



**Technical Report:
Research to explore the feasibility of collecting in-
year estimates of income from tax credit
claimants**

A Report for:



Presented by:

GfK NOP

Your contact people:



Mary Bard/Nicky Brockington
Phone: +44 (0)20 7890 9236/9367
Fax: +44 (0)20 7890 9222
E-mail: mary.bard@gfk.com
nicky.brockington@gfk.com

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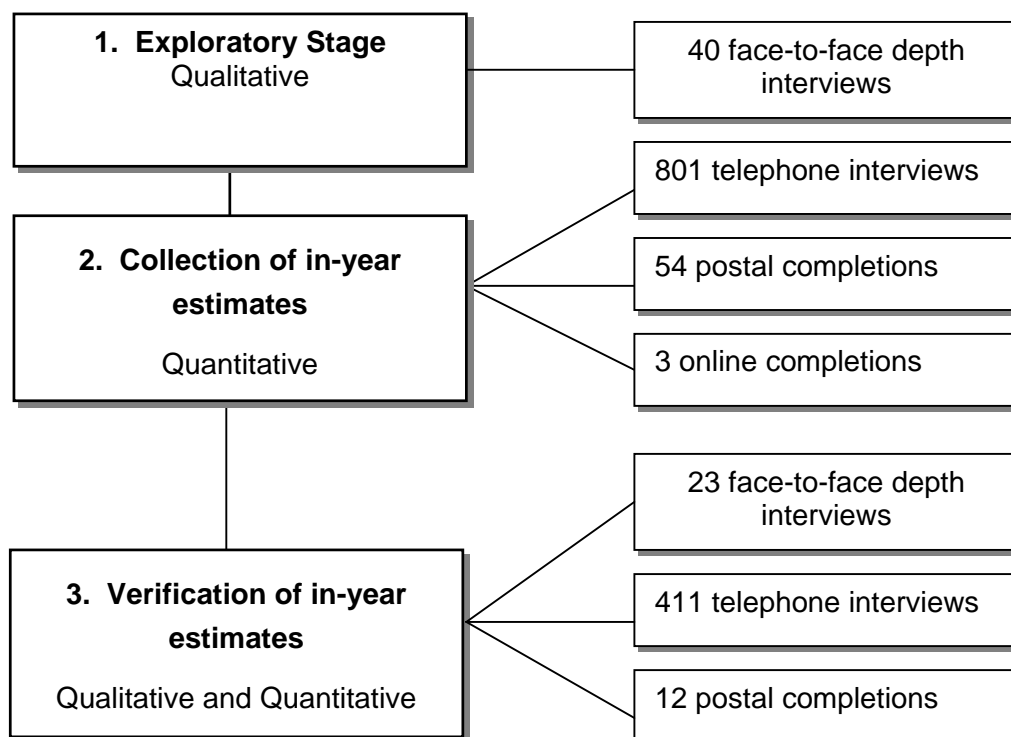
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1 Technical Report

1.1 Methodology and Sample

1.1.1 Overall Summary

The research was conducted for this project using both qualitative and quantitative research methods in three stages. The following diagram summarises these stages and then a brief overview of each stage is given.



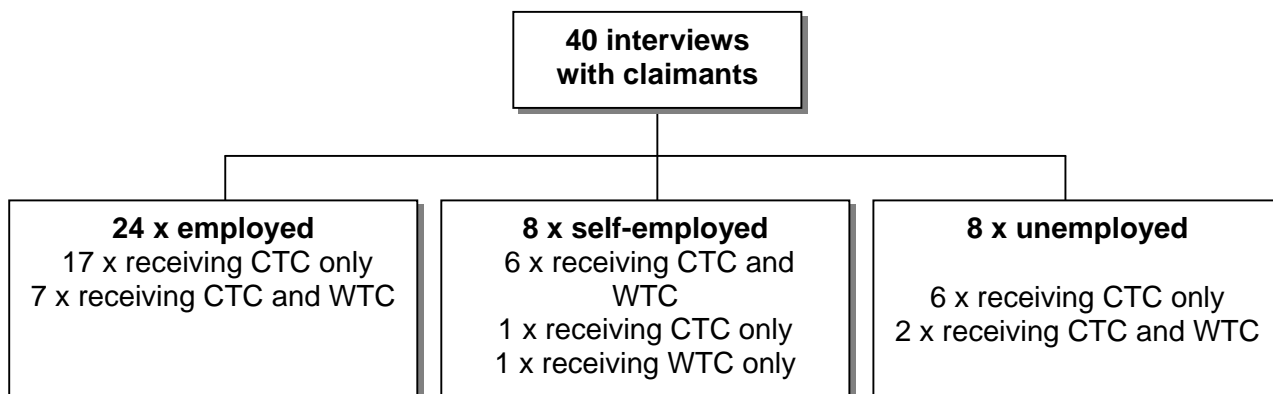
1. **The exploratory stage** was conducted using qualitative research. 40 one hour face-to-face depth interviews were conducted for this stage of the research to explore more fully respondents' understanding and ability to provide in-year estimates. Fieldwork took place for the exploratory stage between 3 March and 11 April 2006.
2. The **collection of in-year estimates** took a quantitative approach using a number of different methodologies, as follows:
 - o Telephone interviews using CATI (Computer Assisted Telephone Interviews), either with a form sent in advance or without a prior form.
 - o Postal form only
 - o Postal form with the option of completing the survey online.

This stage collected claimants' estimates of household income and was conducted between 20 April and 5 May 2006.

3. The **verification of in-year estimates** was the final stage of the research and was undertaken using both qualitative and quantitative interviews. Households with employed claimants, who had taken part in the collection stage, and respondents from the exploratory stage were re-contacted to determine how accurate their original estimates had been. The verification stage took place between 30 May and 14 July 2006.

1.1.2 Qualitative Research

i. Qualitative research sample overview: Exploratory stage



The above diagram details the qualitative research undertaken for the exploratory stage. In total, 40 face-to-face depth interviews with claimants were conducted for this stage of the research. 24 interviews were with employed claimants, eight with self-employed claimants and eight with unemployed claimants in order to provide a good overview of different types of households.

In addition, these interviews included the following types of claimants:

- 25 respondents in total were making joint claims
- 15 were making single claims
- 16 respondents received other income
- 18 respondents had, in the past, reported to HMRC a change in circumstances (other than at the renewal stage).

The following tables show the number of interviews conducted broken down in terms of type of tax credit being claimed, for each of the three main categories of claimants; employed, self-employed and unemployed. For employed households, the numbers of hours respondents worked is also shown.

□ **Employed respondents**

24 employed respondents	Joint claim	Single claim
9 x CTC only: Family element only	6	3
8 x CTC only: More than Family element	4	4
7 x CTC and WTC	4	3

○ **Hours worked**

Fewer than 16 hours per week	3
16 – 29 hours per week	8
30+ hours per week	13
More than one job	6

□ **Self-employed respondents**

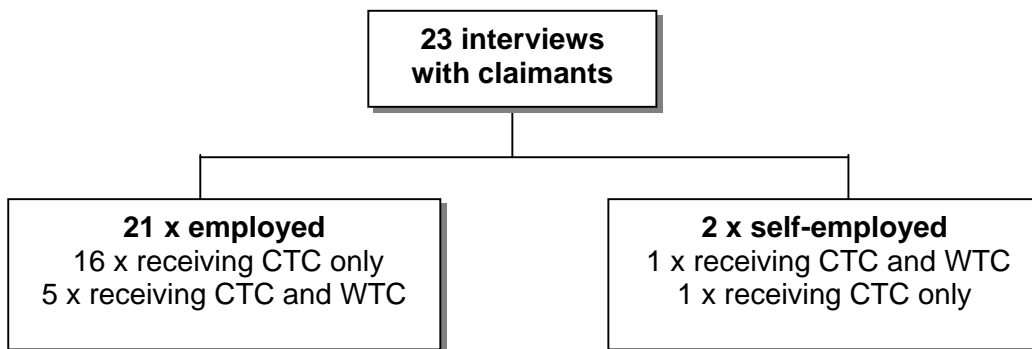
8 self-employed respondents	Joint claim	Single claim
1 x CTC only	1	-
1 x WTC only	1	-
6 x CTC and WTC	4	2

□ **Unemployed respondents**

8 unemployed respondents	Joint claim	Single claim
6 x CTC only	3	3
2 x CTC and WTC (partner employed part-time)	2	-

Four of the unemployed respondents were receiving Income Support (with one also receiving Incapacity Benefit) and one respondent was receiving Job Seeker's Allowance.

ii. Qualitative research sample overview: Verification Stage



The above diagram details the qualitative research undertaken for the verification stage. In total, 23 face-to-face depth interviews with claimants who had taken part in the exploratory stage were conducted for this stage of the research. 21 interviews were with employed claimants and two with self-employed claimants.

In addition, these interviews included the following types of claimants:

- ❑ 13 respondents in total were making joint claims
- ❑ 8 were making single claims
- ❑ 10 respondents received other income
- ❑ 10 respondents had, in the past, reported to HMRC a change in circumstances (other than at the renewal stage).

The following tables show the number of interviews conducted broken down in terms of type of tax credit being claimed for each of the three main categories of claimants; employed, self-employed and unemployed. For employed households, the numbers of hours respondents worked is also shown.

❑ **Employed respondents**

21 employed respondents	Joint claim	Single claim
8 x CTC only: Family element only	5	3
6 x CTC only: More than Family element	3	3
2 x CTC only (elements received not known)	2	-
5 x CTC and WTC	3	2

○ **Hours worked**

	Number of respondents
Fewer than 16 hours per week	3
16 – 29 hours per week	9
30+ hours per week	9
More than one job	2

□ **Self-employed respondents**

2 self-employed respondents	Joint claim	Single claim
1 x CTC only	1	-
1 x CTC and WTC	1	-

1.1.3 Quantitative Research

i. Methodology

All potential respondents for the telephone research were sent an **opt-out letter** prior to fieldwork to provide them with the opportunity to say they did not want to take part in the research.

Respondents were given details of a GfK NOP address to write to within two weeks, if they did not wish to be contacted as part of the research and a helpline number to call if they required further information.

The **quantitative** research design included two stages, as follows:

1. Collection Stage

The collection stage involved collecting estimates of tax credit claimant's annual household income before they received end of year confirmation of their earnings and other income. The main question areas covered by the collection stage were as follows:

- Demographics
- General estimates of household income
 - a. Overall annual household income from a given set of income ranges
 - b. An unbanded general estimate of overall annual household income (or monthly if unable to provide annual)

- c. Whether household income had increased or decreased in the last year and by how much.
- o Detailed estimates of household income
 - a. Earnings from employed and/or self-employed jobs
 - b. Other income
- o Overall opinions of collection exercise.

