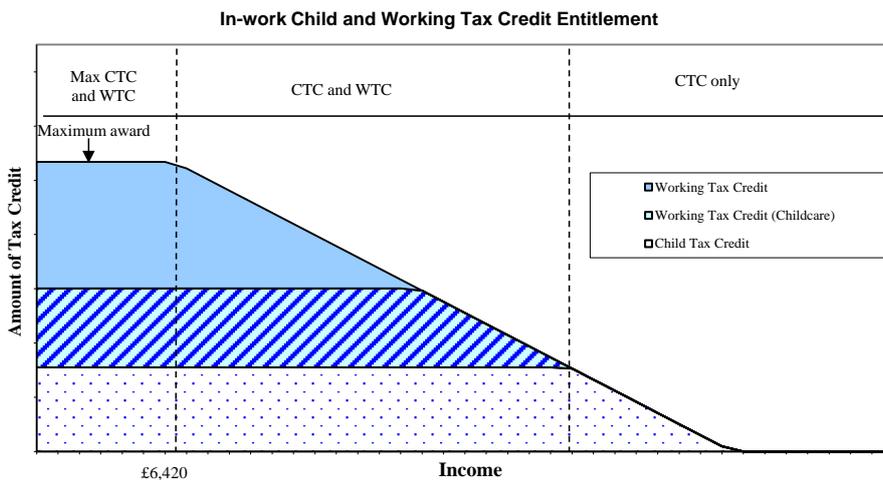
Tapering: is the amount of the award that will be reduced when the household income exceeds a given threshold. Tapering reduces WTC first and then CTC.

Child and Working Tax Credit Entitlement:

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 41 pence 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 £15,860 (2012-13). After this point, the amount of tax credits they receive is again reduced by 41 pence for each additional £1 of income beyond this threshold (note that this is not shown on the diagram below).



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 with 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 the finalised position of tax credit support.

What does this publication tell me?

The finalised awards are currently published in May around one year following completion of the entitlement year in question. The delay in publication is the result of the finalisation process built into the Tax Credits system. Most families have until *July 31st* following the end of the entitlement year to renew their award reporting their finalised income for the year in question. However, families that report income from Self-Assessment (e.g., the self-employed) have until *January 31st* of the following year to finalise their income. As a result, the full picture is not known until at least February the year after the entitlement year ends and consequently publication is delayed until May. These are National Statistics and the month of publication is pre-announced a year in advance with the exact date being published in the preceding publication.

Each release consists of four publications: the main publication, a supplementary payments publication, and the accompanying geographical publications. The statistics in this release include analysis at

- Country and English Region;
- Local Authority (LA);
- Westminster Parliamentary Constituency; and
- Scottish Parliamentary Constituency;

This series has been produced annually since the introduction of Tax Credits in April 2003.

Small Area Statistics

Estimates are also provided in a separate publication at Lower Super Output Area and Data Zone for England, Scotland and Wales. These statistics are available here:

<https://www.gov.uk/government/collections/personal-tax-credits-statistics>

The small area statistics are based on the finalised award position, but using a family's circumstances as at 31st August rather than as an average across the year. This ensures that the statistics are directly comparable to other published small area statistics, such as Child Benefit.

Who might be interested?

The statistics contained in this publication will be of interest for anyone that is looking for the most comprehensive data on Tax Credits. Specifically, there are aggregate statistics on who is getting what level of tax credits support and the amount of that support, as well as breakdowns of both by various sub-categories - e.g., family composition, family income, work status, and geographical analyses. It may be of interest to academics, think-tank's, 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 Region/Local Authority level.

Which publication should I use?

Generally, if you are content with 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.

Provisional awards vs. finalised awards

It is important to recognise that the finalised awards statistics are not a revision of the provisional statistics. The provisional numbers relate to the caseload position at a snapshot point in time, based on the family circumstances we have been informed of by each family prior to that particular time. The finalised awards relate to the complete retrospective picture for the year, based on a finalised view of family incomes and circumstances. The caseload population will be different between the two publications as a result of HMRC knowing the complete finalised picture of the award.

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.

What information do the tables contain?

