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Child and Working Tax Credits Statistics:

Provisional Awards

April 2018



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Personal Credits Statistics: Provisional Statistics

April 2018

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You can also find National Statistics on the internet at www.statistics.gov.uk

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.

<https://www.gov.uk/government/publications/national-statistics-review-of-tax-credit-statistics-results>

Introduction

These statistics focus on the number of families benefiting from tax credits in England, Scotland, Wales and Northern Ireland as at 2nd April 2018. It also presents a breakdown of families by their profile position, age and gender, type of family and family size, including the families benefitting from different elements of tax credits. It also covers the number of children in benefitting families broken down by their age. They are based on a 10% sample of data at the snapshot point and therefore they are estimates and subject to sampling error.

Definitions

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. The system, introduced in 2003, forms part of wider government policy to provide support to parents returning to work, reduce child poverty and increase financial support for 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 it most.

Tax credits are based on household circumstances and can be claimed jointly by members of a couple, or by single adults. 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:

Working Tax Credit (WTC)

Provides in-work support for people on low incomes, with or without children. It is available for in-work support to people who are aged at least 16 and:

- are single, work 16 or more hours a week and are responsible for a child or young person;
- are in a couple responsible for a child or young person where their combined weekly working hours are at least 24, with one parent working at least 16 hours;
- work 16 or more hours a week 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;
- Work 16 or more hours a week and are aged 60 or over.

Otherwise, it is available for people who are aged 25 and over who work 30 hours a week or more.

Child Tax Credit (CTC)

Provides income-related support for children and 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 CTC whether or not the adults are in work.

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. From 6th April 2017, this element is no longer payable to families where all children were born after this date.

Child element: which is paid for each child or qualifying young person the claimant is responsible for. From 6th April 2017, this element is no longer payable in respect of third or subsequent children who were born after this date. Certain exceptions to this rule apply and are set out at <https://www.gov.uk/guidance/child-tax-credit-exceptions-to-the-2-child-limit>.

Disability element: for each child or qualifying young person the claimant is responsible for if Disability Living Allowance (DLA) or Personal Independence Payment (PIP) is payable for the child, or if the child is certified as blind or severely sight impaired.

Severe disability element: for each child or qualifying young person the claimant is responsible for if DLA (Highest Rate Care Component) or PIP (Enhanced Daily Living Component) is payable for the child.

Out-of-work benefit families: 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. The vast majority of these claimants have now moved to tax credits and the remainder will be migrated either to tax credits or Universal Credit.

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 DLA (Highest Rate Care Component), PIP (Enhanced Daily Living Component) or Attendance Allowance at the highest rate.

Childcare element: for a single parent who works at least 16 hours a week, or couples who either (i) both work at least 16 hours a week or (ii) one of them work at least 16 hours a week but the other is out of work for being in hospital or in prison and who spends money on a registered or approved childcare provider. The childcare element of WTC can support up to 70% of childcare costs up to certain maximum limits.

Further information on childcare cost support can be found from

<https://www.gov.uk/government/publications/working-tax-credit-help-with-the-costs-of-childcare-wtc5>

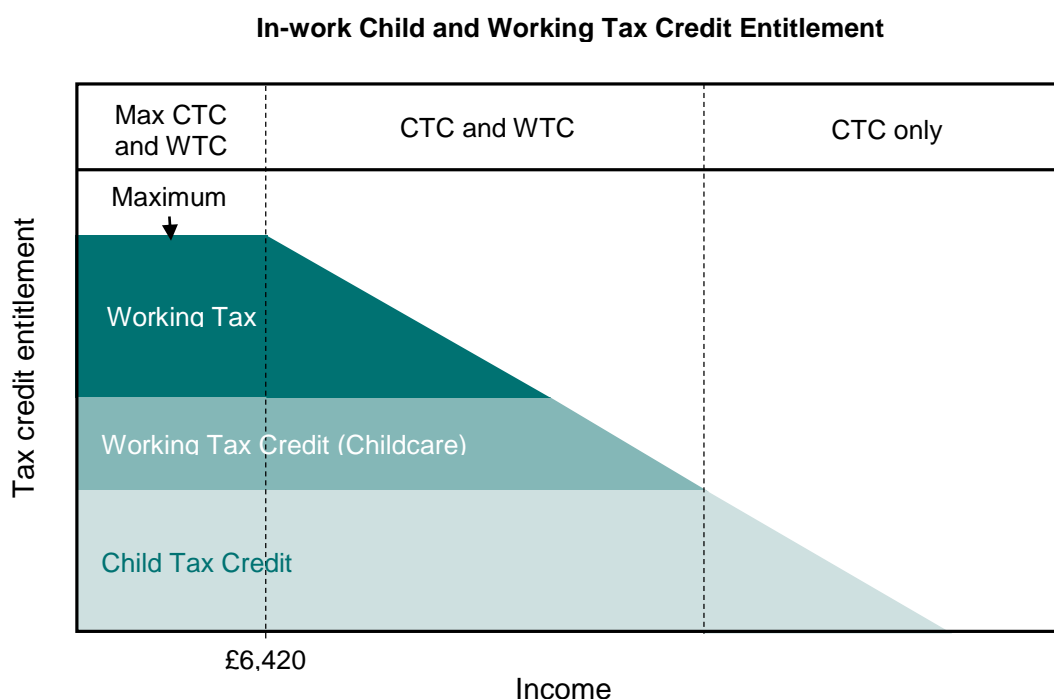
Tapering: is the amount of the award that will be reduced when the household income exceeds a given threshold. For example, the income threshold for claimants receiving WTC only and for combined WTC and CTC claimants is £6,420. After this threshold, the taper rate will be 41%. Tapering reduces WTC first and then CTC for claimants who receive both.

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 their eligibility for specific tax credit elements. First, a family's maximum possible entitlement is worked out by adding up all the different elements of CTC and WTC that they are eligible for (described on pages 2-4).

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 £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 £16,105 (2017-18). 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 the taxable income of adults within the family. 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. Up to £2,500 of any change in annual income between the previous or current year is disregarded in the calculation. 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 a snapshot of tax credit support based on provisional incomes and other circumstances as reported at the date when the statistics were extracted.

Technical notes

What the publication tells us

The provisional awards are based on a 10% sample of data and are currently published in winter and summer. These statistics are as close to real-time as possible and represent the picture as at the beginning of April and December.

Each release consists of two publications: the main publication and the geographical publication. As only a sample of data is used, detailed analysis at the sub-geographical levels is not always possible. The statistics in this release include analysis at the following geographical levels:

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

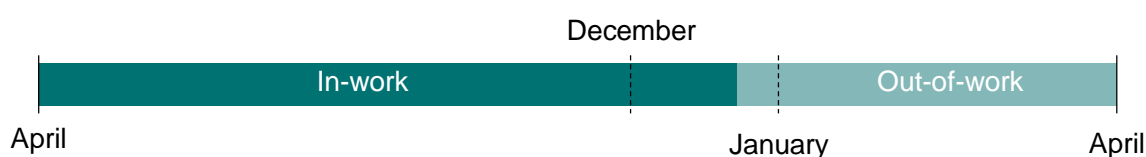
The main publication includes a Country and Region summary, with the geographical publication going to a lower level. This series has been produced bi-annually since the introduction of tax credits in April 2003.

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 HMRC 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. The provisional award is updated each time a family's circumstances change with the latest set of circumstances and a new provisional award is 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.

Therefore, 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 time snapshot dates. The provisional award data 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 by that date. The actual amount being received at that date can be lower, due to recovery of earlier overpayments.

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. The latest finalised award publication can be found using the web link: <https://www.gov.uk/government/collections/personal-tax-credits-statistics>

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 at 2nd April (the "reference date") and who were recipients at that date.

From April 2007, the tables exclude families whose modelled entitlements are tapered to zero due to their income levels. These families were originally included because they may retrospectively have positive entitlements at finalisation. However, this is no longer likely for the majority of such families. Their numbers have been swelled by families whose youngest children have left full time education, who continue to satisfy the qualifying conditions for WTC, but whose incomes are sufficient to taper the WTC entitlements to zero.

Recent policy changes

In the 2015 Summer Budget, the Government announced that the child element of Child Tax Credit (CTC) would be limited to two children for those born on or after 6 April 2017 unless certain exceptions apply. Prior to 6th April 2017, the child element of CTC was paid for each child or qualifying young person that the claimant (or his or her partner) was responsible for.

The change means that any family with two or more existing children will no longer receive any child element (worth up to £2,780 a year per child in 2017-18) for children born on or after that date. The child element of Child Tax Credit will continue to be paid for all children born before 6th April 2017.

In addition, any family having their first child born on or after 6th April 2017 will not receive the family element (worth up to £545 a year) of Child Tax Credit. The family element was previously paid to all families. From 6 April 2017, it will only be paid where the claimant is responsible for at least one child or qualifying young person born before 6 April 2017.

