



HM REVENUE AND CUSTOMS
KAI Benefits & Credits

Child and Working Tax Credits
Statistics

Finalised Annual Awards
Supplement on Payments in
2015-16



A National Statistics Publication
© Crown Copyright 2017

PRINTING AN EXCEL VERSION:

If you have downloaded this publication from our website in Excel format and enabled the macros you can print the whole document by pressing CTRL and Q together.

Contact point for enquiries:-

Nazneen Chowdhury

Child and Working Tax Credits Statistics
HM Revenue & Customs, Room 2/63, 100 Parliament Street
London, SW1A 2BQ
03000 564287
E-mail : benefitsandcredits.analysis@hmrc.gsi.gov.uk

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

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

The next issue, for 2016-17, will be published on May \ June 2018

A NATIONAL STATISTICS PUBLICATION

National Statistics are produced to high professional standards set out in the Code of Practice for Official Statistics. They undergo regular quality assurance reviews to ensure that they meet customer needs. They are produced free from any political interference.

The United Kingdom Statistics Authority has designated these statistics as National Statistics, in accordance with the Statistics and Registration Service Act 2007 and signifying compliance with the Code of Practice for Official Statistics.

Designation can be broadly interpreted to mean that the statistics:

- meet identified user needs;
- are well explained and readily accessible;
- are produced according to sound methods, and
- are managed impartially and objectively in the public interest.

Once statistics have been designated as National Statistics it is a statutory requirement that the Code of Practice shall continue to be observed.

For general enquiries about National Statistics, contact the National Statistics Public Enquiry Service on

(0845 601 3034

overseas : +44 (1633) 653 599

minicom : 01633 812399

E-mail : info@statistics.gov.uk

Fax : 01633 652747

Letters : Customer Contact Centre, Room 1.015, Cardiff Road, Newport, NP10 8XG

You can also find National Statistics on the internet - go to

<http://www.statistics.gov.uk>

Child and Working Tax Credits Statistics
Finalised annual awards 2015-16
Supplement on payments in 2015-16

Contents	Page
Introduction	1
- What are Tax Credits?	1
- What does this publication tell me?	4
- Who might be interested?	4
- Which publication should I use?	4
- What information do the tables contain?	6
- User Engagement	7
- National Statistics Review	7
- Policy changes which came into effect on 6th April 2012	7
Summary of Main aggregates	8
Table 1: Finalised 2015-16 awards; aggregate entitlement, payments and whether underpaid or overpaid at 5 April 2016	9
Table 2: Families with finalised 2015-16 awards underpaid or overpaid at 5 April 2016	9
Table 3: Finalised 2015-16 awards underpaid or overpaid at 5 April 2016, by size of under or overpayment	10
Table 4: Finalised 2015-16 awards underpaid or overpaid at 5 April 2016, by position on profile at that date (and as assessed at that date)	11
Table 5: Finalised 2015-16 awards underpaid or overpaid at 5 April 2016, by band of family income	12
Table 6: Finalised 2015-16 awards underpaid or overpaid at 5 April 2016, by combination of bands of family income in 2014-15 and 2015-16	13
Appendix A: Technical Note	14
Appendix B: CTC and WTC elements and thresholds	16

Introduction

What are tax credits?

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

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

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

For further information about who can claim please refer to the HMRC website:

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

Tax Credits are made up of:

Child Tax Credit (CTC)

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

Working Tax Credit (WTC)

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

- are aged at least 16 and are responsible for a child or young person,
- are aged at least 16 and are receiving or have recently received a qualifying sickness or disability related benefit and have a disability that puts them at a disadvantage of getting a job.

