



# **HM REVENUE AND CUSTOMS**

## **KAI Benefits & Credits**

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### **Child and Working Tax Credits**

### **Statistics**

**Finalised annual awards in**

**2013-14**

**United Kingdom**

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

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

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# Child and Working Tax Credits Statistics

## Finalised annual awards

2013-14

<b>Contents</b>	<b>PAGE</b>
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 change since April 2013	7
Summary of Main aggregates	8
List of tables	9
List of figures	10
Section 1: Time series	11
Section 2: Summary tables	15
Section 3: Detailed figures	20
Appendix A: Technical Note	25
Appendix B: CTC and WTC elements and thresholds	27
Appendix C: Revisions	28

## 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; and,
- 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)*

It 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)*

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

- a single person who is responsible for a child or young person and works at least 16 hours a week;
- a couple who are responsible for a child or young person, and who jointly work 24 hours or more per week (NB. one adult must be working at least 16 hours);
- a person who is receiving or has recently received a qualifying sickness or disability related benefit and has a disability that puts them at a disadvantage of getting a job, and who works at least 16 hours per week; or,
- a person is aged 60 or over and works at least 16 hours per week.

If none of the above apply, then a person will still be eligible for WTC if they are aged 25 and over and work 30 hours or more a week.

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

- **Family element** which is the basic element for families responsible for one or more children or qualifying young people;
- **Child element** which is paid for each child or qualifying young person the claimant is responsible for;
- **Disability element** for each child or qualifying young person the claimant is responsible for, if they get Disability Living Allowance for the child; and,
- **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 and 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; and,
- **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.

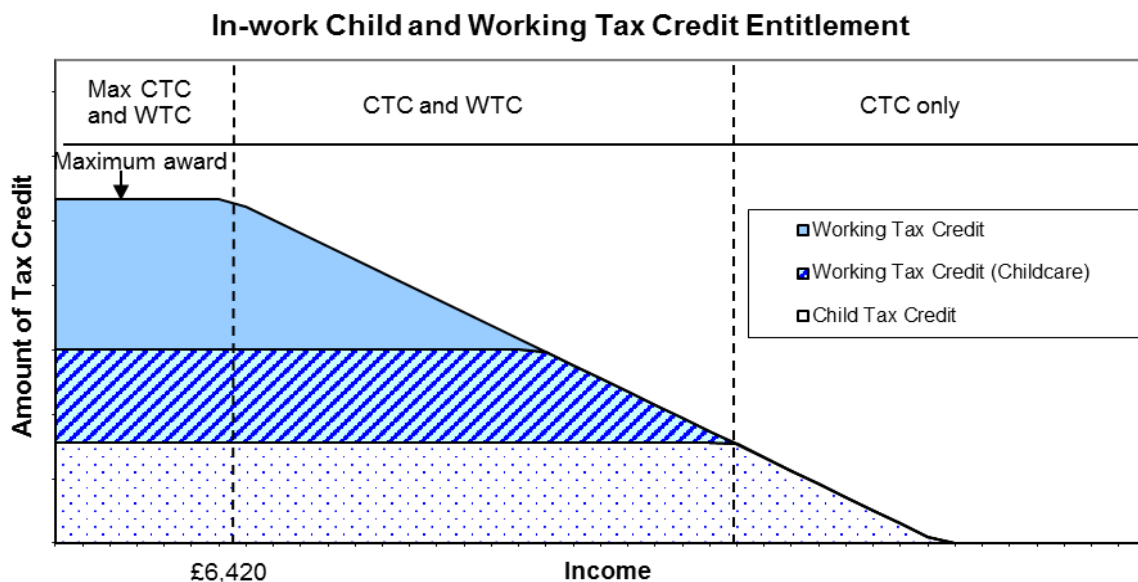
**Tapering** is the amount of the award that will be reduced when the household income exceeds a given threshold. Tapering reduces WTC first and then CTC.

## Child and Working Tax Credit Entitlement

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

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

If a household is out-of-work and therefore eligible for the CTC only, they will receive the full entitlement until their annual household income reaches £15,910 (2013-14). 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 31st July 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 31st January 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

### **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?**

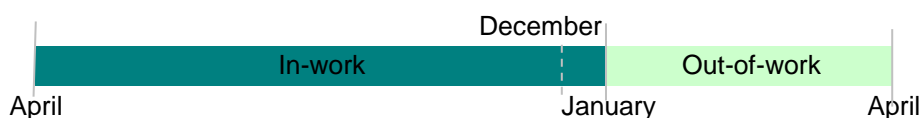
Generally, if you are content with less timely statistics, use the finalised awards data publication. If you are more concerned with getting the latest up-to-date information that may not align exactly with finalised data further down the line, use the provisional awards data. Sticking to the finalised 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 6th April (the start of the tax year). Over the course of the year, a family's circumstances may or may not change. As and when a family's circumstances change, the provisional award is updated each time with the latest set of circumstances and a new provisional award re-calculated. It is only at finalisation (usually four to nine months after the end of the tax year) that the family's circumstances for the whole year are known and a finalised award can be calculated. As a result, the finalised award statistics are not available until around 12 months after the end of the entitlement year in question. Given this lag in availability of data, there is some value in looking at a snapshot of families' circumstances at any given time to give some indication of the level of support one might expect to see subsequently at finalisation.

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



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

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



## What information do the tables contain?

CTC and WTC are claimed by individuals, or jointly by couples, whether or not they have children (described as "families" in this publication). These tables cover families who had claimed, and were eligible for, CTC (or the equivalent via benefits) or WTC for all of or part of 2013-14.

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

Section 2 provides further breakdowns of the 2013-14 population, specifically those with children, in terms of family size, level of entitlement and profile position.

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

### Out-of-work families

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

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

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

## **User Engagement**

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

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

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

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

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

## **National Statistics Review**

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

A report summarising the responses received has been published.

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

## **Policy change since April 2013**

- the income rise disregard has been reduced from £10,000 to £5,000.

## Main aggregates

Based on finalised awards, the average number of benefiting families during 2003-04 to 2013-14 were:

	<i>Millions</i>										
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
<b>Total out-of-work families (all with children)</b>	1.40	1.38	1.41	1.40	1.39	1.43	1.48	1.46	1.45	1.48	1.40
<b>In-work families</b>											
<b>With children</b>										2.63	2.62
<i>of which receiving more than the family element</i>	2.08	2.12	2.16	2.28	2.34	2.50	2.61	2.70	2.69	-	-
<i>of which receiving family element or less</i>	2.09	2.15	2.10	1.97	1.91	1.78	1.67	1.61	1.00	-	-
<b>Total with children</b>	4.17	4.28	4.26	4.25	4.25	4.28	4.28	4.30	3.69	2.63	2.62
<b>With no children (receiving WTC only)</b>	0.16	0.23	0.27	0.30	0.34	0.41	0.48	0.54	0.54	0.51	0.51
<b>Total in-work families</b>	4.34	4.51	4.53	4.56	4.59	4.69	4.76	4.85	4.23	3.14	3.13
<b>Total number of families benefiting</b>	5.70	5.89	5.94	5.96	5.98	6.12	6.25	6.31	5.67	4.62	4.53

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

	<i>Thousands</i>										
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Families for which entitlements were higher due to:											
Childcare element	268	304	339	384	414	448	460	455	416	389	399
Disabled worker element	64	79	89	99	108	118	115	119	117	114	116
Baby addition to family element (out-of-work families)	-	-	151	153	153	164	167	165	-	-	-
Baby addition to family element (in-work families) <sup>1</sup>	361	371	364	364	378	394	387	385	-	-	-

<sup>1</sup> The baby addition to the family element for families receiving CTC has been abolished, as of 6 April 2011.