These tables show the number of 2014-15 awards, analysed by whether payments etc¹ for 2014-15 and issued in 2014-15 were lower or higher than the finalised entitlement. Such awards are described as underpaid or overpaid at 5 April 2015, respectively. Note that this is known only after awards are finalised.

Tables 1 and 2 show the high level number of awards and amount over and underpaid by type of award for 2014-15. Table 3 provides a breakdown by level of over and underpayment by type of award.

To produce the analysis for Table 4 we have matched to other sample data to provide the profile of the award (i.e. WTC and CTC, CTC only), this table shows the number and amounts of over and underpayments by family type and the award profile position.

The last two tables, Tables 5 and 6, go into further detail about the levels of income reported for 2014-15 and in Table 5 the number and amount of over and underpayments is provided broken down by the 2014-15 income band. Table 6 provides a comparison between the reported incomes in 2013-14 and 2014-15 for the entire tax credits population in 2014-15.

Geographical analyses

A separate publication gives analyses by region, local authority and parliamentary constituency, of the number of 2014-15 awards with underpayments and overpayments and their values.

¹ Payments are scored after adding back reductions made to recover earlier overpayments. Other transactions include the in-year direct recovery and remission of 2013-14 overpayments.

User Engagement

Bespoke analysis of tax credits data is possible although there may be a charge depending on the level of complexity and the resources required to produce. If you would like to discuss your requirements, to comment on the current publications, or for further information about the tax credits statistics please use the contact information at the beginning of this publication, or from the HMRC website:

<https://www.gov.uk/government/organisations/hm-revenue-customs/about/statistics#contact-us>

We are committed to improving the official statistics we publish. We want to encourage and promote user engagement, so we can improve our statistical outputs.

We would welcome any views you have using the link to the feedback form below. We will undertake to review user comments on a quarterly basis and use this information to influence the development of our official statistics. We will summarise and publish user comments at regular intervals.

<https://www.gov.uk/government/organisations/hm-revenue-customs/about/statistics#contact-us>

National Statistics Review

A formal review of our National and Official Statistics publications was held between May and August 2011. Over 130 responses were received from a broad range of users.

A report summarising the responses received has been published.

<http://www.hmrc.gov.uk/statistics/tc-stats-results.htm>

Policy changes which came into effect on 6th April 2012

The following changes were introduced on 6th April 2012 as part of the Coalition Government's announcements in the June 2010 Budget and the 2010 Spending Review:

- The first income threshold for those entitled to CTC only has been reduced from £16,190 to £15,860.
- The second threshold has been abolished.
- The first taper rate is increased by 2 percentage points to 41% while the second taper rate has been abolished.
- The support provided through the childcare element of WTC is reduced to its 2005-06 level, supporting 70% of eligible childcare costs.
- A new working hours condition for couples with children. At least one adult must work 16 hours or more per week, and their combined working hours must be 24 hours or more in order to be eligible for WTC.
- Income increase disregard has been reduced from £25,000 to £10,000. (Note that the Income increase disregard has been further reduced from £10,000 to £5,000 effective from 6 April 2013)
- A new Income fall disregard of £2,500 has been introduced.
- The 50+ return to work payment has been abolished.
- The baby element of CTC has been abolished.
- The removal of the second income threshold means that most families that used to receive the Family Element or less are no longer entitled to receive anything. As a result some categories in this publication have been changed. The previous distinction between In-work families receiving 'More than the Family Element' 'the Family element' and 'Less than the Family Element' has been removed, and will now be referred to as 'CTC Only'.

Main aggregates

The figures in the top section of the following table relate to underpayments and overpayments in finalised 2014-15 awards at 5 April 2015 as recorded on the tax credits computer system, and the equivalent figures for 2003-04 to 2013-14. More details are shown in the later tables. The figures of overpayments in the bottom section also take account of certain other transactions. They are approximate, and therefore heavily rounded. No further analysis of these figures appears in the later tables.

