

European migrant workers' understanding and experience of the tax credits system

HM Revenue & Customs Research Report 114

Maria Hudson, Dragos Radu and Joan Phillips

Policy Studies Institute

November 2010

Disclaimer

The views in this report are the authors' own and do not necessarily reflect those of HM Revenue & Customs.

© Crown Copyright 2011

Copyright in the typographical arrangement and design rests with the Crown. This publication may be reported free of charge in any format or medium provided that it is reproduced accurately and not used in a misleading context. The material must be acknowledged as Crown copyright with the title and source of the publication specified.

Published by HM Revenue and Customs, February 2011

www.hmrc.gov.uk

Contents

Disclaimer	2
Contents	3
Acknowledgements	5
Glossary	6
Executive summary	7
1. Introduction	12
Research aims and objectives.....	12
Research design.....	12
Structure of the report.....	13
2. The migrant workers in the study	14
What were their motives for migration to the UK?	14
How did the migrants settle in the UK?	15
What are the characteristics of migrant workers' employment?	15
Are migrant workers (socially) integrated in the UK?	16
What are the living conditions of migrant workers?	17
Do migrant workers use childcare?	17
What is the financial situation of migrant workers?	18
3. Experience of claiming tax credits	19
How do migrants feel about claiming?.....	19
The Grateful Claimer.....	19
The Reluctant Claimer	19
How do migrants get information about tax credits?	20
Migrant networks as an important source of information	20
Fee-charging agencies	20
Formal sources of information about tax credits	21
What were the experiences with the initial tax credits claim?.....	22
Factors determining the speed with which a claim was made	22
Sources of information and understanding of the initial tax credits claim	22
4. Tax credits and reporting changes in circumstances	24
What changes in circumstances were experienced by migrant workers?	24
How aware are migrant workers of their responsibilities related to reporting changes in circumstances and how do they find out about their responsibilities?	24
Did migrant workers understand the importance of timely reporting of changes in circumstances?	25
In what circumstances were overpayments made?	27
Perceptions of tax credit system fairness – feelings about the balance of responsibility in reporting changes	28
5. Renewal and finalisation of tax credits	30

Awareness of their responsibilities and understanding of the renewal process	30
Experiences of renewal	31
Ending an award.....	32
6. Improving HMRC service delivery.....	33
The distinctiveness of migrant workers' experiences	33
Migrant workers' suggestions for improvements to HMRC service delivery.....	34
Suggestions for improving interactions with HMRC	34
Language support by HMRC	34
Suggestions for raising awareness of tax credits rules and responsibilities	36
7. Conclusions	42
The claimant journey from take-up of tax credits to later interactions	42
Understanding of tax credit rules and responsibilities	43
Recommendations.....	43
Process issues.....	43
Communication issues.....	44
Appendix 1: Research instruments and methodology.....	46
Opt-out letter.....	47
Screening questionnaire – sample No 1 (claiming tax credits for over a year)	49
Screening questionnaire – sample No 2 (claiming tax credits for under a year) ...	54
Migrant workers' topic guide.....	59
Sampling methodology	76
Opt-out procedure.....	76
Screening procedure.....	76
Target sample characteristics	78
Achieved sample characteristics.....	81
Topic guide content	83
Working with bilingual interviewers.....	84
Translation and transcription	84
Data analysis	85

Acknowledgements

We would like to thank those migrant workers who agreed to take part in the interviews for this study. We are grateful for the time that they spent sharing their views and experiences with us.

The project was managed by Helen Johnson at HM Revenue & Customs and we are grateful for her support and constructive advice.

The research team at the Policy Studies Institute had overall responsibility for writing the report for this study, but the fieldwork was largely undertaken by an excellent team of researchers from University College London: Violetta Parutis, Marcel Tomasek, Franek Strzeszewski and Ana Bleahu. Olga Mernissi, a collaborator with the Refugee council, provided interpreting support and assisted with the screening and selection of the Portuguese sample. We are grateful for all their contributions to the research. We would also like to thank PSI Research Administrators, Jenny Lau, Mehrdad Hashemi-Sadrai and Hilary Salter for their assistance.

Glossary

A3	Within this report the three A8 accession countries (Lithuania, Poland, Slovakia) included in this research will be described as A3
A8	The eight accession countries that joined the EU in May 2004: Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovenia, Slovakia (at the same time as Cyprus and Malta)
CEE	Central and Eastern Europe
CTC	Child Tax Credit
ESOL	English for Speakers of Other Languages
HMRC	Her Majesty's Revenue & Customs
LFS	Labour Force Survey
WRS	Worker Registration Scheme which was introduced in 2004 when new countries joined the European Union. It allows the UK Border Agency to monitor where citizens of those countries (except Malta and Cyprus) are coming into the UK labour market, the type of work they are doing, and the impact this has on the economy
WTC	Working Tax Credit

Executive summary

Background

In February 2009, HM Revenue & Customs (HMRC) commissioned the Policy Studies Institute to undertake research on European migrant workers' understanding and experiences of the tax credits system. The main objective was to identify the issues faced by migrant workers who arrived in the UK since 2004 when claiming Child Tax Credit (CTC) and/or Working Tax Credit (WTC). There were three main aims:

- To understand European migrant workers' experiences of claiming tax credits – the claimant journey from take-up of tax credits to later interactions
- To explore their understanding of the tax credits system and their responsibilities as claimants
- To generate suggestions from European migrant workers on how communication strategies and services could be improved.

Using a qualitative research method, 60 in-depth interviews were undertaken with migrant workers (36 individuals and 24 couples) from Lithuania, Poland, Portugal, and Slovakia. These were the main groups of European migrant workers claiming tax credits in March 2008. The fieldwork was conducted in the period March-May 2009 in four locations: London, Leicester, Norwich and Great Yarmouth.

The migrant workers in the study

Better employment opportunities and higher wages were the main drivers of the migrant workers' decision to come to the UK. Almost all interviewed migrants made use of family ties or the migrant community in the UK in the decision to migrate and/or the process of settlement in the UK. While formal migrant community organisations were not used at all, these more informal networks proved important for migrants' integration and for their experiences with the tax credits system. The majority of respondents found their initial employment through an employment agency and tried to move into direct employment contracts or self-employment.

Among those with children, few respondents had made use of formal childcare services. Some lacked awareness of financial support, and were deterred by prohibitive costs; others were concerned that support would not cover enough of the costs. Another constraint was difficulty arranging childcare to cover fluctuating working hours or shifts.

Some migrant workers claiming tax credits, who were generally on the lowest incomes of those interviewed, talked positively about tax credits as being a source of "extra help." Those respondents who had children particularly emphasised the financial importance of CTC to their families' economic well-being. Other migrants, often the higher earners of those interviewed, claimed tax credits with reluctance. They felt that claiming went against a desire to support themselves, but did so out of financial need.

Some migrants sent financial remittances to support other family members in their home countries and often did multiple jobs or worked long hours to make this possible.

Making a claim and accessing advice

Sources of information on tax credits

Respondents across all four countries of origin identified friends and family as a key resource in providing information about tax credits during the early stage of their settlement in the UK. The longer they remained in the UK, migrants with better language skills became more confident and less reliant on informal migrant networks, entering a stage of adjustment and familiarisation with both language and how to access public services. It is at this next stage of adjustment that they used formal routes such as HMRC, employers, and other public sector organisations, such as Jobcentre Plus, to access information on tax credits. Those interviewed in this research did not make use of migrant organisations at any stage and made little use of voluntary sector organisations such as the Citizens Advice Bureau.

Respondents from all four countries also identified fee-charging agencies as a source of information on tax credits. They were used by newly-arrived migrants who required language support or advice on tax credits, but did not get this from family or friends.

Making the initial claim

A reason for delays in claiming tax credits was a lack of confidence about eligibility rules. While it was easy for respondents to understand that having children was linked with the eligibility for CTC, the rules for WTC were considered more complex. These WTC rules may have been harder for family and friends to convey to potential claimants, and therefore in particular, deterred those with language barriers, who were less able to access formal sources for clarification, from claiming.

The decision to make the initial tax credit claim was triggered either by the receipt of new information (often from family and friends) or by a change in circumstances (such as information from a health visitor on the birth of a child). Many migrants drew on help from family and friends, including their assistance with translation in the process of making the initial claim. The degree of understanding of eligibility criteria seemed to depend on the type of information sources used. Most notably those migrant workers who relied on the support of fee-charging agencies and so did not actively engage in gathering information tended to have a lower understanding. Compared with respondents who used the help of agencies, migrants with direct contact with HMRC were much better informed at the time of the initial claim.

Migrant workers generally found that the HMRC written guidance and application form were too technical and difficult to understand. These problems were exacerbated in the case of those with limited English language ability.

HMRC Tax Credits Helpline interpretation service

Migrants with limited English language ability, who were more reliant on the interpretation service available through HMRC, expressed critical views of the interpretation provision. They indicated problems of access and availability, as there were sometimes long delays before they could speak to an interpreter and they had to answer questions in English to access the service (which was problematic for those with weak English language skills). In contrast, respondents who had better English language ability talked more positively about the interpretation service. Migrant workers indicated that it was difficult to understand a new social security system but no specific cultural issues were mentioned as barriers when interpretation support was used.

Understanding tax credit responsibilities

Reporting changes in circumstances

Across all four migrant groups, there were examples of positive interactions with HMRC borne of good understanding of tax credit rules and responsibilities. These respondents often referred to having received guidance on the importance of reporting changes in circumstances in letters from HMRC, and had better English language skills (they had typically been resident in the UK for a longer period of time). Sometimes they referred to advice received when making their initial claim which in some cases had come via an HMRC interpreter.

Migrant workers who continued to rely heavily on the advice of family and friends as their tax credit journey moved to the reporting of changes stage tended to be those with more severe English language needs. They struggled to make sense of their tax credit responsibilities.

Respondents who had depended on fee-charging agencies during their initial claim sometimes continued to rely on them as they moved to the reporting of changes of circumstances stage. While the ability to trust a fee-charging agency enabled migrant workers to claim tax credits, they still needed a basic understanding of how the system worked to know when to contact the agency for advice and support (for example, when their circumstances changed). Some agencies were reportedly helping with this, but not all.

Across all groups, some delayed reporting changes as a means of coping with an uncertain employment future, waiting until their situation was more settled before informing HMRC.

Renewal

On the whole, participants were aware of the need to check their circumstances at renewal time and they generally felt that it was reasonable to be asked to renew their claim. Several participants, across all four migrant groups, were unaware of the deadline for renewal as well as what would happen if they submitted their renewal information after the deadline.

Irrespective of migrant group, some participants with more limited English ability preferred to renew in writing rather than by telephone; others found the renewal process intimidating. It was common for participants who had used a fee-charging agency for their initial claim to draw on these services for renewal.

Recommendations

HMRC service delivery

Migrant workers with limited English language ability (often but not always with the most severe needs) expressed a wish for less interaction with HMRC by phone and greater face-to-face contact. Although some participants noted that the provision of interpretation support had improved the quality of access to HMRC support by telephone. From the migrant workers' perspective, it would be ideal to have more face-to-face support from HMRC advisers with language skills in enquiry centres. There was a lack of awareness of existing HMRC enquiry centres, so raising awareness of enquiry centres and the support already available would have been helpful to them.

Suggestions for HMRC to send reminders of tax credit responsibilities reflected a desire for increased knowledge about which changes to report. Key areas where there was a lack of understanding, particularly amongst those with limited English language skills were:

- The need to report if they stop or start living with a partner
- The need to report a change in income during the year
- The myth that HMRC knows about income changes already due to its income tax administration role
- How the reporting of any changes in circumstances as they occur helps to avoid overpayment.

Migrant workers generally found the guidance complex and difficult to understand. Claimants suggested that reminders or guidance that included case studies of common errors leading to overpayment could be particularly helpful for migrant workers.

Other problems which affected the migrant worker population were:

- The prohibitive cost of calling HMRC from a mobile phone
- Volatile working conditions which made keeping HMRC up to date with changes burdensome.

Communications

While family and friends were a key source of advice for migrant workers on arrival in the UK, potentially cascading information on interpreting services and other tax credit related issues, migrant workers felt it would be difficult for HMRC to pass information onto them in a targeted way (with a view to influencing their support and advice for migrant workers). A more effective approach suggested by those interviewed might be to raise awareness by targeting non-HMRC institutions, for example schools and the health service. Such institutions could be supplied with leaflets and booklets that

provided information on the HMRC interpretation service and other issues. While this kind of initiative would potentially put pressure (in terms of use of staff time) on other organisations and services, this study highlighted evidence that these kinds of services were already passing on information through their everyday neighbourhood interactions with migrant workers. As well as influencing family and friends (who were a source of advice for migrants) migrant workers felt that these measures could be useful for those migrant workers with better language skills; they could also be helpful for those with the weakest English language ability if information was provided in other migrant languages commonly spoken by migrants living in the area.

Those who used fee-charging agencies often did not know when to report changes of circumstances and may not have received appropriate advice from the agency. Those interviewed suggested that HMRC could launch an information campaign targeting fee-charging agencies in general. This could include promoting the linking of their web-pages with HMRC online resources as well as providing agencies with bilingual leaflets, which may help those using the agencies to develop a better understanding of their tax credit responsibilities.

1. Introduction

- 1.1 This report presents findings from a qualitative research study undertaken by the Policy Studies Institute (PSI) on the understanding of tax credit rules and responsibilities among European migrant workers and their experiences of the tax credits system. The study was carried out on behalf of Her Majesty's Revenue & Customs (HMRC)

Research aims and objectives

- 1.2 The main objective of this project was to identify the issues faced by recent migrant workers to the UK (defined as those who arrived in the UK during the last five years, since 2004) when claiming Child Tax Credit (CTC) or Working Tax Credit (WTC). To this end, the project had two strands:
- A comprehensive review of the available literature and evidence relevant to understanding migrant workers' experiences, expectations, and attitudes regarding tax credits as well as other benefits.
 - A qualitative study which explored in depth the experiences of a sample of 60 migrant workers.
- 1.3 This report presents the findings from the qualitative study, the aims were:
- To understand European migrant workers' experiences of claiming tax credits – the claimant journey from take-up of tax credits to later interactions
 - To explore these migrant workers' understanding of the tax credits system and their responsibilities as claimants
 - To generate suggestions from European migrant workers' on how communication strategies and services could be improved.