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

CTC is made up of the following elements:

- **Family element:** which is the basic element for families responsible for one or more children or qualifying young people.
- **Child element:** which is paid for each child or qualifying young person the claimant is responsible for
- **Disability element:** for each child or qualifying young person the claimant is responsible for if they get Disability Living Allowance for the child
- **Severe disability element:** for each child or qualifying young person the claimant is responsible for if they get Disability Living Allowance (Highest Care Component) for the child

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

WTC is made up of the following elements,

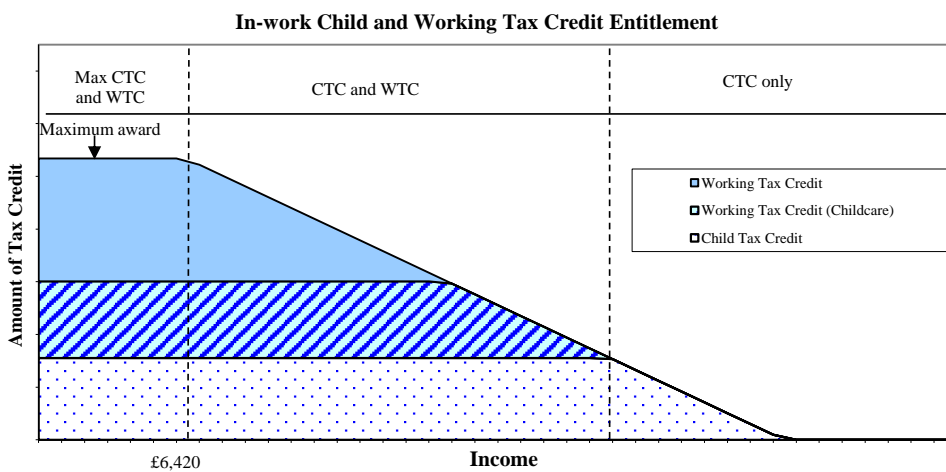
- **Basic element:** which is paid to any working person who meets the basic eligibility conditions
- **Lone Parent element:** for lone parents
- **Second adult element:** for couples
- **30 hour element:** for individuals who work at least 30 hours a week, couples where one person works at least 30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

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

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

A household's actual entitlement is then determined by tapering this maximum amount according to different thresholds. As demonstrated within the diagram below, families eligible for the WTC receive the full entitlement until their annual household income reaches £6,420, after which the amount of tax credits they receive is reduced by 41 pence for each additional £1 they earn beyond this threshold.

If a household is out-of-work and therefore eligible for the CTC only, they will receive the full entitlement until their annual household income reaches £15,860 (2012-13). After this point, the amount of tax credits they receive is again reduced by 41 pence for each additional £1 of income beyond this threshold (note that this is not shown on the diagram below).



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

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

What does this publication tell me?

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

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

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

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

Small Area Statistics

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

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

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

Who might be interested?

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

Which publication should I use?

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

Provisional awards vs. finalised awards

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

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

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



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

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

What information do the tables contain?

These tables show the number of 2015-16 awards, analysed by whether payments etc¹ for 2015-16 and issued in 2015-16 were lower or higher than the finalised entitlement. Such awards are described as underpaid or overpaid at 5 April 2016, respectively. Note that this is known only after awards are finalised.

Tables 1 and 2 show the high level number of awards and amount over and underpaid by type of award for 2015-16. Table 3 provides a breakdown by level of over and underpayment by type of award.

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

The last two tables, Tables 5 and 6, go into further detail about the levels of income reported for 2015-16 and in Table 5 the number and amount of over and underpayments is provided broken down by the 2015-16 income band. Table 6 provides a comparison between the reported incomes in 2014-15 and 2015-16 for the entire tax credits population in 2015-16.

¹ Payments are scored after adding back reductions made to recover earlier overpayments. Other transactions include the in-year direct recovery and remission of 2014-15 overpayments.

User Engagement

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

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

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

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

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

National Statistics Review

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

A report summarising the responses received has been published.

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

Policy changes which came into effect on 6th April 2012

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

- The first taper rate is increased by 2 percentage points to 41% while the second taper rate has been abolished.
- The support provided through the childcare element of WTC is reduced to its 2005-06 level, supporting 70% of eligible childcare costs.
- The 50+ return to work payment has been abolished.
- Income increase disregard has been reduced from £25,000 to £10,000.
- A new Income fall disregard of £2,500 has been introduced.
- The first income threshold for those entitled to CTC only has been reduced from £16,190 to £15,860.
- The second threshold has been abolished.
- The baby element of CTC has been abolished.