For further information, please visit:

<https://www.gov.uk/guidance/child-tax-credit-exceptions-to-the-2-child-limit>

Universal Credit

Universal Credit (UC) is a payment to help with living costs for those on a low income or out of work. UC was introduced in April 2013 in certain areas of North West England. Since October 2013, it has progressively been rolled out to other areas. Claimants receive a single monthly household payment, paid into a bank account in the same way as a monthly salary and support for housing costs, children and childcare costs are integrated into Universal Credit. Child Tax Credit will be replaced as Universal Credit rolls out.

Further information about Universal Credit, including making a claim, is available online here:

<https://www.gov.uk/universal-credit>

Uses of these statistics and user engagement

Uses of these statistics

The statistics contained in this publication will be of interest for anyone that is looking for the latest possible data on tax credits or detailed up-to-date geographical estimates of the number of families receiving tax credits. Specifically, there are aggregate statistics on the type and level of tax credit support, broken down by categories such as family composition, family income, work status, and geographical area. It may be of interest to academics, think tanks and political parties interested in the twin aims of tax credits - eradicating child poverty and improving work incentives. Equally, it may be of interest to 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 and local authority in the UK. This it will be useful for local authorities and planning organisations in considering the distribution of low income families receiving state 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 end 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 by email to the below address. 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.

benefitsandcredits.analysis@hmrc.gsi.gov.uk

Revision policy

This policy has been developed in accordance with the UK Statistics Authority Code of Practice for Official Statistics and Her Majesty's Revenue and Customs Revisions Policy. The UK Statistics Authority Code of Practice can be found at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/261365/cop-confidentiality.pdf

There are two types of revisions:

Scheduled revisions

This requires explanation of the handling of scheduled revisions due to the receipt of updated information in the case of each statistical publication.

Unscheduled revision

HMRC aims to avoid the need for unscheduled revisions to publications unless they are absolutely necessary and put systems and processes in place to minimise the number of revisions. Where revisions is necessary due to errors in the statistical process, an explanation along with the nature and extent of revision is also provided. Also, the statistical release and the accompanying tables will be updated and published as soon as is practical.

Disclosure control

To avoid the possible disclosure of information about individual families, including by comparison with other analyses, suppression techniques have been applied where the cell frequencies are less than 3. All the other figures have been individually rounded to the nearest 5. It is therefore very common for rounded components of a rounded figure to not sum to the same figure.

Summary of main aggregates¹

Table 2.1 shows that, on 2nd April 2018:

3.8 million families, containing 6.8 million children were tax credit recipients (or were receiving the equivalent child support through benefits);

These families comprised:

3.4 million families with children receiving CTC, or the equivalent via benefits:

1.1 million in which no adult were in-work

1.6 million in-work receiving the maximum CTC, and receiving WTC

0.7 million in-work receiving less than the maximum CTC

0.4 million families in-work without children, receiving only WTC.

2.1 million were single adults (1.9 million with children)

1.7 million recipient families were couples (1.6 million with children)

Later tables show that:

367 thousand families were benefiting from the childcare element of WTC; they were on an average receiving;

£59 average per week help with their childcare costs;

113 thousand families benefiting from the disabled worker element of WTC.

¹ Figures are taken from excel worksheet (main aggregates tab). Figures are separately rounded, which can lead to the components as shown not summing to the total.

Commentary and figures

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- Figure 8.1 Number of families receiving different amounts of tax credits by country and English region, April 2018

Section 1: Time series

Section 1 provides statistics on the history of the tax credits system, between April 2009 and April 2018. 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 had remained broadly level at around 6.0 million until April 2011, increasing to a maximum of around 6.4 million. By April 2013, the number of families receiving tax credits had dropped to 4.8 million primarily as a result of policy changes enacted by the 2010-2015 coalition government. This trend has continued and the number of families was 3.8 million in April 2018. In particular, the removal of the second income threshold means that there are no longer any families receiving only the Family Element, and therefore this category has been discontinued.

The number of families receiving relatively high awards - that is in-work families receiving WTC and CTC - had risen from around 1.6 million in April 2004 to around 2.0 million in April 2011. This then fell to 1.9 million in April 2012 and remained stable around this figure until April 2015. In April 2018, it stood at 1.6 million. There were 845,000 in-work families receiving CTC only in December 2012. This figure is not comparable with previous values because it includes families that have been re-categorised as a result of the policy changes introduced since April 2012. The number of in-work families without children - receiving WTC only - had been increasing steadily until April 2011, when it reached 591,000, but has since fallen to 359,000 in April 2018.

The numbers of families receiving tax credits when out-of-work reached its lowest level of 1.08 million in April 2018.

Fig 1.1: Distribution of Tax Credit families by its elements

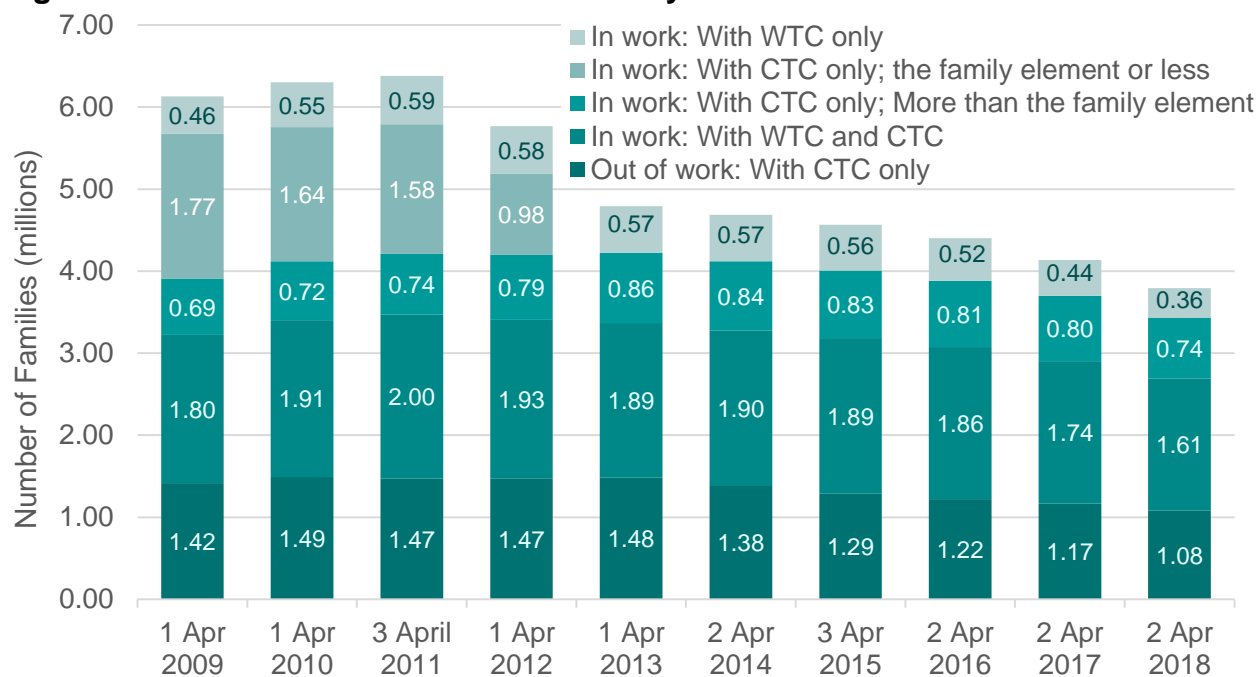


Figure 1.2 shows that by April 2011 the number of families without children receiving WTC only had reached around 591,000. It remained over 500,000 between December 2009 and December 2016 but has since declined to 359,000 in April 2018.

Figure 1.2: Number of families receiving WTC-only (in-work families with no children)