	2003-04 awards	2004-05 awards	2005-06 awards	2006-07 awards	2007-08 awards	2008-09 awards	2009-10 awards	2010-11 awards	2011-12 awards	2012-13 awards	2013-14 awards	2014-15 awards
Underpaid awards¹												
Total number ('000)	713	906	886	838	1,292	1,489	1,601	1,505	1,560	960	860	922
Aggregate amount underpaid (£ million)	464	556	549	525	798	992	1,024	960	1,007	561	494	538
Overpaid awards¹												
Terminated awards ² ('000)	30	228	254	208	229	209	185	202	201	195	159	136
Aggregate amount overpaid (£ million)	8	395	378	307	306	279	261	369	451	355	221	203
Other awards ('000)	1,849	1,730	1,648	1,083	1,105	1,097	1,267	1,263	1,419	1,350	1,527	1,399
Aggregate amount overpaid (£ million)	1,923	1,300	1,195	646	635	638	969	1,062	1,186	1,164	1,632	1,484
Total number of overpaid awards ('000)	1,879	1,958	1,902	1,291	1,334	1,306	1,453	1,465	1,620	1,545	1,685	1,535
Total aggregate amount overpaid (£ million)	1,931	1,695	1,573	953	941	917	1,230	1,431	1,638	1,519	1,853	1,687
<i>Transactions excluded from the detailed tables³</i>												
<i>Off-system and late payments increasing overpayments</i>	£0.3bn	£0.1bn	£0.1bn	£0.05bn	£0.1bn	£0.05bn	£0.1bn	£0.1bn	£0.1bn	£neg bn	£neg bn	£0.01 bn
<i>Total overpayments including these transactions³</i>												
<i>Terminated awards²</i>	-	£0.4bn	£0.4bn	£0.3bn	£0.3bn	£0.3bn	£0.3bn	£0.4bn	£0.5bn	£0.4bn	£0.2bn	£0.2bn
<i>Other awards</i>	£2.2bn	£1.4bn	£1.2bn	£0.6bn	£0.7bn	£0.7bn	£1.1bn	£1.1bn	£1.2bn	£1.2bn	£1.6bn	£1.5bn
Total overpayments	£2.2bn	£1.8bn	£1.7bn	£1.0bn	£1.0bn	£1.0bn	£1.3bn	£1.5bn	£1.7bn	£1.6bn	£1.9bn	£1.7bn

¹ Excluding awards underpaid or overpaid by less than £10

² See "Terminated awards" in the Introduction. The main classes of terminated awards are those for which the family failed to report, by the specified date, the actual previous year's income or other details; or the latest information indicates that the family ceased to meet the qualifying conditions for tax credits at a date before the start of the year. The first reason did not apply to 2003-04 awards, and the second reason applied to few such awards with overpayments.

³ See "Overpayments arising after the year end, and from unposted payments" in Appendix A. These figures fall outside National Statistics

Table 1 Finalised 2014-15 awards; aggregate entitlement, payments and whether underpaid or overpaid at 5 April 2015

	No. of Awards (thousands)	Entitlement ⁴ for 2014-15 (£ million)	Net paid ¹ in 2014-15 (£ million)	Net overpayment at 5 April 2015 (£ million)
Awards underpaid²				
Made after 5 April 2015 and backdated	5	3	-	-3
Other	917	5,138	4,604	-534
Total awards underpaid²	922	5,142	4,604	-538
Awards neither underpaid nor overpaid	2,949	18,321	18,321	-
Awards overpaid²				
Terminated ³	136	-	203	203
Other	1,399	5,096	6,581	1,484
Total awards overpaid³	1,535	5,096	6,783	1,687
Total 2014-15 awards made³	5,406	28,559	29,708	1,150

¹ After adding back reductions to recover 2003-04 to 2013-14 overpayments. Net of repayments and remissions.

² Awards with underpayments or overpayments under £10 are counted as neither underpaid nor overpaid in this publication. See 'Small underpayments and overpayments' in Appendix A.

³ Excluding terminated awards with no overpayment at 5 April 2015. See Appendix A.

⁴ Different total 2014-15 entitlement figure to table 1.2 of 'Child and Working Tax Credits Finalised annual awards'. This is because this publication excludes out-of-work families receiving child support through DWP benefits, plus negligible timing differences in the running of each system scan.

