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KAI Benefits & Credits

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**Child and Working Tax Credits  
Statistics**

**Finalised annual awards in  
2012-13**

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# Child and Working Tax Credits Statistics

## Finalised annual awards

2012-13

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Contact point for enquiries:-

**Scott Paul Johnston**

Child and Working Tax Credits Statistics

HM Revenue & Customs, Room 2/46, 100 Parliament Street

London, SW1A 2BQ

☎ 03000 514885

E-mail : [benefitsandcredits.analysis@hmrc.gsi.gov.uk](mailto:benefitsandcredits.analysis@hmrc.gsi.gov.uk)

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>

## **A NATIONAL STATISTICS PUBLICATION**

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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 GOV. uk website:

<https://www.gov.uk/browse/benefits/tax-credits>

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

- 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
- 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.
- **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.

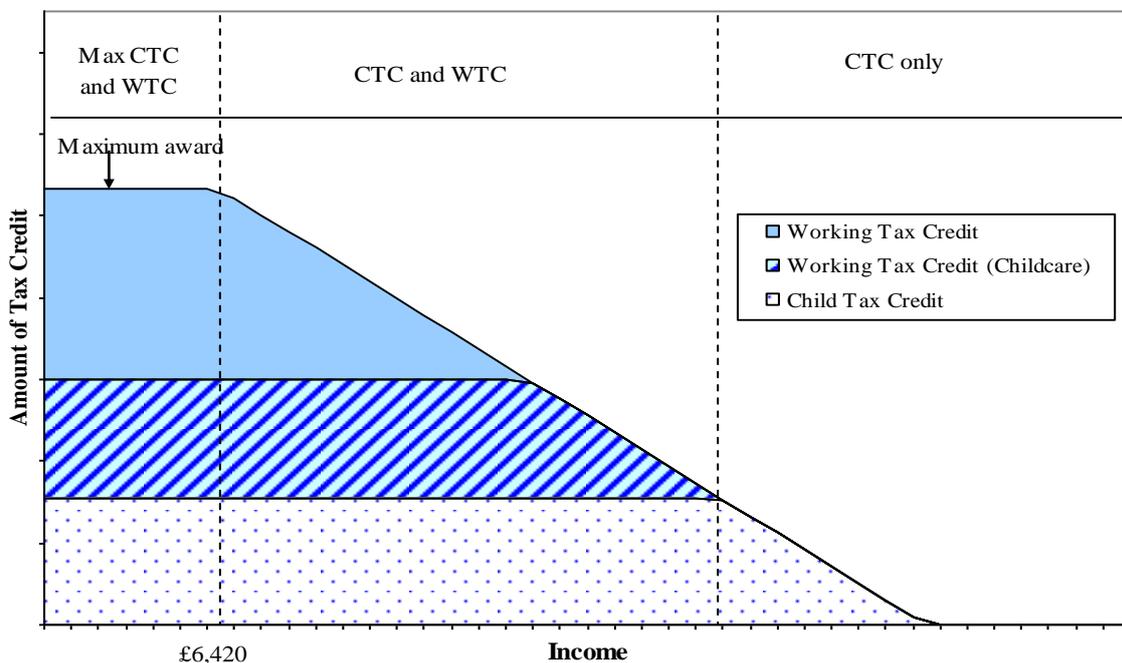
**Tapering:** is the amount of the award that will be reduced when the household income exceeds a given threshold. Tapering reduces WTC first and then CTC.

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 (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 £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).

**In-work Child and Working Tax Credit Entitlement**



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,

## 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 for all of or part of 2012-13.

The tables in Section 1 include both out-of-work and in-work families, and show the time series since 2003/04 of the tax credits population by profile position. Also included are the total levels of entitlement for each group. Table 1.2 provides further breakdowns of the population in terms of families, children and elements received.

Section 2 provides further breakdowns of the 2012-13 population, specifically those with children, in terms of family size, level of entitlement and profile position.

Section 3 goes into further detail about the average number of families benefiting from the various individual elements of tax credits, as well as a table showing the income used to calculate the award.

### ***Out-of-work families***

A family is defined as being out-of-work at the reference date if both adults, or the single adult, does not work for at least 16 hours per week, these families can fall into two categories:

- 1) Families administered by HMRC who are receiving their child support through CTC
- 2) Families administered by DWP and claiming their child support through benefits

Child Tax Credit was introduced in April 2003 and any application since then falls under 1), whereas families who were receiving out-of-work benefits prior to April 2003 and remain so will fall under 2) – these cases are being migrated over to HMRC. All the tables in this publication include all out of work families, irrespective of the source of their support.

## 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

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 rise disregard has been reduced from £25,000 to £10,000.

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

Based on finalised awards, the average number of benefiting families during 2003-04 to 2012-13 were:

	<i>Millions</i>									
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
<b>Total out-of-work families (all with children)</b>	1.4	1.38	1.41	1.40	1.39	1.43	1.48	1.46	1.45	1.48
<b>In-work families</b>										
<b>With children</b>										2.63
<i>of which receiving more than the family element<sup>2</sup></i>	2.08	2.12	2.16	2.28	2.34	2.50	2.61	2.70	2.69	..
<i>of which receiving family element or less<sup>2</sup></i>	2.09	2.15	2.10	1.97	1.91	1.78	1.67	1.61	1.00	..
<b>Total with children</b>	4.17	4.28	4.26	4.25	4.25	4.28	4.28	4.30	3.69	2.63
<b>With no children (receiving WTC only)</b>	0.16	0.23	0.27	0.30	0.34	0.41	0.48	0.54	0.54	0.51
<b>Total in-work families</b>	4.34	4.51	4.53	4.56	4.59	4.69	4.76	4.85	4.23	3.14
<b>Total number of families benefiting</b>	5.70	5.89	5.94	5.96	5.98	6.12	6.25	6.31	5.67	4.62

And of the total number of benefiting families, those whose entitlements were higher because of certain tax credits elements were:

	<i>Thousands</i>									
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Families for which entitlements were higher because of:										
Childcare element	268	304	339	384	414	448	460	455	416	396
Disabled worker element	64	79	89	99	108	118	115	119	117	114
Baby addition to family element (out-of-work families) <sup>1</sup>	..	..	151	153	153	164	167	165	..	..
Baby addition to family element (in-work families) <sup>1</sup>	361	371	364	364	378	394	387	385	..	..

<sup>1</sup> The baby addition to the family element for families receiving CTC has been abolished, as of 06 April 2011.

<sup>2</sup> The various CTC Family Element categories have been replaced with 'CTC only' with effect from 6 April 2012.