2. Verification Stage

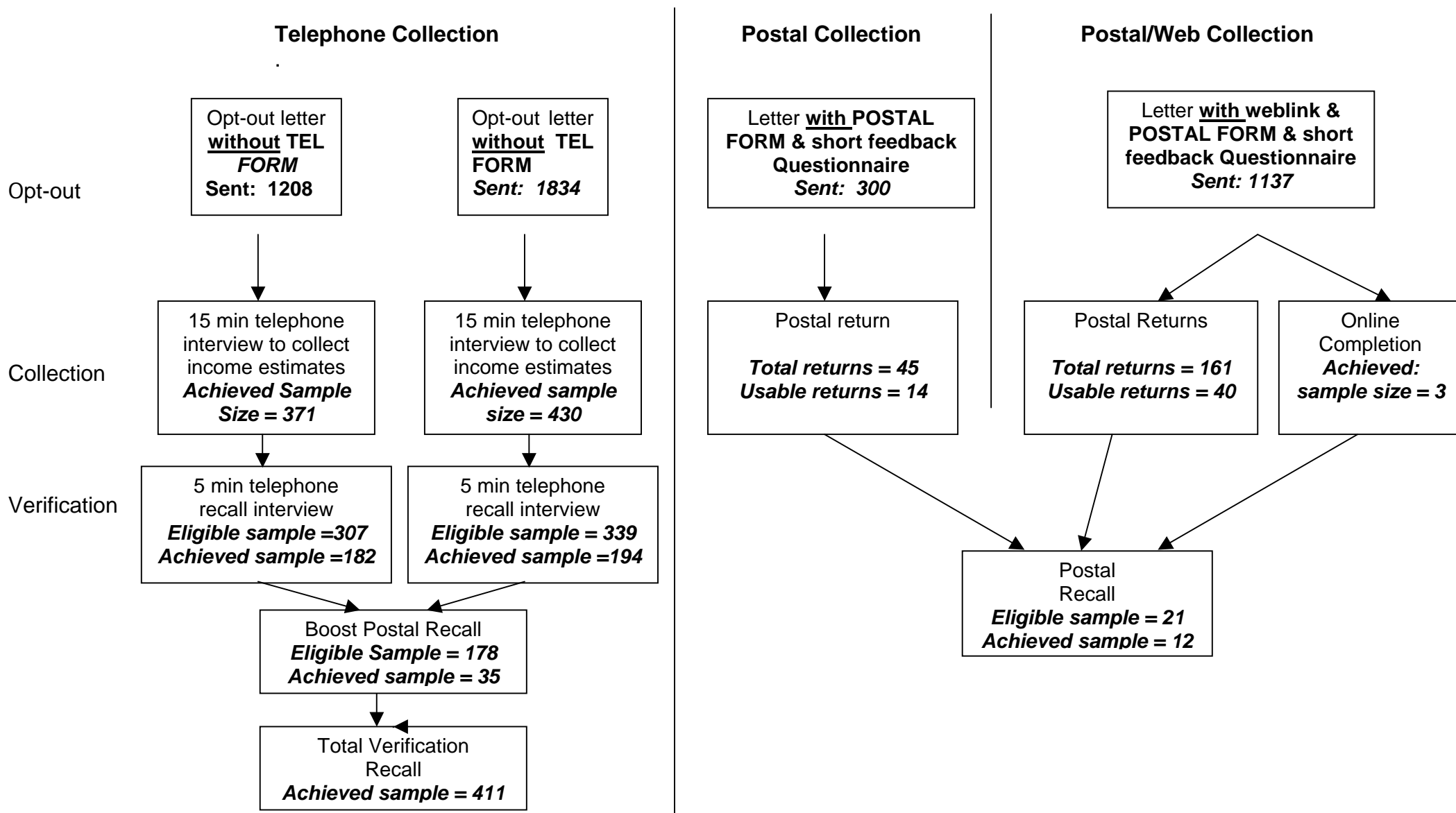
The verification stage involved re-contacting households with any employed claimant who had agreed to take part in the second stage. The objective of this stage was to collect financial information from their P60 and statements of interest for savings, in order to compare their original estimates with actual income.

The main areas covered by the verification stage were as follows:

- o Information from P60 for employed respondent and/or partner
- o Comparison with estimates provided at collection stage and possible reasons for discrepancies
- o Information from statements of interest from savings, if applicable.

The diagram on the following page illustrates the overall research design for the quantitative research, including sample sizes achieved for each of the stages.

Review of Overall Research Design



The quantitative research methodology for the **collection stage** involved a number of different research techniques, including:

- Telephone Collection: Telephone interviews conducted using CATI (Computer Assisted Telephone Interviewing)
- Postal only Collection: Postal self-completion forms only
- Postal/Web Collection: Postal and an optional online completion.

The **telephone** methodology was split between two different approaches:

1. **Form prior to interview:** Respondents received a 'household income estimation form' at the same time as an opt-out letter to allow them to see and preferably complete, the information prior to a telephone interview.
2. **No Form prior to interview:** Respondents received an opt-out letter only, which outlined the type of information to be collected, but with no specific detail, and they were then contacted by telephone.

For the **self-completion** element of the research, there were also two approaches:

1. **Postal Only:** Respondents received a 'household income estimation form', a short questionnaire, a reply-paid envelope and a covering letter asking them to complete the form and the questionnaire and return in the reply-paid envelope.
2. **Postal/Web:** Respondents received a 'household income estimation form', a short questionnaire, a reply-paid envelope and a covering letter, including a **weblink address**. The letter asked them to either complete the form and the questionnaire and return in the reply-paid envelope or enter the information directly onto the online website.

All of the methods covered the same broad content although the telephone interview and online survey had greater scope to use routing to probe details of respondents' answers. In particular, the telephone and online methodologies covered respondents' ability to provide more 'general' estimates of income as well as more 'detailed' estimates. The postal self-completion form only requested detailed estimates.

To be eligible to take part in the collection stage of the survey respondents had to be in a household that had not yet received their P60s. Towards the end of the collection stage fieldwork some respondents started to receive their P60s. In the telephone interviews, where respondents had received their P60, they were screened out if they could recall the

amounts included on their P60, but continued if they had not yet looked at their P60. On the postal survey all respondents were asked to send back their form uncompleted if they had received their P60.

In addition, on the postal survey, households where the only sole source of income was from non-taxable social security benefits were asked to tick one box and return their form with no further completion required.

Fieldwork for the quantitative collection stage took place from 20 April to 5 May 2006. Copies of the questionnaires used at the collection stage are included in section 1.2.

For the **verification survey**, telephone interviews and postal self-completion methods were used.

The methodology adopted was such that respondents interviewed by telephone at the collection stage were also contacted by telephone at the verification stage and similarly postal respondents from the first stage were sent a postal form to complete for the verification. A further short postal questionnaire was also used to boost the response from the telephone respondents where no interview had been achieved after the scheduled fieldwork period.

Respondents who were re-contacted at the verification stage were those who were employed and who had agreed to a follow-up interview. If they had not yet received their P60, attempts were made to recall them later in the fieldwork period.

Fieldwork for the quantitative verification stage took place from 30 May to 14 July 2006. Copies of the questionnaires used at the verification stage are included in section 1.2.

ii. Sample

HMRC provided the sampling frame for the research. This was drawn from an internal ten per cent sample of tax credit administrative data, which is a snapshot of data taken from tax credit records.

A **stratified probability sample** was drawn, based on the following stratification criteria:

- Type of tax credits award (maximum tax credits, tax credits tapered away by income, family element only);
- Whether there has been an income change reported within the current year;
- Lone parents and couples;
- Whether in receipt of other income besides earnings;
- Region.

In general the sample was drawn proportionately to the population, with the exception of CTC only households with only one claimant and income which was more than the plateau. This was to ensure the resulting sample in the survey for this group of respondents was sufficiently large enough for analysis, if required. The initial sample drawn is compared with the proportions within the overall population in table A1.

Table A1: Initial Survey Sample Drawn compared with Population

	Sample Drawn	Population
WTC only	5%	4.9%
WTC & CTC	25%	26.0%
CTC only - plateau or less	36%	37.1%
CTC only - > plateau single	5%	1.9%
CTC only - > plateau joint	10%	10.5%
Self-employed	5%	5.6%
Not employed	13%	14.0%
Total	100%	100%

Given the tight timings for conducting the research and to ensure that sufficient sample was available if response rates were poor, a main sample was drawn, presuming the response rate was 50 per cent and a reserve sample was drawn should the response rate be lower than 25 per cent. All sample was released in batches during fieldwork to ensure that the more difficult to contact respondents had had several attempted calls before releasing new sample for interview. Each batch of sample was initially drawn using a stratified systematic probability sample, which was then fully randomised before loading onto the CATI system.

Due to timings for the collection stage, all the 50 per cent sample and the majority of the 25 per cent sample was required for the survey.

The sample contained the following information:

- Name of tax credits claimant
- Address of tax credits claimant
- Telephone number, if available
- Type of tax credits claimant (as defined on HMRC database)
 - WTC only (*Working tax credit only*)
 - WTC and CTC (*Working tax credit and Child tax credit*)
 - CTC only - plateau or less (*Child tax credit only households receiving the family element or less of tax credits*)
 - CTC only - > plateau single (*Child tax credit only households with a single claimant receiving more than the family element of tax credits*)
 - CTC only - > plateau joint (*Child tax credit only households with joint claimants receiving more than the family element of tax credits*)
 - Self-employed (*Households with self-employed claimants*)
 - Not employed (*Households with unemployed claimants*).

Type of tax credits claimant, as detailed above, was a key segmentation criterion for the research and was used at the analysis stage to determine whether any particular problems existed for different types of claimant.

Approximately a fifth of the sample did not contain a telephone number and 80 in the first instance, a **telephone look-up exercise** was conducted on the sample. Overall, a 26 per cent success rate in terms of matching sample with a telephone number was achieved. Following the telephone look-up, the samples for each of the different methodologies were drawn. All sample where no telephone number had been found was used for the postal or postal/online survey. To check for any bias in this approach, an initial comparison of the sample which had telephone numbers, compared to those without, was undertaken as shown in table A2. This indicated that there were no major differences between the samples based on 'type of tax credit claimant' as provided in the initial sample.

Table A2: Comparison of Sample with Telephone Numbers and Without Telephone Numbers

50% and 25% samples	Total		With telephone numbers		Without telephone numbers	
		%				
WTC only	225	5%	195	5%	27	4%
WTC & CTC	1196	25%	1007	25%	191	25%
CTC only - plateau or less	1702	36%	1412	35%	288	38%
CTC only - > plateau single	262	5%	242	6%	23	4%
CTC only - > plateau joint	483	10%	394	10%	87	11%
Self-employed	253	5%	217	5%	36	5%
Not employed	639	13%	540	14%	102	13%
Total	4760	100%	4006	100%	754	100%

Table A3 shows the **sample breakdown for the collection stage** from the initial sample to number of completed interviews.

Table A3: Sample Breakdown for Collection Stage

	Total	% of original sample
Initial sample	4760	
Sample after telephone matching	4006	84%
Telephone Sample (prior to fieldwork)	3042	64%
Completed telephone interview	801	17%
Postal Only Sample (prior to fieldwork)	300	6%
Returned Forms	31	1%
Usable forms	14	*
Postal/Web Sample (prior to fieldwork)	1137	24%
Returned Forms	123	3%
Usable forms	40	1%
Completed online	3	*
Unused Sample	281	6%

* = < 0.5%

Table A4 shows the breakdown of the **sample outcomes for the telephone research** from the initial selection through to the end of the collection stage.

Table A4: Sample Outcomes for Telephone Research: Collection Stage

	Total			Prior Form Sent			No Form Sent			
	No.	% of eligible sample	% of telephone sample	% of in-scope telephone sample	No.	% of telephone sample	% of in-scope telephone sample	No.	% of telephone sample	% of in-scope telephone sample
Initial sample	4760	100%								
Sample with telephone number after matching	4006	84%								
No match, used for postal survey	754	16%								
Match, but used for postal	684 ¹	14%								
Match, unused sample	280 ²	6%								
Telephone Sample (prior to fieldwork)	3042	64%	100%	1834	100%		1208	100%		
Out-of-scope sample	953	20%	31%	580	32%		373	31%		
Not Eligible										
Received P60	43	1%	1%	14	1%		29	2%		
No eligible respondent	2	*	*	1	*		1	*		
Telephone contact not possible										
Number busy	10	*	*	7	*		3	*		
Moved	49	1%	2%	34	2%		15	1%		
Wrong number	183	4%	6%	109	6%		74	6 [^]		
Potential Interviews										
Willing to be interviewed, but not required	184	4%	6%	122	7%		62	5%		
Not available during fieldwork	10	*	*	7	*		3	*		
Unattempted	472	10%	16%	286	16%		166	15%		
In-scope Sample	2089	44%	69%	100%	1254	68%	100%	835	69%	100%
Completed interview	801	17%	26%	38%	430	23%	34%	371	31%	44%
Refusals	284	6%	9%	14%	175	10%	14%	109	9%	13%
Opt-outs	293	6%	10%	14%	189	10%	15%	104	9%	12%
Non-contact	459	10%	15%	22%	288	16%	23%	171	14%	20%
Unable to contact	252	5%	8%	12%	172	9%	14%	80	7%	10%

¹ 684 contacts with telephone numbers were used for the postal survey

² 280 contacts were not used for the survey as they were part of the reserve telephone sample and were not required to reach the target sample size.