Table 2 Families with finalised 2014-15 awards underpaid or overpaid at 5 April 2015

	Awards (thousands)	Net overpayment (£ million)
Awards underpaid¹		
Families with awards at 5 April 2015	864	-505
Awards made after 5 April 2015 and backdated	5	-3
Awards ceased during 2014-15	53	-30
Total awards underpaid¹	922	-538
Awards overpaid¹		
Terminated awards	136	203
Families with awards at 5 April 2015	1,038	1,186
Awards ceased during 2014-15	361	299
Total awards overpaid¹	1,535	1,687

¹ See footnote 2 to Table 1

Note. The level of under or overpayment at 5 April 2015 for each award is based on the 2014-15 entitlement calculated from the family's circumstances and income in 2014-15 reported by April 2015.

Table 3 Finalised 2014-15 awards underpaid or overpaid at 5 April 2015, by size of under or overpayment

Band of underpayment or overpayment	Underpaid awards ¹ (thousands)	Underpayment at 5 April 2015 (£ million)	Overpaid awards ¹ (thousands)	Overpayment at 5 April 2015 (£ million)
Terminated awards				
Up to £50	-	-	2	-
£50 to £100	-	-	5	-
£100 to £200	-	-	8	1
£200 to £500	-	-	24	8
£500 to £1,000	-	-	30	22
£1,000 to £2,000	-	-	33	46
£2,000 to £5,000	-	-	28	83
Over £5,000	-	-	5	42
Total terminated awards	-	-	136	203
Families with awards at 5 April 2015				
Up to £50	136	4	74	2
£50 to £100	109	8	80	6
£100 to £200	136	20	117	17
£200 to £500	199	65	216	73
£500 to £1,000	134	95	192	139
£1,000 to £2,000	97	136	180	257
£2,000 to £5,000	48	141	145	440
Over £5,000	6	36	34	252
Total families with awards at 5 April 2015	864	505	1,038	1,186
Other awards²				
Up to £50	9	-	31	1
£50 to £100	7	1	40	3
£100 to £200	9	1	62	9
£200 to £500	15	5	99	32
£500 to £1,000	10	7	59	42
£1,000 to £2,000	6	8	35	49
£2,000 to £5,000	2	7	23	69
Over £5,000	0	3	12	94
Total other awards²	58	33	361	299
All awards				
Up to £50	144	4	107	3
£50 to £100	116	9	125	9
£100 to £200	145	21	187	28
£200 to £500	214	70	339	113
£500 to £1,000	144	102	280	203
£1,000 to £2,000	103	145	248	352
£2,000 to £5,000	51	148	196	592
Over £5,000	6	40	52	387
Total all awards	922	538	1,535	1,687

¹ Excluding awards with underpayments or overpayments under £10. See "Small underpayments and overpayments" in Appendix A.

² Awards not made, or ceased, by 5 April 2015.

Note. The level of under or overpayment at 5 April 2015 for each award is based on the 2014-15 entitlement calculated from the family's circumstances and income in 2014-15 reported by April 2015.

Table 4 Finalised 2014-15 awards underpaid or overpaid at 5 April 2015, by position on profile at that date (and as assessed at that date)

	Underpaid awards ¹ (thousands)	Underpayment at 5 April 2015 (£ million)	Overpaid awards ¹ (thousands)	Overpayment at 5 April 2015 (£ million)
Singles				
Terminated awards ²	-	-	83	128
Positive entitlement at 5/4/15				
Not in work with children	43	27	81	149
In work with children				
<i>WTC and CTC</i>	166	76	182	265
<i>CTC only</i>	34	20	29	28
In work, no children (WTC only)	72	20	73	48
Entitlement at 5 April 2015 but tapered to zero	12	7	58	22
Award ceased during 2014-15	31	16	241	212
Awards made after 5 April 2015 and backdated	3	1	-	-
Total singles	361	168	747	853
Couples				
Terminated awards ²	-	-	52	74
Positive entitlement at 5 April 2015				
Not in work with children	42	33	43	60
In work with children				
<i>WTC and CTC</i>	210	127	205	293
<i>CTC only</i>	215	148	211	226
In work, no children (WTC only)	44	20	36	34
Entitlement at 5 April 2015 but tapered to zero	26	26	119	62
Award ceased during 2014-15	22	13	120	86
Awards made after 5 April 2015 and backdated	2	2	-	-
Total couples	561	370	788	835
All families				
Terminated awards ²	-	-	136	203
Positive entitlement at 5 April 2015				
Not in work with children	85	60	124	209
In work with children				
<i>WTC and CTC</i>	375	203	387	558
<i>CTC only</i>	249	168	240	254
In work, no children (WTC only)	115	41	109	82
Entitlement at 5 April 2015 but tapered to zero	38	33	177	83
Award ceased during 2014-15	53	30	361	299
Awards made after 5 April 2015 and backdated	5	3	-	-
Total all families	922	538	1,535	1,687