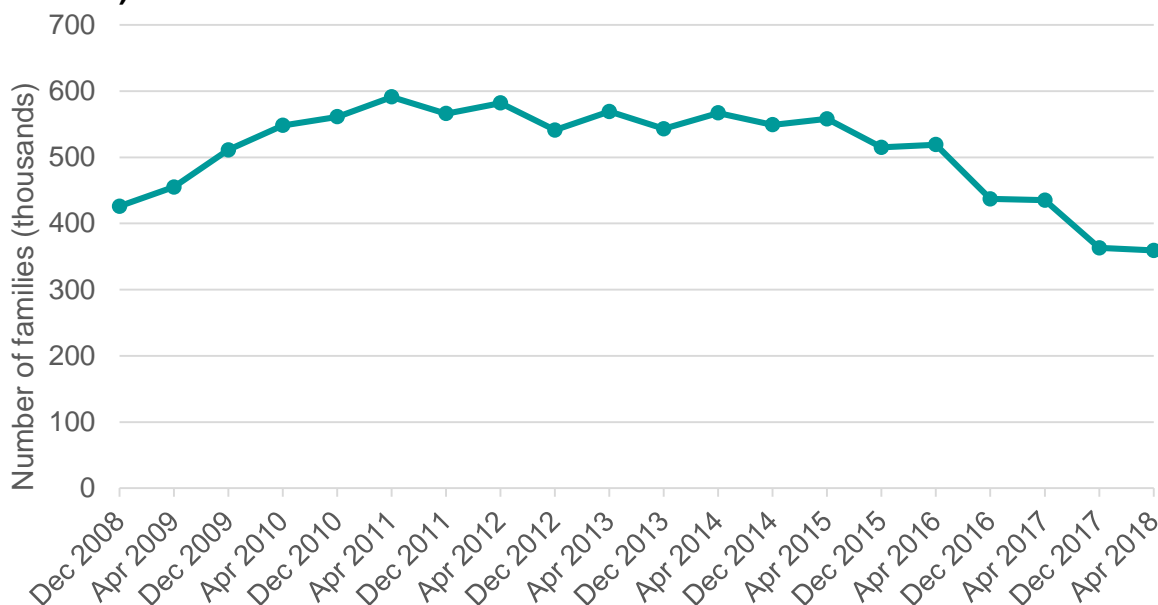
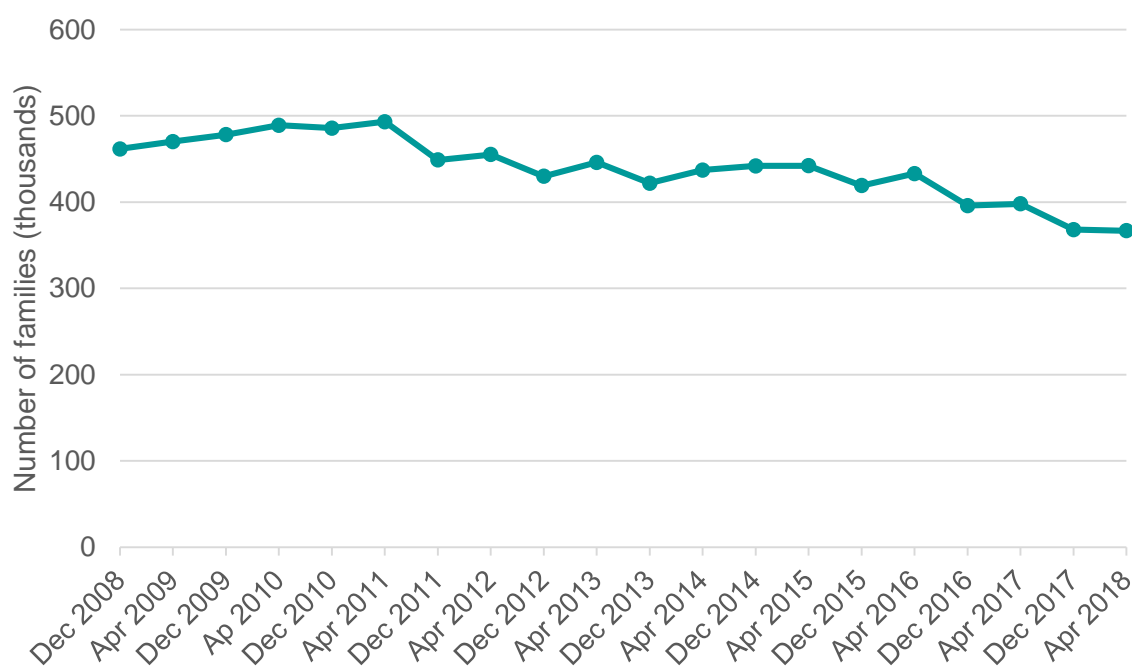


Figure 1.3 shows that the number of families benefiting from the childcare element consistently rose to around 493,000 in April 2011. However after this date, the number of families benefiting from the childcare element fell, partly due to the reduction of eligible childcare costs from 80% to 70%. The number of families benefiting had been relatively stable until December 2016 however in April 2018, this figure had dropped to 367,000.

Figure 1.3: Numbers of families benefiting from the childcare element



Section 2: Summary

Section 2 provides summary information on the tax credits population at April 2018 at the higher level of aggregation. Sections 3 to 8 provide 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). Approximately 3 out of 4 out of work families receiving CTC only are lone parents. The number of in-work couples receiving WTC and CTC is similar to the number who are in-work and receiving CTC only. A majority of families with no children (receiving WTC only) are single recipients.

Figure 2.1: Composition of families receiving different types of tax credits

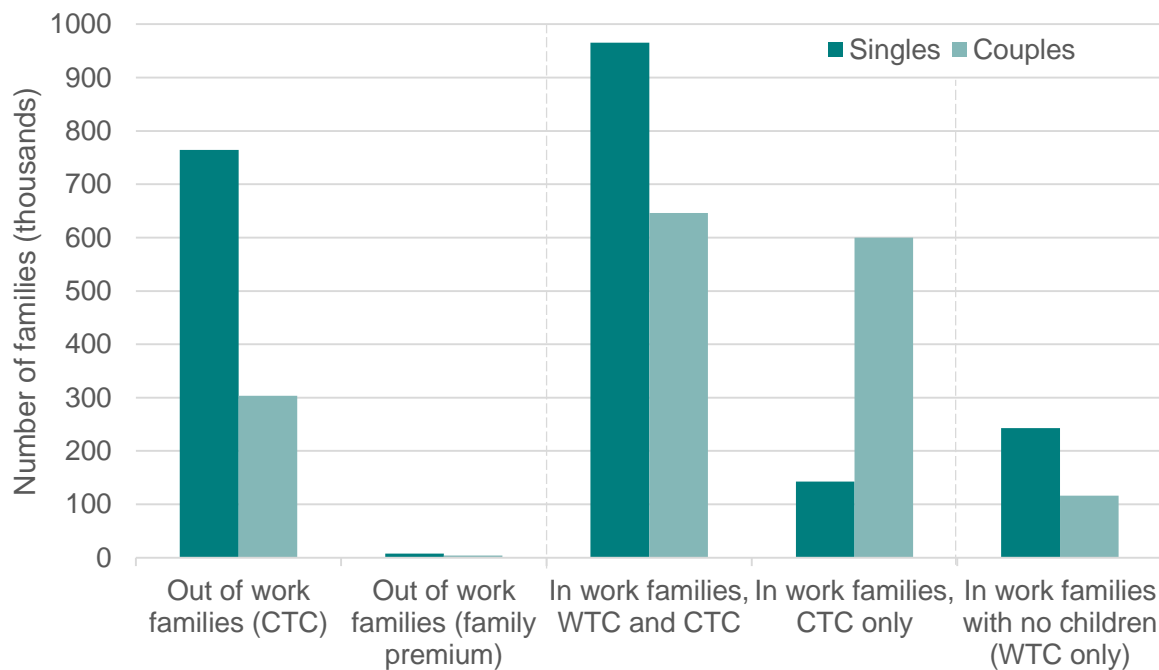


Figure 2.2 shows that 29% of families in receipt of tax credits are out-of-work families (with less than 1% receiving the family premium through DWP benefits) with in-work families making up the remaining 71%. Within this, 43% of families in receipt are receiving the higher value awards (WTC and CTC), 20% are receiving CTC-only, and the remaining 10% are in-work families with no children (receiving WTC-only).

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

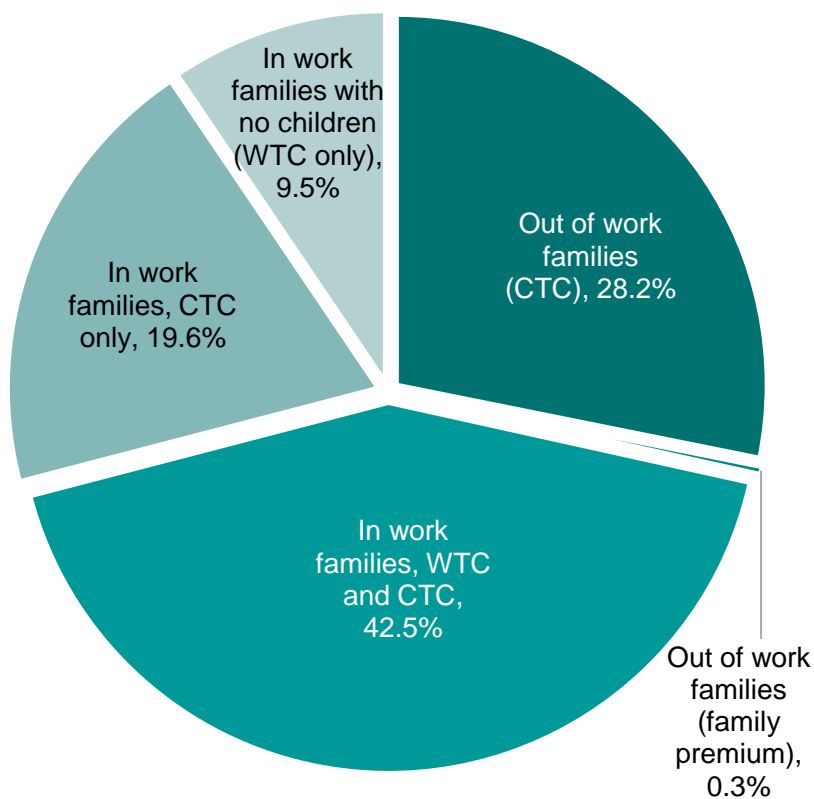


Table 2.1: Recipient families, couples and single adults and their children, April 2018