Research design

- 1.4 This project adopted a qualitative research method by conducting 60 in-depth interviews. Thirty-six interviews were undertaken with individual migrant workers and 24 interviews with migrant couples (that is migrant workers and their partners), building a purposive sample of 84 European migrants. A qualitative methodology was considered best suited to allow a detailed exploration of the participants' experiences and attitudes in their interaction with the tax credits system.
- 1.5 Four countries of origin were selected: Lithuania, Poland, Portugal, and Slovakia. These countries were the main groups of European migrants registered with the tax credits system in March 2008. While migration from Portugal has a longer tradition in the UK, migration to the UK from the three East European countries within this sample grew rapidly in the period following EU enlargement on 1 May 2004.
- 1.6 The 60 interviews were selected from four locations: London, Leicester, Norwich and Great Yarmouth with migrants from both rural and urban areas interviewed. Migrant workers had to fulfil two main criteria to be included in the

sample: to have been based in the UK for less than five years and not to speak English as their first language. These criteria were chosen so as to focus particularly on those who were more likely to have problems in understanding their responsibilities when claiming tax credits. The sample was split further between those who had been claiming tax credits for over a year and those who had been claiming for under a year. The sample was designed to ensure a balanced distribution of individual characteristics such as gender, age, family background, and income level and was split equally across the four locations and according to the time spent in the UK. One topic guide was used for all groups and was designed to achieve in-depth 90-minute interviews that covered a range of themes pertinent to migrant worker journeys through the tax credit system. In the early stages of the project, one interview was conducted with HMRC enquiry centre staff and one with a Citizens Advice Bureau advisor to help in the development of the topic guide. Further details about the research instruments and methodology are provided in Appendix 1.

Structure of the report

In the remainder of this report the research findings are presented in six chapters:

- 1.7 Chapter 2 explores the characteristics of the migrant workers included in the interviewed sample.
- 1.8 Chapter 3 provides more details about migrant workers' experiences of claiming tax credits.
- 1.9 Chapter 4 covers migrant workers' experiences of interacting with HMRC when a change in their circumstances occurred which had to be reported and might potentially affect the amount of the award.
- 1.10 Chapter 5 examines the renewal of tax credits and finalisation of an award.
- 1.11 Chapter 6 reviews migrant workers' suggestions for improving HMRC service delivery and the implications of the research findings for HMRC communication strategies.
- 1.12 Chapter 7 provides a summary of the main points arising from the research.

2. The migrant workers in the study

- 2.1 This chapter explores the characteristics of the migrant workers who participated in this research. It focuses on their personal and household characteristics most relevant to interactions with the tax credits system.

What were their motives for migration to the UK?

- 2.2 The migrant workers described how a range of factors affected migration decisions:
- The attraction of employment and earning opportunities in the UK which were often linked with the economic and political situation in their countries of origin
 - Free access to the UK labour market
 - The desire for family reunification.
- 2.3 Participants often stated employment opportunities and higher wages as the main drivers of their decision to come to the UK. The following comment was typical:
- “... we came here to earn some money, have better jobs, better life. ...”
(Portuguese man, aged 30s, married)*
- 2.4 The free access to the labour market granted immediately after EU enlargement (1 May 2004) made the UK an attractive destination for A3 migrants from Lithuania, Poland and Slovakia. These A3 migrants mentioned legal aspects (the right to live and work in the UK without restrictions, to remain permanently in the UK, and to be joined by dependents) much more often than Portuguese migrants, for whom free movement of labour rights has been applicable for more than 20 years. All groups showed some knowledge about the fact that their contributory benefits rights would not be lost when moving from one EU state to another. Some mentioned the transferability of pension rights acquired in the UK to their home countries upon return as an additional factor in their migration decision. While this signals the awareness among migrants about their entitlements to welfare provisions, the availability of tax credits or other benefits in the UK did not emerge as a factor in migration decisions. Very often interviewees learnt about tax credits only after arriving in the UK.
- 2.5 The desire for family reunification was frequently mentioned as a reason for coming to the UK. Typically, one family member or partner (usually male) arrived first (usually for work-related reasons) and the other, often accompanied by children, followed some time (usually months) later. In these instances, the partner, or other relatives, who arrived earlier in the UK gathered information about financial assistance and this was likely to have influenced the decisions of partners or children who followed. There was some evidence that family members who arrived earlier in the UK had passed information on tax credits to newcomers but this was not reported to have influenced the subsequent migration decisions of the newcomers.

How did the migrants settle in the UK?

- 2.6 Almost all interviewed migrants made use of some form of network or community ties both prior to migration (for the migration decision making process) and upon arrival in the UK (for the process of settlement). Three types of tie emerged: with family members, friends or the wider migrants' community from the same country:
- direct ('stronger') ties - where a partner, other family members or relatives arrived earlier in the UK and provided direct support
 - indirect ('weaker') ties - common to those who had friends in the UK who helped in the migration process or provided information about work and housing
 - community ties - for those who had neither relatives nor friends before migrating to the UK but were influenced in their decision by other migrants from their country of origin.
- 2.7 Community ties were more frequently mentioned among Polish and Slovak migrants who came from regions where people historically migrated for temporary or seasonal work. A so-called 'culture of migration' was therefore common.
- 2.8 For all migrant groups, participants often moved around the UK during the period immediately after arrival. Many households included in the sample experienced multiple changes of addresses, often in the same area and occasionally over longer distances. For example, one Lithuanian participant spoke of moving home five times in the first six months of settlement. One reason for such frequent moves was that friends or relatives had often helped with accommodation and employment opportunities in the early stages of arrival but afterwards migrants searched for more adequate housing or found preferable work in other regions. In the case of family reunion after the initial settlement period, partners and children had joined from abroad and moved together to a new address.
- 2.9 Although the migrants tended to describe their migration as temporary, there was also evidence of concrete plans to return to their home country. However, there was generally ambiguity about their intended length of stay but the possibility of permanent settlement was not ruled out. However, participants tended to perceive their current jobs as insecure and mentioned other factors which might influence their decision to return sooner rather than later; such as difficulties in adapting to life in the UK, lack of English language skills or attachment to family and friends in their home country.

What are the characteristics of migrant workers' employment?

- 2.10 The research sample was selected from those migrant workers who claim tax credits. They were therefore employed in lower income jobs, which is not representative of all recent European migrants to the UK. While most of the participants were employed in their home countries before migration, they often did different jobs in the UK. The participants' accounts suggested that in the early stages of migration, there was generally limited information about employment conditions in the UK. They tended to rely on agencies to secure work, indeed, (particularly for Polish and Lithuanian participants) either initial employment was found or arranged through an employment agency, or an

agency had been contacted at some point after arriving in the UK. Many of the migrants who found work with the assistance of agencies had contacted them in the process of deciding to migrate. In this context, employment agencies played a complementary role to that of family and friends who helped in the migration process but agencies were mentioned more often in the context of job searches.

- 2.11 After arriving in the UK, workers with pre-arranged contracts through agencies generally experienced an unstable employment pattern with frequent periods without work as well as low pay and poor working conditions (long and irregular hours of work, late shifts and job insecurity). Almost all of the participants had negative experiences of working through agencies and tried to move into direct employment contracts or switched into self-employment.
- 2.12 Only a few of the participants arrived in the UK with employment contracts that they had arranged directly. They learnt about job vacancies through newspapers or had friends or family members in the UK who helped them. Although they were more likely to have higher qualifications than those who used agencies, their employment characteristics and incidence of unemployment displayed no differences from those with fewer qualifications. As the following quotation illustrates, this seemed to be expected:

“We are immigrants so we have worse jobs, jobs that English people do not do.” (Polish woman, aged 30s, single)

- 2.13 Across the sample, poor employment conditions were reflected in the high incidence of shift work and long working hours. Among those employed at the time of the interview, many expressed the wish to search for better jobs but only a few were actively doing this. The majority of participants had experienced periods of unemployment in the UK and had changed their employer at least once.
- 2.14 In Norwich and Great Yarmouth, migrants tended to be employed in food processing factories (usually via employment agencies) or in hotel and catering. In London and Leicester, they generally worked in construction, cleaning services or catering.

Are migrant workers (socially) integrated in the UK?

- 2.15 Almost all migrants noted that they had some problems communicating in English. Ranging from difficulties in understanding and speaking English to having difficulties in coping only with more complex language. In most cases, language barriers were recognised as an impediment to interacting with English-speaking people, when searching for jobs or in making contact with public services. The tendency for language barriers to limit contact with native communities is illustrated by the following Lithuanian participant:

“I have always worked with Poles or Russian speakers, Lithuanians. Sometimes I happen to work with one or two Englishmen, but I don't approach them because I don't speak English.” (Lithuanian man, aged 34, single)

- 2.16 Based on both the available literature and on the collected data, two aspects of migrant workers' societal integration seem particularly relevant for this study: their integration in the local communities (into the more established or in some cases the migrant communities) and their English language skills. Both

influenced the ability of migrants to acquire information about their rights and to understand the rules of the welfare system.

- 2.17 Informal contact with the wider local migrant community emerged as an important source of information, for example, about employment opportunities, housing, the British schooling system and also, to some extent, welfare provision – although this was not specifically about the tax credits system (for more details see the section on sources of information in chapter 3).

What are the living conditions of migrant workers?

- 2.18 Although many participants seemed to have no interest in formal migrant community organisations, or even appeared to avoid them, most continued to have strong ties to family members or migrants from the same region of origin long after the initial period following migration. In some instances, they shared accommodation with family members or friends not only immediately after arrival but even after changing several addresses in the UK, as with this Polish participant:

“I live with my cousin, his wife, their child and his brother-in-law, we all come from one town so these people are not strangers to me.” (Polish woman, aged 30s, lives with partner)

- 2.19 They tended to seem satisfied with their housing conditions and often highlighted positive aspects of the neighbourhoods they were living in. In some cases there were a large number of people sharing a rather small space but they tended to help each other and provided a support network.
- 2.20 Those for whom employment agencies provided housing encountered more problems and lost their accommodation if they changed jobs.

Do migrant workers use childcare?

- 2.21 Among those with children, there was limited use of childcare. Only a few of the participants who appeared to be eligible for the childcare element of WTC were actually using formal childcare. Two reasons were commonly mentioned for not using childcare. First, the prohibitive costs of formal childcare for some participants for whom this was beyond their household budget. The migrants tended to feel that childcare was too expensive: even if they received WTC, they thought the childcare element would not be enough to cover the costs. Second, the fluctuating hours and time (shifts) of work characterising migrant working conditions were identified as a further barrier since formal childcare was not generally available at these times or did not provide the needed flexibility. An additional difficulty in accessing childcare mentioned was the need for support from the childcare provider for the English language needs of the children. For example, one participant was not able to find a place at local nurseries for his son:

“...he didn’t know English so this was the main reason for them to get rid of him: ‘he doesn’t speak English so it will be difficult. There is nobody to take care of him here.’ Everybody has someone to help children. But they didn’t want him”. (Lithuanian man, aged 30s, single)

- 2.22 In cases where both parents were working the participants generally used informal methods to cover the time when childcare was needed. Flexible

working hours or shifts were used to take care of the children alternately with their partners. Others used various forms of reciprocal arrangements with family members or friends to take care of the children:

“When I went to work? My husband was at home. I worked from six in the morning till two and he worked nights. My sister-in-law was at home as well ... where I lived, at my brother’s, she was at home as well ... she had her little [daughter], so she stayed with both and then I came and I was with her and my husband went to work”. (Polish women, aged 30s, married)

What is the financial situation of migrant workers?

- 2.23 Despite low earnings, migrant workers tended to expressed positive attitudes towards their overall financial situation, perhaps due to the higher incomes they earned in the UK compared to their potential earnings in the countries of origin. They generally acknowledged their incomes could be sensitive to overall economic conditions and some had recently lost their jobs, had had their working hours cut or were acutely aware of UK work colleagues who had been made redundant. As will be discussed in chapter 4 (see section 4.9), changing working conditions had implications for interactions with HMRC.
- 2.24 Wages were the single most important source of income for all of the employed migrants. They often positively valued the receipt of social benefits (including tax credits) and saw them as a source of extra help or financial support. In most cases these benefits were not described as a crucial source of income perhaps because, as noted earlier, one of the drivers for participants coming to the UK was higher wages compared with what they might earn at home. However, as will be discussed in chapter 3, for those with children CTC was important. Some of the migrants sent money to support other family members in their home countries and often had multiple jobs or worked long hours to make this possible. The following quotation from a participant is illustrative of this work and family support ethic:

“Nobody forces me to work so much but I don’t have a choice. I need one salary to live on here and to send another salary to Lithuania.” (Lithuanian woman, aged 40s, divorced)

3. Experience of claiming tax credits

- 3.1 This chapter explores migrant workers' experiences of claiming tax credits, including sources of information used and interactions with HMRC.

How do migrants feel about claiming?

- 3.2 Participants were asked about their views on claiming social benefits in general and tax credits in particular. All participants expected more from the UK welfare state compared with the welfare state in their home country. Migrants generally had negative views about the provision of public services in their countries of origin and in contrast expressed a positive view about the government services in the UK. The feelings about claiming tax credits were more diverse but similar across the sample. Based on their responses, we identified two contrasting types of claimants, whom we refer to as, the '*Grateful Claimer*', and the '*Reluctant Claimer*'.

The Grateful Claimer

- 3.3 Grateful claimers were generally lower income earners who talked positively about tax credits as being a source of 'extra help.' Portuguese and Slovakian participants tended to be 'grateful claimers'. They were particularly mindful that benefits in their countries of origin were minimal compared with what they received in the UK, and welcomed the extra financial help. In addition, those who had only recently started claiming this support, expressed surprise at the financial help that they were able to receive. Participants who had children particularly emphasised the financial importance of CTC to their families' economic well-being.
- 3.4 Grateful claimers also positively discussed tax credits in the context of entitlement and rights. Participants felt that working and living in the UK made them entitled to the same type of help as a UK resident.

The Reluctant Claimer

- 3.5 In contrast to grateful claimers, reluctant claimers were higher income earners who thought that claiming benefits went against an ingrained work ethic, but that they felt they needed to claim because of their financial situation. This meant that while they needed the additional support they also resented it. Such reluctant claimers were more frequent among Lithuanian and Polish migrants. Reluctant claimers also held the view that they would rather work than receive benefits. For them, 'living off the state' made people lazy and was inherently stigmatizing to the hardworking. The comment expressed by a Lithuanian participant is typical of this group:

"One problem is that we don't like things we get for free." (Lithuanian, woman, aged 30s, married)

- 3.6 Across all groups, this reluctance is stronger in the case of WTC compared with CTC.

How do migrants get information about tax credits?

- 3.7 On newly arriving in the UK, friends and family members were usually the first source of information about tax credits. Following this, time spent in the UK before claiming tax credits helped many become more confident with the language, more familiarised with the organisation of governmental support and their entitlements as EU migrants in the UK. At this stage of their adjustment, migrants from all four countries become less reliant on help from family members or friends. They started using such formal routes as HMRC, employers, and other public sector organisations in order to gain information about tax credits.

Migrant networks as an important source of information

- 3.8 Returning to the issue of sources of information but specifically in relation to help given around tax credits, participants across all four countries of origin identified friends and family, who had been residing in the UK for a longer period of time, as a key resource in providing information about tax credits. During this primary stage of integration and information sharing, the newly arrived were often told about this extra financial help, where to go to get the forms or guidance, or given a telephone number to contact HMRC. If they were in need of language support, family members and friends often helped them through the application process by acting as interpreters and translators.
- 3.9 In the few cases when participants had no family ties or direct friends in the UK, information was passed through interactions with other individuals, not formal migrant organisations, from their country of origin. This quotation by a Slovakian participant illustrates the importance of his Slovak community for getting information about tax credits:

Interviewer: "How did you find out about tax credits?"