¹ Excluding awards with underpayments or overpayments under £10. See "Small underpayments and overpayments" in Appendix A.

² Includes awards terminated after 5 April 2015

Note. The level of under or overpayment at 5 April 2015 for each award is based on the 2014-15 entitlement calculated from the family's circumstances and income in 2014-15 reported by April 2015.

Table 5 Finalised 2014-15 awards underpaid or overpaid at 5 April 2015, by band of family income

2014-15 income band ²	Underpaid awards ¹ (thousands)	Underpayment at 5 April 2015 (£ million)	Overpaid awards ¹ (thousands)	Overpayment at 5 April 2015 (£ million)
Families with awards at 5 April 2015				
Up to £5,000	78	59	78	122
£5,000 to £10,000	194	118	130	152
£10,000 to £15,000	188	112	170	122
£15,000 to £20,000	133	83	165	151
£20,000 to £30,000	166	82	247	279
£30,000 to £40,000	53	20	114	155
£40,000 to £50,000	7	3	23	39
Over £50,000	1	-	4	8
Not known ³	44	26	107	158
Total families with awards at 5 April 2015	864	505	1,038	1,186
Other awards⁴				
Up to £5,000	11	7	35	27
£5,000 to £10,000	16	10	63	56
£10,000 to £15,000	11	6	48	36
£15,000 to £20,000	7	4	29	23
£20,000 to £30,000	6	2	32	26
£30,000 to £40,000	1	-	9	9
£40,000 to £50,000	-	-	2	2
Over £50,000	-	-	-	-
Not known ³	7	4	143	120
Total other awards⁴	58	33	361	299
All awards				
Up to £5,000	89	66	113	149
£5,000 to £10,000	210	128	193	207
£10,000 to £15,000	199	118	218	158
£15,000 to £20,000	140	87	194	174
£20,000 to £30,000	172	85	278	305
£30,000 to £40,000	54	20	123	164
£40,000 to £50,000	7	3	25	41
Over £50,000	1	-	4	8
Not known ³	51	30	250	278
Total all awards⁵	922	538	1,399	1,484

¹ Excluding awards with underpayments or overpayments under £10. See "Small underpayments and overpayments" in Appendix A.

² For families not reporting 2014-15 incomes they are assumed to fall into the same bands as in 2013-14 for this table. These include "auto-renewal" families with awards at the family element of CTC, or tapered to zero, and who had to report 2014-15 incomes only if it would affect the entitlement.

³ Comprises families receiving out of work benefits not required to report incomes; and others, apart from "auto-renewal" cases, not reporting their 2014-15 incomes by April 2015, so their 2014-15 entitlement was still calculated using 2013-14 incomes.

⁴ Awards not made, or ceased, by 5 April 2015. Based on information reported by 5 April 2015.

⁵ Excludes terminated cases as their income band is not known

Note. The level of under or overpayment at 5 April 2015 for each award is based on the 2014-15 entitlement calculated from the family's circumstances and income in 2014-15 reported by April 2015.