	<i>Thousands</i>			Number of children in recipient families
	Families			
	Singles	Couples	Total	
Out-of-work families with children				
Receiving CTC	764.4	303.7	1,068.1	2,112.8
<i>of which maximum award²</i>	755.5	270.4	1,025.9	2,027.4
<i>of which tapered</i>	9.0	33.3	42.3	85.4
Receiving the family premium in benefits ³	7.5	4.2	11.6	22.7
Total out-of-work families with children	771.9	307.9	1,079.8	2,135.5
In-work families				
With children				
Of which receiving WTC ⁴ and CTC				
<i>and maximum award²</i>	305.8	83.4	389.3	754.6
<i>and tapered</i>	659.4	562.6	1,222.1	2,311.7
Total receiving WTC⁴ and CTC	965.3	646.1	1,611.3	3,066.3
Total receiving CTC only	142.9	600.1	743.0	1,567.6
Total With Children	1,108.1	1,246.2	2,354.3	4,633.9
With no children (receiving WTC only)				
<i>of which maximum award²</i>	74.4	16.9	91.3	-
<i>of which tapered</i>	168.3	99.5	267.8	-
Total no Children (receiving WTC only)	242.7	116.4	359.1	-
Total In-work families	1,350.9	1,362.6	2,713.4	4,633.9
All families				
With children	1,880.0	1,554.1	3,434.1	6,769.4
Other	242.7	116.4	359.1	-
Total All families	2,122.7	1,670.5	3,793.2	6,769.4

² ¹ 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 first threshold. See Appendix A.

³ See the Introduction. Not tapered.

⁴ Includes 59 thousand families (28 thousand couples and 30 thousand singles) where the WTC entitlement is less than or equal to the childcare element and is therefore paid together with CTC.

Section 3: Age, gender and children in recipient families

Section 3 focuses on the demographic make-up of the tax credits population. In particular, it looks at the age and gender of the adults in the family as well as the number and age of children in each family.

Figure 3.1 shows that singles/one-parents and couples are typically in the age range 40-49. The next largest category is 35-39 age range for couples and 30-34 for singles. Overall, the age distribution for singles/one parent families is younger than that of couples.

Figure 3.1: Age breakdown of adults receiving tax credits

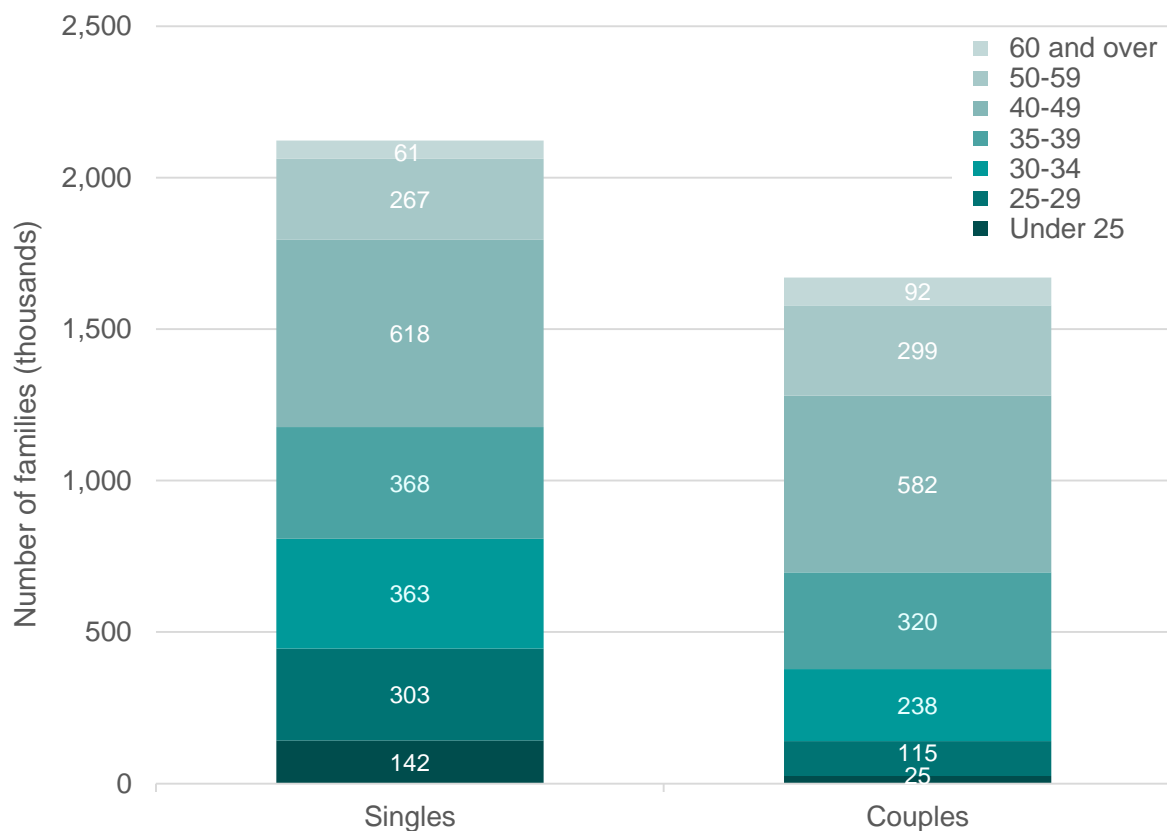


Figure 3.2 shows that families with either one or two children make up the overwhelming majority of families with children. Couples are more likely to have larger family sizes; for example, there are 58,000 couple families and 23,000 single families respectively with 5 or more children as at April 2018.

Figure 3.2: Number of children in families receiving tax credits

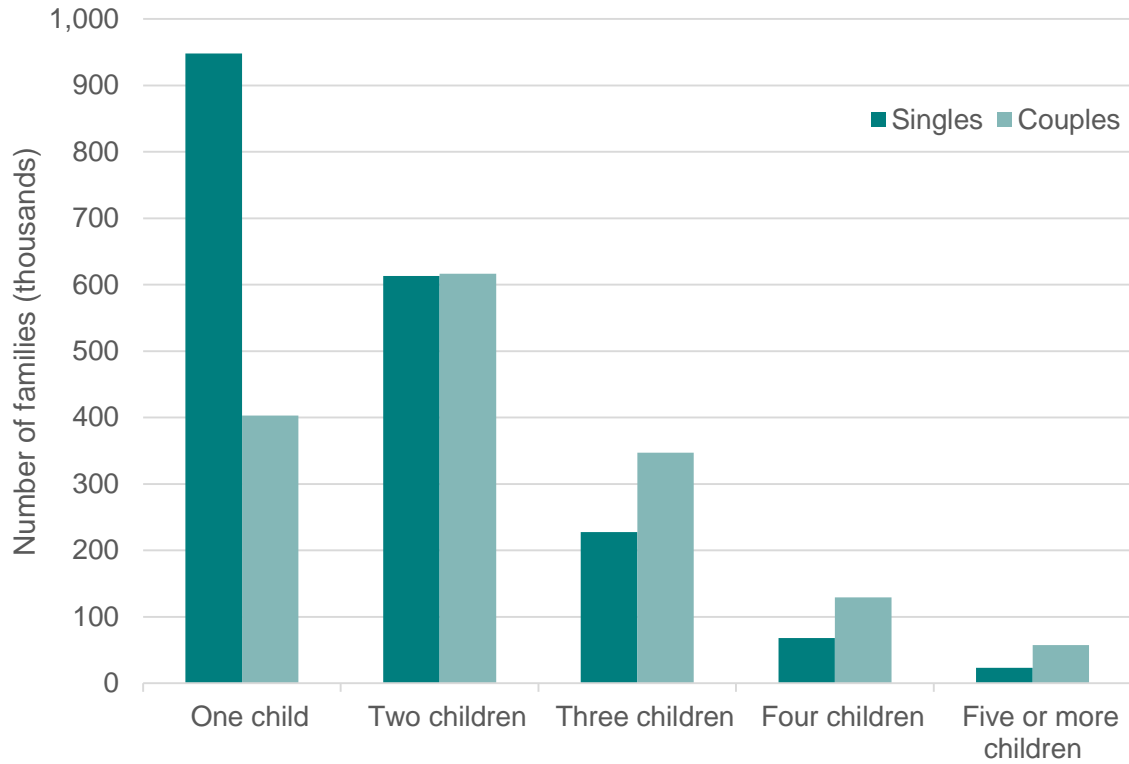
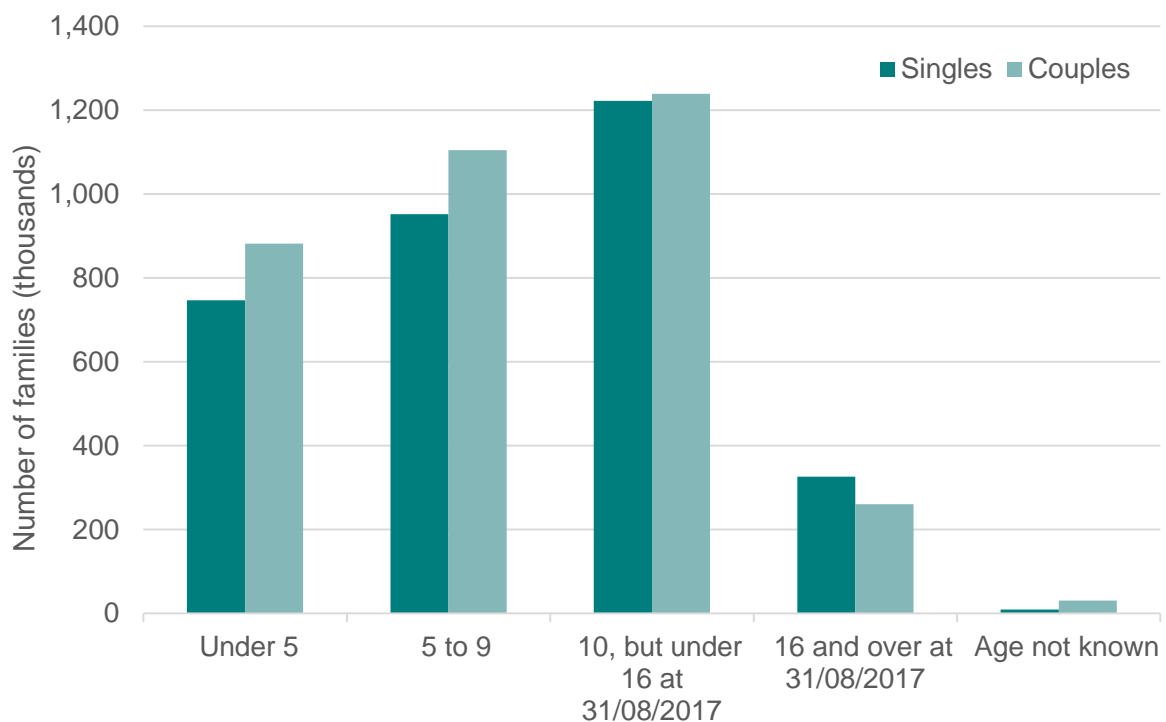