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

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Figure 3.1 Eligible childcare costs allowed (per week)

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## Section 1 : Time series

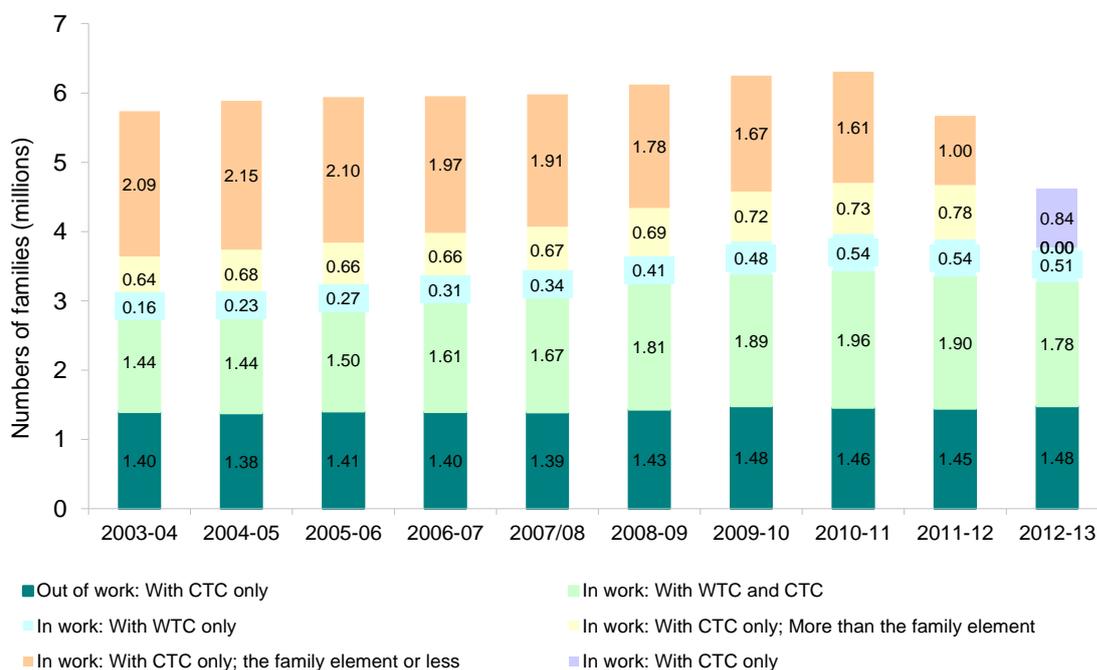
**Section 1 provides statistics on the history of the Tax Credits system, between 2003-04 and 2012-13. This enables comparison across time, across different Tax Credits populations and describes how various parts of the**

Figure 1.1 shows that the overall numbers of families receiving tax credits has gradually risen from 5.74 million in 2003-04 to 6.31 million in 2010-11. In 2011-12 and 2012-13, the number of families receiveing Tax Credits dropped to 5.67 million and 4.62 million, respectively, primarily as a result of policy changes set out on page 7, particularly after the reduction and eventual removal of the second threshold. Within this population, the composition of the Tax Credits population has

The numbers of families receiving relatively high awards - that is in-work families receiving WTC and CTC - rose from around 1.4 million in 2003-04 to almost 2 million in 2010-11 before falling slightly for the second year running. With the removal of the second income threshold as at 2012-13 has come a drop in the number of qualifying families. The previous CTC family element categories have been removed and replaced by a single "CTC only" category with just over 800,000 qualifying families. The trend in the numbers of in-work families without children - those receiving WTC only - has shown a steady increase from around 164,000 in 2003-04 to 540,000 in 2010-11 and 2011-12 but has fallen slightly to 510,000 in

The numbers of families receiving tax credits when out-of-work had remained remarkably stable at 1.4 million until the rise in 2009-10. The number decreased in the following years before rising to almost 1.5 million in 2012-13.

**Figure 1.1: Numbers of families receiving different amounts of tax credits**



### Section 1 : Time series

Figure 1.2 shows that annual entitlement to tax credits has risen over time, increasing from around £16bn in 2003-04 to around £29bn in 2012-13. The bulk of entitlement is claimed by families entitled to either the full amount of CTC (when out of work) or families in work and entitled to both WTC and CTC. Over time, the proportion of entitlement covered by those claiming WTC and CTC has risen from around 51% to 55% of entitlement while the proportion covered by out of work families has fluctuated slightly between 31% and 27%, but rising again to 31% in

Figure 1.2 Annual Entitlement by type of Tax Credits received

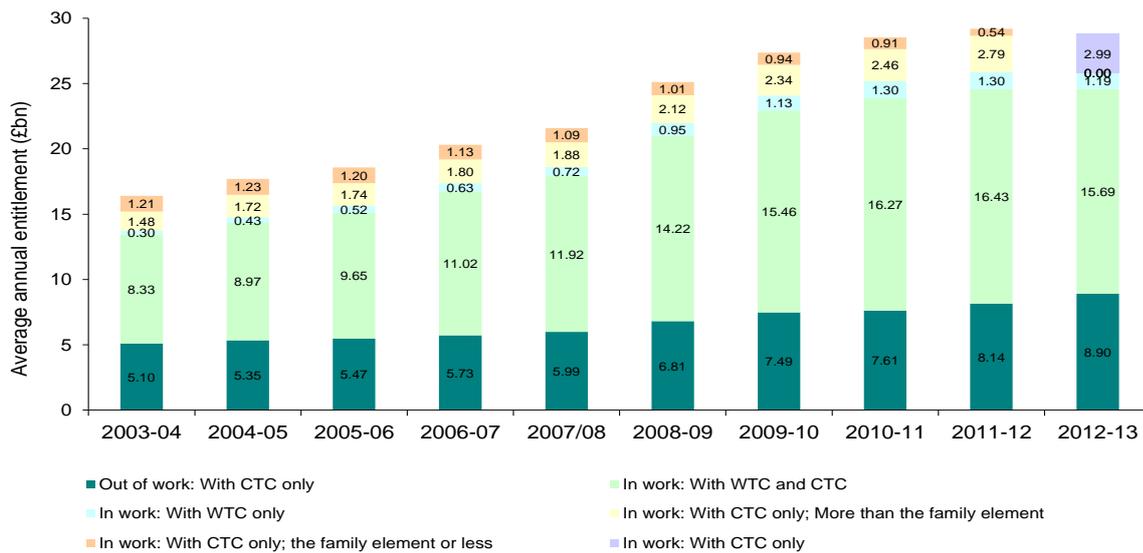


Table 1.1 Average number of recipient families and entitlement, 2003-04 to 2012-13