Table 6 Finalised 2014-15 awards underpaid or overpaid at 5 April 2015, by combination of bands of family income in 2013-14 and 2014-15

Thousands

2014-15 income band ¹	2013-14 income band								Total
	Under £5,000	£5,000 to £10,000	£10,000 to £15,000	£15,000 to £20,000	£20,000 to £30,000	£30,000 to £40,000	£40,000 to £50,000	Over £50,000	
Awards underpaid at 5 April 2015³									
Under £5,000	22	38	18	6	3	1	-	-	89
£5,000 to £10,000	23	105	53	18	9	1	-	-	210
£10,000 to £15,000	12	44	84	37	18	3	1	-	199
£15,000 to £20,000	3	6	31	56	37	5	1	-	140
£20,000 to £30,000	1	1	5	28	112	21	2	1	172
£30,000 to £40,000	-	-	-	1	18	32	3	-	54
£40,000 to £50,000	-	-	-	-	-	3	3	-	7
Over £50,000	-	-	-	-	-	-	-	-	1
Not known ²	20	10	8	4	6	3	-	-	51
Total awards underpaid at 5 April 2015³	81	204	199	150	203	69	11	4	922
Neither underpaid nor overpaid									
Under £5,000	343	55	5	1	-	-	-	-	405
£5,000 to £10,000	181	481	25	1	-	-	-	-	688
£10,000 to £15,000	20	98	266	14	1	-	-	-	399
£15,000 to £20,000	1	2	60	158	8	-	-	-	230
£20,000 to £30,000	-	-	1	44	201	4	-	-	251
£30,000 to £40,000	-	-	-	-	22	51	1	-	74
£40,000 to £50,000	-	-	-	-	-	4	5	-	9
Over £50,000	-	-	-	-	-	-	-	-	1
Not known ²	757	76	28	12	13	5	1	1	893
Total neither underpaid nor overpaid	1,303	713	385	231	246	64	7	2	2,949
Awards overpaid at 5 April 2015³									
Under £5,000	80	28	4	1	-	-	-	-	113
£5,000 to £10,000	48	109	29	5	2	-	-	-	193
£10,000 to £15,000	40	66	84	21	6	1	-	-	218
£15,000 to £20,000	18	43	54	55	21	2	-	-	194
£20,000 to £30,000	8	17	44	72	120	15	2	1	278
£30,000 to £40,000	1	2	5	11	63	39	3	-	123
£40,000 to £50,000	-	-	-	1	4	14	5	-	25
Over £50,000	-	-	-	-	-	1	2	1	4
Not known ²	168	38	19	9	11	4	1	-	250
Total awards overpaid at 5 April 2015^{3,4}	363	304	239	174	227	76	12	3	1,399
All awards									
Under £5,000	445	121	27	8	4	1	-	-	607
£5,000 to £10,000	251	694	107	25	11	2	-	-	1,091
£10,000 to £15,000	72	209	434	72	25	4	1	1	816
£15,000 to £20,000	22	52	145	269	66	8	1	1	564
£20,000 to £30,000	9	19	50	144	434	39	4	2	701
£30,000 to £40,000	1	2	5	11	102	122	6	1	251
£40,000 to £50,000	-	-	-	1	4	21	13	1	41
Over £50,000	-	-	-	-	-	1	2	2	5
Not known ²	946	123	54	26	30	12	2	1	1,194
Total all awards⁴	1,747	1,221	823	555	676	210	31	8	5,271

¹ For some families not reporting 2014-15 incomes they are assumed to fall into the same bands as in 2013-14. These include families with awards at the family element of Child Tax Credit, or tapered to zero, and who had to report 2014-15 incomes only if the change in income was sufficient to affect the size of the award.

² Comprises certain families receiving out of work benefits not required to report incomes, and those not reporting their 2014-15 incomes by April 2015, so their 2014-15 entitlement was still calculated using 2013-14 incomes.

³ Excluding awards with underpayments or overpayments under £10. See "Small underpayments and overpayments" in Appendix A.

⁴ Excluding terminated awards as their income band was not known

Note. The level of under or overpayment at 5 April 2015 for each award is based on the 2014-15 entitlement calculated from the family's circumstances and income in 2014-15 reported by April 2015.

Appendix A: Technical Note

Data source, definition and quality

The figures in the table are derived from a scan of the tax credits computer system, taken in early April 2015. For each 2014-15 award, the scan contained the aggregate of each of (a) 2014-15 entitlement postings up to 5 April 2015, and (b) payments and other transactions for 2014-15 posted up to 5 April 2015 (but including, exceptionally, manual payments for 2014-15 issued in 2014-15 and posted during 2014-15). The sums of the posting amounts taken over all awards were consistent with separate aggregates derived from other scans of the system.