The removal of the second income threshold means that most families that used to receive the Family Element or less are no longer entitled to receive anything. As a result some categories in this publication have been changed. The previous distinction between In-work families receiving 'More than the Family Element' 'the Family element' and 'Less than the Family Element' has been removed, and will now be referred to as 'CTC Only'.

Main aggregates

The figures in the top section of the following table relate to underpayments and overpayments in finalised 2015-16 awards at 5 April 2016 as recorded on the tax credits computer system, and the equivalent figures for 2003-04 to 2014-15. More details are shown in the later tables. The figures of overpayments in the bottom section also take account of certain other transactions. They are approximate, and therefore heavily rounded. No further analysis of these figures appears in the later tables.

	2003-04 awards	2004-05 awards	2005-06 awards	2006-07 awards	2007-08 awards	2008-09 awards	2009-10 awards	2010-11 awards	2011-12 awards	2012-13 awards	2013-14 awards	2014-15 awards	2015-16 awards
Underpaid awards¹													
Total number ('000)	713	906	886	838	1,292	1,489	1,601	1,505	1,560	960	860	922	832
Aggregate amount underpaid (£ million)	464	556	549	525	798	992	1,024	960	1,007	561	494	538	544
Overpaid awards¹													
Terminated awards ² ('000)	30	228	254	208	229	209	185	202	201	195	159	136	159
Aggregate amount overpaid (£ million)	8	395	378	307	306	279	261	369	451	355	221	203	229
Other awards ('000)	1,849	1,730	1,648	1,083	1,105	1,097	1,267	1,263	1,419	1,350	1,527	1,399	1,237
Aggregate amount overpaid (£ million)	1,923	1,300	1,195	646	635	638	969	1,062	1,186	1,164	1,632	1,484	1,342
Total number of overpaid awards ('000)	1,879	1,958	1,902	1,291	1,334	1,306	1,453	1,465	1,620	1,545	1,685	1,535	1,396
Total aggregate amount overpaid (£ million)	1,931	1,695	1,573	953	941	917	1,230	1,431	1,638	1,519	1,853	1,687	1,572
<i>Transactions excluded from the detailed tables³</i>													
<i>Off-system and late payments increasing overpayments</i>	£0.3bn	£0.1bn	£0.1bn	£0.05bn	£0.1bn	£0.05bn	£0.1bn	£0.05bn	£0.05bn	£neg bn	£neg bn	£0.01 bn	£0.01 bn
<i>Total overpayments including these transactions³</i>													
<i>Terminated awards²</i>	-	£0.4bn	£0.4bn	£0.3bn	£0.3bn	£0.3bn	£0.3bn	£0.4bn	£0.5bn	£0.4bn	£0.2bn	£0.2bn	£0.2bn
<i>Other awards</i>	£2.2bn	£1.4bn	£1.2bn	£0.6bn	£0.7bn	£0.7bn	£1bn	£1.1bn	£1.2bn	£1.2bn	£1.6bn	£1.5bn	£1.3bn
Total overpayments	£2.2bn	£1.8bn	£1.7bn	£1.0bn	£1.0bn	£1.0bn	£1.3bn	£1.5bn	£1.7bn	£1.6bn	£1.9bn	£1.7bn	£1.6bn

¹ Excluding awards underpaid or overpaid by less than £10

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

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

Table 1 Finalised 2015-16 awards; aggregate entitlement, payments and whether underpaid or overpaid at 5 April 2016

	No. of Awards (thousands)	Entitlement ⁴ for 2015-16 (£ million)	Net paid ¹ in 2015-16 (£ million)	Net overpayment at 5 April 2016 (£ million)
Awards underpaid²				
Made after 5 April 2016 and backdated	6	4	-	-4
Other	826	4,790	4,250	-540
Total awards underpaid²	832	4,793	4,250	-544
Awards neither underpaid nor overpaid	3,042	19,232	19,232	-
Awards overpaid²				
Terminated ³	159	-	229	229
Other	1,237	4,262	5,604	1,342
Total awards overpaid³	1,396	4,262	5,834	1,572
Total 2015-16 awards made³	5,271	28,288	29,316	1,028

¹ After adding back reductions to recover 2003-04 to 2015-16 overpayments. Net of repayments and remissions.