Thousands unless otherwise stated

		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) <sup>1</sup>	
			With children			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 or less					
2003-04 <sup>2</sup>	Number of families	1.4m	1,438	640	2,093	4,171	164	4,336	5.7m	
	Entitlement (£million) <sup>3</sup>	5,100	8,334	1,477	1,206	11,017	296	11,314	16,400	
2004-05 <sup>2</sup>	Number of families	1,379	1,445	679	2,151	4,275	234	4,508	5,888	
	Entitlement to CTC	5,353	5,259	1,717	1,235	8,211	-	8,211	13,564	
	Entitlement to WTC	-	3,714	-	-	3,714	431	4,145	4,145	
	Total Entitlement (£million) <sup>3</sup>	5,353	8,974	1,717	1,235	11,926	431	12,356	17,709	
2005-06 <sup>2</sup>	Number of families	1,406	1,496	664	2,101	4,261	272	4,533	5,939	
	Entitlement to CTC	5,474	5,600	1,742	1,201	8,543	-	8,543	14,017	
	Entitlement to WTC	-	4,048	-	-	4,048	520	4,568	4,568	
	Total Entitlement (£million) <sup>3</sup>	5,474	9,648	1,742	1,201	12,591	520	13,111	18,585	
2006-07 <sup>2</sup>	Number of families	1,399	1,614	664	1,972	4,251	305	4,556	5,955	
	Entitlement to CTC	5,732	6,258	1,804	1,129	9,191	-	9,191	14,923	
	Entitlement to WTC	-	4,767	-	-	4,767	627	5,393	5,393	
	Total Entitlement (£million) <sup>3</sup>	5,732	11,024	1,804	1,129	13,958	627	14,585	20,317	
2007-08 <sup>2</sup>	Number of families	1,392	1,672	670	1,911	4,253	336	4,589	5,981	
	Entitlement to CTC	5,986	6,721	1,885	1,087	9,693	-	9,693	15,679	
	Entitlement to WTC	-	5,196	-	-	5,196	719	5,915	5,915	
	Total Entitlement (£million) <sup>3</sup>	5,986	11,918	1,885	1,087	14,890	719	15,609	21,595	
2008-09 <sup>2</sup>	Number of families	1,434	1,810	689	1,782	4,281	405	4,686	6,120	
	Entitlement to CTC	6,811	8,073	2,123	1,013	11,210	-	11,210	18,020	
	Entitlement to WTC	-	6,145	-	-	6,145	952	7,097	7,097	
	Total Entitlement (£million) <sup>3</sup>	6,811	14,218	2,123	1,013	17,354	952	18,306	25,117	
2009-10 <sup>2</sup>	Number of families	1,484	1,892	719	1,671	4,283	482	4,765	6,249	
	Entitlement to CTC	7,486	8,920	2,345	945	12,210	-	12,210	19,696	
	Entitlement to WTC	-	6,541	-	-	6,541	1,134	7,675	7,675	
	Total Entitlement (£million) <sup>3</sup>	7,486	15,462	2,345	945	18,751	1,134	19,885	27,371	
2010-11 <sup>2</sup>	Number of families	1,462	1,964	731	1,607	4,302	544	4,846	6,308	
	Entitlement to CTC	7,606	9,503	2,459	906	12,868	-	12,868	20,474	
	Entitlement to WTC	-	6,770	-	-	6,770	1,298	8,069	8,069	
	Total Entitlement (£million) <sup>3</sup>	7,606	16,273	2,459	906	19,638	1,298	20,936	28,542	
2011-12	Number of families	1,445	1,904	780	1,000	3,685	540	4,225	5,670	
	Entitlement to CTC	8,138	10,003	2,793	536	13,331	-	13,331	21,469	
	Entitlement to WTC	-	6,431	-	-	6,431	1,304	7,734	7,734	
	Total Entitlement (£million) <sup>3</sup>	8,138	16,433	2,793	536	19,762	1,304	21,066	29,203	
2012-13	Number of families	1,484	1,783	842	1,000	2,625	512	3,138	4,622	
	Entitlement to CTC	8,903	9,787	2,995	906	12,782	-	12,782	21,685	
	Entitlement to WTC	-	5,904	-	-	5,904	1,191	7,094	7,094	
	Total Entitlement (£million) <sup>3</sup>	8,903	15,691	2,995	906	18,685	1,191	19,876	28,779	

Note. These figures are for finalised awards. They are on a different basis to those appearing in the "snapshot" publications for dates within the year, which were based on information known about by those dates. See the Introduction.

<sup>1</sup> No, or only approximate, estimates for out of work families are available for some earlier years. Figures shown thus "1.4m" are approximate estimates shown in millions. The estimates for out of work families include those receiving the equivalent level of support via out of work benefits (see the Introduction).

<sup>2</sup> Entitlement as published in the previous issue of this publication, disregarding any changes since then.

<sup>3</sup> See Appendix A for the definitions of these amounts. For 2003-04, rounded to the nearest £0.1bn

**Table 1.2 Average number of recipient families and entitlement by family type and profile position, 2003-04 to 2012-13**