Payments received direct from claimants to settle 2014-15 overpayments identified in-year are included at (b) above if they were posted to accounts by 5 April 2015.

These data in the scan were generally those used to issue payments and award notices to tax credits claimants, and to recover overpayments. A small number of awards were handled clerically, and the computer system may have out of date or incorrect data. Some payments made in 2014-15 were not recorded on the computer system, such as manual payments issued in 2014-15 but not posted to accounts by April 2015. However, the numbers and amounts involved are extremely small.

By definition, the data exclude payments made after 5 April 2015, even if these were the sole cause of, or increased, 2014-15 overpayments as measured at a later date.

Families and awards

Tax credits awards are made to single adults or couples. No adult can be in more than one current award; when a couple breaks up, or a single adult becomes part of a couple, the award ceases and either or both adults can apply for new awards.

The main publication shows the average number of benefiting families in 2014-15, which is the same as the number of awards with positive entitlement averaged over the year. These tables cover all 2014-15 awards, so individuals can be represented more than once.

To give some information on families, however, several tables distinguish between (a) families with awards current at 5 April 2015 and (b) other awards. The latter comprises awards terminated, ceased by 5 April 2015, or made only in 2014-15 and backdated.

The coverage of out-of-work families with children

The tables in the main publication include out-of-work families receiving their child support via Income Support or income-based Jobseeker's Allowance. This publication is restricted to tax credits awards, and so excludes payments, underpayments and overpayments of these benefits.

Comparison to main finalised awards publication

Occasionally the figures provided for the United Kingdom (including foreign and not known) will not match exactly with the figures in the main finalised awards publication. This is due to a small discrepancy caused by the methodology used to best allocate geographies to the data, and the subsequent grossing. Where there are differences they are normally only 1 or 2 units different.

How overpayments and underpayments arise

During 2014-15, payments were based on the latest information reported on the family's circumstances (hours worked, number of children, disabilities, childcare costs) and income. Families were encouraged to report any changes when they occurred, and in-year estimates of 2014-15 incomes. Payments were then adjusted so that, as far as possible, the new calculated annual entitlement was paid over by 5 April 2015.

Most underpayments and overpayments arose through no 2014-15 incomes being reported until finalisation in 2014-15. They also arose when claimants failed to report changes of circumstances until after the year end; or when changes (or estimated 2014-15 incomes) reducing entitlement were reported in-year but there was insufficient time to reduce payments in the rest of the year to prevent an overpayment. They could also arise through official error.

Terminated awards

2014-15 awards are described as "Terminated" if the families (a) failed to report by the specified date their actual 2013-14 incomes or other details, (b) according to the latest information, ceased to meet the qualifying conditions for tax credits² before the start of 2014-15, or (c) failed to return a signed 2014-15 award notice.

The entitlements of such awards are set to zero. The awards are included in the tables if payments for 2014-15 were made during 2014-15, and not fully recovered (and not remitted) in 2014-15; they are by definition overpaid at 5 April 2015.

Repayments of underpayments, and overpayment recovery

Underpayments are repaid as lump sums. Overpayments are recovered by reducing future payments, or directly if there are no current payments. For further details, see the HMRC Code of Practice 26, "What happens when we have paid you too much tax credits?" This also explains remitting overpayments arising from official error.

Disputed overpayments, remissions and recovery suspension

Overpayments remitted due to official error are included in the tables unless remitted by 5 April 2015. The recovery of overpayments can also be suspended pending investigations or decisions; these overpayments are included in the tables even if the suspension was active at 5 April 2015.

Overpayments arising after the year end, and from unposted payments

The data used to compile the main tables exclude (a) manual payments issued in 2014-15 but not posted to customer accounts by 5 April 2015 and (b) payments and other transactions for 2014-15 made after that date.

Aggregates including these transactions, and the equivalent figures for 2003-04 to 2014-15, are shown in the Main Aggregates page of this publication. They are not measures of overpayments at 5 April at the end of each year. Rather, they approximate the sum of the maximum amounts for each award on or after that date. The figures are heavily rounded, reflecting the fact that they are approximate. They fall outside National Statistics.