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

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

## List of tables

### Section 1: Time series

Table 1.1 Average number of recipient families and entitlement, 2003-04 to 2013-14

Table 1.2 Average number of recipient families and entitlement by family type and profile position, 2003-04 to 2013-14

### Section 2: Summary tables

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

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

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

### Section 3: Detailed figures

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

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

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

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

Table 3.5 Average number of in-work families benefiting from the disabled child element

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

Table 3.7 Average number of in-work benefiting families in each band of income used to taper awards

## List of figures

### Section 1 : Time series

Figure 1.1 Numbers of families receiving different amounts of tax credits

Figure 1.2 Annual Entitlement by type of tax credits received

### Section 2 : Summary tables

Figure 2.1 Composition of families receiving different types of tax credits

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

Figure 2.3 Number of children in families receiving tax credits

Figure 2.4 Average annual entitlement by entitlement band

### Section 3 : Detailed figures

Figure 3.1 Eligible childcare costs allowed (per week)

Figure 3.2 Average number of in-work benefiting families in each band of income

## Section 1: Time series

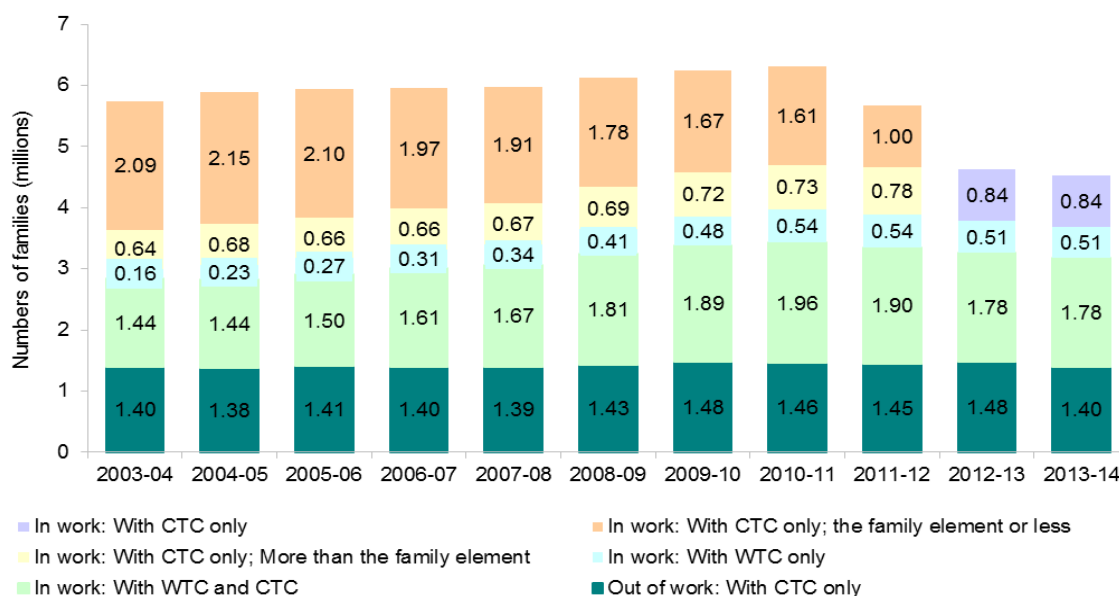
Section 1 provides statistics on the history of the Tax Credits system, between 2003-04 and 2013-14. This enables comparison across time, across different Tax Credits populations and describes how various parts of the system have changed over time.

Figure 1.1 shows that the overall numbers of families receiving tax credits has gradually risen from 5.74 million in 2003-04 to 6.31 million in 2010-11. The number of families receiving Tax Credits dropped to 5.67 million, 4.62 million and 4.53 million in each year since 2011-12, primarily as a result of policy changes set out on page 7 and particularly after the reduction and eventual removal of the second threshold. Within this population, the composition of the Tax Credits population has changed over time and will continue to do so.

The numbers of families receiving relatively high awards - in-work families receiving WTC and CTC - rose from 1.44 million in 2003-04 to almost 2.00 million in 2010-11 before falling slightly in 2011-12 and remaining constant at 1.78 million over the next two years. With the removal of the second income threshold as at 2012-13 has come a drop in the number of qualifying families. The previous CTC family element categories have been removed and replaced by a single "CTC only" category with just over 800,000 qualifying families. The trend in the numbers of in-work families without children - those receiving WTC only - has shown a steady increase from around 164,000 in 2003-04 to 540,000 in 2010-11 and 2011-12 but has fallen slightly to 510,000 since 2012-13.

The numbers of families receiving tax credits when out-of-work had remained remarkably stable at around 1.40 million until the rise to 1.48 million in 2009-10. The number decreased in the following years before rising to almost 1.50 million in 2012-13 and then falling to 1.40 million in 2013-14.

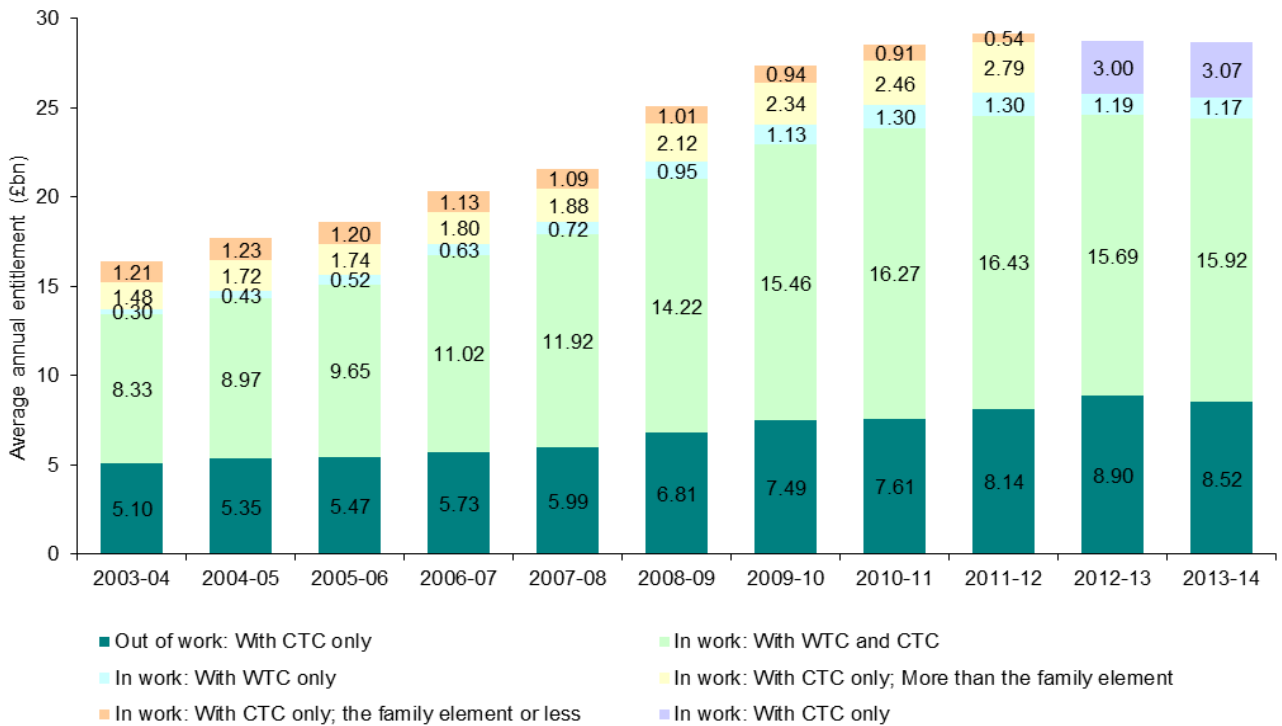
Figure 1.1: Numbers of families receiving different amounts of tax credits