Thousands, and Million

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
<b>All families</b>										
Total out-of-work families <sup>1</sup>	1.4m	1,379	14 6	1,399	1,392	1,434	1,484	1,462	1,445	1,484
WTC and CTC	1,438	1,445	1,496	1,614	1,672	181	1,892	1,964	19 4	1,783
CTC only, > family element	64	679	664	664	67	689	719	731	78	-
CTC family element	1,982	2 19	1,961	1,851	1,777	1,633	1,519	1,463	967	-
CTC < family element	112	133	14	122	134	149	153	144	33	-
CTC only <sup>5</sup>	-	-	-	-	-	-	-	-	-	842
Total in-work with children	4,171	4,275	4,261	4,251	4,253	4,281	4,283	43 2	3,685	2,625
With no children (receiving WTC only)	164	234	272	3 5	336	4 5	482	544	54	512
Total in-work families	4,336	45 8	4,533	4,556	4,589	4,686	4,765	4,846	4,225	3,138
<b>Total families<sup>1</sup></b>	<b>5.7m</b>	<b>5,888</b>	<b>5,939</b>	<b>5,955</b>	<b>5,981</b>	<b>612</b>	<b>6,249</b>	<b>63 8</b>	<b>567</b>	<b>4,622</b>
<b>Single adults with children</b>										
Total out-of-work families <sup>1</sup>	1.1m	1 31	1 55	1 62	1 59	1 73	1 9	1 81	1 73	1 53
WTC and CTC	788	799	828	862	898	966	988	1 1	985	973
CTC only, > family element	94	1 5	1 5	99	1 4	1 3	1 8	114	127	-
CTC family element	1 7	116	116	1 8	1 7	99	98	98	89	-
CTC < family element	1	1	1	1	1	2	2	2	1	-
CTC only <sup>5</sup>	-	-	-	-	-	-	-	-	-	141
Total in-work families with children	99	1 21	1 5	1 7	111	1,169	1,196	1,216	12 2	1,115
<b>Total single adults with children<sup>1</sup></b>	<b>2.2m</b>	<b>2 52</b>	<b>21 5</b>	<b>2,132</b>	<b>2,169</b>	<b>2,242</b>	<b>2,286</b>	<b>2,297</b>	<b>2,275</b>	<b>2,168</b>
<b>All children</b>										
Total out-of-work families <sup>1</sup>	2.6m	2,624	2,666	2,664	2,634	2,744	2,825	2,786	2,735	2,835
WTC and CTC	2,628	26 6	2,685	2,895	2,997	324	3,361	3,493	3,393	3,171
CTC only, > family element	1,382	1,449	14 9	14 5	1,412	1,439	1,483	15 6	1,596	-
CTC family element	328	3,229	3 87	2,893	276	2,499	2,291	2,194	1,345	-
CTC < family element	198	231	241	21	23	258	264	247	59	-
CTC only <sup>5</sup>	-	-	-	-	-	-	-	-	-	1,699
Total in-work families	7,488	7,515	7,422	74 3	7,399	7,437	7,399	744	6,393	487
<b>Total children<sup>1</sup></b>	<b>1.1m</b>	<b>1 139</b>	<b>1 88</b>	<b>1 67</b>	<b>1 33</b>	<b>1 181</b>	<b>1 225</b>	<b>1 226</b>	<b>9,128</b>	<b>7,705</b>
<b>Families benefiting from:</b>										
30 hour element	1,628	1,716	1,757	1,885	195	2,118	2,248	2,339	2,283	2,260
Disabled worker element	64	79	89	99	1 8	118	115	119	117	114
Severely disabled adult element	47	34	28	3	31	33	33	33	3	29
50+ return to work element <sup>4</sup>	8	15	14	14	15	17	15	2	21	-
Childcare element - singles	185	2 8	233	25	268	286	286	274	254	243
Childcare element - couples	83	96	1 6	133	147	163	174	181	162	152
Baby addition <sup>2</sup> to family element - out-of-work families <sup>1</sup>	-	-	151	153	153	164	167	165	-	-
Baby addition <sup>2</sup> to family element - in-work families	361	371	364	364	378	394	387	385	-	-
Disabled child element in-work families <sup>3</sup>	98	1 7	11	116	121	132	142	146	146	146
Severely disabled child element - in-work families <sup>3</sup>	45	47	47	48	47	52	57	57	55	55
<b>Annual entitlement (£ million)</b>										
Total out-of-work families <sup>1</sup>	51	5,353	5,474	5,732	5,986	6,811	7,486	76 6	8,138	8,903
WTC and CTC	8,334	8,974	9,648	11 24	11,918	14,218	15,462	16,273	16,433	15,691
CTC only, > family element	1,477	1,717	1,742	18 4	1,885	2,123	2,345	2,459	2,793	-
CTC family element	1,166	119	1,156	1 9	1 44	965	896	861	527	-
CTC < family element	4	45	45	39	43	48	49	45	9	-
CTC only <sup>5</sup>	-	-	-	-	-	-	-	-	-	2,995
Total in-work with children	11 17	11,926	12,591	13,958	14,899	17,354	18,751	19,638	19,762	18,685
With no children (receiving WTC only)	296	431	52	627	719	952	1,134	1,298	13 4	1,191
Total in-work families	11,314	12,356	13,111	14,585	156 9	183 6	19,885	2,936	21 66	19,876
<b>Total families<sup>1</sup></b>	<b>164</b>	<b>177 9</b>	<b>18,585</b>	<b>2 317</b>	<b>21,595</b>	<b>25,117</b>	<b>27,371</b>	<b>28,542</b>	<b>292 3</b>	<b>28,779</b>

<sup>1</sup> The estimates for out of work families include families receiving the equivalent level of support via out of work benefits (see the Introduction). No, or only approximate, estimates for out of work families are available for 2003-04; figures shown thus "1.4m" are approximate estimates shown in millions.

<sup>2</sup> The baby addition to family element has been abolished, as at 06 April 2011.

<sup>3</sup> No estimates for out of work families are available.

<sup>4</sup> Withdrawn.

<sup>5</sup> The various CTC Family Element categories have been replaced with 'CTC only' with effect from 6 April 2012.

## Section 2 : Summary tables

Section 2 provides summary information on the tax credits population in 2012-13 at the higher level of aggregation. Section 3 goes into more detailed

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 141,000 lone parent families that are entitled to CTC only. The pattern for couples is less clear with the largest single grouping receiving the WTC and CTC award followed by those receiving CTC only. A majority of families with no children (receiving WTC only) are single recipients.

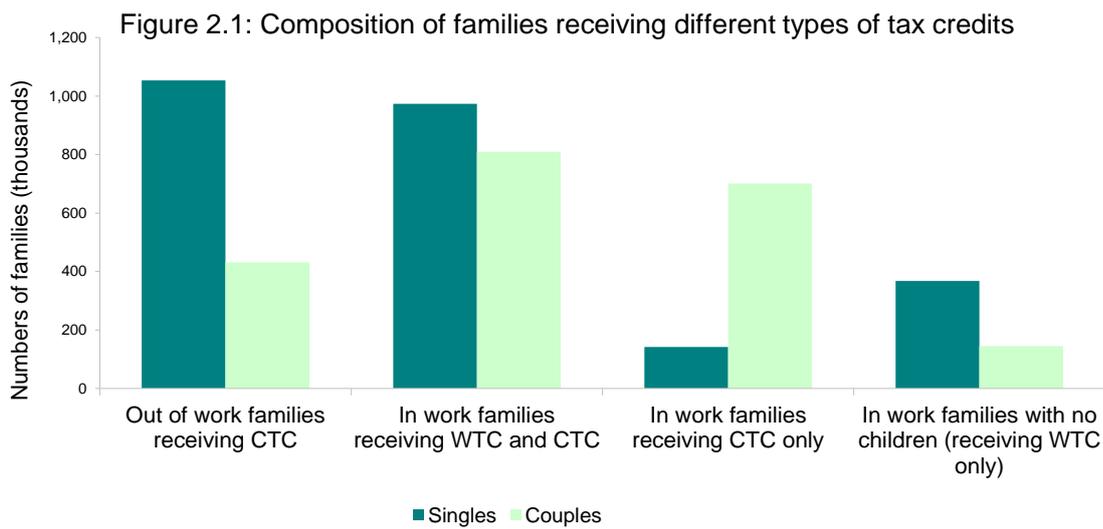
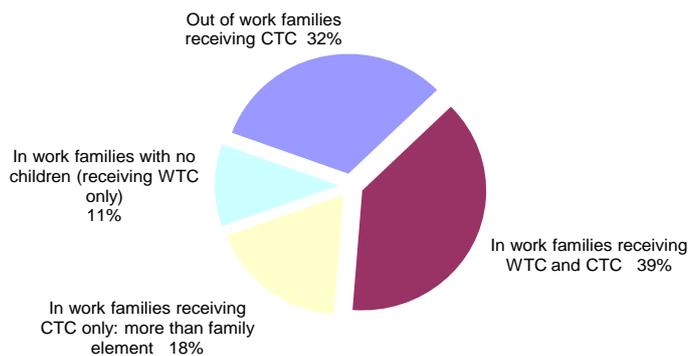


Figure 2.2 shows that 32% of families in receipt of tax credits are out-of-work families with the remaining 68% of families in receipt in-work families. 39% of families in receipt are receiving the higher value in-work awards (WTC and CTC) while 18% are receiving in-work CTC only while the remaining 11% are in-work

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



## Section 2 : Summary tables

Figure 2.3 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. Couples are more likely to have larger family sizes. There are approximately 273,000 families with four or more children.