Small underpayments and overpayments

58 thousand awards were underpaid, and 28 thousand overpaid, by less than £10 (excluding amounts under £1). Many of these amounts arose from rounding within the award calculation and payment. We have judged that users would prefer the figures of underpaid and overpaid awards to exclude these cases.

¹ Initial awards were based on 2014-15 incomes. The first £5,000 of any increase in income between then and 2014-15 was however disregarded.

² Responsible for children; or including an adult who was a disabled worker or was aged 25+ and worked for 30+ hours per week.

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	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Child Tax Credit												
Family element	545	545	545	545	545	545	545	545	545	545	545	545
Family element, baby addition ¹	545	545	545	545	545	545	545	545	-	-	-	-
Child element ²	1,445	1,625	1,690	1,765	1,845	2,085	2,235	2,300	2,555	2,690	2,720	2,750
Disabled child additional element ³	2,155	2,215	2,285	2,350	2,440	2,540	2,670	2,715	2,800	2,950	3,015	3,100
Severely disabled child additional element ⁴	865	890	920	945	980	1,020	1,075	1,095	1,130	1,190	1,220	1,255
Working Tax Credit												
Basic element	1,525	1,570	1,620	1,665	1,730	1,800	1,890	1,920	1,920	1,920	1,920	1,940
Couples and lone parent element	1,500	1,545	1,595	1,640	1,700	1,770	1,860	1,890	1,950	1,950	1,970	1,990
30 hour element ⁵	620	640	660	680	705	735	775	790	790	790	790	800
Disabled worker element	2,040	2,100	2,165	2,225	2,310	2,405	2,530	2,570	2,650	2,790	2,855	2,935
Severely disabled adult element	865	890	920	945	980	1,020	1,075	1,095	1,130	1,190	1,220	1,255
50+ return to work payment ⁶												
16 but less than 30 hours per week	1,045	1,075	1,110	1,140	1,185	1,235	1,300	1,320	1,365	-	-	-
at least 30 hours per week	1,565	1,610	1,660	1,705	1,770	1,840	1,935	1,965	2,030	-	-	-
Childcare element												
Maximum eligible costs allowed (£ per week)												
Eligible costs incurred for 1 child	135	135	175	175	175	175	175	175	175	175	175	175
Eligible costs incurred for 2+ children	200	200	300	300	300	300	300	300	300	300	300	300
Percentage of eligible costs covered	70%	70%	70%	80%	80%	80%	80%	80%	70%	70%	70%	70%
Common features												
First income threshold ⁷	5,060	5,060	5,220	5,220	5,220	6,420	6,420	6,420	6,420	6,420	6,420	6,420
First withdrawal rate	37%	37%	37%	37%	37%	39%	39%	39%	41%	41%	41%	41%
Second income threshold ⁸	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	40,000	-	-	-
Second withdrawal rate	1 in 15	1 in 15	1 in 15	1 in 15	1 in 15	1 in 15	1 in 15	1 in 15	41%	-	-	-
First income threshold for those entitled to Child Tax Credit only ⁹	13,230	13,480	13,910	14,155	14,495	15,575	16,040	16,190	15,860	15,860	15,910	16,010
Income increase disregard	2,500	2,500	2,500	25,000	25,000	25,000	25,000	25,000	10,000	10,000	5,000	5,000
Income fall disregard ¹⁰										2,500	2,500	2,500
Minimum award payable	26	26	26	26	26	26	26	26	26	26	26	26

¹ Payable to families for any period during which they have one or more children aged under 1. Abolished 6 April 2011.

² 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 19 and in their first 20 weeks of registration with the Careers service or Connexions.

³ Payable in addition to the child element for each disabled child.

⁴ Payable in addition to the disabled child element for each severely disabled child.

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

⁶ Payable for each qualifying adult for the first 12 months following a return to work. Abolished 6 April 2012.

⁷ 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.

⁸ 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. Abolished 6 April 2012.

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

¹⁰ Introduced from 6 April 2012, this drop in income is disregarded in the calculation of Tax Credit awards.