



Northern Ireland

Benefits Fact Sheet: Tax Credits - reporting a change of circumstances

What are tax credits?

There are two types of tax credit.

- Working Tax Credit is extra money you can get from the Government if you are working and are on a low income
- Child Tax Credit is extra money you can get from the Government if you have children. You don't have to be working to get Child Tax Credit.

Whether you can get tax credits and the amount you can get depends on your income and your family circumstances. Changes in your income and family circumstances can affect your entitlement to tax credits.

Tax credits are paid by HM Revenue and Customs (HMRC).

Why is it important to report a change of circumstance?

If you don't tell HMRC about a change in your circumstances that affects your tax credits, you may not get all the money you're entitled to, or you may get too much and have to repay some of it.

If a change in your circumstances means that you should get more tax credits, this will only be backdated up to a maximum of three months. For example, if you have a new baby on 1 May, but don't tell HMRC until 1 September, they will only backdate the increase in your tax credits to 1 June.

If you've been paid too much tax credit, the overpayment will be calculated from the time that your circumstances changed. However, if you report a change of circumstance and HMRC takes more than 30 days to take it into account, they will only recover any money overpaid during the first 30 days. The rest will be written off.

There are some changes of circumstance that you **must** tell HMRC about. If you don't tell HMRC about these changes, you may have to pay a penalty.

There are other changes which you **should** tell HMRC about, to make sure that you're getting the right amount of tax credits.

Which changes of circumstance must you tell HMRC about?

You must tell HMRC about the following changes within one month of becoming aware of them happening. If you don't, you may have to pay a penalty. You must tell HMRC if:

- you're claiming tax credits as a single person and then marry, register a civil partnership or start living with someone as a couple. You must make a new claim as a couple
- you were married, in a civil partnership or living with someone as a couple and then separate. You must make a new claim as a single person

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- you start to work less than 30 hours a week (or 16 hours, depending on your entitlement)
- you or your partner goes to live abroad permanently
- either you or your partner goes abroad for more than eight weeks. There are special rules if you're delayed from returning because you or someone in your family becomes sick, disabled or dies whilst you are abroad
- you are getting the childcare element of Working Tax Credit and for at least four weeks in a row, you stop paying for childcare or your childcare costs go down by more than £10 a week
- you stop being responsible for a child you've been getting tax credit for
- a child you are responsible for dies before reaching the age of 20
- a child you are responsible for leaves school or certain approved training courses before reaching the age of 20
- you stop working.

Other changes of circumstances you should tell HMRC about

There are other changes you should tell HMRC about to make sure that you get the right amount of tax credits. If you don't tell HMRC about these changes, you may not get all the money you're entitled to, or you may have to pay money back.

You should tell HMRC if:

- your income goes up or down
- a baby is born that you're responsible for
- a child you're responsible for stays in full-time education after September of the year they reach 16
- a child you're responsible for becomes (or stops being) disabled
- your partner dies
- you start to pay for childcare or change your childcare provider
- you change your address, your bank account or your employer
- you start to work more than 16 hours a week (or 30, depending on your entitlement).

If you're not sure whether a change will affect your tax credits, you can ring the HMRC Tax Credit Helpline on 0845 300 3900.

Your tax credit award form should say more about what to tell HMRC when your income or circumstances change.

How to report a change of circumstance

You can tell HMRC about a change of circumstance by phoning the HMRC Tax Credit Helpline on 0845 300 3900 (textphone 0845 300 3909). Make a note of the date and time you did this and who you spoke to. You should always follow up your phone call in writing and keep a copy of your letter or email.

Problems with tax credits

If you think the amount of tax credits you're getting is wrong, you can ask the HMRC Tax Credit Helpline to explain their decision. If you're still not satisfied, you can appeal.

If you're unhappy about the service you get from HMRC, for example, because there have been long delays in processing your change of circumstance or they have lost documents you sent them, you should complain first of all to the tax credit office which deals with your claim. If you're not satisfied with the response, you can take the complaint further. The HMRC Tax Credit Helpline can explain what you should do if you want to take your complaint further.

Further help

Citizens Advice Bureau

Citizens Advice Bureau gives free, confidential, impartial and independent advice to help you solve problems. To find your nearest CAB visit www.citizensadvice.co.uk or look under C in your phone book.

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