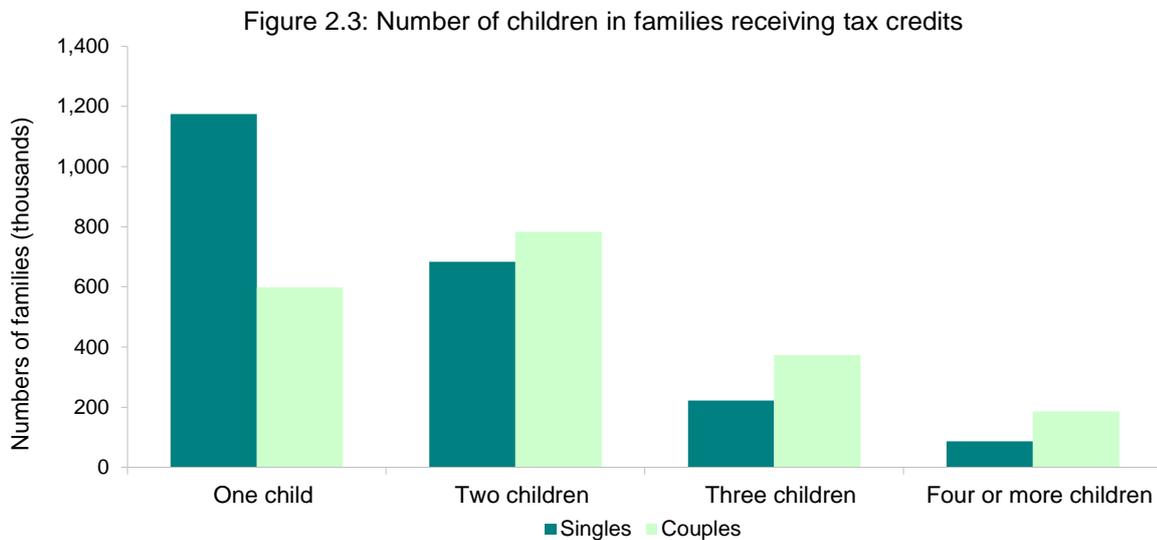
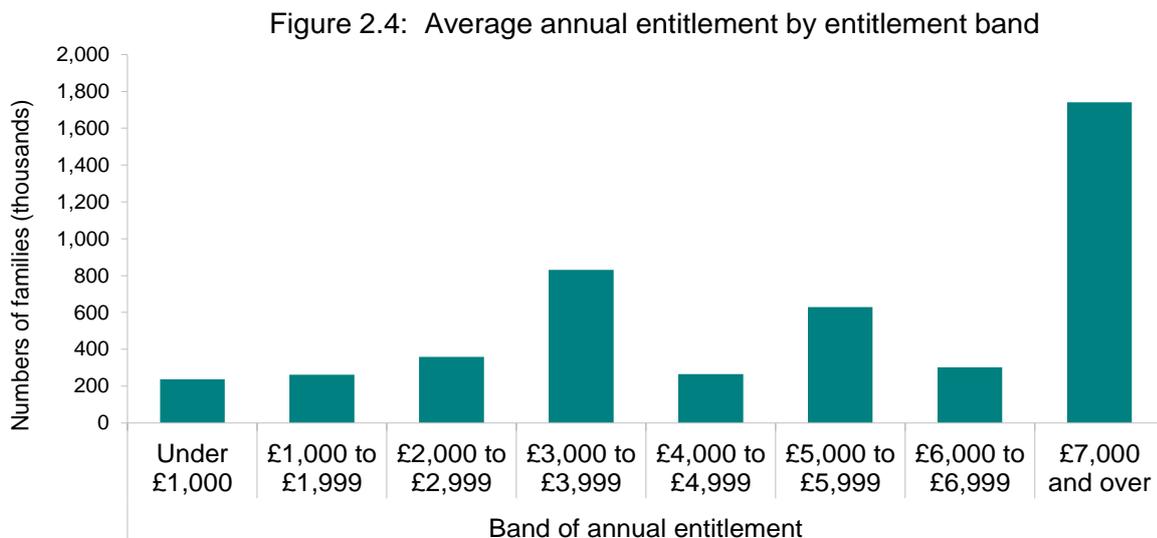


Figure 2.4 shows that the largest proportion of awards are of the value of £7,000 and over, followed by those between £3,000 to £3,999.



**Table 2.1 Average number of recipient families, couples and single and their children***Thousands*

	Families			Number of children in recipient families
	Singles	Couples	Total	
<b>Out-of-work families with children</b>				
Receiving CTC	1,028	413	1,440	2,743
<i>of which maximum award<sup>1</sup></i>	1,021	380	1,401	2,668
<i>of which tapered</i>	7	32	39	75
Receiving family premia in benefits <sup>2</sup>	25	19	44	92
<b>Total out-of-work families with children</b>	<b>1,053</b>	<b>431</b>	<b>1,484</b>	<b>2,835</b>
<b>In-work families</b>				
<b>With children</b>				
Of which receiving WTC and CTC				
<i>and maximum award<sup>1</sup></i>	396	187	583	1,072
<i>and tapered</i>	577	623	1,200	2,099
<b>Total receiving WTC and CTC</b>	<b>973</b>	<b>810</b>	<b>1,783</b>	<b>3,171</b>
Of which receiving CTC only	141	701	842	1,699
<b>Total receiving CTC only</b>	<b>141</b>	<b>701</b>	<b>842</b>	<b>1,699</b>
<b>Total with children</b>	<b>1,115</b>	<b>1,511</b>	<b>2,625</b>	<b>4,870</b>
<b>With no children (receiving WTC only)</b>				
<i>of which maximum award<sup>1</sup></i>	132	26	158	-
<i>of which tapered</i>	236	119	355	-
<b>Total with no children (receiving WTC only)</b>	<b>368</b>	<b>145</b>	<b>512</b>	<b>-</b>
<b>Total in-work families</b>	<b>1,482</b>	<b>1,655</b>	<b>3,138</b>	<b>4,870</b>
<b>All families</b>				
With children	2,168	1,942	4,110	7,705
With no children (receiving WTC only)	368	145	512	-
<b>Total all families</b>	<b>2,535</b>	<b>2,086</b>	<b>4,622</b>	<b>7,705</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 threshold.