Participant: "From other Slovaks. Who wouldn't like to have more money when working? I knew about it from one Slovak and he has showed me an application form. I have seen what it looks like. He told me where to go and ask, how to fill in the form". (Slovak man, aged 30s, divorced)

Fee-charging agencies

- 3.10 Participants from all four countries identified fee-charging agencies as a source of information about tax credits. These agencies advertised in migrant newspapers or on websites and charged a fee to handle the application process on behalf of the migrants. This included form filling, submitting benefit claims and responding to any queries from HMRC. Agencies were used by newly arrived migrants who required language support and did not get this support from family members, friends or other forms of support. Participants using the service discussed the convenience of these agencies, and the fact that they offered a complete service. This was a more positive experience than for those who had to source information and submit a claim to HMRC with no or limited support.
- 3.11 Participants also experienced problems with the quality of service from fee-charging agencies. For example, a Slovakian participant had found the process of submitting a claim so problematic when she used a particular agency, that she now runs her own interpreting and advice agency to help newly-arrived migrants through the application process. She explained:

“...actually when I came, I came on my own but I paid for school and I came by agency, the name of agency is [xxxx]¹ and they promised to give me some help, just with getting a National Insurance Number, a bank account and stuff like this. But I didn't even get information about Working Tax Credit from them and when I got some information, it was like 'if you want to get a National Insurance Number you have to call a special number' but it's very difficult because the number is busy and if you want to open a bank account, it's very difficult because you need to have a proper address which you don't have, so this was the advice... I paid £400 for this... I'm charging people for my advice but only if I win, if I'm successful..”. (Slovak woman, aged 30s, single)

Formal sources of information about tax credits

- 3.12 As already mentioned, in the process of their adjustment in the UK, migrants become more confident with the language and more familiar with the welfare service system. They relied less on migrant networks (including family, friends and other people from their countries of origin in the areas of settlement) as primary sources of information. Instead, migrant workers, particularly those with better language skills, turned to more formal sources including HMRC, employers and other public sector organisations, for example Jobcentre Plus and health sector workers. There were examples of migrants with better English skills across all four migrant groups¹, though signs of this were more evident for the Lithuanian and Polish migrant workers in the sample.
- 3.13 Over time, more established migrants had gained enough confidence with respect to interacting with public sector organisations to contact HMRC directly. Those without language barriers felt confident enough to get information about tax credits from a formal source as discussed by this participant:

“Until I telephoned, it didn't look plausible. It is, everybody was saying, as if somebody was giving money away, throwing it away. But I did phone, and had an interview, got documents sent to me, had to complete them ... I have asked an acquaintance, he said 'well either you get it or you don't'. As for the Internet, it was explained what criteria had to be fulfilled, why etc. That's how it was...” (Polish man, aged 20s, single)

Other public sector organisations

- 3.14 Some participants with families reported receiving information about tax credits from midwives and health visitors, staff at the Jobcentre, and from teachers. Advice from these public sector workers was often because of a change in claimant circumstances relating to a child, such as a change of school, or a birth. There was little use of Citizens Advice Bureau within the sample.

¹ The process of screening participants for the research provided the bilingual interviewers with an opportunity to gauge participants' spoken English language level (see discussion of screening procedure in Appendix 1). This information was supplemented with further information participants provided during their interviews on how language needs affected their everyday interactions in their lives and with HMRC.

Employers and accountants

- 3.15 In some cases, migrants were told about tax credits on starting a new job or when moving to self-employment. When starting a new job, some were told about tax credits by their employers. Upon becoming self-employed, some had been given information about tax credits by their accountant when submitting tax returns.

What were the experiences with the initial tax credits claim?

Factors determining the speed with which a claim was made

- 3.16 The decision to make the initial claim was triggered (for those who were already eligible) by the receipt of new information often from family or friends or by a change in circumstances (such as information from a health visitor or midwife on the birth of a child, or Jobcentre Plus staff on getting a job). In most cases this was reported by migrant workers as being followed by an automatic receipt of information from HMRC.
- 3.17 The length of time spent in the UK before the initial tax credits claim varied across the participants depending on personal circumstances and the sources of information they were able to access. Changes in circumstances after which migrants met the eligibility criteria were most frequently related to the birth of children or changes in the employment situation (for example, hours worked or income). Switching into self-employment was also mentioned in some cases as facilitating the receipt of information about tax credits. The migrants generally made a claim for tax credits in the first year after arrival and only a few did so up to four or almost five years later. There seemed to be no differences with regard to this across the four countries of origin.
- 3.18 In cases of delaying their application, particularly for WTC, a lack of confidence about eligibility rules was relevant. While it was easy for participants to understand that having children was linked with the eligibility for CTC, the rules for WTC were considered more complex and deterred potential claimants with language barriers from claiming. WTC rules may have been harder for family and friends to convey to potential claimants. This context seemed to be interacting with migrant worker perceptions of CTC being more legitimate to claim than WTC. Those using fee-charging agencies were not any more confident in making WTC claims, but placed their faith in fee-charging agencies to act competently on their behalf.
- 3.19 Some participants had experienced difficulties with their initial tax credit claim due to the requirement to prove their right to reside in the UK. In a few cases this caused delays of more than one year between the initial claim and the award as was the case with the following participant, whose experience seemed to be more common in the earlier period after EU enlargement rather than later on:

“... [it took] more than one year [before I received tax credits]. Mostly because they thought I couldn't live here and then because of Home Office registration.” (Lithuanian woman, aged 30s, single, self-employed)

Sources of information and understanding of the initial tax credits claim

- 3.20 When making the initial claim, most participants demonstrated a good understanding of the basic eligibility criteria that, in terms of hours worked and income threshold, needed to be met in claiming tax credits. This was for the

most part irrespective of the source of information (which could be friends and family or more formal routes) with the notable exception of those who used fee-charging agencies where knowledge was less good and migrant workers lacked confidence in trying to engage with the eligibility criteria.

- 3.21 Participants generally found that the language/terminology of both the written guidance from HMRC and the application form were too technical and difficult to understand. These problems were exacerbated where the claimant had weak English language ability. Participants also felt that the guidance provided along with the application form should be available in more migrant languages, a theme that will be explored later in this report.
- 3.22 Also relevant were the experiences of migrant workers with the HMRC interpretation support either in the enquiry centres or by telephone at any stage of their interaction with HMRC. Participants with poor English language skills who were more reliant on the interpreter service, expressed critical views of the interpreting provision. For example, they indicated problems of delay in access and availability. In addition, participants felt that the interpreter support was available too late in the call. For practical reasons, participants were requested to respond to questions in English before they could request the help of an interpreter.
- 3.23 Those who did not engage with HMRC but used fee-charging agencies were not able to improve their level of understanding beyond the initial claim.
- 3.24 Migrants with direct contact with HMRC were much better informed at the time of the initial claim. This can be observed across all countries included in the study. These participants tended to be less reliant on the HMRC interpretation service. In fact, they tended to use the provision in a different way, using it more as a 'back up system' rather than their main form of communication. This Polish interviewee explained:

"I used him (interpreter) just to be on the safe side, just in case there was something I did not understand. But now I think I would be able to cope without one." (Polish man, aged 20s, single)

- 3.25 Some participants received help from friends or family members on the initial claim instead of fee-charging agencies,. The majority of this group did not find filling in the forms difficult per se. However, as discussed, they often needed translation support from family and friends and HMRC interpreters when filling in the forms or for correspondence with HMRC.

4. Tax credits and reporting changes in circumstances

- 4.1 This chapter explores migrant workers' experiences of interacting with HMRC when a change in their circumstances occurred that potentially had an impact on their tax credits claim.

What changes in circumstances were experienced by migrant workers?

- 4.2 After their initial award of tax credits, the majority of participants experienced a change in circumstances, of which HMRC needed to be notified. A range of changes were relevant to eligibility for tax credits or the amount of tax credit awarded. Some changes in circumstances were particularly relevant for certain groups. For example, those migrant workers who moved to the UK ahead of their partners needed to inform HMRC about the arrival of a partner. Similarly, some migrant workers with children had needed to report that a child had left full-time education, others that a child had been born, and newly single participants had needed to report that a partner had left. Participants across a range of groups also reported changes in address and phone number, though not as frequently as in the settlement period before their initial claim (see section on settlement patterns in chapter 2). Similarly the need to report changes in hours worked was common.

How aware are migrant workers of their responsibilities related to reporting changes in circumstances and how do they find out about their responsibilities?

- 4.3 A continuum of awareness of what changes needed to be reported and when was identified. At one end of the spectrum, participants had a large degree of knowledge of their responsibilities; at the other they were clearly confused and unsure. There were many examples of migrant workers with limited English skills in the latter group of confused customers, across all countries of origin, including those who had been in the UK for several years. Having good English language skills did not necessarily mean that participants had a good understanding of their responsibilities. However, there was evidence that occupational background, for example in accountancy, information technology and advisory services, was associated with confidence in interacting with the tax credit system, including accessing HMRC interpretation services.
- 4.4 It was noted in the previous chapter that the longer participants were in the UK the greater use they started to make of more formal sources of information. This is reflected in sources of information that they had accessed in order to find out about reporting changes in circumstances. Lithuanian and Polish participants tended to be more likely than the Portuguese or Slovaks to report accessing HMRC for information or referring to advice on reporting changes that they received when making their initial claim. They often had better English skills and found these sources of information accessible, as was the case with a Polish couple:

“...after I sent them the first batch of papers I phoned and that lady explained to me that any changes need to be notified in order to avoid

consequences, having to repay, adjustments, letters,...” (Polish man, couple)

- 4.5 Participants with better English language skills drew effectively on the services of HMRC interpreters, and referred to being told about rules in reporting changes in circumstances when they used the service to help make their initial claim, indicating the value of providing information at this early stage. Others had received letters from HMRC, including reminders about reporting requirements accompanying renewal forms and there were accounts of these being helpful, particularly where participants had a good level of English. Migrant workers also referred to other sources of information including family members, friends at work (other migrant workers), nursery staff, solicitors, accountants and the radio. Reflecting a growth in awareness of sources of support amongst those who had spent longer in the UK (and confidence in engaging with them) they sometimes relied on multiple sources of information for example a combination of informal networks as well as guidance from HMRC, including the use of HMRC interpreters. A further feature of growing confidence was that some migrant workers had begun to give advice on tax credits to their family or friends. Some participants became more self-reliant upon the break-up of a relationship where one partner had depended upon the other to lead on interactions with HMRC. In these circumstances family and friends were turned to as a source of information on tax credits for those with more limited English language ability.
- 4.6 Participants who had depended on fee-charging agencies during their initial claim sometimes continued to rely on them as their circumstances changed. This was especially notable amongst Portuguese participants, particularly those living in more rural areas where use of fee-charging agencies was most concentrated across the sample.
- 4.7 For those whose experience of fee-charging agencies had not been positive when they made their initial claim, alternative sources of information had been sought. These new sources of help reflected contacts that had been built over time and included work colleagues as well as friends outside of work. Participants who had changed sources of support and information in this way tended to report that it had been a change for the better.

Did migrant workers understand the importance of timely reporting of changes in circumstances?

- 4.8 Migrant workers generally felt that it was important to report changes, feeling that matters relating to tax credits were as important as other financial matters, for example paying household bills. While there was some uncertainty about the time limit for reporting changes, they generally perceived that it was important to report changes to HMRC immediately. There was strong evidence that some migrant workers had reported changes with relative ease (without experiencing overpayment) and had developed the practice of notifying HMRC of minor changes even if they did not anticipate that it would have an impact on their tax credit award. They did not have problems in general because they reported all the time. In addition, there were numerous examples of participants who had heard about cases of overpayment and who were keen that this should not happen to them. The following response was typical across the migrant groups:

*"It is very important, for example I stopped working...I let them know straightaway because if they didn't know they would still keep paying me."
(Portuguese woman, aged 30s, single)*

Some participants discussed how they would delay reporting changes to HMRC or questioned the point of reporting small changes. Reasons given included not wanting to tell HMRC about living with a partner unless the relationship led to marriage (as this would imply permanency of a common household budget).

- 4.9 The upheaval created by some changes in circumstances, and the impact that this had on reporting, was also apparent in some narratives. Another participant hypothesised that contacting HMRC might not be the highest priority on losing a job as follows:

*"...if my employer is sacking me, then the most important thing for me would be to find a new job to pay my rent or find a new place to live if I can't afford the current one. I need to think about these things first and once these are sorted I will then go on to reporting that change."
(Polish man, aged 20s, couple)*

Migrant workers working for agencies could, and did, experience changes in their working hours from one week to the next. While examples of errors were not explored in these instances in our sample, this volatility in hours did contribute to uncertainty around how frequently they needed to report such changes; and some speculation on whether HMRC would calculate an award on the basis of average hours. Delays in reporting seemed to be a consequence of this uncertainty. Language barriers could also lead to delays in reporting changes where friends were not available to assist in interactions with HMRC when their support was required.

- 4.10 Discussing their experiences of trying to report changes, some participants complained about the cost of phone interactions with HMRC, especially if they had to wait to speak to an advisor or an interpreter. There was some evidence that the cost of phoning HMRC could deter low paid migrant workers from calling HMRC to report changes or ask for advice. Also in evidence was a lack of awareness that calls could be made freely from an HMRC enquiry office phone, albeit that the general hours of opening of centres would not always fit with migrant workers' patterns of work².

Did migrant workers understand what changes should be reported?

- 4.11 Sometimes participants wrongly assumed that HMRC would know about changes in their circumstances. For example, a woman did not inform HMRC that she had started working full-time as she thought that HMRC could tell from her National Insurance contributions. Areas where there was a lack of

² HMRC enquiry centres are open every weekday, 8.30 am to 5.00 pm, Monday to Friday and some are also open outside these hours.

understanding, particularly amongst those with limited English language skills were:

- The need to report if they stop or start living with a partner
- The need to report a change in income during the year
- The myth that HMRC knows about income changes already due to its income tax administration role
- How the reporting of any changes in circumstances as they occur helps to avoid overpayment.