Figure 3.3 below shows that lone parents have more qualifying young persons aged 16 and over even though the number of couples is higher than the number of lone parents. For example, the total number of children aged 10 or above in single parents and couple families were approximately equivalent as at April 2018. However, there were 326,000 children aged 16 or above in a lone parent families and 261,000 children in couple households. Therefore, in general lone parents in are more likely to be claiming tax credits for older children or qualifying young people than their couple counterparts.

Figure 3.3: Distribution of children by age in tax credit families



Section 4: Hours worked and childcare of in-work recipient families

Section 4 focuses on the in-work recipient families, with breakdowns of the numbers of hours worked per week and the number of families benefiting from the 30-hour element. It also covers childcare-related breakdowns such as the numbers of families benefiting from the childcare element, the hours worked per week, the age distribution of the children, and detailed breakdowns of the costs.

Figure 4.1 shows the number of weekly hours worked by the main-worker in in-work families in receipt of tax credit. The majority of main-workers in a couple family are working full-time (or the equivalent of 35 hours or more). Single parent families are more evenly split between part-time and full-time work.

Figure 4.1: Weekly hours worked by main worker for in-work families in receipt of tax credits

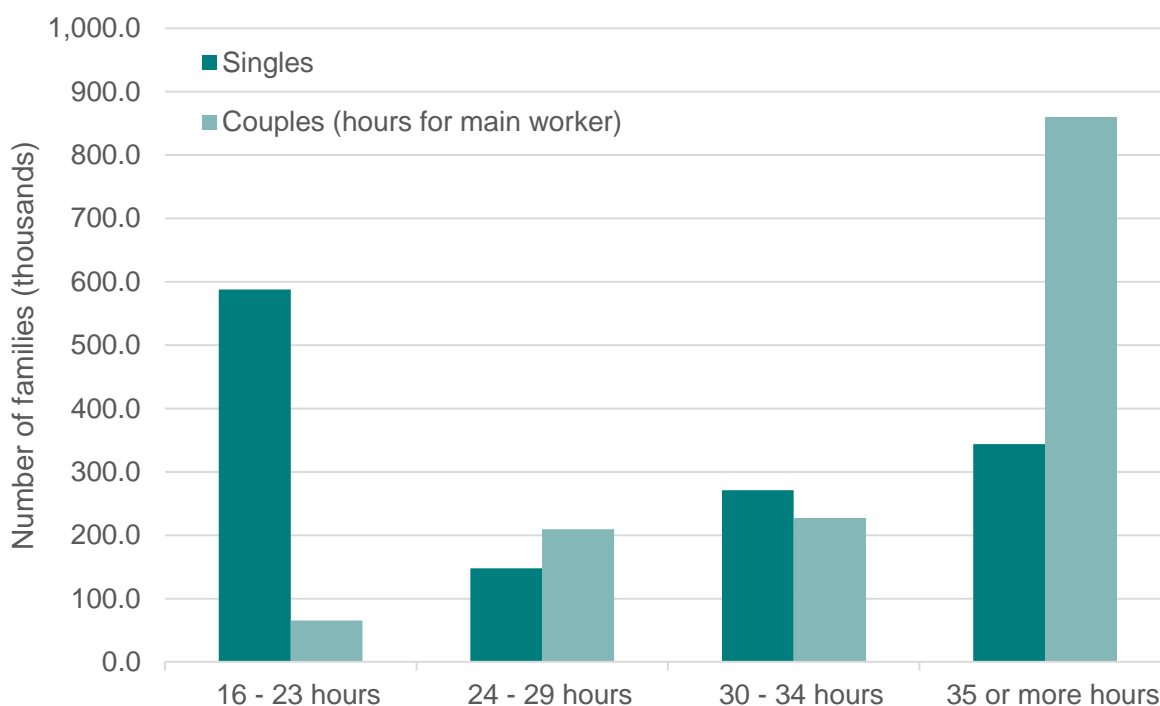


Figure 4.2 shows the average weekly support with childcare costs for single parent, couple and all families. The costs are broadly split across the cost bands for each of the categories, mostly reflecting the range of different numbers of hours childcare provision is claimed for. Many families have childcare costs of £150 per week and over, however there is also a large cluster with costs of £20-£39.99 per week.

Figure 4.2: Eligible childcare costs allowed (per week)