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

**Table 2.2 Average number of recipient families with children by family size, and annual and average entitlements***Thousands, and £million*

	Total out-of-work families (with children)	In-work families		Total in-work families (with children)	Total in receipt (out-of-work and in-work families)
		With children			
		Receiving WTC and CTC	Receiving CTC only		
<b>Family size</b>					
<b>Singles</b>					
One child	520	574	81	655	1,175
Two children	330	304	49	353	683
Three children	137	76	10	86	223
Four or more children	67	19	2	20	87
<b>Total singles</b>	<b>1,053</b>	<b>973</b>	<b>141</b>	<b>1,115</b>	<b>2,168</b>
<b>Couples</b>					
One child	148	278	173	451	599
Two children	144	306	333	640	783
Three children	80	148	145	293	374
Four or more children	60	78	49	126	186
<b>Total couples</b>	<b>431</b>	<b>810</b>	<b>701</b>	<b>1,511</b>	<b>1,942</b>
<b>All families</b>					
One child	667	852	255	1,106	1,774
Two children	473	611	382	993	1,466
Three children	217	224	155	379	596
Four or more children	127	96	50	146	273
<b>Total all families</b>	<b>1,484</b>	<b>1,783</b>	<b>842</b>	<b>2,625</b>	<b>4,110</b>
<b>Number of children</b>					
Single families	1,878	1,492	215	1,706	3,584
Couple families	957	1,679	1,484	3,164	4,121
<b>All children</b>	<b>2,835</b>	<b>3,171</b>	<b>1,699</b>	<b>4,870</b>	<b>7,705</b>
<b>Average annualised entitlement</b>					
One child	£3,417	£6,562	£1,891	£5,487	£4,708
Two children	£6,237	£9,415	£3,361	£7,084	£6,811
Three children	£9,089	£12,339	£5,219	£9,431	£9,306
Four or more children	£13,397	£16,451	£8,357	£13,678	£13,548
<b>Total average annualised entitlement</b>	<b>£5,998</b>	<b>£8,800</b>	<b>£3,556</b>	<b>£7,118</b>	<b>£6,713</b>
<b>Total annual entitlement (£ million)</b>					
One child	2,280	5,589	481	6,071	8,350
Two children	2,952	5,749	1,285	7,034	9,987
Three children	1,973	2,769	809	3,578	5,551
Four or more children	1,699	1,583	419	2,002	3,701
<b>Total annual entitlement</b>	<b>8,903</b>	<b>15,691</b>	<b>2,995</b>	<b>18,685</b>	<b>27,589</b>

Table 2.3 Average number of recipient families in each band of annual entitlement

Thousands

	Band of annual entitlement								Total families
	Under £1,000	£1,000 to £1,999	£2,000 to £2,999	£3,000 to £3,999	£4,000 to £4,999	£5,000 to £5,999	£6,000 to £6,999	£7,000 and over	
<b>All families</b>									
Total out-of-work families <sup>1</sup>	5	6	8	618	4	396	47	401	1,484
WTC <sup>1</sup> and CTC	0	0	0	74	110	129	220	1,249	1,783
CTC only	123	146	165	107	91	93	30	87	842
Total in-work families with children	123	146	165	181	201	222	250	1,337	2,625
With no children (receiving WTC only)	108	109	185	31	61	12	3	3	512
Total in-work families	231	255	350	213	262	233	254	1,339	3,138
<b>Total families</b>	<b>236</b>	<b>261</b>	<b>358</b>	<b>831</b>	<b>266</b>	<b>629</b>	<b>301</b>	<b>1,740</b>	<b>4,622</b>
<b>Number of children</b>									
<b>Singles</b>									
Out-of-work families <sup>1</sup>	1	1	2	486	1	284	31	247	1,053
No children (receiving WTC only)	85	81	160	9	24	8	1	0	368
One child	16	23	31	43	58	78	105	301	655
Two children	3	5	7	8	11	15	20	285	353
Three children	0	0	1	1	1	1	2	80	86
Four or more children	0	0	0	0	0	0	0	20	20
Total in-work families	105	109	198	62	94	102	127	686	1,482
<b>Total singles</b>	<b>105</b>	<b>111</b>	<b>200</b>	<b>548</b>	<b>94</b>	<b>386</b>	<b>158</b>	<b>933</b>	<b>2,536</b>
<b>Couples</b>									
Out-of-work families <sup>1</sup>	4	5	6	132	3	112	16	154	431
No children (receiving WTC only)	23	28	25	22	37	3	3	3	145
One child	47	52	55	55	55	50	44	95	451
Two children	46	52	56	56	57	57	57	259	640
Three children	10	12	14	15	17	18	19	188	293
Four or more children	1	1	2	2	3	3	4	109	126
Total in-work families	127	145	152	151	168	132	127	653	1,655
<b>Total couples</b>	<b>130</b>	<b>150</b>	<b>158</b>	<b>283</b>	<b>172</b>	<b>243</b>	<b>143</b>	<b>807</b>	<b>2,086</b>
<b>All families</b>									
Out-of-work families <sup>1</sup>	5	6	8	618	4	396	47	401	1,484
No children (receiving WTC only)	108	109	185	31	61	12	3	3	512
One child	63	75	86	98	112	127	149	396	1,106
Two children	49	57	63	65	68	72	77	543	993
Three children	10	12	14	16	18	19	21	269	379
Four or more children	1	1	2	3	3	4	4	129	146
Total in-work families	231	255	350	213	262	233	254	1,339	3,138
<b>Total families</b>	<b>236</b>	<b>261</b>	<b>358</b>	<b>831</b>	<b>266</b>	<b>629</b>	<b>301</b>	<b>1,740</b>	<b>4,622</b>

<sup>1</sup> For out-of-work families receiving their child support via Income Support or income-based Jobseeker's Allowance rather than CTC these entitlements are estimates. See Technical Note.

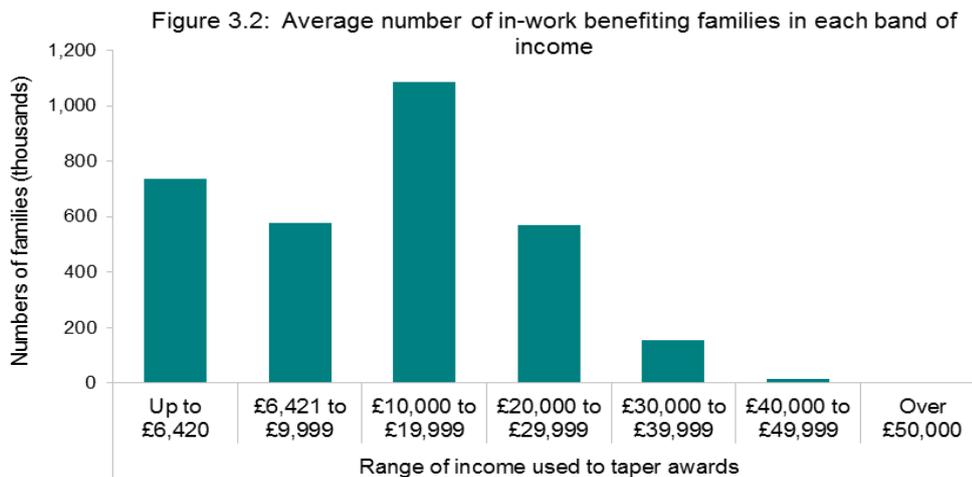
### Section 3 : Detailed figures

**Section 3 focuses on detailed breakdowns of the tax credits population. It reports the numbers of families entitled to specific elements within tax credits and more detailed information on levels of income.**