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

³ Excluding terminated awards with no overpayment at 5 April 2016. See Appendix A.

⁴ Different total 2015-16 entitlement figure to table 1.2 of 'Child and Working Tax Credits Finalised annual awards'. This is because this publication excludes out-of-work families receiving child support through DWP benefits, plus negligible timing differences in the running of each system scan.

Table 2 Families with finalised 2015-16 awards underpaid or overpaid at 5 April 2016

	Awards (thousands)	Net overpayment (£ million)
Awards underpaid¹		
Families with awards at 5 April 2016	776	-511
Awards made after 5 April 2016 and backdated	6	-4
Awards ceased during 2015-16	50	-29
Total awards underpaid¹	832	-544
Awards overpaid¹		
Terminated awards	159	229
Families with awards at 5 April 2016	883	1,040
Awards ceased during 2015-16	355	303
Total awards overpaid¹	1,396	1,572

¹ See footnote 2 to Table 1

Note. The level of under or overpayment at 5 April 2016 for each award is based on the 2015-16 entitlement calculated from the family's circumstances and income in 2015-16 reported by April 2016.

Table 3 Finalised 2015-16 awards underpaid or overpaid at 5 April 2016, by size of under or overpayment

Band of underpayment or overpayment	Underpaid awards ¹ (thousands)	Underpayment at 5 April 2016 (£ million)	Overpaid awards ¹ (thousands)	Overpayment at 5 April 2016 (£ million)
Terminated awards				
Up to £50	-	-	2	0
£50 to £100	-	-	5	0
£100 to £200	-	-	9	1
£200 to £500	-	-	29	10
£500 to £1,000	-	-	34	25
£1,000 to £2,000	-	-	42	57
£2,000 to £5,000	-	-	33	97
Over £5,000	-	-	5	39
Total terminated awards	-	-	159	229
Families with awards at 5 April 2016				
Up to £50	113	3	62	2
£50 to £100	84	6	72	5
£100 to £200	110	16	94	14
£200 to £500	179	59	181	60
£500 to £1,000	132	95	162	117
£1,000 to £2,000	101	143	154	221
£2,000 to £5,000	51	150	126	387
Over £5,000	6	39	32	233
Total families with awards at 5 April 2016	776	511	883	1,040
Other awards²				
Up to £50	7	0	26	1
£50 to £100	6	0	38	3
£100 to £200	9	1	62	9
£200 to £500	14	5	98	32
£500 to £1,000	10	7	57	40
£1,000 to £2,000	6	9	39	54
£2,000 to £5,000	3	8	25	77
Over £5,000	0	2	11	87
Total other awards²	56	33	355	303
All awards				
Up to £50	120	3	89	3
£50 to £100	90	7	115	9
£100 to £200	119	17	165	24
£200 to £500	193	64	307	102
£500 to £1,000	143	102	252	182
£1,000 to £2,000	108	152	235	333
£2,000 to £5,000	54	158	184	560
Over £5,000	6	41	49	359
Total all awards	832	544	1,396	1,572

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

² Awards not made, or ceased, by 5 April 2016.

Note. The level of under or overpayment at 5 April 2016 for each award is based on the 2015-16 entitlement calculated from the family's circumstances and income in 2015-16 reported by April 2016.