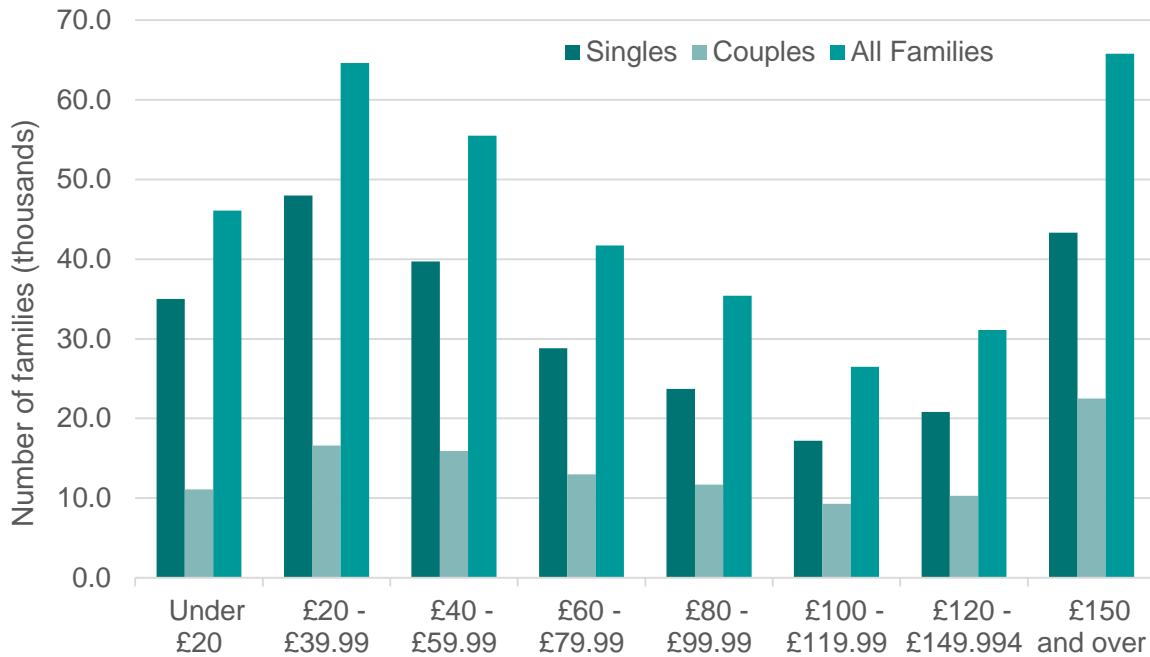


Table 4.4: In-work families benefiting from the childcare element, April 2018

Thousands

	Singles	Couples			Total
		Both working	Other ⁵	All Couples	
Age group of children⁶					
Under 5 years only	62.0	28.9	0.8	29.8	91.7
Under 5 years plus older	59.1	48.9	2.4	51.4	110.5
5 to 9 years only	63.5	9.2	0.5	9.7	73.2
5 to 9 years plus older	39.7	13.6	0.9	14.6	54.3
10 years and over only	32.1	4.5	0.5	4.9	37.0
Total families benefiting⁷	256.4	105.2	5.1	110.3	366.7
Hours worked per week (fewest for couples where both work at least 16 hours)					
16-23	115.3	54.2	1.0	55.2	170.5
24-29	32.6	18.8	0.8	19.6	52.2
30-34	38.4	14.4	0.7	15.1	53.5
35-39	49.7	13.2	1.3	14.5	64.2
40+	20.5	4.6	1.3	5.9	26.4
Total families benefiting⁷	256.4	105.2	5.1	110.3	366.7
Average costs allowed⁸ (£ per week)	£84.63	£96.55	£79.99	£95.78	£87.98
Average help with childcare costs⁹ (£ per week)	£58.36	£59.96	£55.06	£59.73	£58.77

⁵ The non-working partner is incapacitated, in hospital or in prison.

⁶ Ages of all children in the family, not just those for whom childcare costs are incurred.

⁷ Those claiming the childcare element and with a positive award.

⁸ After taking account of maximum costs allowed (see Appendix B).

⁹ The difference between the award and the notional award excluding the childcare element.

Section 5: In-work families benefiting from disability elements

Section 5 focuses on families that are benefiting from the disability elements - that is the disabled worker element, the severely disabled adult element, the disabled child element and the severely disabled child element. There are breakdowns of the family size and the numbers of hours worked by those benefiting as well as breakdowns on overlapping disability/childcare elements.

Figure 5.1 shows the number of individuals benefiting from the disability elements. There are approximately 114,000 disabled workers, 203,000 disabled children, 47,000 severely disabled adults, and 75,000 severely disabled children in benefiting families.

Figure 5.1: Number of individuals benefitting from the disability elements

	<i>thousands</i>
Number of disabled workers in benefiting families	113.8
<i>of which number of severely disabled adults in benefiting families</i>	<i>47</i>
Number of disabled children in benefiting families	203.3
<i>of which number of severely disabled in benefiting families</i>	<i>75.1</i>

Table 5.1: In-work families benefitting from the disabled worker element, April 2018

	<i>Thousands</i>				
	Singles with children	Singles without children	Couples with children	Couples without children	Total
Disabled worker(s) in family benefitting					
Sole worker ¹⁰ is disabled	17.7	53.7	12.9	9.9	94.1
Couples both working - one disabled	-	-	12.1	5.2	17.2
Couples both working - both disabled	-	-	0.6	0.6	1.2
Total families benefitting¹¹	17.7	53.7	25.6	15.6	112.6
Gender of disabled workers					
Female	16.4	31.0	9.6	6.5	63.5
Male	1.3	22.7	16.6	9.7	50.3
Total disabled workers in benefiting families	17.7	53.7	26.3	26.3	113.8
Ages of disabled workers					
Under 20	-	0.2	-	-	0.2
20-29	1.4	6.9	1.8	0.5	10.7
30-39	5.1	9.0	8.7	0.9	23.7
40-49	7.6	12.9	10.3	2.6	33.4
50-59	3.4	17.3	4.8	7.2	32.7
60 or over	0.2	7.3	0.7	5.0	13.1
Total disabled workers in benefiting families	17.7	53.7	26.2	16.2	113.8
Hours worked by disabled workers					
16-23	9.8	25.4	8.8	6.5	50.4
24-29	1.8	5.5	3.4	1.6	12.4
30-34	2.5	9.8	3.6	3.1	19.1
35-39	2.6	8.8	5.7	2.6	19.7
40 or more	1.0	4.1	4.7	2.5	12.3
Total disabled workers in benefiting families	17.7	53.7	26.2	16.2	113.8

¹⁰ Throughout this table, "worker" means an adult working for at least 16 hours per week.

¹¹ Those claiming the disabled worker element who (a) have children and have a positive award, or (b) have no children and have a positive WTC award.

Table 5.2: In-work families benefiting from the disabled child element, April 2018

Thousands

	Singles		Couples		Total
	One disabled child	2+ disabled children	One disabled child	2+ disabled children	
Total families benefiting¹²	50.7	2.7	116.3	14.6	184.3
Number of disabled children in benefiting families	50.7	5.6	116.3	30.7	203.3
Also with the childcare element	11.8	0.8	8.5	1.0	22.0
Also with the disabled worker element	1.8	0.2	3.6	0.6	6.2

Table 5.3: In-work families benefiting from the severely disabled adult element, April 2018

Thousands

	Singles		Couples		Total		Total
	With children	Without children	With children	Without children	With children	Without children	
Total families benefiting¹³	3.6	9.2	21.8	11.9	25.4	21.1	46.5
Total severely disabled adults in benefiting families	3.6	9.2	22.1	12.2	25.6	21.4	47.0
Also with childcare element	0.6	-	1.7	-	2.3	-	2.3
Also with disabled worker element	3.6	9.2	6.3	4.4	9.9	13.6	23.4

¹² Those with the disabled child element and with a positive award. Disabled children includes those who are severely disabled and included in Table 5.4.

¹³ Those with the severely disabled adult element who (a) have children and have a positive award, or (b) have no children and have a positive WTC award.

Table 5.4: In-work families benefiting from the severely disabled child element, April 2018

	<i>Thousands</i>		
	Singles	Couples	Total
Total families benefiting¹⁴	18.2	52.4	70.6
Total severely disabled children in benefiting families	18.8	56.3	75.1
Also with childcare element	4.3	3.8	8.1
Also with disabled worker element	1.0	1.7	2.7

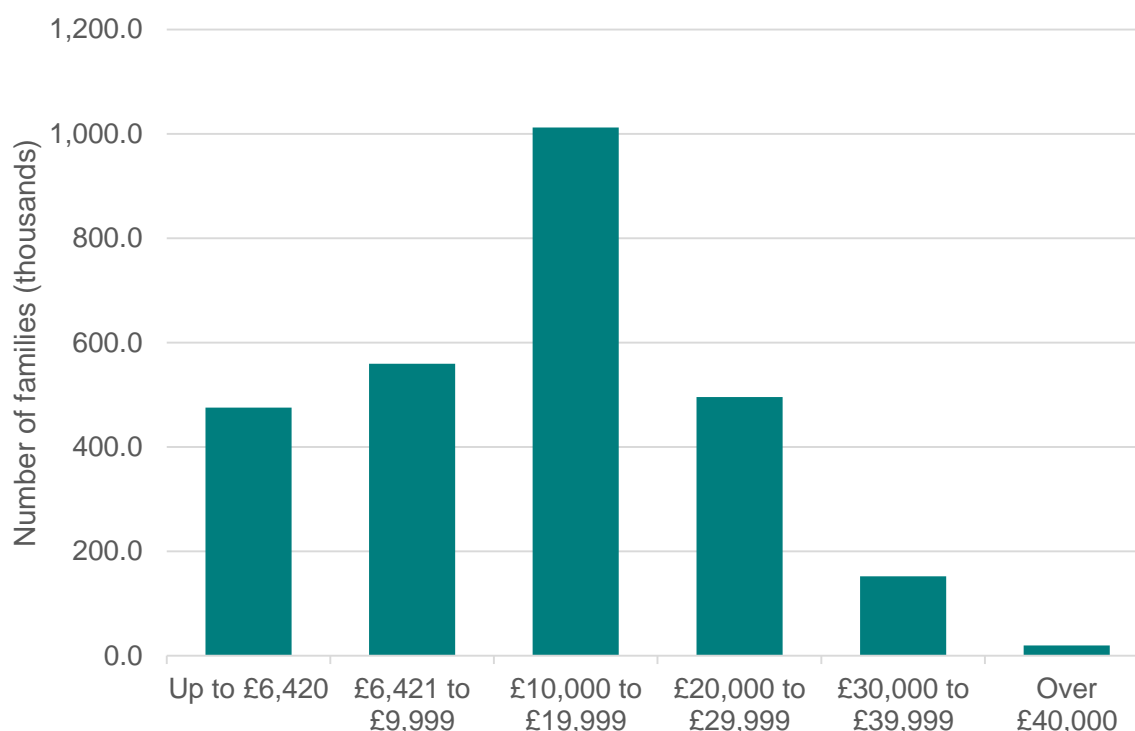
¹⁴ Those with the severely disabled child element and with a positive award.