- 4.12 Across all four migrant groups there were examples of reporting changes correctly. These participants often referred to having received guidance on the importance of reporting changes through letters from HMRC, and tended to have better English language skills (and tended to have been in the UK for a longer period of time). Changes reported smoothly in these instances included income changes on starting a new job or modifying hours of work, changes to a claim on marriage, the birth of a child and older children moving out of further education. It was seen in chapter 2 (section 2.8) that many households in the sample experienced multiple changes of address during the period immediately after arrival in the UK. Reporting of changes also seemed to run smoothly, irrespective of length of time in the UK. This was perhaps helped by changes of address being less frequent after the initial period of settlement.
- 4.13 Several participants used agencies to help report the correct changes of circumstances. Understanding of responsibilities was not paramount in these examples, as the migrant trusted the agency to guide them as their circumstances changed over time. Migrant workers who used agencies needed a basic understanding of how the system worked to know when to contact the agency for advice and support and there were examples of this happening, with some evidence of agencies giving migrant workers basic advice on when to contact them. This led to participants contacting an agency at times of change. Agencies struggled, however, to deal with atypical queries.
- 4.14 Migrant workers who continued to rely heavily on the advice of family and friends, as their tax credit journey moved to the reporting of changes, tended to be those with informal networks, more limited English language ability and difficulties in accessing interpretation services. For the most part they continued to value the support of family and friends, though there was a general concern about the dangers of relying on word of mouth. There were also signs of migrant workers being encouraged to seek other sources of support on discovering that a friend had given them the wrong advice.

In what circumstances were overpayments made?

- 4.15 Reports of overpayment emerged in the experiences of several participants, who had received information on tax credits from a range of sources.
- 4.16 Migrants felt that the most common context for an overpayment taking place was the failure to notify HMRC of a change in income due to working increased hours or a partner leaving the household. Migrant workers did not necessarily blame HMRC for overpayment. For example, a Polish couple whose household income rose with a change in job asked an HMRC interpreter to explain why the overpayment occurred and they came to understand that HMRC should have been notified of the change in income.
- 4.17 Making false assumptions that HMRC was aware of changes in circumstances also led to overpayment. Some thought HMRC would know about changes in income due to their income tax administration role. Those with weak English

- language skills tended to have a poor understanding of HMRC's role in reporting changes.
- 4.18 Those with weak English language skills sometimes relied in whole or in part on a partner to handle interactions with HMRC. Where a relationship breakdown had led to the partner's exit from the household the claimant then had more difficulty in fulfilling their responsibilities which could lead to an overpayment. These experiences were reported by a number of migrant women.
- 4.19 On the whole, participants reported that the experience of trying to resolve an overpayment had increased their awareness of the tax credit system and their responsibilities. The exceptions were those who seemed to have a low awareness of their tax credits responsibilities combined with (and in part fuelled by) weak English language ability. They gave very confused accounts of their experiences, spoke of several overpayments over time or continued to be unclear about why an overpayment had taken place. Some appeared to feel intimidated by HMRC which may help explain their limited contact with the department.

Perceptions of tax credit system fairness – feelings about the balance of responsibility in reporting changes

- 4.20 All the migrant workers interviewed were asked what they felt about the balance of responsibility in reporting changes to HMRC. A recurring theme across all four groups was that tax credit claimants had responsibility for reporting changes in their circumstances. However, it was commonly seen as HMRC's responsibility to do the very best that it could to ensure that migrant workers understood tax credit rules, for example by improving language support and more targeted advertising. This was the case irrespective of whether migrant workers were grateful or reluctant claimants of tax credits (see chapter 3 for a discussion of these terms).
- 4.21 Participants were presented with hypothetical examples³ of claimants who had experienced problems interacting with the tax credits system. The examples outlined situations that had led to overpayments and an order to repay the excess funds had been received. While most participants had not experienced problems of overpayment, responses to these examples revealed a lack of information about what should be reported to HMRC and when it should be reported. Participants also discussed how some migrant workers did not realise the implications of not informing HMRC of changes in their circumstances and that they felt that this was in part due to the complexity of the rules.
- 4.22 Some participants, particularly those with weaker English language skills, had a desire for reminders of their responsibilities in-year, for example, what they needed to do around reporting changes of circumstances. This indicated participant awareness that they had certain obligations. It also indicated that reminders about reporting changes of circumstances given at renewal were being recognised (discussed further in chapter 6).
- 4.23 Participants' own lack of awareness of the rules seemed to lead them to empathise with the sense of a lack of fairness of the system expressed by the

³ Simple hypothetical examples (vignettes) were used to help interviewers explore participants' attitudes towards tax credit rules and responsibilities (see section F of the migrant workers topic guide in Appendix 1)

characters in the hypothetical examples. This often gave rise to suggestions for improvements in the tax credit system, and these are presented in chapter 6.

5. Renewal and finalisation of tax credits

- 5.1 Migrants were asked about their experiences and understanding of renewing an award.

Awareness of their responsibilities and understanding of the renewal process

- 5.2 Participants often referred to renewal letters sent from HMRC, reminding them about the need to renew their tax credits claim. They generally felt that it was reasonable to be asked to do this and routinely referred to having to give HMRC information from their P60 at renewal time.
- 5.3 There was some awareness, particularly amongst Lithuanians, that if participants were late in sending their annual declaration form to HMRC, tax credit payments could be stopped. Several participants, however, across all four migrant groups, were unaware of the deadline for renewal as well as what would happen if they submitted their renewal information after this time. There were also several participants who were unaware that they had to send HMRC a renewal form, including one who said: *"If they explained, I don't remember"*.
- 5.4 The modes of renewal that were permitted also seemed to be a source of confusion for some participants. While some thought that they could notify changes over the telephone and confirm in writing, others spoke of renewal only being possible by phone or in writing.
- 5.5 Participants appeared confused about the calculations of award made at renewal time, which unsurprisingly could contribute to them feeling insecure about the renewal process. Some had sent the wrong forms to HMRC which in some cases led to several exchanges until the error was rectified.
- 5.6 Some migrant workers commented that the threat of a financial penalty⁴ if the information they provided was wrong helped them to take the renewal process very seriously. Others spoke of feeling that the renewal process protected them, ensuring that inappropriate payments were not made, although again this indicates that they were not aware that they needed to notify HMRC of changes in circumstances in the year to keep their award correct.
- 5.7 Irrespective of employment background, several participants referred to estimating income at renewal time leading to future problems, describing how income had been more than expected, for example due to overtime working. This issue was reflected in several examples of overpayment in the sample, as it becomes a problem if the claimant does not tell HMRC about changes in income during the year⁵. Relationship breakdown also emerged as a problem

⁴ HMRC may apply a penalty of up to £3000 if incorrect information supplied has resulted in a tax credit overpayment.

⁵ At the time this research was conducted, claimants were asked to tell the Tax Credit Office straight away if their income changed. However, at the time of this research, if income went up by less than £25,000 and all other circumstances stayed the same then tax credits would not change until the end of the tax year. The new figure was needed so HMRC could work out how much should be paid for the following year. If the claimant did not tell HMRC about the increase in their income until renewal after the end of the year then they may have started building up an overpayment.

- area. One concern raised was that when a relationship had broken down a migrant worker could find that HMRC held them responsible for any overpayment if their partner was not contactable⁶.
- 5.8 Fear that they might calculate their annual working hours incorrectly led some (typically those who had used an agency when making their initial claim) to draw on the services of a fee-charging company at renewal time.
- 5.9 For both reporting changes in circumstances (discussed in chapter 4) and renewing an award, there was evidence that participants appeared to be attaining a degree of familiarity about their responsibilities at renewal and not thinking about it again. This was reflected in some participants finding it difficult to recall and describe their responsibilities around reporting changes during interviews.

Experiences of renewal

- 5.10 There were examples of renewal taking place without any problems as with the following woman who described how easy it was to renew by telephone giving information from her P60 for the last tax year:

Interviewer: "what information do they ask for?"

Participant: "Just what's on the P60 for the last tax year ... and they asked if my working hours have changed, if my husband's working hours have changed, everything's still the same so I say no ... except for that time when I started work and I rang and I said look, my hours have gone to five hours per week." (Portuguese woman, aged 30s, couple)

Having weak English language skills made some participants more inclined to renew in writing. For example, a Slovakian woman found it easier to renew in writing than by telephone as she would need to provide various pieces of information, including her National Insurance number, address, date of birth and number of children, which she was less confident of doing over the phone.

- 5.11 Some participants who had problems at the time of renewal found them relatively easy to resolve. For example, a Polish woman found it difficult to understand the term 'partner' as it was an unfamiliar term to her and her husband was living in Poland. A telephone call to HMRC, in English, clarified that she was in fact a single mother for the purpose of her tax credits claim.
- 5.12 Other participants with poor English language ability clearly found the renewal process intimidating. One response was to draw on the services of a fee-charging agency. For example, a Lithuanian man who had quite a complex set of circumstances having moved from self-employment to employment explained that he felt rather intimidated by the renewal process and had sought an agency's help:

⁶ A relationship breakdown should be reported to HMRC during the year. The current award will then be terminated and a new award set-up. Under these circumstances an overpayment would not occur.

"I go to a company with this because I'm afraid that I might calculate my working hours incorrectly. I'm afraid because they say that if you miscalculate your hours, and since my previous year was so strange because I was self-employed first and then started to be employed and they asked me for my income with tax and without tax. I was afraid that I might get this wrong." (Lithuanian man, aged 30s, single)

It was generally the case that those who used agencies for their initial claim continued to use them for renewal.

- 5.13 Similarly, several Polish men described using the services of accountants, leaving them to complete the renewal paperwork. These participants seemed to be drawing on accountants because they had found out about tax credits when using their accountant for other services. Some also lacked confidence in interacting with HMRC on their own and therefore welcomed support from an accountant. Participants reported that accountants were widely used by self-employed Poles in the construction industry and experience of using accountant support appeared to be positive.
- 5.14 While those with better English language skills were able to engage with the renewal process with little additional support, participants with poor English language skills enlisted the help of their friends, for example to translate the letters and forms. The value of language support was again a recurring theme, for example, a Polish man felt that good support for people with language needs could stop them having to turn to fee-charging agencies. He noted: *"Ninety pounds is the standard pay they take from you. I am not joking..." (Polish man, aged 20s, couple).*
- 5.15 Participants' employment background could make them feel less intimidated by the renewal process and those with qualifications tended to find negotiating the tax credits system easier. For example a Polish man with a background in the accountancy profession felt that this helped him engage with renewal of his tax credits claim.
- 5.16 The support of an HMRC interpreter helped some claimants in the renewal process, this tended to be accessed by migrants who had better English language ability. Irrespective of migrant group, once participants had experienced some helpful contact with an HMRC interpreter at the initial claim stage they went on to draw on their services.
- 5.17 Few claimants in the sample experienced a delay in their tax credits payments upon renewal.

Ending an award

- 5.18 Several participants had experienced their tax credits payments ceasing. While some understood that a change in their circumstances had affected their entitlement, others were not always clear why an award had ended, particularly those whose relationships had broken down⁷.

⁷ If a claimant stops or starts living with a partner they should tell HMRC when this happens. Their existing award will be stopped and a new one made.

6. Improving HMRC service delivery

- 6.1 This chapter reviews migrant workers' suggestions for improving HMRC service delivery, drawing on the explicit suggestions made by migrant workers as well as more implicit themes within their narratives.

The distinctiveness of migrant workers' experiences

- 6.2 While at the outset of the research it was anticipated that migrant workers' organisations might be providing information on tax credits to migrant workers, chapter 3 reported that participants had made little contact with any formal institutions. This may reflect the lack of evolution of this kind of community-based organisation, at least for the four groups looked at in this research, given the relatively recent nature of Eastern European migrants' settlement. However, there was evidence of informal meeting places for migrant workers.
- 6.3 Evidence (TUC, 2008) suggests that migrant workers are a vulnerable group often experiencing low pay and poor conditions⁸. A distinctive feature of participant experiences on arrival in the UK was that their family and friends had a very important role in providing information on tax credits and support in initial claims to HMRC (see chapter 3). This provided a cushion against their sense of social isolation and a bridge to interactions with an unfamiliar institution.
- 6.4 There was evidence that some migrant workers, particularly those requiring the most support with English (across all four countries of origin) felt intimidated at the prospect of engaging with HMRC, as seen in the discussion of the renewal process in chapter 5. While it was beyond the scope of this study to explore the extent of language needs across migrant groups in the UK, it is clear from the data collected that language barriers reduced confidence in interactions with HMRC and was a factor in errors in tax credit interactions with HMRC. As seen in chapter 4 the most common context for an overpayment taking place was a partner leaving the household or a change in income due to working increased hours. As also noted in chapter 4, the frequent job changes amongst migrant workers may have increased the risk of reporting errors. The volatile nature of migrant work and frequency of changes in circumstances seemed to contribute to the risk of overpayment, with this risk amplified by poor English language skills.
- 6.5 However, migrant workers have found other means of assistance in negotiating their way through tax credit processes. There were strong signs of new fee-charging agencies in the advice landscape, shaping and sometimes supporting understanding. They seemed to be helping to fill an advice gap, combining technical and language support. Migrant workers' reliance on their support was not necessarily unproblematic; these agencies should be providing reliable information and several participants questioned the extent to which they did so.

⁸ Migrant work labour market positions and experiences were explored at some length in the recent TUC Commission on Vulnerable Workers. See TUC (2008) *Hard Work, Hidden Lives: The Full Report of the Commission on Vulnerable Employment*.

Migrant workers' suggestions for improvements to HMRC service delivery

- 6.6 Research participants were asked to suggest ways in which HMRC could improve its service delivery. Two broad, and related, types of suggestions emerged: suggestions for changes in service delivery that would improve interactions with HMRC and suggestions for raising awareness of tax credit rules and responsibilities. The range of issues raised under these two themes is explored in the next sections.

Suggestions for improving interactions with HMRC

Language support by HMRC

Written information

- 6.7 A need for improvement to language support was a recurring theme. Concerns were raised about the **lack of availability of letters (for example, providing information on tax credits awards), leaflets and booklets in claimants' first language**⁹:

“The Inland Revenue holds a database and they are aware of people’s nationalities. Spend a few pounds from time to time and send those leaflets around in everybody’s mother tongue: in Polish to Polish people, in Arabic to the Arabs etc.” (Polish man, aged 20s, single)

- 6.8 Notifying HMRC of a change in address did not emerge as problematic for participants. However, there were signs that people with English language needs, without a source of language support, were not reading letters sent by HMRC and they suggested that they would read them if they were written in their own language. One implication of this is that some people may not examine the HMRC information that is sent to them as they do not have the skills and confidence to do so. Migrant workers with poor English language skills also suggested that they needed to know how to obtain booklets in their first language. The provision of benefits advice and tax credits information on Internet pages made available in other languages was similarly mentioned as a means of improving access to written materials, although this may have more limited value for those with the least English language ability; evidence suggested that migrant workers using the Internet to seek information had better English language skills.

Interpreting support

- 6.9 Participants also suggested the need to improve HMRC's interpretation services. As seen in chapter 4, not being aware of the HMRC interpretation service could contribute to an overpayment of tax credits (section 4.16). Claimants suggested that awareness of the service could be raised, for example through a letter or leaflet, as will be explored further below.

⁹ However, HMRC does not hold nationality details of all of its claimants making targeted mail outs difficult.

- 6.10 However, for those participants with the least English language ability concerns centred around improving the ease of access to HMRC interpreting service.
- 6.11 Those with the weakest English language skills found the use of an interpreter difficult and felt that the best quality service would be provided by HMRC advisers who also spoke their language. Claimants felt this combination of an interpreting and advisory role would help them fully engage with the tax credits system.