Table 4 Finalised 2015-16 awards underpaid or overpaid at 5 April 2016, by position on profile at that date (and as assessed at that date)

	Underpaid awards ¹ (thousands)	Underpayment at 5 April 2015 (£ million)	Overpaid awards ¹ (thousands)	Overpayment at 5 April 2015 (£ million)
Singles				
Terminated awards ²	-	-	100	153
Positive entitlement at 5/4/16				
Not in work with children	44	27	47	92
In work with children				
<i>WTC and CTC</i>	150	79	159	254
<i>CTC only</i>	31	24	26	28
In work, no children (WTC only)	61	19	55	43
Entitlement at 5/4/16 but tapered to zero	12	8	55	20
Award ceased during 2015-16	30	16	237	215
Awards made after 5/4/16 and backdated	4	2	-	-
Total singles	332	175	678	804
Couples				
Terminated awards ²	-	-	59	77
Positive entitlement at 5/4/16				
Not in work with children	43	34	28	38
In work with children				
<i>WTC and CTC</i>	183	124	176	257
<i>CTC only</i>	189	150	183	203
In work, no children (WTC only)	38	20	31	34
Entitlement at 5/4/16 but tapered to zero	25	25	123	70
Award ceased during 2015-16	20	13	118	88
Awards made after 5/4/16 and backdated	2	2	-	-
Total couples	501	369	718	768
All families				
Terminated awards ²	-	-	159	229
Positive entitlement at 5/4/16				
Not in work with children	87	61	75	131
In work with children				
<i>WTC and CTC</i>	333	203	335	511
<i>CTC only</i>	220	173	209	231
In work, no children (WTC only)	99	39	86	77
Entitlement at 5/4/16 but tapered to zero	37	34	178	90
Award ceased during 2015-16	50	29	355	303
Awards made after 5/4/16 and backdated	6	4	-	-
Total all families	832	544	1,396	1,572

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

² Includes awards terminated after 5 April 2016

Note. The level of under or overpayment at 5 April 2016 for each award is based on the 2015-16 entitlement calculated from the family's circumstances and income in 2015-16 reported by April 2016.

Table 5 Finalised 2015-16 awards underpaid or overpaid at 5 April 2016, by band of family income

2015-16 income band²	Underpaid awards¹ (thousands)	Underpayment at 5 April 2016 (£ million)	Overpaid awards¹ (thousands)	Overpayment at 5 April 2016 (£ million)
Families with awards at 5 April 2016				
Up to £5,000	81	63	76	134
£5,000 to £10,000	181	122	108	141
£10,000 to £15,000	173	119	149	118
£15,000 to £20,000	125	89	149	141
£20,000 to £30,000	154	90	227	255
£30,000 to £40,000	47	21	116	155
£40,000 to £50,000	6	3	26	42
Over £50,000	-1	-2	4	8
Not known ³	10	6	28	46
Total families with awards at 5 April 2016	776	511	883	1,040
Other awards⁴				
Up to £5,000	11	7	75	67
£5,000 to £10,000	17	10	84	74
£10,000 to £15,000	11	6	61	48
£15,000 to £20,000	7	3	36	30
£20,000 to £30,000	6	2	37	29
£30,000 to £40,000	1	0	10	9
£40,000 to £50,000	0	0	2	2
Over £50,000	2	3	1	1
Not known ³	2	2	50	43
Total other awards⁴	56	33	355	303
All awards				
Up to £5,000	92	69	151	201
£5,000 to £10,000	198	132	192	216
£10,000 to £15,000	184	125	210	166
£15,000 to £20,000	131	93	185	170
£20,000 to £30,000	160	92	264	284
£30,000 to £40,000	48	21	126	164
£40,000 to £50,000	6	3	28	44
Over £50,000	1	1	4	9
Not known ³	12	8	78	89
Total all awards	832	544	1,237	1,342

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

² For families not reporting 2015-16 incomes they are assumed to fall into the same bands as in 2014-15 for this table. These include "auto-renewal" families with awards at the family element of CTC, or tapered to zero, and who had to report 2015-16 incomes only if it would affect the entitlement.

³ Comprises families receiving out of work benefits not required to report incomes; and others, apart from "auto-renewal" cases, not reporting their 2015-16 incomes by April 2016, so their 2015-16 entitlement was still calculated using 2014-15 incomes.