* = < 0.5%

Responses have been broken down into two main categories, namely in-scope responses and out-of-scope responses. Responses within the out-of-scope include the following categories:

Out-of-scope responses

- ❑ **Not eligible**
 - **Received P60** – respondent or their partner had received their P60 at the time of the call and could remember the details
 - **No eligible respondent** - interviewer was informed that no-one suitable was available to be interviewed.
- ❑ **Telephone contact not possible**
 - **Number busy** - unable to contact potential respondent due to telephone number being constantly engaged or no answer
 - **Moved** – potential respondent was no longer at the address provided
 - **Wrong number/not in service** - potential respondent was not known on the telephone number called or the telephone number was unobtainable.
- ❑ **Potential interview**
 - **Willing to be interviewed, but not required** – respondents agreed to an interview, but the target sample was reached without re-contacting them
 - **Not available during fieldwork** – potential respondent was unable to take part during the fieldwork period.
- ❑ **Unattempted** – this sample was not required due to the sample target being reached before attempting to contact these respondents.

The in-scope responses refer to responses where contact has been made with a potential respondent and a positive or negative outcome has been achieved. Responses within this category are as follows:

In-scope responses:

- **Completed interview** – potential respondent agreed to take part in the research and completed the whole interview.
- **Refusals** – contact with the potential respondent was made and they refused to take part in the research.
- **Opted-out** – potential respondent responded to the initial opt-out letter and expressed that they did not want to take part in the research.
- **Non-contact**

- Soft appointment with respondent – contact was made with the potential respondent and the interviewer was advised to call back another time, but no specific time was provided
 - Interview quit – potential respondent initially agreed to take part in the research, but was unwilling to continue at some point during the interview
 - Tried more than ten times – interviewer tried to contact the potential respondent at least ten times without success – this sample is then considered non-usable.
- **Unable to contact** - tried less than ten times without success to try and contact potential respondent.

In total, 14 per cent of the in-scope telephone sample refused to take part in the survey when we contacted them and a further 14 per cent had already opted-out of the research when they received the initial letter. These refusals rates are higher than have been found in previous HMRC research, particularly the opt-out level and may be due to the sensitivity of the information which was being requested.

The overall response rate for completed telephone interviews amongst the in-scope sample was 38 per cent, 26 per cent amongst the sample used for the telephone research and 17 per cent of the total initial sample. Interestingly, those who had not received the form had a higher response rate than those who had received the form (44 per cent compared with 34 per cent of the in-scope sample).

Table A5 shows the sample outcomes for the **self-completion methodologies** of the collection stage.

Table A5: Sample Outcomes for Self-Completion Research: Collection Stage

	Total			Postal only			Postal/Web		
	No.	% of initial sample	% of in-scope sample	No.	% of initial sample	% of in-scope sample	No.	% of initial sample	% of in-scope sample
Initial Postal/Web Sample	1437			300			1137		
Out-of-scope Sample	154	11%		31	10%		123	11%	
Returned – only received non-Taxable security benefits	28	2%		5	2%		23	2%	
Returned – received P60	126	9%		26	9%		100	9%	
In-scope Sample	1283	89%	100%	269	90%	100%	1014	89%	100%
Completed by post	54	4%	4%	14	5%	5%	40	4%	4%
Completed by web	3	*	*	-	-	-	3	*	*
No response	1226	85%	96%	255	85%	95%	971	85%	96%

* < 0.5%

The response rate for the self-completion methodology was lower than expected for the usable questionnaires at just four per cent, although when taking into account all responses received, including those out-of-scope, (those who had already received their P60 and those who only received non-taxable security benefits), the overall return rate was 15 per cent.

The verification stage only included respondents who were employed and had agreed to take part in the second stage of the research. Table A6 shows **the outcomes for the verification stage for the telephone recall**. Following the initial fieldwork stage, in order to boost response rates, households which had not taken part in the telephone survey and had not refused or been contacted more than ten times were sent a short postal self-completion.

Table A6: Sample Outcomes for Telephone Research: Verification Stage

Telephone		
Initial Sample	646	
Completed by telephone	376	58%
Refusals	65	10%
Appointments made	83	13%
Non-contact	122	19%
Sample sent postal booster	178	
Completed by post	35	20%
Non-response	143	80%
Total telephone completions	411	64%

* < 0.5%

In total 64 per cent of the potential telephone sample took part in the verification stage.

Table A7 shows the **outcomes for the postal verification**. Only 21 households were eligible to take part in the recall stage for this methodology.

Table A7: Sample Outcomes for Postal Research: Verification Stage

Postal		
Initial Sample	21	
Completed	12	57%
No response	9	43%

Overall the response rates for the verification were similar for both the telephone and postal methodologies, with just under three-fifths taking part in both methodologies at the outset. The response rate for respondents, who were initially contacted by phone, was then boosted by the additional postal questionnaire to approximately two-thirds.

The following table gives a **guide to accuracy of results**. This shows the confidence intervals by sample size for (example) 50 per cent and 10/90 per cent levels of observation.

Table A8: Accuracy of Results

Observed Answer Level	Total Sample Sizes						
	Collection Stage			Verification Stage			
	Telephone	Postal		Total	Respondent	Partner	
Sample Size		With Form	Without Form				
	801	430	371	54	411	358	202
50%	± 3%	± 5%	± 5%	± 13%	± 5%	± 5%	± 7%
10%/90%	± 2%	± 3%	± 3%	± 8%	± 3%	± 3%	± 4%

In simplistic terms, this means that if 50% of a sample of 801 gave a specific answer, we would say with 95% certainty that the true range is between 47% and 53%.

Where sample sizes are below 100 for any reporting segment, we would advise that the results are treated with caution as the sampling error is high. At the collection stage, the postal responses have been reported on separately in the main report and given this is based on 54 responses, is lower than would generally be recommended. However, some of the findings are interesting and it was therefore decided to include these figures with a proviso at each mention that the sample size is small.

Weighting

The data was weighted to the profile of tax credits claimant households, as provided by HMRC. This national profile was, in the main, in the same proportions as the original sample selected for the research. The exception was CTC only households where there was just one claimant, receiving higher than plateau tax credits. These were disproportionately over-sampled in the research to achieve a large enough sample for analysis.

Table A9: Weighting

Type of tax credits claimant	
WTC only	4.9%
WTC & CTC	26.0%
CTC only - plateau or less	37.1%
CTC only - > plateau single	1.9%
CTC only - > plateau joint	10.5%
Self-employed	5.6%
Not employed	14.0%
Total	100%

Representativeness of findings

Table A10 shows the **profile of the completed interviews** compared with the original sample selection and the national profile of tax credit claimants.

Table A10: Representativeness of Findings

Type of tax credit claimant	Completed Telephone	Completed Postal	Original Sample	Profile of tax credit claimants
WTC only	5%	7%	5%	4.9%
WTC & CTC	23%	43%	25%	26.0%
CTC only - plateau or less	37%	11%	36%	37.1%
CTC only - > plateau single	7%	4%	6%	1.9%
CTC only - > plateau joint	13%	4%	10%	10.5%
Self-employed	5%	7%	5%	5.6%
Not employed	10%	24%	13%	14.0%
Total	100%	100%	100%	100%
Base	801	54		

Overall, the telephone sample achieved was representative of the original sample provided to within three per cent on any type of tax credits claimant. A slightly lower proportion of CTC only joint households (more than plateau) were interviewed compared with the original

sample and slightly more interviews were conducted with households classified as 'unemployed'.

The completed postal interviews excluded households, which only received non-taxable social security benefits. Despite this, a higher proportion of 'unemployed' households returned their form. There was also a large discrepancy between the actual proportions of households receiving both WTC and CTC relative to the responses in the research. Research conducted by postal self-completion methods is subject to self-selection and therefore there is often a higher level of bias in response compared to telephone research.

The data was also analysed to determine whether there was a response bias in terms of the outcomes from the collection stage of the telephone research. Table A10 shows the breakdown of the data for each of the main response outcomes from the survey. Claimants most likely to refuse or opt-out from the research were those claiming CTC only (plateau or less). However, they were less likely to be out-of-scope compared to the overall proportion in the sample as a whole and the resulting completions were in proportion with the sample. In contrast, claimants classified as 'not employed' were slightly more likely to be out-of-scope when compared with the overall sample, but their rates of refusal and opting out were lower. A slightly higher proportion of WTC only claimants opt-out of the survey and a lower refusal rate was achieved amongst WTC & CTC claimants when these outcomes are compared to the original sample profile.

In general, response outcomes for other types of tax credit claimant were in line with the sample as a whole.

Table A11: Representativeness of Findings: Collection stage: Telephone Outcomes

Type of tax credit claimant	Sample	Completed	Refusals	Opt-outs	Non-Contact	Out-of-scope
WTC only	5%	5%	3%	9%	5%	4%
WTC & CTC	25%	23%	16%	22%	26%	28%
CTC only - plateau or less	36%	37%	53%	43%	36%	31%
CTC only - > plateau single	6%	7%	3%	5%	5%	6%
CTC only - > plateau joint	10%	13%	10%	8%	10%	9%
Self-employed	5%	5%	7%	6%	5%	6%
Not employed	13%	10%	8%	7%	13%	17%
Total	100%	100%	100%	100%	100%	100%

Considerations for future collection methodologies

There are some areas of household income estimation that were not covered by the quantitative methodology which we would recommend considering for future collection methodologies. The first of these is estimation of pensions income. Respondents claiming to receive income from a pension, or whose partner receives an income from a pension, were asked to provide an estimate of their pension income as a whole. For further clarity and analysis, we would recommend asking respondents to provide an estimation of private pension income and public pension income separately.

The second area not covered by the quantitative methodology was adoption leave income. Respondents who were employed were asked to provide estimates of maternity or paternity income, likewise respondents were asked to provide estimates of employed partner's maternity or paternity income. Bonus payments were also considered, however for completeness we would recommend extending this to include adoption income as well. Due to the scale of the research conducted, it is unlikely that this will have been required, however this option should be prompted with if the collection of in-year estimates is implemented, using a 'household income estimation' form.

Another area to consider for future collection of estimates is the way in which 'other' income is collected. For the telephone collection this was requested as 'other income' and examples were given such as property income (e.g. rental income), income from a second employed job, trust income, and savings income. However we would suggest that the term 'other income' was misleading, and rewording should be considered here. Respondents should be asked about each type of other income separately, rather than group these under one term as 'other income'.

In addition, respondents need to be clear what is considered to be 'other income'. In some cases, this is straightforward such as property income, but in the case of savings the term income could be misunderstood. It was clear from the research that some respondents interpreted savings income as the total amount of savings as opposed to the income generated from the savings

Respondents in the telephone research were asked separately about bonuses, maternity/paternity payments and second jobs were included in 'other income'. There are cases where respondents included these payments in the main earnings questions despite being requested not to do this and this may be because they could not easily separate them out. On the postal form, respondents were asked to include all these payments in their

monthly earnings and if the 'household income estimation' form is taken forward, either this approach should be adopted in the future or telephone operators need to ensure that respondents are not double-counting any aspect of their earnings.

It is clear from the research that respondents have more difficulty answering about their partner's income than they do their own. This is reflected in both their ability to provide estimates and actual P60 data. In an ideal situation, it would be preferable to speak to each individual separately to obtain the information, but in reality this is probably not practical. However, this was a research exercise and respondents are more likely to provide this information if requested to officially by HMRC.

1.1.4 Development of the Income Estimate Collection Form – Detailed Findings

The form overall

In the first 15 interviews, the researcher observed respondents completing the form during the interview, in order to understand (and see in real time) how claimants would go about completing the form. As is usually the case, many respondents read little of the information provided on the first page. Instead, they tended to head straight for a box or a white space wherever an answer was required, and regardless of whether or not they should have been completing that question. (It is possible that, in reality, claimants would have taken more care with their approach to the form.)

As a result these claimants often acknowledged that the form would have been easier to complete had they read the information first. Some thought that the form should place greater emphasis on the importance of reading the introductory information.

I didn't read the instructions about which section to fill in, and just went straight to section one – perhaps you need a bigger font for the instructions? (Unemployed, Joint)

The form appeared long to some respondents on first looking through it, but they felt that much of it was 'irrelevant' as the entire form did not have to be completed. Despite this, they found it difficult to suggest what could be left out, acknowledging that other people would need to complete the questions which were irrelevant to themselves. To sum up, therefore, the final qualitative research version of the form seemed straightforward to many, and on occasion compared favourably with other Government-related forms they had completed in the past.