## Section 1: Time series

Figure 1.2 shows that annual entitlement to tax credits has risen over time, increasing from around £16bn in 2003-04 to around £29bn in 2013-14. The bulk of entitlement is claimed by families entitled to either the full amount of CTC (when out of work) or families in work and entitled to both WTC and CTC. Over time, the proportion of entitlement covered by those claiming WTC and CTC has risen from around 51% of entitlement in 2003-04 to 55% in 2013-14, while the proportion covered by out of work families has fluctuated slightly between 31% and 27% over the same period.

**Figure 1.2 Annual Entitlement by type of Tax Credits received**



**Table 1.1: Average number of recipient families and entitlement, 2003-04 to 2013-14<sup>1</sup>***Thousands unless otherwise stated*

		Total out-of-work families <sup>2</sup>	In-work families					Total in-work families	Total in receipt (out-of-work and in-work families) <sup>1</sup>	
			With children			Total in-work families with children	With no children			
			Receiving WTC and CTC	Receiving CTC only	More than the family element		Family element or less			Receiving WTC only
2003-04 <sup>3</sup>	Number of families	1.4m	1,438	640	2,093	4,171	164	4,336	5.7m	
	Entitlement (£million) <sup>4</sup>	5,100	8,334	1,477	1,206	11,017	296	11,314	16,400	
2004-05 <sup>3</sup>	Number of families	1,379	1,445	679	2,151	4,275	234	4,508	5,888	
	Entitlement to CTC (£m)	5,353	5,259	1,717	1,235	8,211	-	8,211	13,564	
	Entitlement to WTC (£m)	-	3,714	-	-	3,714	431	4,145	4,145	
	Total Entitlement (£million) <sup>4</sup>	5,353	8,974	1,717	1,235	11,926	431	12,356	17,709	
2005-06 <sup>3</sup>	Number of families	1,406	1,496	664	2,101	4,261	272	4,533	5,939	
	Entitlement to CTC (£m)	5,474	5,600	1,742	1,201	8,543	-	8,543	14,017	
	Entitlement to WTC (£m)	-	4,048	-	-	4,048	520	4,568	4,568	
	Total Entitlement (£million) <sup>4</sup>	5,474	9,648	1,742	1,201	12,591	520	13,111	18,585	
2006-07 <sup>3</sup>	Number of families	1,399	1,614	664	1,972	4,251	305	4,556	5,955	
	Entitlement to CTC (£m)	5,732	6,258	1,804	1,129	9,191	-	9,191	14,923	
	Entitlement to WTC (£m)	-	4,767	-	-	4,767	627	5,393	5,393	
	Total Entitlement (£million) <sup>4</sup>	5,732	11,024	1,804	1,129	13,958	627	14,585	20,317	
2007-08 <sup>3</sup>	Number of families	1,392	1,672	670	1,911	4,253	336	4,589	5,981	
	Entitlement to CTC (£m)	5,986	6,721	1,885	1,087	9,693	-	9,693	15,679	
	Entitlement to WTC (£m)	-	5,196	-	-	5,196	719	5,915	5,915	
	Total Entitlement (£million) <sup>4</sup>	5,986	11,918	1,885	1,087	14,890	719	15,609	21,595	
2008-09 <sup>3</sup>	Number of families	1,434	1,810	689	1,782	4,281	405	4,686	6,120	
	Entitlement to CTC (£m)	6,811	8,073	2,123	1,013	11,210	-	11,210	18,020	
	Entitlement to WTC (£m)	-	6,145	-	-	6,145	952	7,097	7,097	
	Total Entitlement (£million) <sup>4</sup>	6,811	14,218	2,123	1,013	17,354	952	18,306	25,117	
2009-10 <sup>3</sup>	Number of families	1,484	1,892	719	1,671	4,283	482	4,765	6,249	
	Entitlement to CTC (£m)	7,486	8,920	2,345	945	12,210	-	12,210	19,696	
	Entitlement to WTC (£m)	-	6,541	-	-	6,541	1,134	7,675	7,675	
	Total Entitlement (£million) <sup>4</sup>	7,486	15,462	2,345	945	18,751	1,134	19,885	27,371	
2010-11 <sup>3</sup>	Number of families	1,462	1,964	731	1,607	4,302	544	4,846	6,308	
	Entitlement to CTC (£m)	7,606	9,503	2,459	906	12,868	-	12,868	20,474	
	Entitlement to WTC (£m)	-	6,770	-	-	6,770	1,298	8,069	8,069	
	Total Entitlement (£million) <sup>4</sup>	7,606	16,273	2,459	906	19,638	1,298	20,936	28,542	
2011-12 <sup>3</sup>	Number of families	1,445	1,904	780	1,000	3,685	540	4,225	5,670	
	Entitlement to CTC (£m)	8,138	10,003	2,793	536	13,331	-	13,331	21,469	
	Entitlement to WTC (£m)	-	6,431	-	-	6,431	1,304	7,734	7,734	
	Total Entitlement (£million) <sup>4</sup>	8,138	16,433	2,793	536	19,762	1,304	21,066	29,203	
2012-13 <sup>3</sup>	Number of families	1,484	1,783	842	-	2,625	512	3,138	4,622	
	Entitlement to CTC (£m)	8,903	9,787	2,995	-	12,782	-	12,782	21,685	
	Entitlement to WTC (£m)	-	5,904	-	-	5,904	1,191	7,094	7,094	
	Total Entitlement (£million) <sup>4</sup>	8,903	15,691	2,995	-	18,685	1,191	19,876	28,779	
2013-14	Number of families	1,397	1,780	838	-	2,618	512	3,130	4,528	
	Entitlement to CTC (£m)	8,522	10,034	3,072	-	13,106	-	13,106	21,628	
	Entitlement to WTC (£m)	-	5,888	-	-	5,888	1,175	7,063	7,063	
	Total Entitlement (£million) <sup>4</sup>	8,522	15,921	3,072	-	18,994	1,175	20,169	28,691	

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

<sup>1</sup> Totals may not agree due to rounding.

<sup>2</sup> No, or only approximate, estimates for out of work families are available for some earlier years. Figures shown thus "1.4m" are approximate estimates shown in millions. The estimates for out of work families include those receiving the equivalent level of support via out of work benefits (see the Introduction).

<sup>3</sup> Entitlement as published in the previous issue of this publication, disregarding any changes since then.