⁴ Awards not made, or ceased, by 5 April 2016. Based on information reported by 5 April 2016.

Note. The level of under or overpayment at 5 April 2016 for each award is based on the 2015-16 entitlement calculated from the family's circumstances and income in 2015-16 reported by April 2016.

Table 6 Finalised 2015-16 awards underpaid or overpaid at 5 April 2016, by combination of bands of family income in 2014-15 and 2015-16

Thousands

2015-16 income band ¹	2014-15 income band								Total
	Under £5,000	£5,000 to £10,000	£10,000 to £15,000	£15,000 to £20,000	£20,000 to £30,000	£30,000 to £40,000	£40,000 to £50,000	Over £50,000	
Awards underpaid at 5 April 2016³									
Under £5,000	28	36	17	6	3	1	0	0	92
£5,000 to £10,000	21	94	54	18	9	1	0	0	198
£10,000 to £15,000	11	40	73	37	20	3	1	0	184
£15,000 to £20,000	3	6	27	51	38	5	1	0	131
£20,000 to £30,000	1	2	6	26	101	22	2	1	160
£30,000 to £40,000	0	0	0	1	15	28	3	0	48
£40,000 to £50,000	0	0	0	0	0	3	3	0	6
Over £50,000	0	0	0	0	0	0	0	0	1
Not known	12	0	0	0	0	0	0	0	12
Total awards underpaid at 5 April 2016³	76	179	177	138	186	63	11	3	832
Neither underpaid nor overpaid									
Under £5,000	588	55	6	1	1	0	0	0	652
£5,000 to £10,000	176	577	29	1	0	0	0	0	784
£10,000 to £15,000	21	111	330	15	1	0	0	0	476
£15,000 to £20,000	2	2	69	187	9	0	0	0	269
£20,000 to £30,000	1	1	1	50	244	4	0	0	300
£30,000 to £40,000	0	0	0	0	25	67	1	0	93
£40,000 to £50,000	0	0	0	0	0	5	7	0	12
Over £50,000	0	0	0	0	0	0	0	1	2
Not known ²	454	0	0	0	0	0	0	0	454
Total neither underpaid nor overpaid	1,242	746	435	255	279	76	8	2	3,042
Awards overpaid at 5 April 2016³									
Under £5,000	123	23	4	1	0	0	0	0	151
£5,000 to £10,000	40	119	26	5	2	0	0	0	192
£10,000 to £15,000	38	62	84	20	6	1	0	0	210
£15,000 to £20,000	19	41	51	51	20	2	0	0	185
£20,000 to £30,000	8	16	44	68	112	14	1	1	264
£30,000 to £40,000	1	2	5	11	62	42	3	1	126
£40,000 to £50,000	0	0	0	1	4	15	6	0	28
Over £50,000	0	0	0	0	0	1	2	1	4
Not known ²	78	0	0	0	0	0	0	0	78
Total awards overpaid at 5 April 2016³	306	263	214	156	206	75	13	3	1,237
All awards									
Under £5,000	739	115	28	8	4	1	0	0	895
£5,000 to £10,000	237	790	108	25	11	2	0	0	1,174
£10,000 to £15,000	70	213	487	71	26	4	1	1	871
£15,000 to £20,000	23	50	147	289	67	7	1	1	585
£20,000 to £30,000	9	18	51	143	457	40	4	2	723
£30,000 to £40,000	1	2	5	12	103	137	6	1	267
£40,000 to £50,000	0	0	0	1	5	23	16	1	46
Over £50,000	0	0	0	0	0	1	2	3	7
Not known ²	544	0	0	0	0	0	0	0	544
Total all awards	1,624	1,188	826	549	672	214	32	8	5,112

¹ For some families not reporting 2015-16 incomes they are assumed to fall into the same bands as in 2014-15. These include families with awards at the family element of Child Tax Credit, or tapered to zero, and who had to report 2015-16 incomes only if the change in income was sufficient to affect the size of the award.