I like this form. It's short and straight to the point. I'm quite happy with it. (Part-time, Joint)

It seems quite straightforward compared to some of the other forms you get, . . . right confusing the way they're worded sometimes. JobSeeker's Allowance was really difficult to fill in. (Unemployed, Joint)

Respondents either completed the form themselves or with the help of their partner. Occasionally, self-employed respondents claimed that they would have to pay an accountant to complete the form on their behalf because they did not have the necessary documentation available or prepared in order to give monthly in-year estimates.

Understanding of the terms used in the form

Some respondents entered figures they obtained from bank statements, rather than from pay slips; and even where a pay slip was used, on occasion respondents transferred to the form the actual pay after tax and national insurance had been deducted because this was seen as the 'household income'. As a result, the final qualitative research version of the form emphasised 'gross' income, and included the following definition of the term: 'the amount before tax and national insurance contributions are taken off'.

The term '**partner**' proved straightforward for respondents to understand, as the word was very familiar to them from other types of form they encountered. Similarly, claimants found the word '**estimate**' easy to understand, but did not always provide an estimate on the form. Instead, some sought out actual figures for months to date – but left March and April blank as they did not know what those figures would be.

You have to estimate, you can't predict when you're going to get sick. It's really hard to estimate. (Self-employed, Joint)

The terms '**regular**' and '**variable**' proved to be further sources of confusion, particularly in the early versions of the form. Some respondents were uncertain where to record elements of their income, as there was no obvious place to do so. For example, one respondent in the early interviews received 'regular' amounts from their Widowed Mother Allowance and from a rental income. Section A (Regular income) did not mention the Widowed Mother Allowance specifically in Section A, or have a place for 'other' income.

I receive regular income. The buy- to-let is the same amount every month. It's not variable, it's fixed. (Full-time, Single)

In addition, respondents' pay could vary slightly from month to month, causing some uncertainty about whether this was regular or variable, or at what point a regular income becomes a variable one.

It didn't register that I wasn't supposed to do this bit. But I did because I know we're different every month even though I know we are paid regularly. (Part-time, Joint)

Identifying which sections to complete

In general, most respondents were able to work out which sections to complete by reading the information provided. However, some did feel that it was not immediately obvious where they should start. In relation to the earlier forms tested, the self-employed experienced most difficulty, and even with the final qualitative research version, some remained unsure of where to begin. Those whose work circumstances differed from their partner's could also encounter problems deciding which parts of the form to complete.

It's a lot easier than the application form! But I find it hard again for the parts that are regular normal employed person [respondent], and then with him [partner] being a self-employed person. It doesn't clearly say 'if you're employed and your partner is self-employed'. (Part-time, Joint)

The report will now discuss in turn the main issues with each section of the form, referring to both the earlier versions and the final qualitative research version.

Section A1: How much do you (and/or your partner) earn?

Respondents found this section of the form more confusing in the early versions than the final version tested at the exploratory stage: the question asks them to give the figure for their earnings according to how they usually think of their income (e.g. annually, monthly, weekly etc.). Some respondents, however, completed all of boxes one to five, an example of which from one claimant is given below:

	Your income
1. Annual rate	£10,700
2. Monthly rate	£828
3. Weekly amount	£207
4. Daily amount	£41.40
5. Hourly amount	£5.19

The final version, therefore, stressed the point that claimants should only complete one of the five boxes: 'Please choose the one option which most closely applies to how you think of your income'.

Section A1 (As with a number of sections) included routing instructions (for example:

'Now answer A4', or 'Only answer A2 if you completed daily amount at A1'). In the final qualitative research version, these instructions were written on the right-hand side of the page, to the right of the boxes to complete, and were often missed. Those who did notice the instructions thought them to be very useful. To improve the routing, several participants suggested some type of colour-coding: all the estimation boxes, for example, could be in the same colour in order to make them easy to find when the final figures are tallied.

Section A2/A3: Only to be completed if answered daily / monthly at A1

These two questions relating to days and hours worked were considered straightforward but even so, some still completed these sections unnecessarily having missed the routing and / or misread the question instruction. However, this error would not affect the functioning of form, although it would create extra work for the claimant.

I didn't read that properly . . . (Full-time, Single)

A4/A5: Whether or not claimants work overtime; if so, to provide an estimate

Respondents generally understood these two questions and those working overtime were mostly able to give estimates.

I usually work a couple of extra hours per week, that's 100 hours per year at £5.05. So that's £550 (sic). (Part-time, Joint)

The figures calculated were then entered in 'Estimation box 1'. Some acknowledged that the figure they provided was more of a guess than an estimate, as it would have taken a great deal of effort to come up with an accurate estimate.

This was a guess, I think I worked it out at about 30 hours a month. I couldn't be bothered to go through all the time sheets. (Part-time, Joint)

However, this particular claimant (quoted above) went on to include the overtime figure in the 'annual salary' figure at A6. The main reason for this error was that the respondent's pay slip did not separate out overtime from the basic pay.

On my wage slip it just has a total – it's not separate. So I've put down what I earned for the year. So that includes the overtime (£4,880). (Part-time, Joint)

One respondent went further by choosing to ignore these questions, even though his wife regularly worked overtime. His rationale was that it would be too difficult to calculate, and not worth the effort. He claimed that he would be happy instead to pay back any tax credits awards to which he was not entitled.

*I'd rather put less time than more on the form. That way we get the money. I'd rather be slightly over paid and let them claim it back. . . . 'Do you or your partner work overtime?' I'd put 'no' for this because I don't want to get stuck into filling it all in.
(Unemployed, Joint)*

A6 and A7: Salary changes

Although these questions were understood (interpreted as 'has your salary changed?'), many claimants whose salary had changed found it difficult to provide a (correct) answer. The question contained an explanation of how to calculate an average salary where it had changed during the year, but respondents rarely understood it.

I didn't understand it. I'm not sure when the salary changes occurred. I'd have to spend a lot of time researching through all our salary slips. (Part-time, Joint)

Given below is an example of one such case from the research, followed by an explanation for the respondent's thinking.

Example:

Please list all salary changes since April 6th 2005 and the month(s) in which you (and/or your partner) started receiving the new amount(s)

Annual salary on April 6th 2005 £27,955

Your partner	
New salary Write in e.g. £12,000	Month Write in e.g. June
£ <input type="text" value="1,420.11"/>	<input type="text" value="May"/>
£ <input type="text" value="984.18"/>	<input type="text" value="May"/>

Average annual salary £29,706

The explanation of this scenario is as follows: the respondent's husband had two jobs, and the salary for each had increased in May 2005. The claimant had then given monthly income figures because 'Month' was requested in the adjacent box as illustrated in the table above. The new annual salary should therefore have been £1420.11 + £984.18 x 12 = £28,851.48. The respondent had no idea how she had calculated the new average salary to be £29,706, and was totally confused by the example on the form.

I see what you're saying, the average for the year. That would throw anybody. I've gone for the easy option. (Self-employed, Joint)

A8/A9: Frequency of pay and day of the week pay received

Respondents found these sections straightforward and generally understood the term 'In arrears'.

I understand it to mean you get paid for what you've done after you've done it. (Part-time, Joint)

A11: Taxable state benefits received

This section of the form was only relevant to a small number of respondents. The final qualitative research version of the form gave a list of benefits relevant to calculating household income. Respondents, who were deciding whether or not the question applied to them, found this list very helpful, and the boxes were deemed easy to complete.

Taxable state benefits: I hadn't come across that phrase before but it does give you a long list. So I had a look through, and I don't get them. It said 'do not include tax credits', so I left it blank. (Part-time, Joint)

A12: Any other income received

This question gave claimants examples of what was included within 'other' income, which they found useful. Some respondents, however, needed more than three boxes for their different sources of 'other' income. In one case, a claimant listed seven different sources (given below), which amounted to £20,707:

- Rental income
- Husband's fire service pension
- Own NHS pension
- Bond interest
- Internet account interest
- Share dividend
- Building society interest

In contrast, other respondents tended to miss out other income. There appeared to be two main reasons for this occurrence: first, some did on occasion genuinely forget a particular source of 'other' income, and only recalled it at the end of the interview, after the form had been completed. Second, some chose not to include 'other' income, because they considered the amounts to be too small to worry about (for example, a few pounds of Building Society interest).

I didn't include the income we get from rental of a property we own with my wife's family – I forgot all about it. (Self-employed, Joint)

Section B: Variable income

This section of the form applied to self-employed claimants and those with variable incomes. Some respondents, for whom the section was not relevant, still attempted to complete it (not having read the instructions).

The self-employed experienced many problems completing this section of the form. Some pointed out that there was nowhere on the form for them to show the expenses of the business, so the gross figures they provided were incorrect. Some took this aspect into account in giving their estimate, but most did not realise that they should be giving a profit figure for each month.

They should make it clear that if you're self-employed you need to take off work-related expenses. (Self-employed, Joint)

Some, however, felt unable to give *any* kind of estimate of what their income would be, given how their income varied each month (for example according to seasonal variations in their trade, or expensive equipment purchases), and the fact that they would not have their end of year accounts ready for some time. A further element of difficulty arose for a small number of self-employed respondents who would need to report a minus figure for the year, and could not see how they would do this on the form they had been given.

So I got to B and it said variable income, that doesn't mean anything to me. And I don't do my income by month so I thought it doesn't apply to me. . . . It can't be projected, my sales are so varied. It would take far more time than I would feel justified in giving it. (Self-employed, Single, Pub owner)

The exception amongst these self-employed respondents was a handful who were very organised, keeping their records up-to-date: these respondents did feel able to estimate their eventual income based on previous years' income, and anticipated work for the months remaining in the financial year.

I keep the income from work and from my shares in an accounts spreadsheet on my laptop. And I can use quotes I've given for upcoming jobs to predict the next month's income. (Self-employed, Joint, Decorating/carpentry)

Another (small) group of self-employed claimants opted for a less thorough approach. They guessed what their income would be, adjusting the previous year's profit either up or down based on how they felt the year had gone. As a result, the monthly table was not helpful for them, and they would have preferred a single box for an annual figure 'estimate'.

For some, the only way they could have completed the form properly would have been to pass it on to their accountant; but this would cost them extra money, which they would resent having to pay.

I would have rung my accountant. This form is going to be the bane of his life. Everyone on his books is going to ask the same questions. (Self-employed, Joint, Mechanic)

The extent to which the self-employed possessed financial knowledge varied. Some admitted that they felt ill equipped to complete the form, and explained how they would leave 'all that kind of thing' to their accountant. Indeed, it became apparent that some possessed very little financial knowledge. Examples of such cases are described below:

Example A: This respondent included as an expense of the business the money he paid himself each month: he felt that *he himself* was the main 'expense of the business'. He also believed that what he paid to 'Inland Revenue' was an 'expense'. The verbatim comments below - both from the same respondent - illustrate the way he perceived himself and his financial affairs:

I'm not an accountant, it's not a strength of mine. I'm not a mathematician. (Self-employed, Joint)

My wages are outgoings from my incomings. I pay myself to do my job, that's how I see it. And what I've paid to Inland Revenue is an expense. It's gone out of my account. (Self-employed, Joint)

Example B: A respondent who ran a café took the same amount of money from the business each month: she considered this figure to be what she had to enter on the form.

I've worked out a wage that I pay myself, £500 per month. This is the actual money I pay myself, gross. (Self-employed, Joint)

Example C: This self-employed claimant, a hairdresser, frankly admitted to having no understanding of the financial aspects of running a business, relying wholly on the advice received from her accountant. In her mind, 'household income' referred to whatever was paid into her bank account on a weekly basis. (The following three verbatim comments are from the same respondent.)

*All I know is how much I pay myself. I write a cheque out for myself each week. I don't understand it. My accountant tells me how much and I just say, 'oh right, OK'.
(Self-employed, Single)*

To me, household income is how much is in your bank each week. (Self-employed, Single)

I don't like forms, I'm not good at doing them. (Self-employed, Single)

Section C: Total estimate

This section of the form asked claimants to add up the appropriate figures they had given in earlier sections, in order to provide a total estimate of their household income.

Respondents using the final version of the form were able to fill in this page without too much difficulty. Some commented that this task would have been easier if the various Estimation Boxes (from which they took the figures) were in a different colour, making them easier to spot.