<sup>4</sup> See Appendix A for the definitions of these amounts. For 2003-04, rounded to the nearest £0.1bn



Table 1.2: Average number of recipient families and entitlement by family type and profile position, 2003-04 to 2013-14<sup>1</sup>

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
<i>Thousands, and £million</i>											
<b>All families</b>											
Total out-of-work families <sup>2</sup>	1.4m	1,379	1,406	1,399	1,392	1,434	1,484	1,462	1,445	1,484	1,397
WTC and CTC	1,438	1,445	1,496	1,614	1,672	1,810	1,892	1,964	1,904	1,783	1,780
CTC only, > family element	640	679	664	664	670	689	719	731	780	-	-
CTC family element	1,982	2,019	1,961	1,851	1,777	1,633	1,519	1,463	967	-	-
CTC < family element	112	133	140	122	134	149	153	144	33	-	-
CTC only <sup>3</sup>	-	-	-	-	-	-	-	-	-	842	838
Total in-work with children	4,171	4,275	4,261	4,251	4,253	4,281	4,283	4,302	3,685	2,625	2,618
With no children (receiving WTC only)	164	234	272	305	336	405	482	544	540	512	512
Total in-work families	4,336	4,508	4,533	4,556	4,589	4,686	4,765	4,846	4,225	3,138	3,130
<b>Total families<sup>4</sup></b>	<b>5.7m</b>	<b>5,888</b>	<b>5,939</b>	<b>5,955</b>	<b>5,981</b>	<b>6,120</b>	<b>6,249</b>	<b>6,308</b>	<b>5,670</b>	<b>4,622</b>	<b>4,528</b>
<b>Single adults with children</b>											
Total out-of-work families <sup>2</sup>	1.1m	1,031	1,055	1,062	1,059	1,073	1,090	1,081	1,073	1,053	998
WTC and CTC	788	799	828	862	898	966	988	1,001	985	973	991
CTC only, > family element	94	105	105	99	104	103	108	114	127	-	-
CTC family element	107	116	116	108	107	99	98	98	89	-	-
CTC < family element	1	1	1	1	1	2	2	2	1	-	-
CTC only <sup>3</sup>	-	-	-	-	-	-	-	-	-	141	143
Total in-work families with children	990	1,021	1,050	1,070	1,110	1,169	1,196	1,216	1,202	1,115	1,134
<b>Total single adults with children<sup>2</sup></b>	<b>2.2m</b>	<b>2,052</b>	<b>2,105</b>	<b>2,132</b>	<b>2,169</b>	<b>2,242</b>	<b>2,286</b>	<b>2,297</b>	<b>2,275</b>	<b>2,168</b>	<b>2,132</b>
<b>All children</b>											
Total out-of-work families <sup>2</sup>	2.6m	2,624	2,666	2,664	2,634	2,744	2,825	2,786	2,735	2,835	2,663
WTC and CTC	2,628	2,606	2,685	2,895	2,997	3,240	3,361	3,493	3,393	3,171	3,218
CTC only, > family element	1,382	1,449	1,409	1,405	1,412	1,439	1,483	1,506	1,596	-	-
CTC family element	3,280	3,229	3,087	2,893	2,760	2,499	2,291	2,194	1,345	-	-
CTC < family element	198	231	241	210	230	258	264	247	59	-	-
CTC only <sup>3</sup>	-	-	-	-	-	-	-	-	-	1,699	1,706
Total in-work families	7,488	7,515	7,422	7,403	7,399	7,437	7,399	7,440	6,393	4,870	4,924
<b>Total children<sup>2</sup></b>	<b>10.1m</b>	<b>10,139</b>	<b>10,088</b>	<b>10,067</b>	<b>10,033</b>	<b>10,181</b>	<b>10,225</b>	<b>10,226</b>	<b>9,128</b>	<b>7,705</b>	<b>7,587</b>
<b>Families benefiting from:</b>											
30 hour element	1,626	1,716	1,757	1,885	1,950	2,118	2,248	2,339	2,283	2,260	2,203
Disabled worker element	64	79	89	99	108	118	115	119	117	114	116
Severely disabled adult element	47	34	28	30	31	33	33	33	30	29	31
50+ return to work element <sup>4</sup>	8	15	14	14	15	17	15	20	21	-	-
Childcare element - singles	185	208	233	250	268	286	286	274	254	243	253
Childcare element - couples	83	96	106	133	147	163	174	181	162	152	146
Baby addition <sup>5</sup> to family element - out-of-work families <sup>2</sup>	-	-	151	153	153	164	167	165	-	-	-
Baby addition <sup>5</sup> to family element - in-work families	361	371	364	364	378	394	387	385	-	-	-
Disabled child element in-work families <sup>6</sup>	98	107	110	116	121	132	142	146	146	146	150
Severely disabled child element - in-work families <sup>6</sup>	45	47	47	48	47	52	57	57	55	55	60
<b>Annual entitlement (£ million)</b>											
Total out-of-work families <sup>2</sup>	5,100	5,353	5,474	5,732	5,986	6,811	7,486	7,606	8,138	8,903	8,522
WTC and CTC	8,334	8,974	9,648	11,024	11,918	14,218	15,462	16,273	16,433	15,691	15,921
CTC only, > family element	1,477	1,717	1,742	1,804	1,885	2,123	2,345	2,459	2,793	-	-
CTC family element	1,166	1,190	1,156	1,090	1,044	965	896	861	527	-	-
CTC < family element	40	45	45	39	43	48	49	45	9	-	-
CTC only <sup>3</sup>	-	-	-	-	-	-	-	-	-	2,995	3,072
Total in-work with children	11,017	11,926	12,591	13,958	14,890	17,354	18,751	19,638	19,762	18,685	18,994
With no children (receiving WTC only)	296	431	520	627	719	952	1,134	1,298	1,304	1,191	1,175
Total in-work families	11,314	12,356	13,111	14,585	15,609	18,306	19,885	20,936	21,066	19,876	20,169
<b>Total Annual entitlement - all families<sup>4</sup></b>	<b>16,400</b>	<b>17,709</b>	<b>18,585</b>	<b>20,317</b>	<b>21,595</b>	<b>25,117</b>	<b>27,371</b>	<b>28,542</b>	<b>29,203</b>	<b>28,779</b>	<b>28,691</b>

<sup>1</sup> Totals may not agree due to rounding.<sup>2</sup> The estimates for out of work families include families receiving the equivalent level of support via out of work benefits (see the Introduction). Only approximate estimates for out of work families are available for 2003-04; figures shown thus "1.4m" are approximate estimates shown in millions.<sup>3</sup> The various CTC Family Element categories have been replaced with 'CTC only' with effect from 6 April 2012.<sup>4</sup> Withdrawn.<sup>5</sup> The baby addition to family element has been abolished, as at 06 April 2011.<sup>6</sup> Estimates for out of work families are not available.

## Section 2: Summary tables

Section 2 provides summary information on the tax credits population in 2013-14 at the higher level of aggregation. Section 3 goes into more detailed breakdowns.

Figure 2.1 shows that the majority of lone parent families with children receive either the full award of CTC (when out-of-work) or WTC and CTC (when in-work). There are just 143,000 lone parent families that are entitled to CTC only. The pattern for couples is less clear with the largest single grouping receiving the WTC and CTC award followed by those receiving CTC only. The majority of families with no children (receiving WTC only) are single recipients.