The desire for greater face-to-face contact and more personalised support

- 6.12 A strong theme amongst those with limited English language ability (often but not only those with the least ability) was a desire for **less interaction with HMRC by phone and greater face-to-face contact**. Some participants noted that the provision of interpretation support had improved the quality of access to HMRC support by telephone. However, participants were particularly keen for greater access to HMRC and to be able to “*pop in and ask*” if they had a query. A Lithuanian participant conveyed the importance of having “*direct contact*” with public services by comparing her experience of having a telephone contact with her local authority compared with going to see them in person:

...“direct contact is necessary. For example, in the council, it’s such a difference between conversation on the phone and when you go there and they show you and they draw for you.” (Lithuanian woman, aged 20s, couple)

Across the sample there seemed to be **a lack of awareness of existing HMRC enquiry centres**, something that might also be addressed within a broader information campaign.

- 6.13 The preference for more face-to-face support was both implicitly and explicitly linked to a wish for more personalised support rather than a reliance on HMRC guidance documents. The lack of awareness of HMRC enquiry centres was shown in a claimant’s comment on a gap in advice for migrant workers :

“Why can’t they...employ people... to help others. Just like the interpreters, they should have people that know how to do these things. They should actually have them in the offices there, so you don’t get people from the streets doing work for other people of the streets. That’s what happens, ‘cause you go and ask another friend, another friend and sometimes you can find a shark, a gangster, someone who will take your money and not do anything and use your details and then your life is a big mess. They should have people to help other people to fill in the forms. Or departments where you can get decent people to fill those forms and where you can know where your rights are. What are our rights, what can we apply?” (Portuguese woman, aged 30s, couple)

Ideally, from the migrant workers' perspective, it would be useful to have HMRC advisers with language skills located in enquiry centres with their supporting role publicised. Claimants expressed the view that this kind of service could be expanded to outreach activity in everyday neighbourhood spaces, for example schools, health centres, mothers' groups, cafes, or employers.

Changing the rules: reporting and estimating income

6.14 An appeal was also made for greater simplification of HMRC rules on reporting changes. Although few participants explicitly engaged with this theme, one concern was that only major changes should have to be reported between tax years and that other changes should be left to the end of the tax year. A further concern was that a tax credits system reliant on a claimant's estimation of income increased the likelihood of overpayment¹⁰. On the face of it, these are general concerns that do not seem to relate to migrant circumstances. However, these are particularly problematic issues for migrant workers located in low wage jobs. Some changed jobs and hours of work (and income) week by week.

Telephoning HMRC

6.15 As noted earlier, several migrant workers complained about how costly it was to make telephone calls to HMRC, as 0845 numbers can be expensive to call from mobiles. They described having to wait in line to talk to an adviser and spoke of finding it difficult to get through and suggested that the cost of calls should be reduced. As noted in chapter 4, while there was evidence of a lack of awareness that calls could be made freely from an HMRC enquiry office phone, the hours of opening of these offices may not fit well with migrant workers' hours of work.

Suggestions for raising awareness of tax credits rules and responsibilities

HMRC guidance

- 6.16 Guidance from HMRC has the potential to be a source of support to migrant workers in their tax credits journeys. As noted in chapter 3 some migrant workers who looked at HMRC guidance in making their initial claim commented on how complex they found it. While this was a particularly prominent issue for migrant workers with limited English language ability, there were examples of this even amongst those more confident in their interactions. This research did not generate evidence on whether those with limited English language ability needs would better understand the guidance even if it was simplified.
- 6.17 Chapter 4 discussed some participants' lack of understanding of tax credit rules and their responsibilities in later interactions with HMRC, as their circumstances changed and they needed to report this. When asked about

¹⁰ Claimants can tell HMRC about a change in income as frequently as they need to during the year. If the amount of their award subsequently changes they are sent a new award notice.

suggestions for improvements to HMRC services, participants conveyed a degree of feeling that there was scope to provide reminders about reporting changes of circumstance, which would help in particular, but not necessarily exclusively, those with better English language ability.

- 6.18 To reiterate, while there is already quite a lot of HMRC guidance, migrant workers in this study were dissatisfied with its format. Migrant workers felt that the information was too complex and preferred the use of examples, where possible, of what people should do if a particular situation arose, for example a change of circumstances.
- 6.19 The importance of HMRC communicating the implications of not following guidance, in particular the need to report changes, was also stressed. This was particularly important for those unfamiliar with HMRC systems and those with poor English language ability.

Reminders from HMRC

- 6.20 Some participants would welcome more frequent reminders of the need to notify HMRC of any changes in their circumstances that might have an impact on their tax credits claim. As argued in chapter 4, a desire for reminders about reporting changes in circumstances suggested that information about responsibilities given at renewal had been recognised. In chapter 4 it was also noted that variable working conditions such as volatile hours contributed to uncertainty about how often to report such changes. Reminders in English would be likely to benefit migrant workers with better English language skills as it was they who tended to try to read any correspondence in English that emerged from HMRC. It was also felt by migrant workers that interim reminders, in the first language of those with poor English language ability, would help reduce the number of mistakes they made, particularly delays in reporting that could lead to overpayments¹¹.
- 6.21 These views on reminders reflect **a desire for increased knowledge about which changes to report**. Errors reported suggested a need for HMRC to send stronger messages to migrant workers about:

- The need to report if they stop or start living with a partner
- The need to report a change in income during the year
- The myth that HMRC knows about income changes already due to its income tax administration role
- How the reporting of any changes in circumstances as they occur helps to avoid overpayment.

This may help to reduce overpayments. **Reminders (in English and other languages) that include case studies of common errors leading to overpayment may be an option to help a range of migrant worker claimants at risk making errors.**

For example, a Polish woman, conveyed the sense of isolation and vulnerability she experienced on arrival when she conveyed how reminders of tax credits rules were needed during a period of settlement in the UK:

¹¹ HMRC does not know the country of origin for all tax credits claimants which therefore limits the extent to which this support can be targeted.

“And maybe we could have regular reminders... a few times a year. Well one emigrates here and...indeed one gropes through here...I didn't have anyone. Not a friend, or a Polish person, nobody! My husband was here with me for a week and he left...I was left in an empty house with a number of language problems at work, and new regulations and everything.” (Polish woman, aged 40s, divorced)

- 6.22 Several participants felt that there was a need for greater communication of the consequences of tax credit recipients not following HMRC rules (these participants tended to lack familiarity with HMRC systems and have language needs). Participants who had experienced overpayments were particularly vociferous in this regard. It was felt that this would help people report changes in their circumstances on time and avoid overpayments. A Slovakian participant, for example, graphically explained how such reminders might include information on the consequences of not following the rules, implying that they needed to be very clear in order to be noticed:

“Like at the boxes of cigarettes, it should be put ‘smoking harms your health’. And nobody could argue that he/she did not know.” (Slovakian man, aged 30s, single)

- 6.23 A related suggestion was that an information booklet accompanying renewal documents (in the claimants' first language) would be particularly welcome, and probably read, by migrant workers with language needs.

Family and friends, non-HMRC institutions and other professionals

- 6.24 As explored in earlier chapters, there were several examples of migrant workers receiving advice on tax credits from non-HMRC institutions. These participants were amongst those citing a greater role for such institutions and professionals in raising awareness of entitlements. Schools, Jobcentres and health visitors were all cited as being well-placed to provide people with information on tax credits. They can each be present at times of key changes in circumstances, for example when a woman has a child or a child leaves full-time education. Women with children and/or about to have another child had strong recollections of the contact that they had had with professionals and a suggestion, for example, was for schools to have mentors who could advise mothers on their benefit entitlements.

“Maybe there could be someone at school, like a mentor, who would advise every mum: ‘have you applied for this and that?’ (Lithuanian woman, aged 30s, single)

Mothers groups were not mentioned by migrant workers in this study, but they may be a further mechanism for passing on tax credits information (local authority children's departments may keep information on mothers groups).

Similarly those who had experienced unemployment thought about what Jobcentre staff could do to help more, being in a position to tell migrant workers about tax credits. As seen in chapter 2, those interviewed had generally experienced periods of unemployment in the UK and had changed their employer at least once:

“Maybe to use the...Jobcentre to give us more information, because they don’t sit down with you and explain this and that... give people [migrant workers] more training in these jobcentres.” (Portuguese woman, aged 30s, separated)

The incidence of migrant workers drawing on support with tax credits issues in various aspects of their everyday lives, such as work colleagues, staff in their children’s pre-schools and schools, midwives and Jobcentre Plus was linked to their personal circumstances. Family and friends were a key source of advice for migrant workers on arrival in the UK, potentially cascading information on interpretation services and other tax credit related issues. However, it would be difficult for HMRC to pass information on to them in a targeted way; with a view to influencing their support and advice for migrant workers. A more effective approach may be to raise **awareness amongst claimants and their family and friends by targeting non-HMRC institutions, for example schools and the health service**. Such institutions could be supplied with leaflets and booklets that provide information on the HMRC interpretation service and other issues. While this kind of initiative would potentially put pressure (in terms of use of staff time) on other organisations and services, this study highlighted evidence that these kinds of services are already passing on information through their everyday neighbourhood interactions with migrant workers. **More targeted HMRC support for this activity might help tackle issues of awareness of entitlements and responsibilities when circumstances change**. These measures would be useful for those migrant workers with better English language skills but will also be helpful for those with the least English language ability, if information is provided in other languages. As non-HMRC institutions are likely to have an awareness of the countries of origin of the migrant communities that they have contact with they could use this knowledge to request leaflets in appropriate languages.

- 6.25 This study provided little support for the targeting of resources towards migrant community organisations at present and identified very limited information on the use of Citizens Advice Bureau. Fee-charging agencies appeared to have more presence in the everyday lives of migrant workers, through an emerging culture of drawing on these institutions to fill an advice gap. This means of support had clearly worked well for some migrant workers, who could not draw on family and friends as a source of support (at the initial claim stage or reporting changes) and had weak English language skills needs. However, there were also concerns about unscrupulous fee-charging agencies and agencies that did not provide adequate assistance with reporting changes in circumstances. A suggestion was that **HMRC could launch an information campaign targeting fee-charging agencies in general**. This could include promoting the linking of their web-pages with HMRC online resources as well as providing agencies with bilingual leaflets, which may help those using the agencies to develop a better understanding of their tax credit responsibilities.

A greater role for employers

- 6.26 As seen in chapter 2, in Norwich and Great Yarmouth migrants were generally employed in food-processing factories (usually via employment agencies) or in the hotel and catering sector. In London and Leicester migrants tended to be employed in construction, cleaning services or catering. While there was evidence that some occupational backgrounds (for example accountancy) were associated with confidence in interacting with the tax credits system (section

4.3), most participants did not have such backgrounds. Some participants felt that employers were not doing enough to inform them of the in-work benefits available. They suggested that employers in sectors known to employ migrant workers, for example hotels, could do more to help, for example sending leaflets on tax credits to their workforce, perhaps in different languages. As well as noting that human resource departments (where present) might do more to help. Migrants felt that the role of employers, particularly the first employer with their crucial information providing role on settlement, should be emphasised. It should also be remembered that more than half of the migrant workers participating in this research had their initial employment found or arranged through an employment agency (see section 2.10). From the research, it would seem **there are potentially benefits in HMRC further engaging employers, including employment agencies, in partnership working. This activity might helpfully be skewed to sectors in which migrant workers are concentrated.** There are signs of some employers passing on information on tax credits to migrant workers (see section 3.15) and scope to do more. Employers could potentially help with a range of issues that arose in this research soon after migrant workers are recruited, incorporating them into their duty of care, including:

- Challenging assumptions that HMRC know about changes in income relevant to the tax credit system because of its income tax administration role.
- Raising awareness of HMRC interpretation support and enquiry centres.
- Reminding workers of the need to notify HMRC of changes in circumstances when changing working conditions (for example changes in hours or changes in employment status).

Emails and the Internet

6.27 While there was a suggestion that it would be helpful to receive more information from HMRC via email or the Internet, it was acknowledged that not all individuals have access to an email account or computer facilities. In fact, a relatively small proportion of the sample had used the Internet as a source of information on tax credits (usually men in their 20s and 30s). Language needs were felt to provide a constraint on the Internet as a source of information and, as implied above in the discussion of written information, several participants desired websites where they could secure information in their first language:

“...something attached to a letter with an address of a website where I would be able to read in Polish. I have tried using an electronic translator but I end up with some ridiculous things...and it is difficult to work out what it is all about.” (Polish man, aged 40s, couple)

Newspapers/ magazines

6.28 While not all participants read newspapers or magazines in their first language (or knew where to buy them), overall there was a feeling that it would be useful for them to be used to provide information about tax credits, particularly for migrant workers with poor English language ability. The following participant, keen on using the Internet, conveyed a potential for the migrant press to reach out to numerous people:

“...as I say not everyone has access to the Internet, the printed press is more accessible in the Polish food shops, it’s where you can find all these papers, magazines, they’re always there so...this information can reach more people through that press.” (Polish man, aged 30s, separated)

- 6.29 There were references to accessing migrant media through friends, in Portuguese banks, cafes and Polish food shops. While there was some mention of the Polish press writing about tax credits there were criticisms that the information was too general or brief. **To utilise newspapers in raising tax credit awareness they would need to be circulated in areas of migrant concentration and the Polish and Portuguese groups seemed to have the strongest orientation to these sources of information.**
- 6.30 There was also some reference to free local newspapers being delivered to homes and the Metro (available at tube stations) and the potential of both to contain information on tax credits. This would be of limited value to migrant workers with weak English language skills.

Television and radio

- 6.31 Television advertising campaigns were seen as a medium for raising awareness, though some participants commented on the limited information on rules that might be provided in this way. **There were signs that migrant workers with poor English language ability tuned into programmes in their first language when they could, implying that reaching them through UK-based television channels would be difficult.** There were mixed views on the value of radio advertisements reflecting variation across participants in how much they listened to the radio. Use of both radio and television raises issues around the value for money of such, potentially, less targeted approaches to raising awareness.

Billboard advertising at bus stops and stations

- 6.32 Some participants thought that there was potential to advertise at bus stops or stations. To convey the value of this a participant described how he had recently seen an advert on the fees being charged by work agencies accompanied by an advice-line telephone number and he had written down the number with a view to calling.