² Comprises certain families receiving out of work benefits not required to report incomes, and those not reporting their 2015-16 incomes by April 2016, so their 2015-16 entitlement was still calculated using 2014-15 incomes.

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

Note. The level of under or overpayment at 5 April 2016 for each award is based on the 2015-16 entitlement calculated from the family's circumstances and income in 2015-16 reported by April 2016.

Appendix A: Technical Note

Data source, definition and quality

The figures in the table are derived from a scan of the tax credits computer system, taken in early April 2016. For each 2015-16 award, the scan contained the aggregate of each of (a) 2015-16 entitlement postings up to 5 April 2016, and (b) payments and other transactions for 2015-16 posted up to 5 April 2016 (but including, exceptionally, manual payments for 2015-16 issued in 2015-16 and posted during 2015-16). The sums of the posting amounts taken over all awards were consistent with separate aggregates derived from other scans of the system.

Payments received direct from claimants to settle 2015-16 overpayments identified in-year are included at (b) above if they were posted to accounts by 5 April 2016.

These data in the scan were generally those used to issue payments and award notices to tax credits claimants, and to recover overpayments. A small number of awards were handled clerically, and the computer system may have out of date or incorrect data. Some payments made in 2015-16 were not recorded on the computer system, such as manual payments issued in 2015-16 but not posted to accounts by April 2016. However, the numbers and amounts involved are

By definition, the data exclude payments made after 5 April 2016, even if these were the sole cause of, or increased, 2015-16 overpayments as measured at a later date.

Families and awards

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

The main publication shows the average number of benefiting families in 2015-16, which is the same as the number of awards with positive entitlement averaged over the year. These tables cover all 2015-16 awards, so individuals can be represented more than once.

To give some information on families, however, several tables distinguish between (a) families with awards current at 5 April 2016 and (b) other awards. The latter comprises awards terminated, ceased by 5 April 2016, or made only in 2015-16 and backdated.

The coverage of out-of-work families with children

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

Comparison to main finalised awards publication

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

How overpayments and underpayments arise

During 2015-16, payments were based on the latest information reported on the family's circumstances (hours worked, number of children, disabilities, childcare costs) and income. Families were encouraged to report any changes when they occurred, and in-year estimates of 2015-16 incomes. Payments were then adjusted so that, as far as possible, the new calculated annual entitlement was paid over by 5 April 2016.

Most underpayments and overpayments arose through no 2015-16 incomes being reported until finalisation in 2015-16. They also arose when claimants failed to report changes of circumstances until after the year end; or when changes (or estimated 2015-16 incomes) reducing entitlement were reported in-year but there was insufficient time to reduce payments in the rest of the year to prevent an overpayment. They could also arise through official error.

Terminated awards

2015-16 awards are described as "Terminated" if the families (a) failed to report by the specified date their actual 2015-16 incomes or other details, (b) according to the latest information, ceased to meet the qualifying conditions for tax credits² before the start of 2015-16, or (c) failed to return a signed 2015-16 award notice.

The entitlements of such awards are set to zero. The awards are included in the tables if payments for 2015-16 were made during 2015-16, and not fully recovered (and not remitted) in 2015-16; they are by definition overpaid at 5 April 2016.

Repayments of underpayments, and overpayment recovery

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

Disputed overpayments, remissions and recovery suspension

Overpayments remitted due to official error are included in the tables unless remitted by 5 April 2016. The recovery of overpayments can also be suspended pending investigations or decisions; these overpayments are included in the tables even if the suspension was active at 5 April 2016.

Overpayments arising after the year end, and from unposted payments

The data used to compile the main tables exclude (a) manual payments issued in 2015-16 but not posted to customer accounts by 5 April 2016 and (b) payments and other transactions for 2015-16 made after that date.

Aggregates including these transactions, and the equivalent figures for 2003-04 to 2011-12, are shown in the Main Aggregates page of this publication. They are not measures of overpayments at 5 April at the end of each year. Rather, they approximate the sum of the maximum amounts for each award on or after that date. The figures are heavily rounded, reflecting the fact that they are approximate. They fall outside National Statistics.