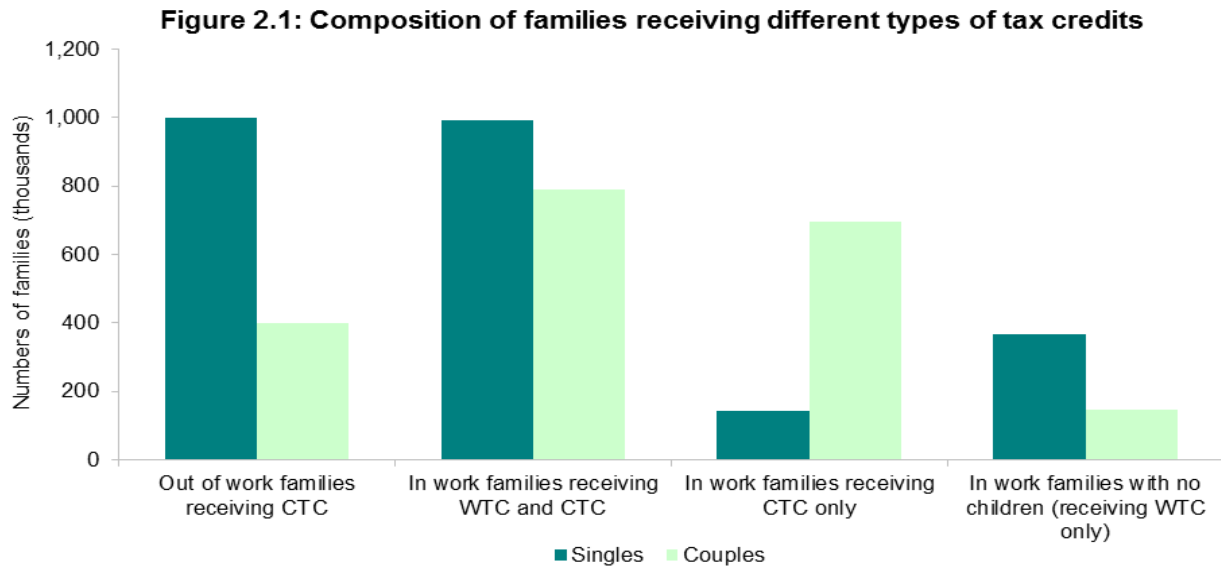


Figure 2.2 shows that 31% of families in receipt of tax credits are out-of-work families with the remaining 69% of families in receipt in-work families. Thirty-nine percent of recipient families are receiving the higher value in-work awards (WTC and CTC) while 19% are receiving in-work CTC only. The remaining 11% are in-work families with no children so receiving WTC only.

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

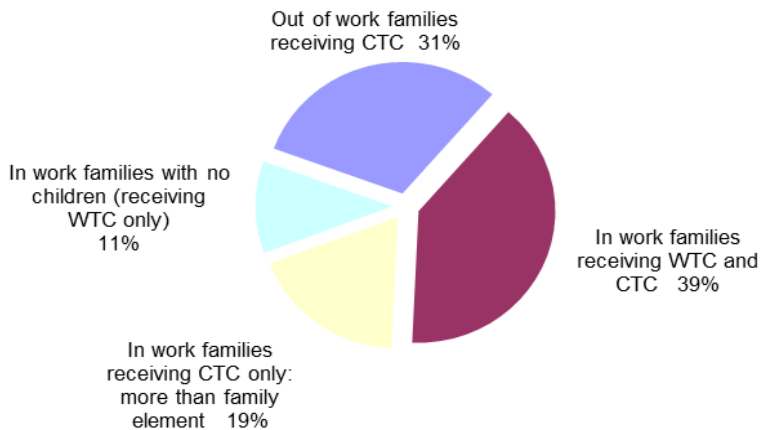


Figure 2.3 shows that the overwhelming majority of families with children are made up of either one or two children with single parent families more likely to have one child than couples. For couples there are almost the same number of families with one child as there are two children. Couples are more likely to have larger family sizes. There are approximately 276,000 families with four or more children.

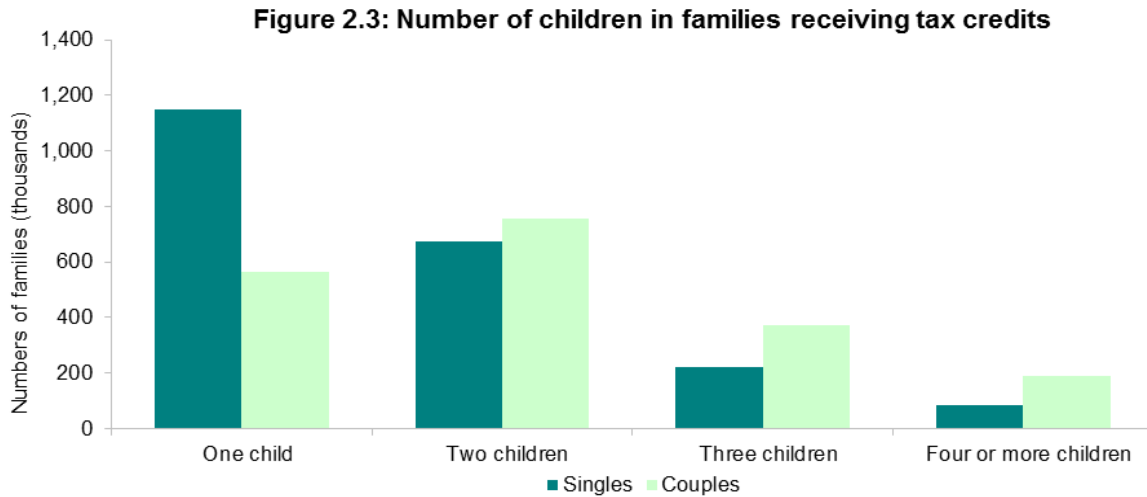
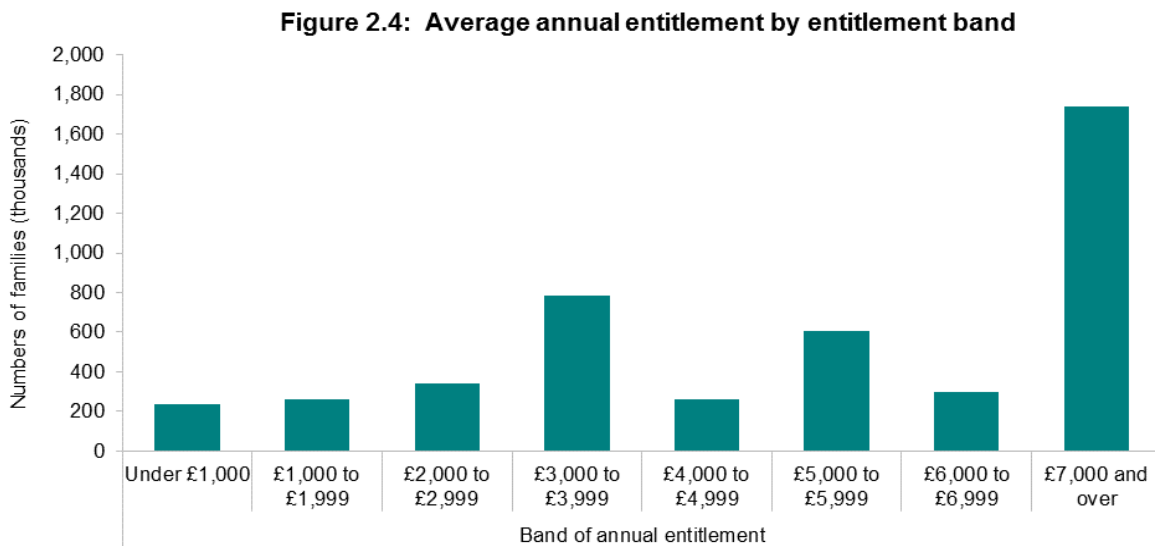


Figure 2.4 shows that the largest proportion of awards are £7,000 and over in value, followed by awards between £3,000 and £3,999. Nearly 40% of Tax Credit families received the highest value of awards compared to 17% who received awards of £3,000 to £3,999.