7. Conclusions

The claimant journey from take-up of tax credits to later interactions

- 7.1 Recent migrants to the UK have specific problems and greater needs than established minorities in interacting with the tax credits system, centring around knowledge and awareness¹². A recurring theme in this current study has been that language needs are pertinent to migrant worker interactions with the UK alongside the welfare system and a lack of awareness of that system on arrival. Language needs, among all four migrant groups, form a practical barrier to interactions and contribute to claimants feeling intimidated by the prospect of interacting with HMRC. All groups reported that they had some problems communicating in English and those with the weakest English language ability were particularly reliant on information support from family and friends from their country of origin.
- 7.2 Prior to coming to the UK, migrant workers had generally learnt about job vacancies through newspapers or had friends or family members in the UK who helped them. On arrival in the UK, migrant workers tended to rely on these same informal networks to secure information about tax credits. While networks were important they tended not to include formal migrant worker community organisations. However, the longer migrant workers with better language skills remained in the UK the less reliant they became on these informal sources of support. Instead they used such formal routes as HMRC, employers and Jobcentre Plus in order to gain information about tax credits. HMRC interpreters were used by migrant workers who were in need of language support but had better language skills at different stages of their tax credit journey.
- 7.3 Some migrant workers (most notably in the most rural area in which interviews took place) also turned to the support of fee-charging agencies that have become a feature of the advice landscape. Having poor English language skills and lacking family and friends and other sources to provide support, they saw these agencies as a way of accessing a complete tax credits claiming service keeping the tax credits system at arm's length and avoiding direct engagement. Those with the weakest English language ability continued to draw on the help of fee-charging agencies after their initial claim. However, there were concerns about agencies delivering a poor service.
- 7.4 Migrant workers with the weakest English language ability, and who were therefore more reliant on the service indicated problems of access to, availability of and long delays in the HMRC interpretation service. This seemed to contribute to a desire, among this group, for easier access to this service.

¹² For a discussion see Dragos Radu, Maria Hudson and Joan Phillips (2011) Migrant workers' interactions with welfare benefits: a review of recent evidence and its relevance for the tax credit system.

Understanding of tax credit rules and responsibilities

- 7.5 This research suggests migrant worker awareness and understanding of the rules and responsibilities governing the tax credits system is inconsistent. While it was easy for participants to understand that having children is linked with the eligibility for CTC, the rules for WTC were considered more complex and had deterred potential claimants with the most severe language barriers from claiming, across all four migrant groups. A key issue was the prevalence of language needs across migrant groups affecting their interactions with HMRC. There were also issues around understanding what was felt to be complex and insufficiently frequent guidance, even for some migrant workers with better English. These issues were evident at various stages of the claimant journey, from initial claim, through to reporting changes in circumstances, to renewal and ending a claim. However, those with higher levels of qualification seemed to find it somewhat easier to navigate their way around the system. The migrant workers in this study were concerned that HMRC did their best to ensure that they understood tax credit responsibilities (or as they described those responsibilities: 'rules').

Recommendations

- 7.6 Findings from this study suggest several potential improvements which HMRC could implement to both the processes for claiming tax credits and reporting changes and to communication strategies.

Process issues

- 7.7 Greater HMRC personalised support was suggested by migrant workers, which might be achieved by locating bilingual advisers in HMRC enquiry centres and giving them the scope to engage in outreach activity, helping to build claimant confidence in interactions with HMRC. This type of support is unlikely to be gained by improving the quality of interpretation support alone (albeit that customers have flagged that there does seem to be scope to improve the quality of the HMRC tax credits telephone Helpline interpretation service). Previous research indicates that face-to-face contact offers a better opportunity to clarify any areas of confusion than on the telephone¹³.
- 7.8 There is potential to improve access and availability of the HMRC interpretation service. It is problematic that migrant claimants with little English language ability have to answer questions in English before they can speak to an interpreter (although it would clearly be difficult to provide this service without some contact in English first). A positive early interaction with HMRC can potentially make a difference to subsequent claimant interactions.
- 7.9 Recent studies suggest accurate information in simple language is crucial for claimants' understanding of the process of reporting changes and the renewal process¹⁴. The HMRC written guidance and application form are too technical and difficult for some migrant workers to understand¹⁵. Service delivery might

¹³ See Radu et al., 2011.

¹⁴ See Radu et al., 2011.

¹⁵ Since this research was conducted revised guidance has been introduced.

also be improved via written reminders of the need to report changes, in English and migrant languages. Presenting simple case studies of issues typically leading to errors may also help to minimise overpayments.

- 7.10 There were concerns about the cost of making phone calls to HMRC (and the links between low-paid work and receipt of tax credits). Customers would welcome a reduction or removal of the cost of calls, particularly the cost of calling from mobiles.
- 7.11 Migrant employment conditions tended to be volatile raising broader concerns (implicit in participant narratives) that some migrant workers, alongside other workers with variable work patterns, may have additional difficulties with the tax credits system reliant on claimants' estimation of income, and requiring the reporting of all changes.

Communication issues

- 7.12 Comments made by migrant workers, and the experiences they conveyed, indicate that measures to improve migrant worker understanding and experience of the tax credit system need to acknowledge: the volatility and vulnerability of the employment situation of many migrant workers, their reliance on networks, their language needs and frequent changes in circumstances. This research implies a number of suggestions for HMRC communication strategies:
- The findings suggest that upon recruiting migrant workers, employers (including employment agencies) are a potential avenue to raise awareness of tax credit responsibilities. A potential strategy suggested could be to engage employers in partnership working, targeting sectors in which migrant workers are concentrated
 - Suggestions made by migrant workers indicate that provision of HMRC materials and information to those formal institutions and professionals that migrant workers interact with would be welcomed by migrants, for example building on informal information-sharing practices that have built up in the health sector and schools
 - The findings suggest that compared with participants who used the help of agencies, migrants with direct contact with HMRC were much better informed at the time of the initial claim. To address concerns expressed by migrant workers about fee-charging agencies providing inadequate assistance to migrant workers lacking other means of gaining language support, HMRC could consider the option of an information campaign targeting fee-charging agencies in general. This could include easy options, such as linking fee-charging agency web-pages with HMRC on-line resources as well as access to bilingual leaflets.
 - On the whole, there were not clear patterns across the different countries of origin, in migrant workers' use of such media as newspapers and television. These findings suggest that to utilise newspapers in raising tax credit awareness they would need to be circulated in areas of migrant concentration and the Polish and Portuguese groups seemed to have the strongest orientation to these sources of information.

Appendix 1: Research instruments and methodology

Opt-out letter

Screening questionnaire – sample No 1 (claiming tax credits for over a year)

Screening questionnaire – sample No 2 (claiming tax credits for under a year)

Migrant workers' topic guide

Sampling methodology

Opt-out procedure

Screening procedure

Target sample characteristics

Achieved sample characteristics

Topic guide content

Working with bi-lingual interviewers

Translation and transcription

Data analysis

Opt-out letter



**HM Revenue and Customs
Tax Credits**
Room 2E/09
100 Parliament Street
London SW1A 2BQ

Internet site www.hmrc.gov.uk
Date <DATE>
Our Ref <REF>

<TITLE> <FIRST NAME> <SURNAME>
ADDRESS 1
ADDRESS 2
ADDRESS 3
ADDRESS 4
COUNTY
POSTCODE

Dear <TITLE> <SURNAME>,

Research to explore people's experiences of Tax Credits

I am writing to ask for your help with some important research that HMRC (the government department responsible for tax credits) is carrying out. HMRC wants to improve the support it gives to people claiming or receiving Working Tax Credits or Child Tax Credits. By hearing your views and experiences, HMRC aims to improve the service that people like yourself will receive in the future.

HMRC research team has asked the Policy Studies Institute (PSI) to carry out interviews with people who are, or have recently been, in receipt of tax credits. PSI is completely independent of government and political parties.

You have been selected from HMRC's records as someone who might be eligible to take part in this research. PSI **may** contact you in the next few weeks to ask whether you would be willing to take part in this research. If you do take part, the interview will be conducted 'face-to-face' in your home or at a location convenient to you. **If you would like to take part, you do not need to do anything.** Please note that not everyone who receives this letter will be contacted and asked to take part. If you are interviewed you will be given a **£20 shopping voucher** as a thank you for your time. This gift voucher will not affect your entitlement to tax credits in any way.

Please be assured that any information you give as part of this study will be treated as confidential in accordance with the Data Protection Act. No personal information will be passed to anyone outside the PSI research team. **Any tax credit claims or any other benefits you may receive will not be affected in any way either now or in the future.**

If you **do not wish to take part or have any questions about the research**, please contact PSI on 0207 911 7516 (ask for Dragos Radu) or (INSERT THE NAME OF THE BILINGUAL RESEARCHER AS APPROPRIATE) on 0207911XXXX, by email (d.radu@psi.org.uk) or in writing to: Policy Studies Institute, 50 Hanson Street, London, W1W 6UP. If you write or phone, please remember to give your name, address, telephone number and the reference number at the top of this letter.

If you wish to confirm that this is a genuine research study, please contact me, Helen Johnson, on 020 7147 2883.

Yours sincerely,

Helen Johnson
Senior Research Officer, HM Revenue and Customs

Migrant workers' screening questionnaire

UNDERSTANDING OF TAX CREDIT RESPONSIBILITIES AMONGST MIGRANT WORKERS

SCREENING QUESTIONNAIRE

SAMPLE No 1

Country	Location	Gender	Age	Income	Children
Insert from data	Insert from data	Insert from data	Insert from data	Insert from data	Insert from Data
Name					
<i>Insert from data</i>					
Surname					
<i>Insert from data</i>					
Tel daytime					
<i>Insert from data</i>					
Tel evening					
<i>Insert from data</i>					

1. Introduction

- Explain following up letter about research project on people's experiences with tax credits
- Ask if rest of screening should be continued in **English** or **first language!**
- Thank for interest in research and explain/ reiterate purpose of research and independence of research team from HMRC.
- Remind that will receive £20 shopping voucher, receipt of which will not affect benefit entitlements in any way.
- Check respondent is willing to be involved in research.

(Circle as appropriate)

YES

NO

If yes

- State that in the interview, there will be no right or wrong answers, we will be interested in the respondents' (and for some, partner) experiences and views.
- Confidentiality/anonymity of respondent contribution.
- Ask whether respondent has any questions about the research.

[During this introduction, gauge need for language support in the interview].

If no

Ask/probe reason and try to address concerns as appropriate

We will want to interview a wide range of migrant workers with experience of applying for and receiving tax credits. To ensure that we interview this range of people I would like to ask you a few questions, responses to which will be treated in confidence.

European migrant workers' understanding and experiences of the tax credits system

Gender	Age	Income level	Location
[insert from data]	[insert from data]	[insert from data]	[insert from data]
SCREENING QUESTION/ PROBE		RESPONSE	
Check 1: Country of origin: Are you from [country from data])		Yes, same as: [insert country from data]	
		No → ineligible	
Check 2: In the UK for < 5 years		Yes	
		No → ineligible	
Check 3: English first language?		No	
		Yes → ineligible	
Confirm language			
ESOL needs		Yes	No
Language of interview		English	Other:
Confirm Age			[age from data]
Confirm Gender			[gender from data]
Currently working		Yes	Employed
			Self-employed
			Other:
		No	
Household composition (whether single, part of living together, same sex couple, children)			
Ages of children			
Children over 16 in full-time education			
Confirm income		Below X	Above Y
		Between X and Y	
Confirm benefits\tax credits currently received			
Length of time in receipt of tax credits			
Ask whether someone helped with tax credit application and respondent was dependent of their assistance			
Ask if respondent would prefer to be interviewed with this person in case this person agrees			
Preferred location for interview (home, public place, PSI)			
Suggested date and time for interview			

Closing points

- If following screening questions, seem appropriate for interview.

- Explain that participation is voluntary; they can change their mind about participating at any point or choose not to answer particular questions.
- Indicate that interview will last **up to 90 minutes**, depending on how much respondent wants to say.
- Explain that will tape record and purpose (transcription, nature of reporting).
- Explain that will send a letter confirming date, time, location of interview and who interviewer will be (if likely interviewer known, tell respondent)
- If a paired interview will take place, explain that letter will also indicate that partner or person assisting with claim will take part in interview too. Could you please confirm that partner or person helping is aware of interview arrangements?

- If, following the screening questions, RESPONDENT DOES NOT seem appropriate for interview.

- Indicate that will contact in next few days to confirm whether will proceed to interview.

Thank again for interest in research.



Policy Studies Institute

UNDERSTANDING OF TAX CREDIT RESPONSIBILITIES AMONGST MIGRANT WORKERS

SCREENING QUESTIONNAIRE

SAMPLE No 2

Location	Gender	Age	Income	Children
Insert from	Insert from	Insert from	Insert from	Insert from
data	data	data	data	data
Name	<i>Insert from data</i>			
Surname	<i>Insert from data</i>			
Tel daytime	<i>Insert from data</i>			
Tel evening	<i>Insert from data</i>			

1. Introduction

- Explain following up letter about research project on people's experiences with tax credits
- Check COUNTRY of origin

If not from: Poland, Slovakia, Lithuania or Portugal → finalise

- Ask if rest of screening should be continued in **English** or **first language!**
- Thank for interest in research and explain/ reiterate purpose of research and independence of research team from HMRC.
- Remind that will receive £20 shopping voucher, receipt of which will not affect benefit entitlements in any way.
- Check respondent is willing to be involved in research.

(Circle as appropriate)

YES

NO

If yes

- State that in the interview, there will be no right or wrong answers, we will be interested in the respondents' (and for some, partner) experiences and views.
- Confidentiality/anonymity of respondent contribution.
- Ask whether respondent has any questions about the research.

[During this introduction, gauge need for language support in the interview].

If no

Ask/probe reason and try to address concerns as appropriate

We will want to interview a wide range of migrant workers with experience of applying for and receiving tax credits. To ensure that we interview this range of people I would like to ask you a few questions, responses to which will be treated in confidence.

European migrant workers' understanding and experiences of the tax credits system

Gender	Age	Income level	Location
[insert from data]	[insert from data]	[insert from data]	[insert from data]
SCREENING QUESTION/ PROBE		RESPONSE	
Check 1: Country of origin: Are you from [country from data]		Confirm country of origin is: Lithuania, Poland, Slovakia or Portugal	
Check 2: In the UK for < 1 year		Yes	
		No → ineligible	
Check 3: English first language?		No	
		Yes → ineligible	
Confirm language			
ESOL needs	Yes	No	
Language of interview	English	Other:	
Confirm Age		[age from data]	
Confirm Gender		[gender from data]	
Currently working	Yes	Employed	
		Self-employed	
		Other:	
	No		
Household composition (whether single, part of living together, same sex couple, children)			
Ages of children			
Children over 16 in full-time education			
Confirm income	Below X	Between X and Y	Above Y
Confirm benefits\tax credits currently received			
Length of time in receipt of tax credits			
Ask whether someone helped with tax credit application and respondent was dependent of their assistance			
Ask if respondent would prefer to be interviewed with this person in case this person agrees			
Preferred location for interview (home, public place, PSI)			
Suggested date and time for interview			

Closing points

- *If following screening questions, seem appropriate for interview.*

- Explain that participation is voluntary; they can change their mind about participating at any point or choose not to answer particular questions.
- Indicate that interview will last **up to 90 minutes**, depending on how much respondent wants to say.
- Explain that will tape record and purpose (transcription, nature of reporting).
- Explain that will send a letter confirming date, time, location of interview and who interviewer will be (if likely interviewer known, tell respondent)
- If a paired interview will take place, explain that letter will also indicate that partner or person assisting with claim will take part in interview too. Could you please confirm that partner or person helping is aware of interview arrangements?