1.1.5 Ability to Provide General Estimates – further detailed results

a) Ranges of household income

A quarter of respondents estimated their household's earnings as being between £10,000-£19,999 per annum and for those receiving WTC, this proportion rose to just under half (49 per cent).

Amongst households receiving CTC only their estimated average household income is higher, with a third of those who are classified as plateau or less earning an average of £30,000-£39,999. A further third (34 per cent) of these claimants estimated their annual average income as being £40,000 or more. The majority of CTC only claimant households in the 'more than plateau' category estimated their annual household income to be between £10,000-£29,999 (79 per cent).

Table A12: Ranges of Annual Household Income

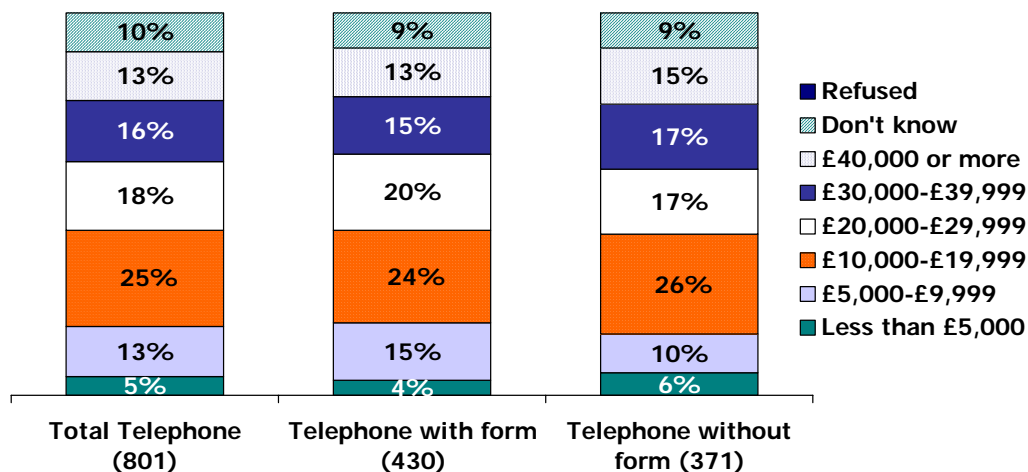
% figures shown	Type of Respondent (sample)			Type of Household (survey)			
	Total	WTC	CTC Only – plateau or less	CTC only – more than plateau	Any employed	Any self-employed	Unemployed
Less than £5,000	5	7	*	1	2	7	19
£5,000-£9,999	13	26	0	2	11	14	21
£10,000-£19,999	25	49	3	35	25	26	22
£20,000-£29,999	18	7	24	44	21	18	1
£30,000-£39,999	16	0	37	13	19	17	1
£40,000 or more	13	*	34	1	16	9	0
Range Given	90	89	97	95	94	91	65
Refused	*	*	0	0	0	1	0
Don't know/Not asked	10	11	3	5	6	8	35
<i>Unweighted base</i>	801	228	293	160	693	116	(68)

Base: All claimants interviewed by telephone

* = < 0.5%

() = small sample size

Chart A1: Ranges of Annual Household Income



Base: All claimants interviewed by telephone (801)

b) Specified amount of household income

Again, as with the estimated ranges, those receiving WTC are most likely to cite an income figure between £10,000-£19,999 (41 per cent); those receiving CTC only (plateau or less) are most likely to specify an amount between £30,000-£39,999 (24 per cent), or of £40,000 or more (29 per cent); and those that receive CTC only (more than plateau) are, as with estimated income, most likely to specify an amount between £20,000-£29,999 (35 per cent).

Table A13: Specified Amount of Annual Household Income

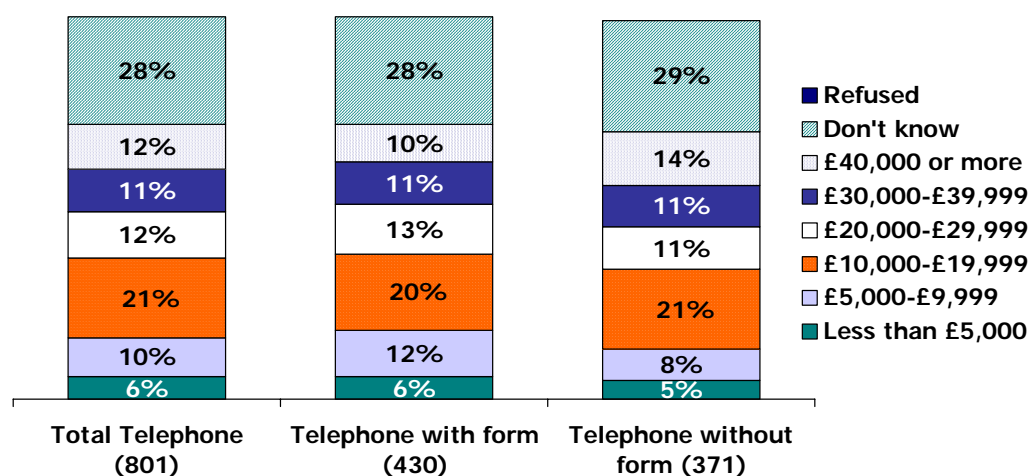
% figures shown	Total	Type of Respondent (sample)			Type of Household (survey)		
		WTC	CTC Only – plateau or less	CTC only – more than plateau	Any Employed	Any self- employed	Unem- ployed
Less than £5,000	5	5	*	*	2	3	30
£5,000-£9,999	10	23	*	*	8	11	16
£10,000-£19,999	21	41	3	26	21	21	22
£20,000-£29,999	12	6	14	35	14	9	1
£30,000-£39,999	11	*	24	11	13	11	1
£40,000 or more	12	*	29	2	14	9	0
Amount Given	72	76	70	74	73	63	69
Refused	*	*	0	0	0	1	0
Don't know/not asked	28	24	30	26	27	37	31
<i>Unweighted base</i>	801	228	293	160	693	116	(68)

Base: All claimants interviewed by telephone

* = < 0.5%

() = small sample size

Chart A2: Specific Amount of Annual Household Income



Base: All claimants interviewed by telephone (801)

There is a difference in the average annual income specified between those receiving a form and those not receiving a form. Those without a form gave higher annual income figures than those who have used a form.

The mean specified income for the main claimant and household types are given below, ranging from £7,133 per annum for unemployed households to £37,563 for those receiving CTC only who are within the plateau or less category.

Table A14: Specified Amount of Annual Household Income: Means

	<i>Unweighted base (N=)</i>	<i>Mean calculated income (£)</i>
All interviewed by telephone	801	22,805
WTC	228	12,206
CTC Only – plateau or less	293	37,563
CTC only – more than plateau	160	23,194
Any employed	629	25,541
Any self-employed	116	21,399
Unemployed	(68)	7,133

Base: All claimants interviewed by telephone

() = small sample size

c) Monthly Household Income – Annual and monthly income grossed up to annual

The distribution of annual income reflects the previous findings:

- Those claiming WTC have lower annual household incomes. Just under half (47 per cent) earn between £10,000-£19,999
- Those claiming CTC only that have reached a plateau, or less, are likely to have higher annual household incomes than those claiming CTC that have gone beyond the plateau (£35,162 compared with £21,705 per annum respectively).

Table A15: Specified Amount of Annual Household Income: (Annual and monthly grossed up to annual)

% figures shown	Type of Respondent (sample)			Type of Household (survey)			
	Total	WTC	CTC Only – plateau or less	CTC only – more than plateau	Any employed	Any self-employed	Unemployed
Less than £5,000	5	6	1	1	3	4	22
£5,000-£9,999	14	28	*	4	11	15	25
£10,000-£19,999	26	47	7	36	26	28	23
£20,000-£29,999	16	7	22	38	18	11	1
£30,000-£39,999	13	*	30	12	16	12	1
£40,000 or more	12	*	32	2	15	11	0
Amount Given	88	88	91	92	91	81	74
Refused	*	*	0	0	0	1	0
Don't know	12	12	9	8	9	18	26
<i>Unweighted base</i>	801	228	293	160	693	116	(68)

Base: All claimants interviewed by telephone

* = < 0.5%

() = small sample size

1.1.6 Ability to Provide Detailed Estimates – further detailed results

a) Earnings of employed respondents

A third of claimants earn between £500-£999 each month (31 per cent), with a similar proportion (34 per cent) earning between £1,000-£1,999. The mean average income reflects this at £1,171 per month.

For those claiming WTC the average monthly income is much lower at £719, with three quarters (76 per cent) earning less than £1,000.

Half of those claiming CTC (more than plateau) earn between £1,000-£1,999 a month, with an average monthly income of £1,145 for this group.

For those claiming CTC (plateau or less), earnings are higher: 17 per cent of these claimants earn between £2,000-£2,999 a month, and 11 per cent earn more than £3,000. The average monthly earnings for this group is £1,524 per month.

Table A16: Estimates of OWN Earnings last month

% figures shown	Type of Respondent (sample)			
	Total	WTC	CTC Only – plateau or less	CTC only – more than plateau
Less than £500	18	30	9	16
£500-£999	31	45	22	22
£1,000-£1,999	34	21	40	51
£2,000-£2,999	10	1	17	9
£3,000 or more	5	0	11	0
Don't know	2	3	1	3
<i>Mean</i>	£1,171	£719	£1,524	£1,145
<i>Unweighted base</i>	613	179	270	138

Base: All employed claimants interviewed by telephone

() = small sample size

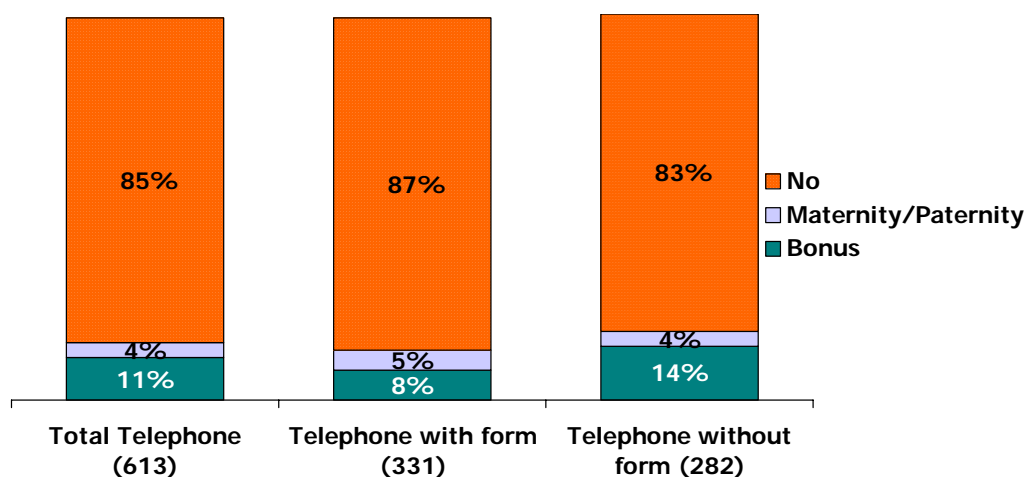
There is little difference in levels of receipt of maternity or paternity pay across the respondent types. However, there is a difference in terms of bonus payments, with 5 per cent of those claiming WTC receiving a bonus compared with 14 per cent of those claiming CTC.

Table A17: Whether Employed Claimant received Bonus or Maternity/Paternity Payments

% figures shown	Type of Respondent (sample)			
	Total	WTC	CTC Only – plateau or less	CTC only – more than plateau
Bonus	11	5	14	14
Maternity/ paternity	4	3	5	4
No	85	92	82	82
<i>Unweighted base</i>	613	195	274	(82)

Base: All employed claimants interviewed by telephone (613)
() = small sample size

Chart A3: Whether employed claimant received bonus or maternity/paternity payments



Base: All employed claimants interviewed by telephone (613)

b) Earnings of employed partners

Nearly two-fifths (38 per cent) of claimants’ partners earn between £1,000-£1,999 a month. The mean average income reflects this at £1,209 per month.

For those claiming WTC, their partner’s average monthly income is much lower at £794, with two-thirds (64 per cent) earning less than £1,000.