**Table 2.1: Average number of recipient families, couples and single and their children<sup>1</sup>**

	Families			Number of children in recipient families
	Singles	Couples	Total	
<i>Thousands</i>				
<b>Out-of-work families with children</b>				
Receiving CTC	984	389	1,373	2,612
<i>of which maximum award<sup>2</sup></i>	977	358	1,334	2,537
<i>of which tapered</i>	7	32	39	76
Receiving family premia in benefits <sup>3</sup>	14	10	24	51
<b>Total out-of-work families with children</b>	<b>998</b>	<b>399</b>	<b>1,397</b>	<b>2,663</b>
<b>In-work families</b>				
<b>With children</b>				
Of which receiving CTC only	143	695	838	1,706
Of which receiving WTC and CTC <i>and maximum award<sup>2</sup></i>	392	136	527	965
<i>and tapered</i>	599	654	1,253	2,253
<b>Total receiving WTC and CTC</b>	<b>991</b>	<b>790</b>	<b>1,780</b>	<b>3,218</b>
<b>Total with children</b>	<b>1,134</b>	<b>1,484</b>	<b>2,618</b>	<b>4,924</b>
<b>With no children (receiving WTC only)</b>				
<i>of which maximum award<sup>2</sup></i>	122	23	146	-
<i>of which tapered</i>	245	121	366	-
<b>Total with no children (receiving WTC only)</b>	<b>368</b>	<b>145</b>	<b>512</b>	-
<b>Total in-work families</b>	<b>1,501</b>	<b>1,629</b>	<b>3,130</b>	<b>4,924</b>
<b>All families</b>				
With children	2,132	1,883	4,016	7,587
With no children (receiving WTC only)	368	145	512	-
<b>Total all families</b>	<b>2,500</b>	<b>2,028</b>	<b>4,528</b>	<b>7,587</b>

<sup>1</sup> Totals may not agree due to rounding.<sup>2</sup> Where the award is not reduced through tapering, either because the family is passported to maximum CTC through receipt of out of work benefits, or because the annual income is below the relevant<sup>3</sup> See the Introduction. Not tapered.

**Table 2.2: Average number of recipient families with children by family size, and annual and average entitlement<sup>1</sup>***Thousands, and £million*

	Total out-of-work families (with children) <sup>1</sup>	In-work families			Total in receipt (out-of-work and in-work families)
		With children		Total in-work families (with children)	
		Receiving WTC and CTC	Receiving CTC only		
<b>Family size</b>					
<b>Singles</b>					
One child	£491	£574	£82	£656	£1,147
Two children	£313	£313	£50	£363	£676
Three children	£131	£82	£10	£92	£223
Four or more children	£62	£22	£2	£24	£86
<b>Total singles</b>	<b>£998</b>	<b>£991</b>	<b>£143</b>	<b>£1,134</b>	<b>£2,132</b>
<b>Couples</b>					
One child	£136	£259	£168	£427	£564
Two children	£133	£297	£327	£624	£757
Three children	£75	£150	£147	£297	£373
Four or more children	£55	£84	£52	£135	£190
<b>Total couples</b>	<b>£399</b>	<b>£790</b>	<b>£695</b>	<b>£1,484</b>	<b>£1,883</b>
<b>All families</b>					
One child	£628	£833	£250	£1,083	£1,711
Two children	£446	£610	£377	£987	£1,433
Three children	£206	£232	£157	£389	£596
Four or more children	£117	£106	£53	£159	£276
<b>Total all families</b>	<b>£1,397</b>	<b>£1,780</b>	<b>£838</b>	<b>£2,618</b>	<b>£4,016</b>
<b>Number of children</b>					
Single families	£1,780	£1,540	£219	£1,758	£3,538
Couple families	£883	£1,679	£1,487	£3,166	£4,048
<b>All children</b>	<b>£2,663</b>	<b>£3,218</b>	<b>£1,706</b>	<b>£4,924</b>	<b>£7,587</b>
<b>Average annualised entitlement</b>					
One child	£3,479	£6,597	£1,926	£5,519	£4,770
Two children	£6,356	£9,482	£3,433	£7,169	£6,916
Three children	£9,255	£12,422	£5,341	£9,558	£9,453
Four or more children	£13,592	£16,693	£8,533	£13,960	£13,803
<b>Total average annualised entitlement</b>	<b>£6,099</b>	<b>£8,944</b>	<b>£3,666</b>	<b>£7,254</b>	<b>£6,852</b>
<b>Annual entitlement (£ million)</b>					
One child	£2,184	£5,496	£481	£5,977	£8,161
Two children	£2,833	£5,780	£1,296	£7,076	£9,909
Three children	£1,911	£2,879	£840	£3,719	£5,630
Four or more children	£1,594	£1,767	£455	£2,222	£3,815
<b>Total annual entitlement (£ million)</b>	<b>£8,522</b>	<b>£15,921</b>	<b>£3,072</b>	<b>£18,994</b>	<b>£27,516</b>

<sup>1</sup> Totals may not agree due to rounding.

Table 2.3: Average number of recipient families by type, in each band of annual entitlement<sup>1</sup>

Thousands

	Band of annual entitlement								Total families
	Under £1,000	£1,000 to £1,999	£2,000 to £2,999	£3,000 to £3,999	£4,000 to £4,999	£5,000 to £5,999	£6,000 to £6,999	£7,000 and over	
<b>All families</b>									
Total out-of-work families <sup>2</sup>	5	6	8	577	4	375	40	384	1,397
WTC and CTC	-	-	-	68	106	123	226	1,257	1,780
CTC only	117	141	159	109	90	96	30	95	838
Total in-work families with children	117	141	159	177	196	220	256	1,352	2,618
With no children (receiving WTC only)	114	112	176	33	59	10	5	3	512
Total in-work families	231	254	335	210	256	230	260	1,354	3,130
<b>Total families</b>	<b>236</b>	<b>259</b>	<b>343</b>	<b>787</b>	<b>260</b>	<b>605</b>	<b>300</b>	<b>1,738</b>	<b>4,528</b>
<b>Number of children</b>									
<b>Singles</b>									
Out-of-work families <sup>2</sup>	1	1	2	456	1	271	27	240	998
No children (receiving WTC only)	90	84	151	10	24	7	2	-	368
One child	16	23	31	43	57	78	107	303	656
Two children	3	5	6	8	11	15	20	295	363
Three children	-	-	1	1	1	1	1	86	92
Four or more children	-	-	-	-	-	-	-	23	24
Total in-work families	109	112	189	61	92	101	130	707	1,501
<b>Total singles</b>	<b>109</b>	<b>114</b>	<b>191</b>	<b>517</b>	<b>93</b>	<b>372</b>	<b>157</b>	<b>947</b>	<b>2,500</b>
<b>Couples</b>									
Out-of-work families <sup>2</sup>	4	5	6	121	3	104	13	144	399
No children (receiving WTC only)	24	28	25	23	36	3	3	3	145
One child	45	50	52	53	52	48	49	79	427
Two children	43	50	54	55	56	56	56	254	624
Three children	9	12	14	15	17	18	19	194	297
Four or more children	1	2	2	2	3	3	4	118	135
Total in-work families	122	141	146	149	163	129	131	647	1,629
<b>Total couples</b>	<b>126</b>	<b>146</b>	<b>152</b>	<b>269</b>	<b>167</b>	<b>233</b>	<b>143</b>	<b>791</b>	<b>2,028</b>
<b>All families by family size</b>									
Out-of-work families <sup>2</sup>	5	6	8	577	4	375	40	384	1,397
No children (receiving WTC only)	114	112	176	33	59	10	5	3	512
One child	60	73	83	95	109	126	155	382	1,083
Two children	46	55	60	63	67	71	76	549	987
Three children	10	12	14	16	18	19	21	280	389
Four or more children	1	2	2	3	3	4	4	141	159
Total in-work families	231	254	335	210	256	230	260	1,354	3,130
<b>Total families by family size</b>	<b>236</b>	<b>259</b>	<b>343</b>	<b>787</b>	<b>260</b>	<b>605</b>	<b>300</b>	<b>1,738</b>	<b>4,528</b>

<sup>1</sup> Totals may not agree due to rounding.<sup>2</sup> For out-of-work families receiving their child support via Income Support or income-based Jobseeker's Allowance rather than CTC these entitlements are estimates. See Technical Note.