- *If, following the screening questions, RESPONDENT DOES NOT seem appropriate for interview.*

- Indicate that will contact in next few days to confirm whether will proceed to interview.

Thank again for interest in research

Migrant workers topic guide



Policy Studies Institute

**UNDERSTANDING OF TAX CREDIT RESPONSIBILITIES AMONGST
MIGRANT WORKERS**

TOPIC GUIDE

The purpose of the interviews is to explore migrant workers' interactions with and understanding of HMRC tax credit system and the support they get with tax credit claims. This is being explored in the context of migration, their working patterns and personal networks. Areas of exploration include:

- Background information on the respondent(s), their household and migration history;
- Background information on respondent employment and financial circumstances;
- Experiences of claiming Working Tax Credit and Child Tax Credit;
- Awareness of WTC/CTC rules and responsibilities;
- Suggestions for improving migrant workers' interactions with the tax credit system.

The topic guide is semi-structured to facilitate standardisation of data obtained across respondents. However, it is intended to be used flexibly allowing researchers flexibility to probe in detail and follow-up on unforeseen issues.

A timeline will be used, to aid respondent recall of events and help the interviewer build a picture of the interplay of events.

Topic area	Notes	Timing
A: Background	Introductory questions / living situation/ networks / language difficulties	10
B: Employment history	Work history and childcare	10
C: Experiences of claiming tax credits	How long claiming/ /type of tax credits claimed/ how found out/ rules eligibility/how made claim and got help / understanding of decisions made about tax credits award	25
D: Change of circumstances	Awareness of change of circumstances / changes reported attitudes to reporting change/ general financial situation and approach to finances	15
E: Renewals process	Renewal experience / awareness of importance of renewals / late renewals	10
F: Vignettes	Undeclared partners / change in income	10
G: Improvements	Suggestions for improvements	10
Additional issues	Other benefits: received / how found out about / how easy to claim	If time
		90 mins

Introduction

- Introduce self and organisation/ research consortium.
- Explain/ reiterate independence of research team from HMRC.
- Explain/ reiterate purpose of the research
- State that there are no right or wrong answers; we are interested in the respondent's perceptions and views.
- Emphasise that some of the issues will be already known (in basic terms) due to recruitment/screening, but it will be important to cover them again early on as a lead into the rest of the interview.
- Confirm confidentiality/anonymity of respondent contribution.
- Explain that participation is voluntary; they can change their mind about participating at any point or chose not to answer particular questions.
- Indicate that (as mentioned in email/ on the phone) interview will last **up to 90 minutes**.
- Explain purpose of tape-recording (ask permission), transcription, nature of reporting.
- Check whether respondent has any questions and is happy to proceed – ask for written agreement of consent using form.

If asked what we mean by 'complying with the Data Protection Act' explain that we will:

1. *keep all data in a secure environment;*
2. *allow only members of the research team (including administrators and transcribers) access to the data;*
3. *discuss findings with HMRC research team but not inform them who has been interviewed.*
4. *keep the data only as long as is necessary for the purposes of the research and then destroy it.*

- Check respondent happy to start the recording of the interview.

Section A: BACKGROUND: INDIVIDUAL, HOUSEHOLD, MIGRATION HISTORY

[10 MINUTES]

1. Can you tell me a little about yourself?

Probe:

- Country of origin
- Length of the time in the UK (**BEGIN TIMELINE**)
- Area where you live? likes, dislikes? (**Nb. Cover very briefly, as mainly to help ease respondent into interview**)
- Length of time in the area?
- Have you lived in any other area?
- How frequently moved address?
- Current age

2. How did you decide to come to the UK? [Don't probe too much – need to keep this section short]

Probe as appropriate:

- Can you tell me a bit more about how you came to make the decision?
 - Initial perceptions of advantages and disadvantages
 - Influence of family, friends, others
- Are you happy with the decision that you made?
- Reasons why/ why not
- Problems/challenges about life in the UK?

3. Can you tell me about your living situation?

Probe as appropriate:

- Who lives with you?
- Partner- whether married and/or living together as a couple [**Nb. The word partner has a different meaning in certain A8 countries, so you might need to be careful when using this term that interviewee understands what we mean**]
- Children under 16 – probe number and age of each
- Any childcare (formal or informal)
- Children between 16 and 20 – probe whether they are in full-time education or undertaking approved training

- Children under 18 who have left full-time education (and whether they are registered with Careers Service or Connexions Service)
- Room mates?
- Whether anyone in the household is disabled – whether respondent/partner/child(ren)

4. Do you have any friends or other family in the area?

Probe as appropriate:

- Do you keep in contact with your friends or family? How?
- Who do you turn to if you have any problems?
- Do you get support from social activities e.g. going to the pub
- Are you a member of community groups e.g. mother and baby group; church group etc.

5. Are you in contact with other migrants from your country of origin?

Probe as appropriate:

- How long have they been in the UK?
- Are some of them working?
- How often do you see each other?
- Where do you see each other? Eg. at work, whilst shopping, at each others homes, special meeting places, community/migrant organisations?

6. Can you tell me a little bit about any language barriers that you experience?

Probe – written, oral, extent, impact on everyday life

Section B: EMPLOYMENT HISTORY AND CHILDCARE

[10 MINUTES]

[Nb. For paired-partner interviews, remember to probe partner also].

1. Are you in work at the moment?

Probe as appropriate:

- Can you tell me about the work you do?
- Employed/ self-employed?
- One or more jobs?
- Regular jobs – same time each week?
- How long have you been in this job(s)?
- How many hours per week? Over 30 hours a week? Over 16 hours a week? ***[Nb. This is relevant later to understanding of tax credit eligibility/change of circumstance]***
- Regularity of hours – same each week? If vary, how.
- How do you feel about the job(s)?
- Is it something that you enjoy doing?

2. Do you use childcare? *[Nb. This is relevant to childcare element of working tax credits]*

Probe as appropriate:

- How do you plan your childcare around working hours
- Do your childcare costs vary throughout the year

**3. You mentioned your job. Have you always worked in this particular job?
[Continue to plot timeline]**

Probe as appropriate:

- Can you (**briefly**) tell me about the different jobs that you have done? Since coming to the UK?
- Type of job, approximate length of time in job
- Seasonal work
- Do you know how long you will stay and work in the UK?

Section C: EXPERIENCES CLAIMING TAX CREDITS

[25 MINUTES]

As I mentioned at the start, the main aim of our research is to explore people's experiences of tax credits. In the remainder of this interview I would like to ask you some more specific questions about this.

1. Can I just check, which tax credits are you receiving at the moment?

Probe as appropriate:

- Can I just check, have you ever received WTC or CTC, disability related supplements, childcare element of WTC? **USE TIMELINE**
- Are you claiming as a single person or as part of a couple? Have you always claimed on this basis? **USE TIMELINE**
- How do you feel about claiming social benefits? (whether ever claimed benefits in their country of origin)

2. Can I please check, how long have you been receiving tax credits?

Probe as appropriate:

- How soon after starting work (time lag, why?) refer back to employment history in the UK to find out if claimed at most recent job? If no, why not? **USE TIMELINE**

3. Can you tell me about how you found out about tax credits?

Probe in relation to the role of and how trustworthy/credible they found the information:

- HMRC, e.g. use of website, helpline, enquiry centre, one-to-one advice.
- Jobcentre Plus, e.g. use of website, one-to-one advice.
- Employers, recruitment agencies
- Trade unions
- Television advertisements,
- Information/adverts in Community Press, e.g. [Polish] newspapers
- Advice agencies, eg. Citizens Advice, Community Legal Advice Centres
- Word of mouth - family or friends, migrant workers informal networking
- Migrant workers organisations
- Members of the community/ other community based organisations providing advice surgeries / sports groups / mother and baby groups / church groups
- Why some potential sources of information had a role and not others.
- Format of information – leaflets and guidance, Internet,/ web pages (**show respondent examples of information/ guidance to aid recall – USE STIMULUS MATERIALS WCTC2 and TC600**), advice lines, availability in first language
- Need for interpreting support
- Content, accessibility of information

4. What do you know about the rules for eligibility for tax credits?

Probe as appropriate:

- How many hours must you be working to claim WTC?
- How much can you be earning to claim WTC?
- When do you have to make a joint claim [i.e. a claim with their partner]
- What do you understand by the term 'partner' [check understand this means any of the following: married; in a civil partnership; living together like you're married or in a civil partnership.]
- What do you understand by 'living together like you're married'
- When can you make a claim for childcare

5. Can you tell me how you went about claiming tax credits?

Probe:

- Ease of claiming/application process?

- Apply using paper/telephone/ internet?
- Any problems experienced claiming? (e.g. left out sections of form, incorrect completion of sections/not clear what terms on the form meant e.g. partner)
- Did you use HMRC guidance? How easy to use/understand?
- Did you understand the letters that HMRC sent you?
- Did you need any additional help? (e.g. filling out forms, understanding terms or procedures in the forms, language support)
- How did you try to get the help that you needed? Did you get the help?
- How helpful were the people/organisations that helped – in what way?
- HMRC, e.g. use of website, helpline, enquiry centre, HMRC helpline interpretation services
- *If HMRC language assistance was used* what was this for e.g. interpret a conversation? Explain the content of a letter?
- Informal support from other migrant workers /friends / community groups / clubs/ social networks/ mother and baby group
- Other

6. Do you understand how HMRC has calculated your award?

Probe as appropriate:

- How level of entitlement decided
- Why application refused
- Why any overpayments have been incurred

Section D: CHANGE OF CIRCUMSTANCES

[15 MINUTES]

1. Just off the top of your head, can you think of any changes in circumstances which you must report to HMRC?

Probe:

- You stop or start living with a partner
- cost of childcare changes
- leaving the UK (them or their partner if couple claim)
- leaving the UK for more than 8 weeks
- not working for at least 16 or 30 hours a week
- no longer being responsible for a child
- children are no longer eligible (they are aged 16-19 and not in full time education)

2. IF AWARE OF ANY OF THESE LISTED How did you know that this/ these changes of circumstances need to be reported?

3. Have you ever experienced any of these changes? [RE-INTRODUCE TIMELINE IF APPROPRIATE]

4. Have you reported other changes to personal details to HMRC?

Probe:

- New address
- New phone number
- Change bank or building society account

5. Have you ever reported any of these of changes of circumstances to HMRC before [listed in question 1] - either during the year or when you renewed your claim

- Probe for whether they have reported these changes to anyone else (either instead of or as well as HMRC) such as Jobcentre Plus/ DWP/other parts of HMRC [NOTE ANY CONFUSION OVER THIS E.G. ASSUMPTIONS THAT REPORTING TO ONE BODY IS SUFFICIENT]

[IF DIDN'T REPORT BUT AWARE THAT THEY SHOULD HAVE] Why did you not report this/ these changes of circumstances?

- Probe for lack of awareness of implications/ 'burying their head'/ fear of implications/ dependency on level of tax credit award/ lack or recognition that this rule would apply to them specifically in their specific case
- Probe for extent to which this was a conscious and deliberate decision

6. Just off the top of your head, when do you think changes in circumstances should be reported to HMRC?

Why do you say that?

Probe:

- When the renewal form comes through
- Within 30 days of the change
- As soon as possible after the change occurs

ATTITUDES TO REPORTING CHANGES

Next, I am going to ask you a few questions to explore your attitudes towards reporting changes to HMRC

7. Who should keep track of changes in circumstances and/or income – you or HMRC?

8. Who do you think the responsibility lies with to get your tax credit claim right?

- Probe for what they think the balance is now and what they think this *should* be

9. How important do you think it is to report changes to HMRC?

- Probe again whether they understand that changes in circumstance and/or income could affect both their eligibility to receive tax credits and the award itself and may lead to an overpayment
- Probe around if they didn't understand that awards were responsive, does their attitude towards reporting any changes, and reporting changes on time, change when they know this

10. Do you think it is as important as dealing with other financial matters?

- Probe around paying bills, getting overdrawn at the bank, paying credit cards, benefit applications, paying tax, etc.

11. Can you tell me a bit about your financial situation?

Probe as appropriate:

- How do you feel you are doing?
- Is there anything you are worried about?
- Income band (Use show card to confirm income band)
- Can you tell me a little about your outgoings? (Any large outgoings, debt)
- Do you [and/or your partner] have a particular approach to managing the household budget?

Section E: RENEWALS/FINALISATION/ENDING AN AWARD

[10 MINUTES]

1. As you know, [as I have just explained] you have to renew for WTC/CTC at the end of the claim year, **do you recall of being sent the annual renewal form and declaration form? [show STIMULUS MATERIALS TC603R AND TC603D]**

Probe: when did they receive the most recent annual renewal form and declaration form.

- How soon after receiving the form did they send the form back/phone us? [awareness that they have until the end of July to send back the renewal form/contact us by phone– **USE TIMELINE**]

ASK IF APPROPRIATE [IF THEY WERE CLAIMING IN MARCH 2008 THEY WILL HAVE BEEN ASKED TO RENEW]

2. What did you do to renew your tax credit claim?

Probe:

- How did they renew: paper/telephone. Reason for choice/preferred method
- What information are you required to check
- Ease of process of renewing claim? Years renewed (**USE TIMELINE**) [note: claimants are asked to renew after the end of the financial year i.e. April to July.]
- Does anything put you off renewing?
- Any problems experienced renewing?
- Have you needed any help? (e.g. filling out forms, understanding terms or procedures in the forms, language support)
- How did you try to get the help that you needed? Did you get the help?
- How helpful were the people/organisations that helped – in what way?
- HMRC, e.g. use of website, helpline, enquiry centre
- Why drawn on some potential sources of help and advice and not others (e.g. a friend rather than HMRC)
- Informal support from other migrant workers
- Other

3. What do you see as the purpose of the renewal process?

Probe:

- Understand tax credits provisional until actual income and circumstances are confirmed at renewal

4. What do you think will happen if tax credit renewal forms are returned after the deadline? [if not returned on time claim may be terminated, or payments delayed, and tax credits received since the start of the financial year may need to be re-paid]

Probe:

Any experience of returning tax credit forms late/notifying HMRC late? What were the consequences?

Section F: Further exploration of awareness and experience of tax credits rules and responsibilities

[10 MINUTES]

Some people are unaware of tax credit responsibilities or find them difficult to understand. In this section I am going to present you with some hypothetical examples of people's experiences of tax credits and ask you some questions based on these examples.

Vignette 1

“Jonas had been claiming Working Tax Credit for 18 months when his girlfriend Audra moved in with him. He did not tell HMRC that Audra had moved in. Jonas and Audra had been living together for 6 months when Jonas received his annual declaration form from HMRC. He filled in the form giving details of himself and details for Audra. After receiving this form HMRC contacted him to say that they had been giving him too much tax credits and would have to send in a new claim for himself and Audra. Jonas had received an overpayment that now had to be paid back to HMRC. Jonas was not happy about this as he now had less money to live on than he expected.”

