



Northern Ireland

## Benefits Fact Sheet: Working Tax Credit

### What is Working Tax Credit?

Working Tax Credit (WTC) is a payment for people who are working and on a low income. Working Tax Credit is paid by HM Revenue and Customs (HMRC) directly into your bank or building society account, or into a post office card account.

### Who can get Working Tax Credit

You can get WTC if you or your partner is working enough hours a week and your income is low enough. You must be living in the UK. If you are from abroad, you may have difficulty claiming WTC depending on your immigration status.

If you aren't sure about your right to claim WTC because of your immigration status, get help from an experienced adviser.

There are five different ways you can qualify for WTC, depending on your circumstances:

#### **If you're responsible for a child**

If you're 16 or over and responsible for a child or young person, you can get WTC provided you work at least 16 hours a week and your income is low enough. Someone counts as a child until 1 September following their 16th birthday. A young person is someone who is 16, 17, 18 or 19 and still in full-time education up to A level or equivalent, or on certain approved training courses. You're responsible for a child or young person if they normally live with you or you have the main responsibility for their care.

If you're responsible for a child, you may get Child Tax Credit as well as WTC or instead - see Further Help at the end of this fact sheet.

#### **If you're disabled**

If you're 16 or over and disabled, you may get WTC provided you work at least 16 hours a week, your income is low enough and you get one of the qualifying benefits because of your disability. HMRC may also apply a test which looks at how your disability or illness affects your chances of finding work.

The qualifying benefits include:

- Incapacity Benefit
- Disability Living Allowance
- Attendance Allowance
- Industrial Injuries Disablement Benefit
- Statutory Sick Pay
- occupational sick pay
- Income Support
- national insurance credits awarded because you have been unable to work
- income-related or contributory Employment and Support Allowance.

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There are rules about how long you have to have been getting some of these benefits before you claim WTC.

If you're disabled and you're not sure whether you qualify for WTC, you should get help from an experienced adviser.

**If you're 50 or over and have recently started work**

You may get WTC if you're 50 or over, work 16 hours or more a week, started your job within the last three months and were getting certain benefits when you took your job. These benefits are:

- Income Support
- Jobseeker's Allowance
- Incapacity Benefit or Severe Disablement Allowance
- State Retirement Pension paid with Pension Credit
- certain training allowances
- income-related or contributory Employment and Support Allowance.

You must usually have been getting these benefits for at least six months. If you were not entitled to benefits, but were getting national insurance credits, you may also be able to get WTC. In some cases, you can get WTC because someone else was getting benefit which included an amount for you. Whether you qualify will depend on your income.

**If you're 25 or over and work 30 hours a week or more**

You may get WTC if you're 25 or over and work 30 hours a week or more. Whether you qualify will depend on your income. You don't have to have a child in order to claim, but you do have to work enough hours.

**If you're 60 or over and work 16 hours a week or more**

If you're 60 or over and work 16 hours a week or more, you may get WTC.

## How Working Tax Credit is calculated

To work out whether you're entitled to WTC and how much you can get, HMRC will compare your income for the previous tax year to a figure of £6,420. If your income is the same as or less than this figure, you will get the maximum amount of WTC (and Child Tax Credit if this applies). This will depend on your circumstances.

The maximum amount of WTC you can get is calculated by adding together different elements which are based on your circumstances. These elements are:

The **basic element**. This applies to everyone who is entitled to WTC.

The **second adult element**. This applies if you're claiming as a member of a couple (some people who are aged 50 or over don't get this). You have to claim as a couple if you live with a partner. This includes same-sex partners as well as opposite-sex partners.

The **disability element**. This applies if you're disabled, get certain benefits and you work at least 16 hours a week (you can get a disability element if your partner qualifies for it, or two disability elements if you both qualify). The **severe disability element** applies if you get the highest rate care component of Disability Living Allowance or the higher rate of Attendance Allowance. You can also get the severe disability element for your partner, if they qualify.

The **50 plus element**. This applies if you're 50 or over, began work within three months of your claim and were getting certain benefits in the six months before you started work.

A **childcare element** which you can get if you pay for childcare provided by a registered childminder, out-of-school club or other approved provider.

If you're income is more than £6,420, this will affect the amount of WTC you can get.

As a very rough guideline, if you're a single person without children and you aren't disabled, you're unlikely to get WTC if your income is £11,500 or more a year. For exact figures, check with HMRC.

If you're a single person without children and are disabled, you can earn up to £15,000 or £16,000 a year, depending on how many hours you work a week and still be entitled to WTC.

These limits go up if you're part of a couple.

The tax credit calculation is very complicated. There is a HMRC online questionnaire which you can use to find out whether you qualify for WTC and how much you should get. Go to HM Revenue and Customs website at [www.hmrc.gov.uk](http://www.hmrc.gov.uk).

You can also get help from an experienced adviser.

### **How long is working tax credit paid for**

Tax credits are awarded for a complete tax year. A tax year runs from 6 April to 5 April the following year. If you claim after 6 April, your award will run from the date you claim to the end of the tax year. If your circumstances change during the period of your award, you should tell HMRC as soon as possible, as your tax credit entitlement could be affected.

### **How to apply for Working Tax Credit**

To apply for WTC, contact the tax credit helpline for an application pack. The application form for your first claim is Form TC600.

The helpline number is 0845 300 3900 (textphone 0845 300 3909) and calls cost the same as a local telephone call.

## Further help

### **Citizens Advice Bureau**

Citizens Advice Bureaux give free, confidential, impartial and independent advice to help you solve problems. To find your nearest CAB visit [www.citizensadvice.co.uk](http://www.citizensadvice.co.uk) or look under C in your phone book.

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