### Section 3: Detailed figures

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

Figure 3.1 shows the average weekly help with childcare costs for single parent, couple, and all families. The costs are broadly split across the cost bands for each of the categories mostly reflecting the range of different numbers of hours childcare provision is claimed for. That said, the largest category for lone-parents is the £20-£39.99 per week category whereas for couple the largest category is the £140 and over per week band. The number of families eligible for higher amounts decreases as the size of the costs allowed increases, with the exception of the £140 and over category where the second largest number of lone parents families claimed. It is also much more likely for lone parents to claim childcare costs than couples (22% of eligible population compared to 9%).

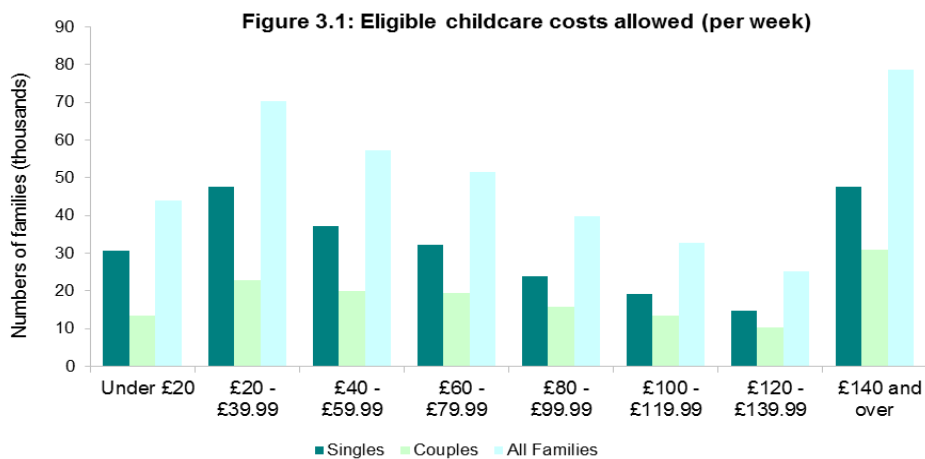
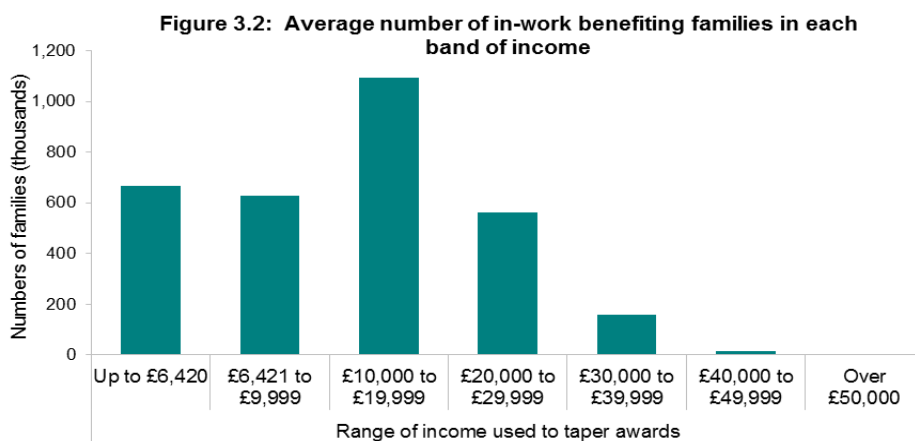


Figure 3.2 shows that tax credits covers a broad range of incomes up to £50,000. Broadly speaking, the higher the income used to taper the award, the fewer the numbers of families in receipt - reflecting the targeted approach to financial support inbuilt in the Tax Credits system.



**Table 3.1: Average number of in-work families benefiting from the 30 hour credit<sup>1</sup>**

					<i>Thousands</i>
	Singles with children	Singles with no children	Couples with children	Couples with no children	Total
WTC and CTC	332	-	612	-	944
CTC only	115	-	677	-	792
With no children (receiving WTC only)	-	332	-	135	467
<b>Total families benefiting</b>	<b>446</b>	<b>332</b>	<b>1,289</b>	<b>135</b>	<b>2,203</b>

<sup>1</sup> Totals may not agree due to rounding.

<sup>2</sup> Those claiming the 30-hour element (a) with children or (b) without children and with a positive award.

**Table 3.2: Average number of in-work families benefiting from the childcare element<sup>1</sup>**

			<i>Thousands</i>
	Singles	Couples	Total
WTC and CTC	229	70	299
CTC only	24	76	100
Eligible childcare costs allowed (per week)			
Under £20	31	13	44
£20 - £39.99	48	23	70
£40 - £59.99	37	20	57
£60 - £79.99	32	19	51
£80 - £99.99	24	16	40
£100 - £119.99	19	13	33
£120 - £139.99	15	10	25
£140 - £159.99	14	9	22
£160 - £179.99	19	10	28
£180 - £199.99	3	3	6
£200 - £249.99	5	4	10
£250 or more	7	5	12
<b>Total families benefiting<sup>2</sup></b>	<b>253</b>	<b>146</b>	<b>399</b>
Increase in annualised entitlement through this element (£ million)	760	407	1,167
Average help with childcare costs <sup>3</sup> (£ per week)	£57.54	£53.40	£56.02

<sup>1</sup> Totals may not agree due to rounding.

<sup>2</sup> Those claiming the childcare element and with CTC above the family element.

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



**Table 3.3: Average number of in-work families benefiting from the disabled worker element<sup>1</sup>**

*Thousands*

	Singles with children	Singles with no children	Couples with children	Couples with no children	Total
<b>Families by Tax Credit element</b>					
WTC and CTC	16	-	21	-	37
CTC only	1	-	7	-	8
With no children (receiving WTC only)	-	55	-	17	72
<b>Total families benefiting<sup>2</sup></b>	<b>16</b>	<b>55</b>	<b>28</b>	<b>17</b>	<b>116</b>
<b>Number of disabled adults</b>					
One disabled worker <sup>3</sup> in family	16	55	27	16	115
Both adults are disabled workers <sup>3</sup>	-	-	1	1	1
<b>Total families benefiting<sup>2</sup></b>	<b>16</b>	<b>55</b>	<b>28</b>	<b>17</b>	<b>116</b>

<sup>1</sup> Totals may not agree due to rounding.

<sup>2</sup> Those families claiming the disabled worker element and (a) have children and claiming CTC or (b) have no children and have a positive WTC award. Disabled workers include those who are severely disabled - see Table 3.4.