Two-fifths of partners in households claiming CTC (more than plateau) earn between £1,000-£1,999 a month, with an average monthly income of £1,026 for this group.

For those claiming CTC (plateau or less), their partners' earnings are higher with nearly half (45 per cent) earning between £1,000-£1,999 a month and 14 per cent of these claimants' partners earning between £2,000-£2,999 a month. The average monthly income for this group's partners is £1,377 per month.

Table A18: Estimates of PARTNER'S Earnings last month

% figures shown	Type of Respondent (sample)			
	Total	WTC	CTC Only – plateau or less	CTC only – more than plateau
Less than £500	16	22	12	17
£500-£999	19	41	12	21
£1,000-£1,999	38	17	45	39
£2,000-£2,999	11	3	14	6
£3,000 or more	2	0	3	0
Don't know	15	17	14	17
<i>Mean</i>	1,209	794	1,377	1,026
<i>Unweighted base</i>	388	(62)	240	(71)

Base: All claimants with employed partners interviewed by telephone

* = < 0.5%

() = small sample size

There is some slight difference in levels of partners' receipt of maternity or paternity pay across the respondent types. There is a more notable difference in terms of partners' bonus payments, with less than half a per cent of those claiming WTC receiving a bonus compared with 11 per cent of those claiming CTC.

Table A19: Whether employed partner received bonus or maternity/paternity payments

% figures shown	Type of Respondent (sample)			
	Total	WTC	CTC Only – plateau or less	CTC only – more than plateau
Bonus	10	*	12	9
Maternity/ paternity	5	3	5	6
No	86	97	82	86
<i>Unweighted base</i>	388	(62)	240	(71)

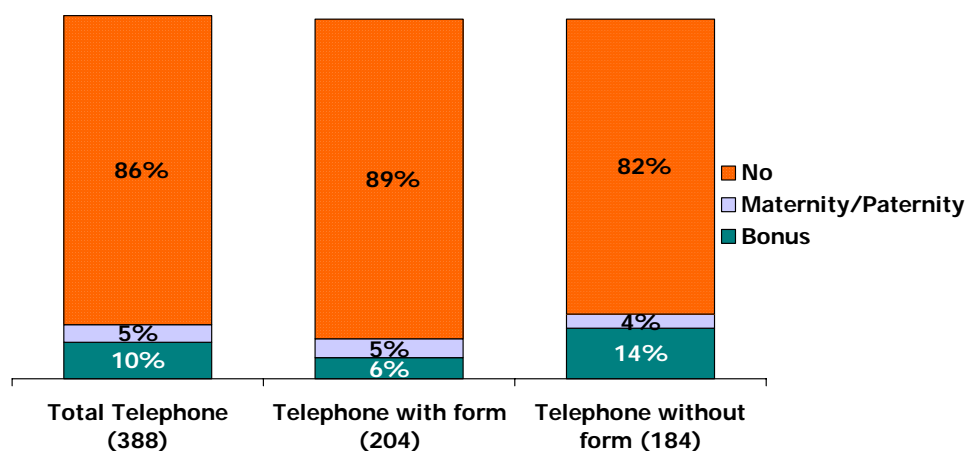
Base: All claimants with employed partners interviewed by telephone

* = < 0.5%

() = small sample size

Respondents who had not received a form were more likely to claim their partner received a bonus during the last financial year than those who were not sent a form prior to the interview.

Chart A4: Whether employed PARTNER received bonus or maternity/paternity payments



Base: All claimants with employed partners

c) Household income calculations

The calculations, based on the detailed questioning, show that just over a quarter of claimant households (28 per cent) have a calculated annual income of between £10,000-£19,999 per annum. For those receiving WTC, this proportion rises to about two-fifths (39 per cent) with a calculated annual household income of between £10,000-£19,999.

For those households receiving CTC only their calculated average household income (based on detailed questions) is higher, with nearly a third (29 per cent) of those who have reached the plateau, or less, earning an average of £30,000-£39,999, with a further 26 per cent of these claimant households with a calculated annual income of £20,000-£29,999. The calculated income for the majority of CTC claimant households (more than plateau) is between £20,000-£29,999 (30 per cent).

Table A20: Calculated Household Income based on Detailed Questions: Includes gross and net estimates

% figures shown	Total	Type of Respondent (sample)			Type of Household (survey)		
		WTC	CTC Only – plateau or less	CTC only – more than plateau	Any Employed	Any self- employed	Unemp- loyed
Less than £5,000	20	19	5	9	10	10	92
£5,000-£9,999	14	27	4	5	14	13	6
£10,000-£19,999	25	39	15	46	29	22	*
£20,000-£29,999	15	4	26	30	19	18	*
£30,000-£39,999	13	1	29	5	15	8	*
£40,000 or more	8	2	18	1	8	6	0
Calculation Possible	94	92	97	94	95	77	100
Don't know	6	8	3	4	5	23	*
<i>Unweighted base</i>	801	228	293	160	629	116	(68)

Base: All claimants interviewed by telephone

* = < 0.5%

() = small sample size

The mean calculated income, based on detailed questions, for these groups is given below, ranging from £860 per annum for unemployed households to £29,403 for those receiving CTC only (plateau or less).

Table A21: Calculated Household Income based on Detailed Questions: Means by respondent type

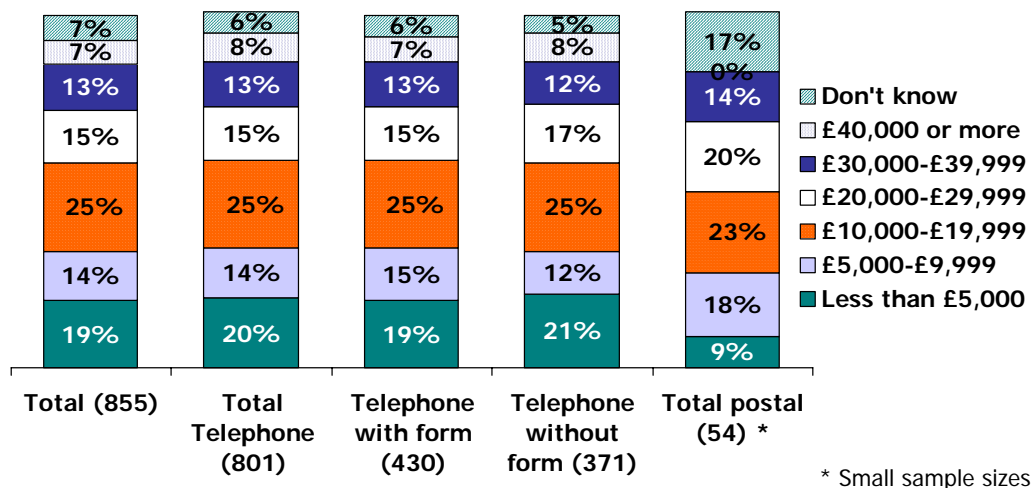
	<i>Unweighted base (N=)</i>	<i>Mean calculated income (£)</i>
All interviewed by telephone	801	17,724
WTC	228	10,576
CTC Only – plateau or less	293	29,403
CTC only – more than plateau	160	17,896
Any employed	629	20,421
Any self-employed	116	18,619
Unemployed	(68)	860

Base: All claimants interviewed by telephone

() = small sample size

Chart A5 looks at the calculated household income, based on detailed questions, by data collection method. This combines both net and gross calculations; net has not been grossed up, as this is the form in which they were presented back to claimants for their reactions to the detailed calculation.

Chart A5: Estimated Household Income based on Detailed Questions: Gross and Net



Base: All claimants

N.B. Postal data excluded households with no taxable benefits

1.2 Interviewing Materials

This section includes the topic guide used at the 'Exploratory stage' and the CATI questionnaires used at the 'Collection' and 'Verification' stages. HMRC have copies of all other interviewing materials.

1.2.1 Exploratory Stage: Topic Guide

Aims of the Guide

- ❑ *To identify questions claimants can and cannot answer; and the reasons why*
- ❑ *To discover which sources of information claimants use to complete the questionnaire*
- ❑ *To establish whether any other sources of information are needed, but not available*
- ❑ *To find out whether or not claimants complete the questionnaire with the help of others*
- ❑ *To understand what HMRC can do to help claimants to estimate their income accurately*
- ❑ *To explore how accurate claimants feel their estimates are; and their reasons for giving the answers they do*
- ❑ *Where claimants are unable to provide an exact estimate, to find out whether they would be able to inform HMRC if their current year income was likely to be higher or lower than last year's annual income*
- ❑ *To gauge claimants' willingness to provide in-year estimates*

A. INTRODUCTION

1. Introduce GfK NOP

2. Background to the research: HMRC wants to look at ways of reducing the over- or underpayments of tax credits, and has asked GfK NOP to explore out how easy or difficult you would find it to estimate your annual income. The aim is that if claimants can provide an estimate during the year, they are less likely to be over- or underpaid. Estimates will be collected during a telephone interview, and claimants will be sent a form in advance so that they can have the information ready. *We will be testing this form today.*

The form we'll be using in this interview to come up with your estimate is not the real form, and any financial information you give me will not be passed on to HMRC – it will be destroyed at the end of the project. If HMRC did decide to go ahead with this idea, you would receive the real form.

3. Respondent profile: I would like to begin by asking you to tell me a little about yourself. (*Check*):

- Name
- Current family situation (living with partner or alone; number of children, and their ages)
- Whether or not working
- If working:

- Whether employed / self employed
- Type of work
- (Employed) Number of jobs
- If not working:
 - Benefits received
- Tax credit(s) received

B. TAX CREDIT HISTORY

1. In general, what are your views of the tax credit system? (*Probe: is view based on the concept of tax credits, or on experiences of tax credit administration?*)
2. What is your experience of the system?
3. How long have you been receiving tax credits? How much do you currently receive?
4. How easy or difficult have you found it to complete the forms to renew your application?
5. Have you ever contacted HMRC to let them know of a change to your circumstances that you thought might affect your claim?
 - What prompted you to contact them?
 - How did you contact HMRC?
 - How easy did you find it to contact them?
 - How could that contact process have been improved?
6. Do you have any experience of receiving under- or overpayments in tax credits?
 - How did the under/overpayment come about?
 - How was it rectified?
 - How do you think the situation could have been avoided in the first place?
7. What do you think of HMRC's idea of asking claimants to provide estimates of their annual income **during** the year?

C. THE FORM

1. I would like you to imagine now that you have just received this form in the post. I would like to stress that this is a mock up of the final form – we are not interested today in layout and design (the look of the form), just in the content and how easy or difficult you find it to complete.

What would you do with it when it arrived (*probe: fill in immediately, or leave it for a while?*)?

Hand over the form, and observe non-verbal reactions.

2. What is your initial reaction to the form?
3. I would now like you to complete the form as you would do in reality. So, imagine I'm not here and do *whatever* you would do normally in order to complete the form.

(Note to interviewer: make a note of total time taken to complete form)

Allow respondent time to complete the form, and access any material necessary in order to answer the questions, For example, if they say they would need to look for paperwork, payslips etc., or contact someone else, ask them to do so. Make a note of any non-verbal reactions when completing the form.

If they have prepared for the interview by collecting information in advance, ask approximately how long this took.

4. *Once the respondent has completed the form as fully as possible, ask: Have you completed as much as you can? (Allow more time if necessary)*

What is your overall view of this task now, having completed this form?

5. Overall, how easy or difficult was it to complete?
6. How happy are you with the accuracy of your **total** estimate?
 - o What makes you say that?

7. **Introduction:** Let's look at the form in detail, starting with the Introduction.

- Any problems understanding this section?
- Briefly, what do you think it is telling you?
- What do you think they mean by 'household income'?
- What do you yourself include in household income?

8. Are you clear about which sections of the form you have to complete?

How have you made that decision?

- In your own words, what do you understand 'gross' to mean?

- How could this be made clearer?