Section 6: Annual incomes of in-work recipient families

Section 6 describes the distribution of incomes used to taper awards for families in receipt. This is also broken down by the type of income reported – that is, whether the award is based on the family's income from the previous year ('PY' income), the family's current year income ('CY' income), or whether income disregards have been applied.

Figure 6.1: shows that the large majority of families receiving tax credits have incomes under £30,000. The majority of support is going to families on incomes of up to £10,000. The second highest income group lies between £10,000 and £19,999. 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 in-built in the tax credits system.

Figure 6.1: Income used to taper awards: in-work recipient families

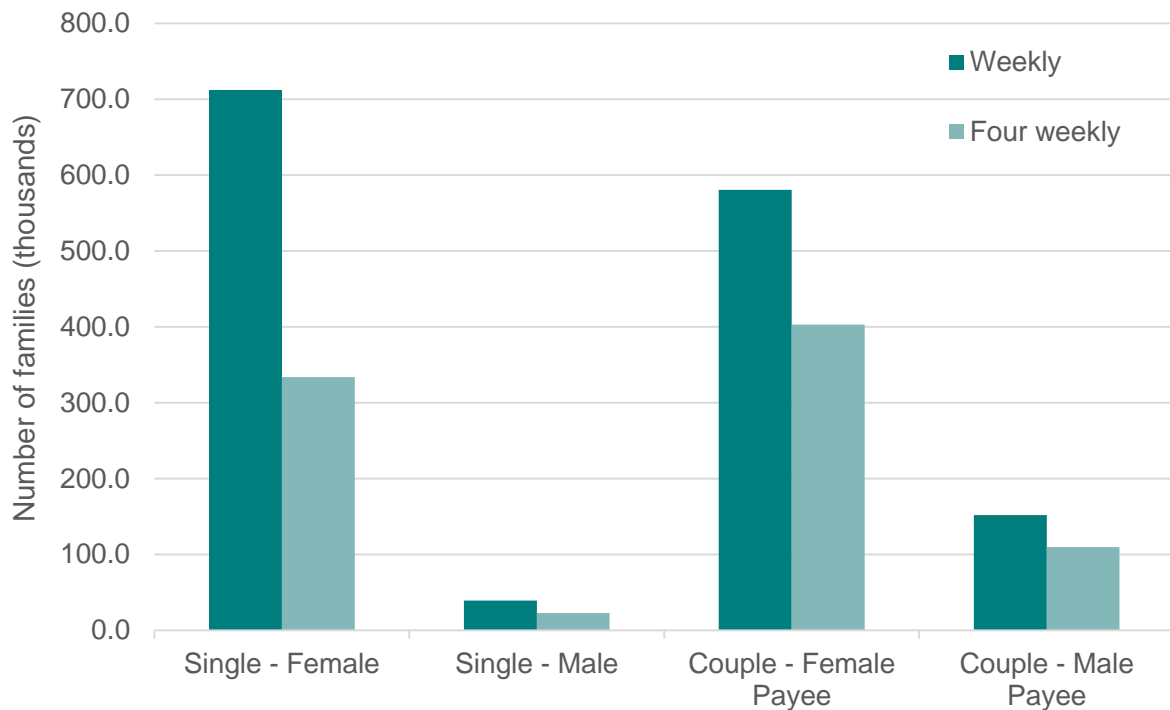


Section 7: Type of payments to in-work families with children

Section 7 details the chosen payment frequency for families in receipt, broken down by family status and gender of the payee. Tax Credit recipients are able to choose whether they are paid in weekly or 4-weekly intervals.

Figure 7.1 shows that families tend to choose weekly CTC payments rather than four-weekly payment cycles. The vast majority of CTC payments are paid to the female parent. Lone parents are more likely to have weekly payments, whereas couples have a more equal preference.

Figure 7.1: Chosen frequency of payment: in-work families with children¹⁵



¹⁵ Cases where the frequency of payment is unknown have been excluded in the graph.

Section 8: Regional analysis of recipient families

Section 8 details the numbers of families in receipt of tax credits with a regional breakdown. There are detailed breakdowns of the level of support provided in each region, the numbers of families benefiting from the childcare element as well as the disabled worker element and disabled child element.

As seen in Figure 8.1, the region with the highest numbers of tax credits recipients is London, closely followed by the North West and then the South East. The region with the lowest numbers of tax credits recipients is Northern Ireland followed by the North East of England. Within the overall figures, the highest number of families on the higher awards - those receiving WTC and CTC - are from London followed by the North West. The highest number of out-of-work families in receipt are again in London followed by the North West. This takes no account of the size of the population that are eligible for tax credits so one should be careful when drawing inferences from these results.

Figure 8.1: Numbers of families receiving different amounts of tax credits by country and English region

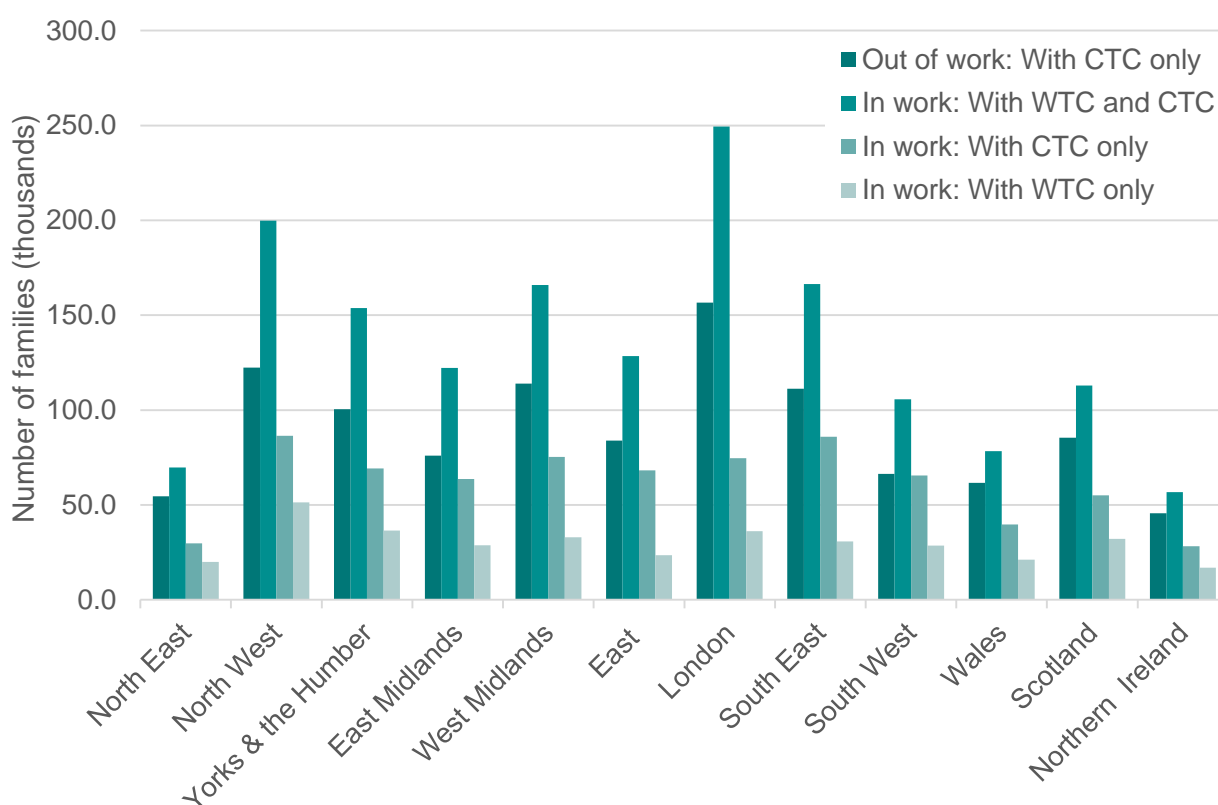


Table 8.1: Recipient families by profile of tax credits and by country and English Regions, April 2018

<i>Thousands</i>						
	Total out-of-work families	In-work families			Total in-work families	Total in receipt (out-of-work and in-work families)
		With children		With no children		
		Receiving WTC and CTC	Receiving CTC only	Receiving WTC only		
United Kingdom¹⁶	1,079.8	1,611.3	743.0	359.1	2,713.4	3,793.2
England	885.4	1,361.7	618.8	288.7	2,269.2	3,154.6
North East	54.5	69.8	29.7	20.0	119.6	174.1
North West	122.4	199.9	86.5	51.3	337.7	460.1
Yorks & the Humber	100.5	153.7	69.3	36.5	259.5	360.0
East Midlands	76.0	122.2	63.6	28.7	214.5	290.5
West Midlands	113.9	165.9	75.4	33.0	274.3	388.2
East	83.9	128.5	68.3	23.6	220.3	304.2
London	156.7	249.5	74.6	36.2	360.3	516.9
South East	111.3	166.5	86.0	30.8	283.3	394.6
South West	66.3	105.7	65.5	28.5	199.6	265.9
Wales	61.7	78.3	39.8	21.2	139.3	201.1
Scotland	85.5	112.9	55.0	32.1	200.0	285.5
Northern Ireland	45.6	56.7	28.2	16.9	101.8	147.4
Foreign and not known	1.5	1.6	1.3	0.3	3.1	4.7