Figure 3.1 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. That said, the largest category for lone-parents is the £20-£39.99 per week category whereas for couple the largest category is the £140 and over per week band. The number of families eligible for higher amounts decreases as the size of the costs allowed increases, with the exception of the £140 and over category where the second largest number of lone parents families claimed. It is also much more likely for lone parents to have childcare costs than couples (22% of eligible population compared to 10%).



Figure 3.2 shows that tax credits covers a broad range of incomes up to £50,000. Broadly speaking, the higher the income used to taper the award, the fewer the numbers of families in receipt - reflecting the targeted approach to financial support inbuilt in the Tax Credits system.



**Table 3.1 Average number of in-work families benefiting from the 30 hour credit***Thousands*

	Singles with children	Singles with no children	Couples with children	Couples with no children	Total
WTC and CTC	342	0	647	0	989
CTC only	115	0	685	0	800
With no children (receiving WTC only)	-	335	-	136	471
<b>Total families benefiting</b>	<b>457</b>	<b>335</b>	<b>1,332</b>	<b>136</b>	<b>2,260</b>

<sup>1</sup> Those claiming the 30-hour element (a) with children or (b) without children and with a positive award.

**Table 3.2 Average number of in-work families benefiting from the childcare element***Thousands*

	Singles	Couples	Total
WTC and CTC	220	76	296
CTC only	23	77	100
Eligible childcare costs allowed (per week)			
Under £20	31	14	45
£20 - £39.99	50	24	74
£40 - £59.99	35	21	56
£60 - £79.99	30	21	51
£80 - £99.99	22	17	39
£100 - £119.99	18	14	33
£120 - £139.99	14	11	25
£140 - £159.99	13	9	22
£160 - £179.99	17	10	26
£180 - £199.99	3	3	5
£200 - £249.99	5	4	9
£250 or more	6	4	11
<b>Total families benefiting</b> <sup>1</sup>	<b>243.0</b>	<b>152.0</b>	<b>396.0</b>
Increase in annualised entitlement through this element (£ million)	705	416	1,121
Average help with childcare costs <sup>2</sup> (£ per week)	£55.55	£52.36	£54.32

<sup>1</sup> Those claiming the childcare element and CTC

<sup>2</sup> The difference between the award and the notional award excluding the childcare element.

**Table 3.3 Average number of in-work families benefiting from the disabled worker element***Thousands*

	Singles with children	Singles with no children	Couples with children	Couples with no children	Total
WTC and CTC	16	-	21	-	37
CTC only	1	-	7	-	8
With no children (receiving WTC only)	-	54	-	16	70
<b>Total families benefiting</b>	<b>16</b>	<b>54</b>	<b>28</b>	<b>16</b>	<b>114</b>
One disabled worker <sup>2</sup> in family	16	54	27	16	113
Both adults are disabled workers <sup>2</sup>	0	0	1	1	1
<b>Total families benefiting</b>	<b>16</b>	<b>54</b>	<b>28</b>	<b>16</b>	<b>114</b>

<sup>1</sup> Those claiming the disabled worker element and (a) have children and claiming CTC or (b) have no children and have a positive WTC award. Disabled workers includes those who are severely disabled and also included in Table 3.4.

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

**Table 3.4 Average number of in-work families benefiting from the severely disabled adult element***Thousands*

	Singles with children	Singles with no children	Couples with children	Couples with no children	Total
WTC and CTC	2	-	10	-	12
CTC only	0	-	5	-	5
With no children (receiving WTC only)	-	4	-	8	13
<b>Total families benefiting</b> <sup>1</sup>	<b>2</b>	<b>4</b>	<b>15</b>	<b>8</b>	<b>29</b>
One severely disabled adult	2	4	15	8	29
Both adults are severely disabled	-	-	0	0	0
<b>Total families benefiting</b>	<b>2</b>	<b>4</b>	<b>15</b>	<b>8</b>	<b>29</b>

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

**Table 3.5 Average number of 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	
WTC and CTC	31	1	41	4	77
CTC only	6	0	57	6	68
<b>Total families benefiting<sup>1,2</sup></b>	<b>37</b>	<b>1</b>	<b>98</b>	<b>10</b>	<b>146</b>
Family size					
One child	16	-	21	-	37
Two children	14	1	41	4	60
Three children	5	0	24	3	32
Four or more children	1	0	12	3	17
<b>Total families benefiting<sup>1,2</sup></b>	<b>37</b>	<b>1</b>	<b>98</b>	<b>10</b>	<b>146</b>
Number of disabled children in benefiting families	37	3	98	20	158

<sup>1</sup> Those with the disabled child element and with CTC. Disabled children includes those who are severely disabled and included in Table 3.6.

<sup>2</sup> No estimates for out of work families are available.

**Table 3.6 Average number of in-work families benefiting from the severely disabled child element***Thousands*

	Singles	Couples	All
WTC and CTC	10	18	28
CTC only	2	25	27
<b>Total families benefiting<sup>1,2</sup></b>	<b>12</b>	<b>43</b>	<b>55</b>
Family size			
One child	5	8	13
Two children	5	18	23
Three children	2	11	13
Four or more children	1	6	7
<b>Total families benefiting<sup>1,2</sup></b>	<b>12</b>	<b>43</b>	<b>55</b>
Number of severely disabled children in benefiting families	13	45	58

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

<sup>2</sup> No estimates for out of work families are available.