Then, the researcher will then examine respondent understanding of each section (as appropriate):

PART A:

1. *Salary/Wages*
2. *Daily rates*
3. *Hourly rates*
4. *Do you work overtime*
5. *Overtime*
6. *Changes in income*
7. *Average salary **As appropriate:***

Check respondent's understanding of 'average income'

8. *Frequency of payment*
9. *Day of the week*
10. *Day of the month*
11. *Taxable state benefits*
12. *Any other income*
13. *PART B*
14. *PART C*

Probe:

- *potentially unfamiliar word / sentence / paragraph*
- *whether or not the question applies to this respondent*
- *understanding of what the section is asking*

For each section ask, as appropriate:

9. How did you find this section?
10. ➤ What is this question asking you to do?
11. What are the difficulties here?

(As appropriate)

12. How did you come up with the answer(s) you did?
13. What exactly did you include in your answer?
14. How accurate would you say your answer is here?
 - What makes you think that?

(Ask all)

15. Who else would you contact to help you with this question?
 - Why that person?
16. What could be done to help you answer this question (more accurately)?

Ask all

17. How likely is it that you would be able to tell HMRC whether your annual income for this year was going to be higher or lower than it was last year?
 1. What makes you say that?
 2. And would you be able to say that your income was likely to be higher or lower by
 - ...
 - up to £1,000
 - £1,001 - £2,000 etc?

D. SUM UP

1. Now that we've discussed the form in detail, how accurate do you think your total estimate is?
 - What makes you say that?
 - Which areas are you uncertain about?
 - How would this estimate differ from one where you had more time in which to gather the information?
2. How long do you think it would/did take you in total to collect together the information you need, and to complete the form?
3. How do you feel about the length of time it took?
4. When do you think would be the best time of year to receive this form? When would be easiest for you (in terms of estimating your annual income)?
5. Do you feel there are any benefits to you in completing this form, or not?
6. How exactly could your estimate be made more accurate?
7. What could HMRC do to help you provide a more accurate estimate?
8. How would you alter this form, if at all, to make it easier to estimate your total income for the end of the financial year?
9. How clear is the form overall?
10. The plan is that claimants will receive a form like this in the post, and will then be telephoned to collect the information. What do you think of this approach? How could it be improved?

11. How would you feel about the following two alternative methods of collecting this information: postal (a form would be sent to you which you would complete and return to HMRC); internet (you would complete and return the form over the internet)?
12. Of the three methods (telephone, postal, internet), which would you prefer? Why do you say this?
13. How would you feel about giving this information over the telephone **without** filling in a form first?
14. If you imagine that you did now receive this form, how willing would you be to provide HMRC with this information?
15. What do you see as the advantages of this idea? Why?
16. What do you see as the disadvantages? Why?
17. Having had a go at completing the form, what are your views more generally on this idea of providing HMRC with an estimate of your annual income?
18. Finally, how willing would you have been to do a shorter version of this research interview by phone?
19. Would there be any particular problems or difficulties doing this interview by phone?
20. Before we finish, is there anything else you would like to add?

Thank you very much.

*Explain Part Two of the interview, and that GfK NOP will in touch to remind them of the interview and to set it up nearer the time (probably June 2006). Remind respondent that we will be asking them for their **actual** income for 2005 – 2006, to compare with the estimate they have provided. Confirm re-contact details (telephone number).*

1.2.2 Collection Stage: CATI (telephone) script

**In Year Estimates Survey
QUANTITATIVE QUESTIONNAIRE
SCREENER QUESTIONS**

180406

INTRODUCTION TO RECEPTION

QA Good morning/afternoon, please can I speak to (named contact on sample)?

ADD AS NECESSARY:

My name is _____, from GFK NOP Business, an independent Research Agency. We are conducting a survey on behalf of Her Majesty's Revenue and Customs (HMRC), formerly Inland Revenue, about tax credits. The survey will discover whether claimants can give estimates of their total income **in the** tax year.

IF DIFFICULT TO GET THROUGH TO NAMED CONTACT PLEASE REASSURE THAT RESPONDENT BY SAYING

Please be assured that (Insert name of contact) has already received a letter from HMRC. This survey is strictly confidential and your responses will not be passed on to HMRC with your name attached. Therefore you and your partner will not be identifiable to HMRC.

WHEN THROUGH TO RESPONDENT

QB Good morning/afternoon, my name is _____, from GFK NOP Business, an independent Research Agency. We are conducting a survey on behalf of Her Majesty's Revenue and Customs (HMRC), formerly Inland Revenue, about tax credits. The survey will discover whether claimants can give estimates of their total annual income **during** a tax year, which may help to reduce over- and under-payments.

A letter was sent to you recently to inform you that this research was taking place and we would greatly appreciate your participation in this important study.

Scriptwriter- we need to be able to keep all contact information, including screening and whether respondent had to be recontacted, following initial contact as unable to provide information on 1st attempt

QC Can I just check, are you the person within your household who would normally complete the tax credit claim form?

INTERVIEWER: Household refers to the individual or partners (if they have one, married or living as married) making claim

Yes	1	GO TO S4A/B
No	2	GO TO S1

IF NO AT QC

S1 Would it be possible to talk to the person who normally completes the tax credit claim form?

- | | | |
|------------------------------------|---|--|
| Yes | 1 | GO BACK TO QB WHEN THROUGH TO RESPONDENT |
| Yes, but they're not available now | 2 | GO TO S2 |
| No take part? & SF1 | 3 | S8- Why aren't they willing to |

IF YES AT S1, BUT NOT AVAILABLE NOW

S2 Could I take their name and a time or day when you think it will be convenient to call them?

Name:

Time/Day:

PROBE: And is this the correct telephone number to reach them on?

SHOW TEL NO. AND CORRECT IF NECESSARY

WITH FORM SAMPLE

S4A You should have received a 'Household Income Estimation Form' with the letter HMRC recently sent out. Can I just check whether you have actually completed this form?

PROBE IF NOT COMPLETED: Do you still have the form? Do you remember receiving the form?

- | | | |
|---------------------------------------|---|----------|
| Yes, completed form | 1 | GO TO S6 |
| No, but still have the form | 2 | GO TO S5 |
| No and cannot remember receiving form | 3 | GO TO S5 |

ALL WHO SAID NO AT S4 (2,3)

S5 Okay that's fine. The questions we would like to ask you are not actually about the claim, we'd like to ask you about your household, tax credits and your estimated household income. Would now be a convenient time for you to answer these questions?

- | | | |
|-----|---|---------------------------|
| Yes | 1 | GO TO S6 |
| No | 2 | GO TO S6 & SF2 |

NO FORM SAMPLE

S4B We'd like to ask you some questions about your household, tax credits and your estimated household income. Would now be a convenient time for you to answer these questions?

- | | | |
|-----|---|---------------------------|
| Yes | 1 | GO TO S6 |
| No | 2 | GO TO S6 & SF2 |

INTERVIEWER NOTE, IF ASKED: This first interview takes approximately 15 minutes, dependent on your answers.

S6 I would like to assure you that anything you say will be treated in the strictest confidence. No information, which could identify you or anyone else connected to this tax credit claim will be passed on to HMRC and participation in this survey will not have any effect on your dealings with HMRC either now or in the future.

OK to continue	1	GO TO SECTION 1
Arrange Call-back-Inconvenient time	2	} Return to SMS and code
Arrange Call-back- to gather information	3	} appropriately
Others, cannot continue	4	ASK S7 & SF2

S7 IF CANNOT CONTINUE: Can I just ask quickly why you are unwilling to take part in this interview? (SF2)

- Too busy
 - Recently completed other government survey
 - Do not want to provide financial information specifically mentioning over the phone
 - Do not want to provide financial information (unspecified)
 - Never take part in research
 - Other (please specify)
-
-

S8 IF CANNOT CONTINUE: Why aren't they willing to take part? (SF1)

- Too busy
 - Recently completed other government survey
 - Do not want to provide financial information specifically mentioning over the phone
 - Do not want to provide financial information (unspecified)
 - Never take part in research
 - Other (please specify)
-
-

SCRIPTWRITER: WILL NEED TO ENSURE WE CAN ACCESS THIS INFORMATION FOR NON-COMPLETES

IF YES AT Q5A

Q5B Have you actually looked at the total income you received for the year written on your P60 and remember what it was?

- Yes, looked and remember total income 1
- Yes, looked, but cannot remember total income 2
- No, not looked 3

IF YES looked at and remember total income: CLOSE – GO TO THANK YOU SCREEN

IF YES, BUT CANNOT REMEMBER OR NO: READ OUT: For the purposes of this stage of the research we do not want to know what is on your P60 – we are trying to find out if people can estimate what their income was for the financial year just ended, (that is April 2005-March 2006) so please do not refer to your P60 for this interview (survey)

IF YES (1 OR 2) AT Q4

Q6 Do you have one job or more than one job?

PROBE FOR NUMBER OF JOBS, IF MORE THAN ONE WRITE IN NUMBER

- One 1
- More than one (WRITE IN NUMBER)..... 2

IF ONE JOB AT Q6 ASK Q7a

Q7a Do you work full-time, that is 30+ hours a week, or part-time 8-29 hours a week?

CODE ONE ONLY

- Full-time 1
- Part-time..... 2

IF MORE THAN ONE JOB AT Q6 ASK Q7b

Q7b For each job you have can you please tell me whether it is a full-time job - 30+ hours a week, or part-time - 8-29 hours a week?

CODE ONE ONLY

ASK FOR EACH JOB MENTIONED AT Q6

- Full-time 1
- Part-time..... 2

IF RESPONDENT IS MARRIED OR HAS A PARTNER AT Q1 (CODE1), ASK Q8-Q11, OTHERS GO TO Q12

Q8 Does your partner currently work or has he/she worked at any time in the last year April 2005-March 2006?

CODE ONE ONLY

- Yes, currently work..... 1
- Yes, have worked in the last year 2
- No 3

IF YES AT Q8 (CODES 1 OR 2)

Q9 Is he/she an employee of a company or is he/she self-employed?

CODE ONE ONLY

- Employee 1
- Self-employed 2
- Both employed and self-employed..... 3

ALL EMPLOYED (Q9/1,3)

Q9a Can I just check whether your partner has received their P60 for the financial year just ended, that is April 2005-March 2006? Your P60 is a summary from your employer of your pay and the tax deducted for the whole financial year

- Yes 1
- No 2
- Don't know 3

IF YES AT Q9A

Q9B Have they actually looked at the total income received for the year written on their P60 and remember what it was?

- Yes, looked and remember total income 1
- Yes, looked, but cannot remember total income 2
- No, not looked 3

IF YES LOOKED AT AND REMEMBER TOTAL INCOME: CLOSE – GO TO THANK YOU SCREEN

IF YES, BUT CANNOT REMEMBER OR NO: READ OUT: For the purposes of this stage of the research we do not want to know what is on their P60 – we are trying to find out if people can estimate what their income was for the financial year just ended, (that is April 2005-March 2006) so please do not refer to their P60 for this interview (survey)

IF YES AT Q8 (CODES 1 OR 2)

Q10 Does he/she have one job or more than one job?

PROBE FOR NUMBER OF JOBS, IF MORE THAN ONE WRITE IN NUMBER

- One 1
- More than one (WRITE IN NUMBER)..... 2

IF ONE JOB AT Q10 ASK Q11a

Q11a Does your partner work full-time, that is 30+ hours a week, or part-time 8-29 hours a week?

CODE ONE ONLY

- Full-time 1
- Part-time..... 2

IF MORE THAN ONE JOB AT Q10 ASK Q7b

Q11b For each job your partner has can you please tell me whether it is a full-time job - 30+ hours a week, or part-time - 8-29 hours a week?

CODE ONE ONLY

ASK FOR EACH JOB MENTIONED AT Q6

Full-time 1
Part-time..... 2

ASK ALL

Q12 Excluding child tax credit and working tax credit, does your household receive any social security benefits?

CODE ONE ONLY

Yes 1
No 2

IF YES AT Q12, ANSWER Q13

Q13 Which of the following social security benefits does your household receive?

READ OUT. CODE ALL THAT APPLY

Attendance allowance 1
Child benefit 2
Contribution based- job seeker's allowance.. 3
Council tax benefit..... 4
Disability living allowance benefit..... 5
Housing benefit 6
Incapacity benefit 7
Income support 8
Industrial death benefit..... 9
Invalid care allowance 10
Widowed/mother/parent allowance 11
Widows pension and bereavement allowance12
Any Other? (WRITE IN)
..... 13
(ALLOW UP TO 5 MENTIONS)

SOFT CHECK: if Q2=no and Q13 = child benefit

Q14 Have you ever contacted HMRC to let them know of a change to your circumstances that you thought might affect your tax credit claim?