Questions and probes:

Was Jonas right to feel upset?

Why do you think that this kind of situation arises? (Probe, lack of information about what and when to tell HMRC, people don't realise the implications of not telling HMRC about changes, people forget what they need to do after their initial claim, the rules are too complicated)

Do you know anyone who this has happened to? Why did it happen?

Has it happened to you or have you experienced a similar problem? What happened? How was it resolved?

Do you think that it could happen to you? Why/ why not?

Vignette 2

“Marek came to the UK from Poland in February 2007 with his wife and 3 year old child. Soon after his arrival he started a job working in the construction industry and was self-employed. His workmates told him about tax credits and he made a successful claim for Working Tax Credits and Child Tax Credits. Eight months later his contract came to an end and it took him two months to find another job. While he was out of work, he continued to receive tax credits. Marek got a new job and contacted HMRC to notify them of a change in his circumstances. He was told that he had to pay back the Working Tax Credit that he had received during the two months that he was out of work. Marek thought that it was unfair that he had to pay the money back especially as he had a family to support. It was difficult for him to find the extra money, which in the end he borrowed from friends”

Questions and probes:

Why do you think that this kind of situation arises?

Why do you think that this kind of situation arises? (Probe, lack of information about what and when to tell HMRC, people don't realise the implications of not telling HMRC about changes, people forget what they need to do after their initial claim, the rules are too complicated)

Do you know anyone who was over paid tax credit and had to pay it back? Why did it happen?

Has it happened to you or have you experienced a similar problem? What happened? How was it resolved?

What might have prevented this happening?

Section G: Reflective assessment and suggestions for improvement

[10 MINUTES]

1. Looking back on your overall experience of claiming WTC/ CTC was there anything that could have made your experiences better?

Probe:

- Refer to any challenges/problems that they would have talked about previously and ask for views on how they might be addressed)

2. Do you have any further suggestions for improving people's understanding of tax credits?

Probe:

- What do you think should be done to encourage people to report changes of circumstance on time
- What do you think is the best way of increasing awareness of tax credit rules. Probe: word-of-mouth; leaflets; advertising campaigns
- What media do they regularly read/watch/listen to? Would they like to receive messages about tax credits via this media? How effective do you think this approach would be?

OPTIONAL SECTION: If time – cover additional issues

1. Are you currently receiving any other benefits?

Probe as appropriate (on each type of other benefit – **Nb. Likely to be issues of recall, USE TIMELINE TO ASSIST RESPONDENT**):

- Council Tax Credit
- Housing Benefit
- Job Seekers Allowance
- Income support
- Employment Support Allowance
- How long have you been claiming? (**Continue Timeline**)
- How long in the country before claiming? (time lag? Why?)
- How long in work before claiming? (probe on time lag)

How did you find out about the benefits that you are/ were entitled to?

Probe on each benefit in relation to the role of:

- HMRC, e.g. use of website, helpline, enquiry centre, one-to-one advice.

- Jobcentre Plus, e.g. use of website, one-to-one advice.
- Employers, recruitment agencies
- Trade unions
- Television advertisements
- Advice agencies, eg. Citizens Advice, Community Legal Advice Centres
- Word of mouth - family or friends, migrant workers informal networking
- Migrant workers organisations
- Members of the community/ other community based organisations providing advice surgeries
- Why some potential sources of information had a role and not others.
- Format of information – leaflets, internet,/ web pages, advice lines, availability in first language
- Need for interpreting support
- Content, accessibility of information

- **How easy was it to claim these [other] benefits?**

Probe:

- Any problems experienced? E.g. difficulty conveying true nature of issue on which seeking advice
- Any help received? From who? Whether this helped?
- Any difficulties fully understanding the advice given?

[For paired interviews with person helping with claim, check whether helped with any of these claims also]

THANK RESPONDENT FOR PARTICIPATION

RESTATE ANONYMITY/ CONFIDENTIALITY OF THEIR CONTRIBUTION

PROVIDE SHOPPING VOUCHER

Close

Sampling methodology

The migrant workers were selected from two samples of tax credits customers drawn by the HMRC. The first sample, consisting of more than 750 individuals, included only nationals of the four countries of interest who were residents in one of the four selected locations and who started claiming tax credits before the 01.01.2008. The second sample, consisting of 5,119 individuals, included only residents of the four locations but provided information on the countries of origin for only 1,118 cases. This second sample was drawn from individuals who stated claiming tax credits after 01.01.2008. Out of the final 60 interviews, 28 were drawn from the first sample and 32 from the second.

The sample selection involved an opt-out period and a screening process

Opt-out procedure

The opt-out letter was translated in all four languages: Lithuanian, Polish, Portuguese and Slovak. It was sent to the full first sample both in English and in the corresponding first language of the addressee. For the second sample, the opt-out letter was sent to 600 addressees who were randomly selected. Only the English version was sent in this case, since information on the countries of origin was not available for the second sample.

The opt-out period lasted for two weeks. During this period, only 30 potential respondents opted out by e-mail and 25 by telephone (most of them at PSI, and a few at HMRC).

A total of around 50 letters from both the first and the second sample were returned to PSI due to failed delivery.

Screening procedure

Two exclusion criteria were used for migrant workers to be included in the final sample:

- They should have resided in the UK for less than 5 years at the time of the interview,
- They should **not** speak English as their first language.

Descriptive details of the suggested achieved sample characteristics for individual and couple migrant worker interviews (provided by HMRC) are included in tables 1 and 2 below. The tables are for migrant workers claiming tax credits for over a year and under a year, respectively. We aimed to have a balanced sample with regard to the age, the gender, and the income of the respondents.

After excluding those who opted out, the rest of the sample was used in the screening process. This involved telephone interviews carried out at the PSI.

Two questionnaires were used, one for each of the two initial samples. The screening questions first addressed the exclusion criteria (years of residence in the UK and English not first language) and also verified the other relevant characteristics for the sample design (age, gender, number of children, employment status, length of time in receipt of tax credits). After the pilot phase (10 screening interviews for each

country), questions related to income were considered too sensitive and not asked during the rest of the screening.

All the screening was carried out in the first language of the respondents, after establishing the respondents' language preference. This included some discussion of the respondents' English language capabilities. From the second sample, where information on the countries of origin was not available, respondents were initially selected by the bilingual researchers based on their names and the other relevant characteristics (age, gender, presence of children, income band) available in the data.

None of the respondents used English as their first language and nobody was excluded on this condition. Three of the interviewed Slovak couples did not speak Slovak as their first language but Hungarian or Romany. This was however not recognisable during the screening since they spoke very good Slovak.

During the screening and the sample selection, nationality and ethnicity issues appeared frequently for Portuguese and Slovak migrants. Many of the Portuguese migrants originally came from former Portuguese colonies and obtained their nationality by birth but outside Portugal. Some spoke Portuguese with difficulties. If they were not coming to the UK from Portugal they were excluded from the sample. Only one interview was carried out with a second generation migrant born in Portugal and who subsequently moved to the UK.

In the case of Slovakia, many of those interviewed during the screening turned out to be of ethnic minority origin. This meant that they were born in Slovakia but belonged to either the Hungarian or the Roma minority or in some cases to both (Hungarians speaking Roma from the Eastern part of Slovakia). Three Slovak couples belonging to these ethnic minorities were included in the sample (two in Leicester and one in London).

Not all sample quotas suggested by HMRC were achieved for a number of reasons. Across all nationality groups, many were excluded from the sample because they did not fulfil the residency criteria: to have spent less than 5 years residing in the UK at the time of the interview. It was also quite common that addresses and contacts were not up-to-date in the data so that many did not receive the opt-out letter. During the telephone screening, the most frequent issues were no answer or non-active telephone numbers. Almost all individuals from the first sample were called during the screening in trying to achieve the suggested quota.

Achieved sample and descriptive characteristics are presented in Table 3. An equal split according to the age group, income level and locations was achieved for the interviews. The ages of the respondents ranged from 21 years to 59 years, with the average being about 35 years. Across all groups, it was rather difficult to achieve the targeted gender quota. The majority of the men were more reluctant to participate than women. The interviews were distributed in equal numbers across the four locations.

Across all countries, amongst those who did not opt out, answered the phone, and fulfilled the criteria, only around 1/3 refused to participate in the study.

Target sample characteristics

Table 1: Migrant workers claiming tax credits for **under a year**, suggested achieved interviews

		Couple			Individual			Total
		Low income (<10K)	Middle income (10-17K)	Higher income (>17K)	Low income (<10K)	Middle income (10-17K)	Higher income (>17K)	
Country of Origin	Poland (8)	2	1	1	2	1	1	8
	Slovakia (7)	2	1	1	1	1	1	7
	Portugal (8)	2	1	1	2	1	1	8
	Lithuania (7)	2	1	1	1	1	1	7
Gender quota	Across all countries	Split to include around one third women and two-thirds men (split within individuals)						
Age Group quota	Across all countries	Split equally (age of first person listed in the couple)						
Location quota	Across all countries	Split between three locations: London, Leicester and rural (Great Yarmouth/ Norwich)						
With children	Across all countries	Split to include around half with children						

Table 2: Migrant workers claiming tax credits for **over a year**, suggested achieved interviews

		Couple			Individual			Total
		Low income	Middle income	Higher income	Low income	Middle income	Higher income	
		(<10K)	(10-17K)	(>17K)	(<10K)	(10-17K)	(>17K)	
Country of Origin	Poland (8)	2	1	1	2	1	1	8
	Slovakia (7)	2	1	1	1	1	1	7
	Portugal (8)	2	1	1	2	1	1	8
	Lithuania (7)	2	1	1	1	1	1	7
Gender quota	Across all countries	Split to include around one third women and two-thirds men (split within individuals)						
Age Group quota	Across all countries	Split equally (age of first person listed in the couple)						
Location quota	Across all countries	Split between three locations: London, Leicester and rural (Great Yarmouth/ Norwich)						
With children	Across all countries	Split to include around half with children						

Achieved sample characteristics

Table 3: Achieved sample and descriptive characteristics – see comments on previous table

	Couple			Individual			Total
	Low income	Middle income	Higher income	Low income	Middle income	Higher income	
	(<10K)	(10-17K)	(>17K)	(<10K)	(10-17K)	(>17K)	
<i>Poland</i>	3	3	2	3	2	3	16
<i>Slovakia</i>	4	3	1	3	3		14
<i>Portugal</i>	4	3	2	3	2	1	16
<i>Lithuania</i>	1	3	2	4	3	1	14
<i>Average age: 35 years 50 per cent below 30 years old</i>				<i>With children: 37</i>			
<i>Average time in UK ~ 1year 6 months,</i>				<i>27 arrived no earlier than 1 year ago in UK</i>			
<i>Paired interviews: 24</i>				<i>Gender of main participant: 27 men, 33 women</i>			

Topic guide content

The content of the migrant worker topic guide was shaped by the core research questions and developed in consultation with the HMRC. The main areas of exploration were:

- Background – individual, household, migration history
- Employment history
- Experiences of claiming tax credits
- Change of circumstances
- Renewals process
- Suggestions for improvements

A semi-structured topic guide was used to facilitate probing around a range of topics and themes linked to these main areas of exploration. As migrant worker circumstances and tax credit journeys would vary, the topic guide was designed to be used flexibly with reliance on the exercise of interviewer discretion in probing respondents.

The migrant worker interviews explored experiences over time and it was anticipated that there would be issues of recall. To help respondents remember their tax credit journeys, the interviewers used time lines, building up a visual representation of key events in tax credit journeys. Despite the use of a timeline some participants were clearly confused about the timing of events in their tax credit experience. Where there was lack of clarity in the detail of respondent experiences this often reflected poor understanding of the tax credit system intermixed with issues of recall. Nevertheless, use of the timeline often helped to clarify the interplay of events.

Vignettes were developed to help the interviewers explore respondents' awareness and experience of tax credits. Vignettes are designed to contextualise information and enable individuals to reach an informed view on issues of which they may not have previously been aware or have had an opinion. They can also help draw out the ways in which a range of motivations and attitudes may affect a particular decision. The research participants were presented with simple hypothetical examples of circumstances that gave rise to overpayments which aided the exploration of claimants' attitudes towards tax credit rules and responsibilities.

Working with bilingual interviewers

It was anticipated that migrant workers would have ESOL needs and, as noted above, language needs were part of the sampling criteria. While it had been envisaged that those respondents more proficient in English would be interviewed in English, it soon became apparent that the vast majority of respondents preferred to be interviewed in their first language irrespective of their English language capabilities. Respondents felt better able to express themselves in their first language and as they were often being interviewed by bilingual researchers from their country of origin it would have felt strange to not speak with them in their shared mother tongue.

Bilingual researchers interviewed the Lithuanian, Polish and Slovakian respondents. An interpreter supported the interviews with Portuguese respondents. Briefing meetings were held to help assure quality on several levels:

- That all those involved in the interviewing process understood the research aims and purpose of the questions being explored in the topic guide. While it was important that topic guides were used flexibly, these meetings helped to ensure consistency of probing.
- That all researchers understood key features of the tax credit system, awareness of which was needed to ensure effectiveness of probing during the interviews.
- That all researchers understood the process of attaining informed consent for migrant workers' participation in the interviews.

A separate briefing meeting was held for the interviewer for the Portuguese respondents and the interpreter working with her, reviewing the topic guide and agreeing rules for interpreting practice during the interviews.

All first interviews were treated as pilot interviews and followed by a debriefing meeting to ensure that the questions worked effectively. Having interviewers from most of the countries of origin not only met language needs, but also provided the scope for interviewers' cultural understanding to inform their probing of respondents.

Translation and transcription

All interviews were digitally recorded and transcribed. The Lithuanian, Polish and Slovakian interviews were and translated and transcribed. As an interpreter was used for the Portuguese interviews, translation was unnecessary.

Data analysis

The interview transcripts were analysed with the assistance of Nvivo8 qualitative data analysis software. NVivo operates two simultaneous forms of coding – ‘trees’ and ‘free nodes’. ‘Tree’ nodes reflect inter-related information and draw upon the structure of topic guides, while ‘free’ nodes’ reflect more conceptual or exploratory categories which arise during the course of analysis. A coding framework was developed with nodes representing different areas of exploration in the interviews and themes in the data. This made it possible to take a manageable thematic approach to detect patterns and sub-topics of importance.

The data was reviewed, comparing and contrasting perceptions, accounts or experiences and searching for patterns or connections within the data. Node summary analysis helped to identify emerging themes, data searches and supplementary charting of the data, outside of the software, further facilitated comparison of the responses of similar and different categories of respondent. The following attributes helped shape categories for comparison:

- Gender
- Country of origin
- Length of time in the UK
- Age
- Language needs
- Household location
- Family and number of children
- Single or couple
- Employment status
- Income
- Type of tax credit claimed
- Length of time claiming tax credits