**Table 3.7 Average number of in-work benefiting families in each band of income 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>								
Of which receiving WTC and CTC	578	434	717	48	6	0	0	1,783
Of which receiving CTC only	0	0	159	519	148	14	1	842
<b>Total with children</b>	<b>578</b>	<b>434</b>	<b>876</b>	<b>568</b>	<b>154</b>	<b>14</b>	<b>1</b>	<b>2,625</b>
<b>With no children (receiving WTC only)</b>	<b>157</b>	<b>144</b>	<b>208</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>512</b>
<b>Total in-work recipient families</b>	<b>735</b>	<b>578</b>	<b>1,084</b>	<b>571</b>	<b>154</b>	<b>14</b>	<b>1</b>	<b>3,138</b>
<b>Comparison of income in 2011-12 and 2012-13:</b>								
Income falling between 2011-12 and 2012-13:								
Increasing award value in 2012-13	25	55	146	86	20	2	0	333
Not affecting award value in 2012-13 <sup>3</sup>	120	129	226	106	28	2	0	611
Income increasing between 2011-12 and 2012-13:								
by up to the £10,000 income disregard:	565	378	671	349	96	9	1	2,069
by more than the £10,000 income disregard:								
Reducing award value in 2012-13	0	16	41	31	10	1	0	99
Not affecting award value in 2012-13 <sup>3</sup>	25	0	0	0	0	0	0	26
<b>Total in-work recipient families</b>	<b>735</b>	<b>578</b>	<b>1,084</b>	<b>571</b>	<b>154</b>	<b>14</b>	<b>1</b>	<b>3,138</b>

<sup>1</sup> See Appendix A. After deducting the income increase disregard, but before deducting the threshold.<sup>2</sup> Where 2012-13 income is more than £10,000 above 2011-12 income, 2012-13 income less £10,000 is used. See the Appendix A.<sup>3</sup> Even where 2012-13 incomes are below 2011-12 incomes, or are more than £10,000 above 2011-12 incomes, awards may remain at the maximum or tapered to zero.

## Appendix A : Technical Note

### Using finalised awards data

The figures for 2012-13 in the table are mostly derived from a scan of the tax credits computer system taken in early April 2014. For each award, the scan contained a record for each sub-period of the year for which the family's circumstances (adult partners, hours worked, number of children, childcare costs, disabilities) remained unchanged. For each such sub-period, the scan revealed the various elements for which the family qualified for the period, and the daily monetary value of the childcare element. It also revealed the values of the 2012-12 and 2012-13 incomes for each award.

For each award, and for each sub-period, the daily rate of entitlement was then modelled by summing the various element values to which the family was entitled and tapering the total away using the income data<sup>1</sup>. The modelled daily entitlement was then used to establish where on the plateau - taper profile the family fell for that period. A small number (under 1 per cent) of tax credits awards were not included in the scan.

For each case covered by the scan, and for each sub-period, it was possible to compare the modelled entitlement with that held on the computer system. For all but about 0.1 per cent of cases the discrepancy was at most 2p per day.

The scan did not cover out of work families who received their child support via Income Support or income-based Jobseeker's Allowance (IS-JSA) rather than CTC. A scan of such families at August 2008 was obtained from the Department for Work and Pensions. This contained sufficient information to distinguish single parents from couples. The number and ages of the children were obtained from the Child Benefit records for these families who were still receiving their child support through IS-JSA at August 2012. The level of entitlement at August 2012 was modelled using this information, which however could not include the disabled child or severely disabled child premium. To produce annual averages to be added to the annual CTC averages, the August 2012 aggregates were scaled by a factor needed to produce a separately-estimated overall average for the year. The annualised August 2012 entitlements were also scaled to agree with the separately known total of expenditure via benefits for these families.

### Interpreting annual entitlement

The calculation of the annual entitlement for an award also yields a value of the entitlement for each day of the year. This can vary within the year as the family's circumstances vary. Also, awards can end during the year (for example, as couples separate, or as families cease to satisfy the qualifying conditions listed above), and other awards start during the year. The tables show annual average numbers of benefiting families with particular characteristics that is, the average taken over all days in the year.

Their aggregate annual entitlement (in £ million) is the sum, taken over all days in the year, of the daily entitlements of families with these characteristics on the day.

Their average annualised entitlement (in £) is 365 times the average, taken over all days in the year, of the aggregate daily entitlement of these families.

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<sup>1</sup> In accordance with the tax credits system, the income used to taper the award was the 2012-13 income, if that was lower than the 2011-12 income; the 2011-12 income if the 2012-13 income was less than £10,000 higher; and the 2010-11 income if the 2012-13 income was less than £10,000 higher than the 2011-12 income.

### **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 41 per cent of the excess over the threshold.

### **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.

### **Revisions policy**

Our policy, for all tax credit statistics, is that once the publication has been published, there will be no revisions of the data. In exceptional circumstances where further work identifies errors in the publication then a revision will be made, with an accompanying explanation on the HMRC website.

## 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
<b>Child Tax Credit</b>										
Family element	545	545	545	545	545	545	545	545	545	545
Family element, baby addition <sup>1</sup>	545	545	545	545	545	545	545	545	-	-
Child element <sup>2</sup>	1,445	1,625	1,690	1,765	1,845	2,085	2,235	2,300	2,555	2,690
Disabled child additional element <sup>3</sup>	2,215	2,215	2,285	2,350	2,440	2,540	2,670	2,715	2,800	2,950
Severely disabled child additional element	865	890	920	945	980	1,020	1,075	1,095	1,130	1,190
<b>Working Tax Credit</b>										
Basic element	1,525	1,570	1,620	1,665	1,730	1,800	1,890	1,920	1,920	1,920
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
30 hour element <sup>5</sup>	620	640	660	680	705	735	775	790	790	790
Disabled worker element	2,040	2,100	2,165	2,225	2,310	2,405	2,530	2,570	2,650	2,790
Severely disabled adult element	865	890	920	945	980	1,020	1,075	1,095	1,130	1,190
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	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
Eligible costs incurred for 2+ children	200	200	300	300	300	300	300	300	300	300
Percentage of eligible costs covered	70%	70%	70%	80%	80%	80%	80%	80%	70%	70%
<b>Common features</b>										
First income threshold <sup>7</sup>	5,060	5,060	5,220	5,220	5,220	6,420	6,420	6,420	6,420	6,420
First withdrawal rate	37%	37%	37%	37%	37%	39%	39%	39%	41%	41%
Second income threshold <sup>8</sup>	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 <sup>9</sup>	13,230	13,480	13,910	14,155	14,495	15,575	16,040	16,190	15,860	15,860
Income increase disregard	2,500	2,500	2,500	25,000	25,000	25,000	25,000	25,000	10,000	10,000
Income fall disregard <sup>10</sup>										2,500
Minimum award payable	26	26	26	26	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. Abolished 6 April 2011.

<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. Abolished effective 6 April 2012.

<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. Abolished effective 6 April 2012.

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

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

## Appendix C : Revisions

Prior to the 15/16 release of the finalised awards statistics, a comprehensive QA of the end-to-end process was undertaken. This uncovered a number of historical issues affecting various tables. It was decided that revisions would be made to these affected tables with their corresponding publications being re-released on 31/07/2017.

Two methodological changes have been applied to this publication. These are:

- Awards which had been tapered to the level of the family element or lower are now included in tables looking at the number of families benefiting from elements. (Impacts Tables 1.2, 3.1, 3.2, 3.3, 3.4, 3.5 and 3.6)
- The proportion of childcare costs eligible for the childcare element has been adjusted from 80% to 70%. This affects childcare costs calculations as they are derived from figures showing how much the claimant receives. (Impacts Table 3.2)