<sup>3</sup> Throughout this table, "worker" means an adult working for at least 16 hours per week.

**Table 3.4: Average number of in-work families benefiting from the severely disabled adult element<sup>1</sup>**

*Thousands*

	Singles with children	Singles with no children	Couples with children	Couples with no children	Total
<b>Families by Tax Credit element</b>					
WTC and CTC	2	-	11	-	13
CTC only	-	-	5	-	5
WTC only (with no children)	-	5	-	9	13
<b>Total families benefiting<sup>2</sup></b>	<b>2</b>	<b>5</b>	<b>16</b>	<b>9</b>	<b>31</b>
<b>Number of severely disabled adults</b>					
One severely disabled adult	2	5	16	8	31
Both adults are severely disabled	-	-	-	-	-
<b>Total families benefiting<sup>2</sup></b>	<b>2</b>	<b>5</b>	<b>15</b>	<b>9</b>	<b>31</b>

<sup>1</sup> Totals may not agree due to rounding.

<sup>2</sup> Those with the severely disabled adult element who (a) have children and claiming CTC, or (b) have no children and have a positive WTC award.

**Table 3.5: Average number of in-work families benefiting from the disabled child element<sup>1</sup>**

*Thousands*

	Singles		Couples		Total
	One disabled child	2+ disabled children	One disabled child	2+ disabled children	
WTC and CTC	32	1	42	4	79
CTC only	6	-	59	6	71
<b>Total families benefiting<sup>2,3</sup></b>	<b>38</b>	<b>2</b>	<b>101</b>	<b>10</b>	<b>150</b>
Family size					
One child	17	-	21	-	37
Two children	15	1	42	4	61
Three children	5	-	25	4	34
Four or more children	2	-	13	3	18
<b>Total families benefiting<sup>2,3</sup></b>	<b>38</b>	<b>2</b>	<b>101</b>	<b>10</b>	<b>150</b>
Number of disabled children in benefiting families	38	3	101	22	163

<sup>1</sup> Totals may not agree due to rounding.

<sup>2</sup> Those with the disabled child element and with CTC. Disabled children include those who are severely disabled and included in Table 3.6.

<sup>3</sup> Estimates for out of work families are not available.

**Table 3.6: Average number of in-work families benefiting from the severely disabled child element<sup>1</sup>**

*Thousands*

	Singles	Couples	All
WTC and CTC	11	19	30
CTC only	2	27	30
<b>Total families benefiting<sup>2,3</sup></b>	<b>13</b>	<b>46</b>	<b>60</b>
Family size			
One child	5	8	14
Two children	5	19	24
Three children	2	12	14
Four or more children	1	7	8
<b>Total families benefiting<sup>2,3</sup></b>	<b>13</b>	<b>46</b>	<b>60</b>
Number of severely disabled children in benefiting families	14	49	63

<sup>1</sup> Totals may not agree due to rounding.

<sup>2</sup> Those with the severely disabled child element and with CTC.

<sup>3</sup> Estimates for out of work families are not available.

**Table 3.7: Average number of in-work benefiting families in each band of income used to taper awards<sup>1</sup>**

*Thousands*

	Range of income used to taper awards <sup>2</sup>							Total
	Up to £6,420	£6,421 to £9,999	£10,000 to £19,999	£20,000 to £29,999	£30,000 to £39,999	£40,000 to £50,000	Over £50,000	
<b>With children</b>								
Of which receiving WTC and CTC	522	481	722	481	61	-	-	1,780
Of which receiving CTC only	-	-	158	512	152	15	1	838
<b>Total with children</b>	<b>522</b>	<b>481</b>	<b>880</b>	<b>560</b>	<b>158</b>	<b>16</b>	<b>2</b>	<b>2,618</b>
<b>With no children (receiving WTC only)</b>	<b>146</b>	<b>148</b>	<b>215</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>512</b>
<b>Total in-work recipient families</b>	<b>668</b>	<b>629</b>	<b>1,095</b>	<b>564</b>	<b>158</b>	<b>16</b>	<b>2</b>	<b>3,130</b>
<b>Comparison of income in 2012-13 and 2013-14:</b>								
Income falling between 2012-13 and 2013-14:								
Increasing award value in 2013-14	24	52	136	77	19	2	-	311
Not affecting award value in 2013-14 <sup>3</sup>	116	141	224	100	27	2	-	609
Income increasing between 2012-13 and 2013-14:								
by up to the £5,000 income disregard:	441	372	588	285	78	7	1	1,772
by more than the £5,000 income disregard:								
Reducing award value in 2013-14	-	63	145	102	34	5	1	349
Not affecting award value in 2013-14 <sup>3</sup>	87	-	1	-	-	-	-	88
<b>Total in-work recipient families</b>	<b>668</b>	<b>629</b>	<b>1,095</b>	<b>564</b>	<b>158</b>	<b>16</b>	<b>2</b>	<b>3,130</b>

<sup>1</sup> Totals may not agree due to rounding.<sup>2</sup> See Appendix A. After deducting the income increase disregard, but before deducting the first threshold.<sup>3</sup> Even where the income change between 2012-13 and 2013-14 is below the income fall disregard (£2,500), or above the income rise disregard (£5,000), awards may remain unchanged at the maximum level.

## Appendix A: Technical Note

### Using finalised awards data

The figures for 2013-14 in the table are mostly derived from a scan of the tax credits computer system taken in early April 2015. For each award, the scan contained a record for each sub-period of the year for which the family's circumstances (adult partners, hours worked, number of children, childcare costs, disabilities) remained unchanged. For each such sub-period, the scan revealed the various elements for which the family qualified for the period, and the daily monetary value of the childcare element. It also revealed the values of the 2012-13 and 2013-14 incomes for each award.

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

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

The scan did not cover out of work families who received their child support via Income Support or income-based Jobseeker's Allowance (IS-JSA) rather than CTC. A scan of such families at August 2008 was obtained from the Department for Work and Pensions. This contained sufficient information to distinguish single parents from couples. The number and ages of the children were obtained from the Child Benefit records for these families who were still receiving their child support through IS-JSA at August 2013. The level of entitlement at August 2013 was modelled using this information, which however could not include the disabled child or severely disabled child premium. To produce annual averages to be added to the annual CTC averages, the August 2013 aggregates were scaled by a factor needed to produce a separately-estimated overall average for the year. The annualised August 2013 entitlements were also scaled to agree with the separately known total of expenditure via benefits for these families.

### Interpreting annual entitlement

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

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

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

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<sup>1</sup> In accordance with the tax credits system, the income used to taper the award was the 2013-14 income, if that was more than £2,500 lower than the 2012-13 income; the 2012-13 income if the 2013-14 income was less than £5,000 higher; and the 2013-14 income less £5,000 if this was more than £5,000 above the 2012-13 income.

### **Current entitlement**

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

An annual award is calculated by summing the various elements to which the family is entitled. Unless the family is receiving Income Support, income-based Jobseeker's Allowance or Pension Credit, this sum is reduced if the family's annual income (see below) exceeds the relevant first income threshold. The reduction is 41 per cent of the excess over the threshold.

### **Civil partnerships**

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

### **Revisions policy**

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

## Appendix B: CTC and WTC elements and thresholds

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

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

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

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

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

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

<sup>6</sup> Payable for each qualifying adult for the first 12 months following a return to work. Abolished effective 6 April 2012.

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

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

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

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

## **Appendix C : Revisions**

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

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

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