Small underpayments and overpayments

44 thousand awards were underpaid, and 17 thousand overpaid, by less than £10 (excluding amounts under £1). Many of these amounts arose from rounding within the award calculation and payment. We have judged that users would prefer the figures of underpaid and overpaid awards to exclude these cases.

¹ Initial awards were based on 2011-12 incomes. The first £10,000 of any increase in income between then and 2012-13 was however disregarded.

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

Appendix B: CTC and WTC elements and thresholds

	Annual rate (£), except where specified												
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Child Tax Credit													
Family element	545	545	545	545	545	545	545	545	545	545	545	545	545
Family element, baby addition ¹	545	545	545	545	545	545	545	545	-	-	-	-	-
Child element ²	1,445	1,625	1,690	1,765	1,845	2,085	2,235	2,300	2,555	2,690	2,720	2,750	2,780
Disabled child additional element ³	2,155	2,215	2,285	2,350	2,440	2,540	2,670	2,715	2,800	2,950	3,015	3,100	3,140
Severely disabled child additional element ⁴	865	890	920	945	980	1,020	1,075	1,095	1,130	1,190	1,220	1,220	1,275
Working Tax Credit													
Basic element	1,525	1,570	1,620	1,665	1,730	1,800	1,890	1,920	1,920	1,920	1,920	1,940	1,960
Couples and lone parent element	1,500	1,545	1,595	1,640	1,700	1,770	1,860	1,890	1,950	1,950	1,970	1,990	2,010
30 hour element ⁵	620	640	660	680	705	735	775	790	790	790	790	800	810
Disabled worker element	2,040	2,100	2,165	2,225	2,310	2,405	2,530	2,570	2,650	2,790	2,855	2,935	2,970
Severely disabled adult element	865	890	920	945	980	1,020	1,075	1,095	1,130	1,190	1,220	1,255	1,275
50+ return to work payment ⁶													
16 but less than 30 hours per week	1,045	1,075	1,110	1,140	1,185	1,235	1,300	1,320	1,365	-	-	-	-
at least 30 hours per week	1,565	1,610	1,660	1,705	1,770	1,840	1,935	1,965	2,030	-	-	-	-
Childcare element													
Maximum eligible costs allowed (£ per week)													
Eligible costs incurred for 1 child	135	135	175	175	175	175	175	175	175	175	175	175	175
Eligible costs incurred for 2+ children	200	200	300	300	300	300	300	300	300	300	300	300	300
Percentage of eligible costs covered	70%	70%	70%	80%	80%	80%	80%	80%	70%	70%	70%	70%	70%
Common features													
First income threshold ⁷	5,060	5,060	5,220	5,220	5,220	6,420	6,420	6,420	6,420	6,420	6,420	6,420	6,420
First withdrawal rate	37%	37%	37%	37%	37%	39%	39%	39%	41%	41%	41%	41%	41%
Second income threshold ⁸	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	40,000	-	-	-	-
Second withdrawal rate	1 in 15	1 in 15	1 in 15	1 in 15	1 in 15	1 in 15	1 in 15	1 in 15	41%	-	-	-	-
First income threshold for those entitled to Child Tax Credit only ⁹	13,230	13,480	13,910	14,155	14,495	15,575	16,040	16,190	15,860	15,860	15,910	16,010	16,105
Income increase disregard	2,500	2,500	2,500	25,000	25,000	25,000	25,000	25,000	10,000	10,000	5,000	5,000	5,000
Income fall disregard ¹⁰										2,500	2,500	2,500	2,500
Minimum award payable	26	26	26	26	26	26	26	26	26	26	26	26	26

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

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

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

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

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

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

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

⁸ For those entitled to the Child Tax Credit, the award is reduced only down to the family element, plus the baby addition where relevant, less the excess of income over the second threshold multiplied by the second withdrawal rate. Abolished 6 April 2012.

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

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