Table 8.2: Number of children in recipient families, by country and English Regions, April 2018

<i>Thousands</i>				
	Children of Out-of-work families	Children of In-work families		Number of children in recipient families
		CTC & WTC	CTC Only	
United Kingdom¹⁶	2,135.5	3,066.3	1,567.6	6,769.4
England	1,766.2	2,625.3	1,310.6	5,702.1
North East	106.0	126.8	60.1	292.9
North West	246.2	389.5	179.3	814.9
Yorks & the Humber	205.0	302.5	145.7	653.2
East Midlands	150.9	227.6	134.8	513.3
West Midlands	234.5	331.2	161.7	727.4
East	166.1	240.6	146.4	553.1
London	305.0	504.3	154.5	963.8
South East	220.7	309.1	185.5	715.3
South West	131.7	193.8	142.5	468.1
Wales	120.7	142.4	82.0	345.0
Scotland	157.6	192.8	110.5	460.8
Northern Ireland	88.2	102.9	61.6	252.8
Foreign and not known	2.8	2.9	3.0	8.7

¹⁶ Includes foreign and not known

Appendix A: Technical Note

Current entitlement

There is a single claim form covering both Child and Working Tax Credit, 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, income-based Employment and Support Allowance or Pension Credit (Guarantee Credit), this sum is reduced if the family's annual income (see below) exceeds the relevant income threshold. The reduction is 41 per cent of the excess over the threshold.

For 2017-18 awards, the initial calculation of a family's entitlement is based on its relevant income in 2016-17 which is reported for the final calculation of the 2016-17 award or on the claim form. Relevant income comprises gross annual taxable income from social security benefits (except pensions) and from employment or self-employment, less pension contributions; plus annual income from savings, property, state and private pensions and other sources (but excluding maintenance) in excess of £300. For claims by couples, entitlement is based on their joint annual income.

Final entitlement for 2017-18 is based on 2016-17 income if that is more than £2,500 lower than the income in 2017-18, or exceeds it by more than £2,500. However, the first £2,500 of a fall in income or the first £2,500 rise in income in 2017-18 is disregarded in calculating the tax credit due for that year. The family can report an estimate of its income in 2017-18 at any time, and the award will be recalculated using this income. After the end of the year, the award is finalised when the 2017-18 income is known.

Changes of circumstances

A family's circumstances (such as number of children, hours worked, childcare costs, and disabilities) can change within the year. To calculate the annual award, the year is then split into the periods between which the family's circumstances changed. Entitlement is calculated for each period, based on the annual values shown in Appendix B but scaled down to the number of days in the period. The rate of entitlement attributed to each case for this publication is that for the period spanning the reference date.

Data sources

The estimates in the tables for in-work families are based on data from a random sample of families with awards at the reference date, extracted from the tax credits computer system on that date.

The estimates for out-of-work families with children are based on data at 2 April 2018. The out-of-work families receiving their child support via DWP are based on scans of the benefits systems. These identified all families with children receiving benefits at August 2008. The estimates are restricted to families that had qualifying children in Child Benefit awards at August 2017 and were not claiming tax credits at 2nd April 2018. Figures are subsequently calibrated to total estimates of the population made by the Department for Work and Pensions. The out-of-work families' claimants' size in Table 2.1 is the combination of estimate for CTC equivalent paid by DWP plus the estimate for out-of-work families receiving CTC at the extraction date based on a random sample from the HMRC core system taken at that date.

Since April 2004, all new families receive their child support via CTC, not benefits. An aggregate allowance has however been made for the relatively small number of babies born between August 2008 and April 2018 to families receiving their child support via benefits at the latter date.

Weights were given to the sample to gross the total to derive the estimates. Details of weighting is provided in Appendix B.

Appendix B: Sampling method and sampling error

The tables are based on a random sample of families receiving CTC or WTC at the reference date. The sample comprises 10 per cent of such single adults (with or without children) and 20 per cent of such couples. Each figure in the tables is derived by weighting the relevant sample cases by the inverses of these sampling fractions¹⁷.

The figures in the tables are, therefore, estimates, but we know how accurate they are. For example, suppose that there are 100,000 couples with a characteristic. This number is not known, and we are to estimate it via the sample. Each couple is sampled with a chance of 0.2. Statistical theory says that there is a 95 per cent chance that the number sampled will lie between 19,752 and 20,248, and that the resulting estimate will lie between 98,760 and 101,240. At least approximately, then, where an estimate of 100,000 is derived from the sample, the true figure lies between these figures, with a 95 per cent probability. That is, the "95 per cent confidence interval" for the estimate is the estimate itself plus or minus 1,240.

The width of the confidence interval varies with the size of the estimate and the sampling fraction, as shown in the table below. For estimates that comprise a mixture of couples and single adults, the figures will lie between the two sets shown, according to the mix.

Confidence intervals for estimates of recipient families

Estimated value	95% confidence interval		As % of the estimate	
	Couples	Single adults	Couples	Single adults
<i>(thousands)</i>	<i>(thousands)</i>	<i>(thousands)</i>		
1	± 0.1	± 0.2	± 12%	± 19%
2	± 0.2	± 0.3	± 8%	± 12%
5	± 0.3	± 0.4	± 6%	± 8%
10	± 0.4	± 0.6	± 4%	± 6%
25	± 0.6	± 0.9	± 2.5%	± 4%
50	± 0.9	± 1.3	± 1.8%	± 2.6%
100	± 1.2	± 1.9	± 1.2%	± 1.9%
250	± 2.0	± 2.9	± 0.8%	± 1.2%
500	± 2.8	± 4.2	± 0.6%	± 0.8%
1,000	± 3.9	± 5.9	± 0.4%	± 0.6%

Sampling uncertainty

As the figures are based on sample, therefore they are subject to sampling uncertainty. Figures based on fewer than 25 cases are shown as "-".

¹⁷ Each case is further weighted so that the overall total equals an independent count of families with awards.

Appendix C: Annual entitlement (£) by tax credit elements and thresholds:

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Child Tax Credit										
Family element	545	545	545	545	545	545	545	545	545	545
Family element, baby addition ¹	545	545	545	-	-	-	-	-	-	-
Child element ²	2,085	2,235	2,300	2,555	2,690	2,720	2,750	2,780	2,780	2,780
Disabled child additional element ³	2,540	2,670	2,715	2,800	2,950	3,015	3,100	3,140	3,140	3,175
Severely disabled child element ⁴	1,020	1,075	1,095	1,130	1,190	1,220	1,255	1,275	1,275	1,290
Working Tax Credit										
Basic element	1,800	1,890	1,920	1,920	1,920	1,920	1,940	1,960	1,960	1,960
Couples and lone parent element	1,770	1,860	1,890	1,950	1,950	1,970	1,990	2,010	2,010	2,010
30 hour element ⁵	735	775	790	790	790	790	800	810	810	810
Disabled worker element	2,405	2,530	2,570	2,650	2,790	2,855	2,935	2,970	2,970	3,000
Severely disabled adult element	1,020	1,075	1,095	1,130	1,190	1,220	1,255	1,275	1,275	1,290
50+ return to work payment ⁶										
16 but less than 30 hours per week	1,235	1,300	1,320	1,365	-	-	-	-	-	-
at least 30 hours per week	1,840	1,935	1,965	2,030	-	-	-	-	-	-
Childcare element										
Maximum eligible costs allowed (£ per week)										
Eligible costs incurred for 1 child	175	175	175	175	175	175	175	175	175	175
Eligible costs incurred for 2+ children	300	300	300	300	300	300	300	300	300	300
<i>Percentage of eligible costs covered</i>	80%	80%	80%	70%	70%	70%	70%	70%	70%	70%
Common features										
First income threshold ⁷	6,420	6,420	6,420	6,420	6,420	6,420	6,420	6,420	6,420	6,420
<i>First withdrawal rate</i>	39%	39%	39%	41%	41%	41%	41%	41%	41%	41%
Second income threshold ⁸	50,000	50,000	50,000	40,000	-	-	-	-	-	-
<i>Second withdrawal rate</i>	1 in 15	1 in 15	1 in 15	41%	-	-	-	-	-	-
First income threshold for those entitled to Child Tax Credit only ⁹	15,575	16,040	16,190	15,860	15,860	15,910	16,010	16,105	16,105	16,105
Income increase disregard ¹⁰	25,000	25,000	25,000	10,000	10,000	5,000	5,000	5,000	2,500	2,500
Income fall disregard ¹¹	-	-	-	-	2,500	2,500	2,500	2,500	2,500	2,500
Minimum award payable	26	26	26	26	26	26	26	26	26	26