CODE ONE ONLY

Yes 1
No 2
Don't know 3

IF YES AT Q14

Q15 What change (s) of circumstances have you contacted HMRC about?
DO NOT READ OUT

- Change of income 1
- Childcare arrangements have changed 2
- Child has started/stopped full-time education 3
- Number of children responsible for has changed 4
- Got married or started to live with someone as married 5
- Stopped living together or separated from partner 6
- Other (please specify) 7

ASK ALL

Q16A Have you ever been over- or under-paid on the amount of tax credits you have received?

CODE ALL THAT APPLY (MAXIMUM OF 2, not codes 3 or 4 and any other)

- Yes, over-paid 1
- Yes, under-paid 2
- No 3
- Don't know 4

ASK ALL WHO HAVE BEEN UNDER OR OVER-PAID AT Q16

Q17 By how much were you(ANSWER AT Q16)?

PROMPT IF NECESSARY. ASK ABOUT MOST RECENT EXPERIENCE IF MORE THAN ONCE

- £0 - £500 1
- £501 - £1000 2
- £1001 - £2500 3
- £2501 - £5000 4
- More than £5000 5
- Don't know 6

IF NEITHER RESPONDENT OR PARTNER IS WORKING (NO AT Q4 AND Q8), NOW GO TO Q26

ALL OTHERS CONTINUE TO SECTION 2

SECTION 2: INCOME ESTIMATIONS

I would like to ask you a few general questions about your household income for the last year, April 2005-March 2006. Please can I assure you again that all this information is strictly confidential and is being collected in accordance with the Data Protection Act.

ASK ALL

Q20 Firstly, can I ask you to think about your overall household income for the **last year** April 2005-March 2006. I am going to read out a number of ranges for income groups. Could you try and estimate which ONE of these your household income falls into.

CODE ONE ONLY. READ OUT

IF RESPONDENT CANNOT PROVIDE GROSS AMOUNT – CODE 'NET AMOUNT GIVEN'

- Net amount given 3**
- Less than £5000..... 1
- £5,001-£9,999 2
- £10,000-£14,999 3
- £15,000-£19,999 4
- £20,000-£24,999 5
- £25,000-£29,999 6
- £30,000-£34,999 7
- £35,000-£39,999 8
- £40,000-£44,999 9
- £45,000-£49,999 10
- £50,000-£54,999 11
- £55,000-£59,999 12
- £60,000 or more..... 13
- Don't know 14
- Refused 15

Q18 Could you give me a more exact estimate of what this has been in total, based on GROSS income, that is before tax and national insurance contributions are taken off. PROBE: Would you be able to provide a rough approximation?

RECORD ESTIMATION BELOW – FIRSTLY IN NUMERIC AND THEN CONFIRMED IN WORDS E.G. NUMERIC: £10,000, WORDS: TEN THOUSAND
 IF RESPONDENT CANNOT PROVIDE GROSS AMOUNT – CODE 'NET AMOUNT GIVEN'

Numeric _____

- Don't know – will not even try to give estimate 1
- Refused 2
- Net amount given 3**

Scriptwriter: ALLOW UP TO 6 DIGITS FOR POUNDS AND 2 DIGITS FOR PENCE

IF DON'T KNOW/REFUSED AT Q18

Q19 Are you able to make an estimate of your average **monthly** household income, based on gross income? PROBE: Would you be able to provide a rough approximation?

RECORD ESTIMATION BELOW – FIRSTLY IN NUMERIC AND THEN CONFIRMED IN WORDS E.G. NUMERIC: £10,000, WORDS: TEN THOUSAND IF RESPONDENT CANNOT PROVIDE GROSS AMOUNT – CODE 'NET AMOUNT GIVEN'

Numeric _____

Don't know – will not even try to give estimate 1

Refused 2

Net amount given 3

Scriptwriter: ALLOW UP TO 6 DIGITS FOR POUNDS AND 2 DIGITS FOR PENCE

ASK ALL

Q21a Has your household income changed since April 6th 2005?

Yes 1 **ASK Q21b-c**
 No 2 **GO TO Q22**

ASK ALL WHOSE HOUSEHOLD INCOME HAS CHANGED AT Q21a

Q21b Has your household income increased or decreased since April 6th 2005?

Increased 1

Decreased 2

Q21c By how much has your household income **(RESPONSE AT Q21b)?**

PROBE: Would you be able to provide a rough approximation?

RECORD ESTIMATION BELOW – FIRSTLY IN NUMERIC AND THEN CONFIRMED IN WORDS E.G. NUMERIC: £10,000, WORDS: TEN THOUSAND IF RESPONDENT CANNOT PROVIDE GROSS AMOUNT – CODE 'NET AMOUNT GIVEN'

Numeric _____

Don't know – will not even try to give estimate 1

Refused 2

Net amount given 3

Scriptwriter: ALLOW UP TO 6 DIGITS FOR POUNDS AND 2 DIGITS FOR PENCEIF RESPONDENT HAS PROVIDED ANY ESTIMATION, AT Q18,Q19,Q20,Q21, ASK Q22

Q22a How accurate or inaccurate do you think the estimates you have provided have been?

CODE ONE ONLY. READ OUT

- Very accurate 1
- Fairly accurate..... 2
- Neither accurate nor inaccurate 3
- Not very accurate 4
- Not at all accurate 5
- Don't know 6

Q22b Would you say your estimates are correct to within..... ..

READ OUT. CODE ONE ONLY

- £0 - £500 1
- £501 - £1000 2
- £1001 - £2500 3
- £2501 - £5000 4
- More than £5000 5
- Don't know 6

IF EMPLOYED AT Q5 (CODE 1,3), ASK SECTION 3

IF EMPLOYED AT Q9 (CODE 1,3), ASK SECTION 3

IF SELF-EMPLOYED AT Q5 (CODE 2,3), ASK SECTION 4

IF SELF-EMPLOYED AT Q9 (CODE 2,3), ASK SECTION 4

Section 3: Employed Respondents

IF NEITHER RESPONDENT OR PARTNER IS WORKING (NO AT Q4 AND Q8), AND THEY RECEIVE ANY OF THE FOLLOWING SOCIAL SECURITY BENEFITS AT Q13 (CODES 3, 7, 9, 10, 11, 12), GO TO Q26.

IF RESPONDENT EMPLOYED AT Q5 (CODE 1,3), ASK SECTION 3
IF PARTNER EMPLOYED AT Q9 (CODE 1,3), ASK SECTION 3

IF RESPONDENT SELF-EMPLOYED AT Q5 (CODE 2,3), ASK SECTION 4
IF PARTNER SELF-EMPLOYED AT Q9 (CODE 2,3), ASK SECTION 4

WITH FORM SAMPLE

I am now going to ask you some more questions about your household income, specifically about your employed income. Some of the questions are not asked on the form in the same way and you may need to provide some more information.

NO FORM SAMPLE

I am now going to ask you some more questions about your household income, specifically about your employed income.

RESPONDENT QUESTIONS (Q23-Q35)

ASK ALL EMPLOYED AT Q5 (CODE 1)

Q23. Since April 2005 have you received any

READ OUT. CODE ALL THAT APPLY

IF Q6/1 or Q10/1 - IF RESPONDENT HAS MORE THAN ONE JOB: Please answer about your main job.

Bonus payments 1
Maternity/Paternity pay 2
No 3

FOR EACH OTHER INCOME RECEIVED AT Q23

Q23a. Does payment for your (INSERT BONUS PAYMENTS/MATERNITY/PATERNITY PAY) vary each month or is it the same?

READ OUT. CODE ALL THAT APPLY

IF RESPONDENT SAYS IT IS A ONE OFF – CODE AS SAME

Vary 1
Same 2

FOR EACH INCOME THAT IS THE SAME AT Q23a

Q23b. How much do you receive each month for your (insert answer from Q23)? Please give the GROSS figure before tax and national insurance are taken off.

IF RESPONDENT CANNOT PROVIDE GROSS AMOUNT – CODE ‘NET AMOUNT GIVEN’

Numeric _____

Net amount given 1

FOR EACH INCOME THAT IS THE SAME AT Q23a

Q23c. And for how many months will you have received this payment between April 2005- March 2006.

WRITE IN (1-12)

FOR EACH INCOME THAT VARIES AT Q23a

Q23d. Can you tell me the amount you received for your XXXXX (**EACH PAYMENT AT Q23**) for each month from April 2005- March 2006?

Please give the GROSS figure before tax and national insurance are taken off

READ OUT EACH MONTH

SCRIPTWRITER: COLLECT NUMERIC AND WORDS

IF RESPONDENT CANNOT PROVIDE GROSS AMOUNT – CODE 'NET AMOUNT GIVEN'.

Net amount given 3

- April 2005 _____
- May 2005 _____
- June 2005 _____
- July 2005..... _____
- August 2005 _____
- September 2005..... _____
- October 2005 _____
- November 2005..... _____
- December 2005..... _____
- January 2006 _____
- February 2006..... _____
- March 2006 _____

- Don't know, can't attempt any of the months 1
- Don't know, for some of the months..... 2
- Refused 3

ASK FOR EACH INCOME THAT VARIES AT Q23a IF DON'T KNOW AT Q23d

Q23e. Would you be able to tell me the average payment you received for your xxxxxx (**VARIABLE INCOME AT Q23**) in a typical month during April 2005-March 2006?

- Yes 1
- No 2

IF YES: What would your estimate your xxxxxx be (**VARIABLE PAYMENT AT Q23**) for a typical month?

IF RESPONDENT CANNOT PROVIDE GROSS AMOUNT – CODE 'NET AMOUNT GIVEN'

Numeric..... _____

Net amount given 3

ASK ALL EMPLOYED AT Q5 (CODE 1)

Q24. Thinking about your earnings last month, how much did you earn? Please include any overtime payments in this amount.
IF MORE THAN ONE JOB AT Q6: ADD: Please answer about your main employed job, we will ask you about any other jobs later

WRITE IN

Numeric _____

Don't know – will not even try to give estimate 1

Refused 2

IF AMOUNT GIVEN AT Q24. ASK Q24A

Q24a Can I just check, is this amount gross, that is before the tax and National Insurance are taken off or is it your take home pay, with tax taken off?
CODE ONE ONLY

Gross 1

Take home pay 2

IF NET AT Q24A, ASK Q25

Q24b Can you tell me the gross amount, that is before tax is taken off?
WRITE IN

Numeric _____

Don't know – will not even try to give estimate 1

Refused 2

ASK Q25 IF RESPONSE GIVEN AT Q24

Q25a) Did you also earn £XXXX (RESPONSE AT Q24) in February?
CODE ONE ONLY

Yes 1

No 2

Don't know 3

Can't remember 4

Refused..... 5

REPEAT Q25a REPLACING MONTHS AS FOLLOWS

- b) January?
- c) December 2005?
- d) November 2005?
- e) October 2005?
- f) September 2005?
- g) August 2005?
- h) July 2005?

- i) June 2005?
- j) May 2005?
- k) April 2005?

FOR EACH 'NO' RESPONSE ASK Q25I

Q25I How much did you earn in XXXXX (MONTH)?
WRITE IN

Numeric _____

- Don't know – will not even try to give estimate 1
- Refused 2

FOR EACH RESPONSE AT Q25I

Q25m And is this gross, before tax and National Insurance are taken off or your take home pay, after tax has been taken off?

- Gross 1
- Take home pay 2

ASK ALL EMPLOYED AT Q5 (CODE 1) OR ALL NOT WORKING: EITHER RESPONDENT HAS NO PARTNER (Q1/2 AND Q4/3) OR BOTH RESPONDENT AND PARTNER ARE NOT WORKING (NO AT Q4 AND Q8)

Q26 Have you received any other income during April 2005-March 2006, such as property income (e.g rental income), income from a second employed job, trust income, and savings income?

- Yes 1
- No 2

IF CODES 1,2,4,5,6,8 MENTIONED AT Q13 AND NOT WORKING: EITHER RESPONDENT HAS NO PARTNER (Q1/2 AND Q4/3) OR BOTH RESPONDENT AND PARTNER ARE NOT WORKING (NO AT Q4 AND Q8) AND NO AT Q26– GO TO SECTION 5 IF YES AT Q26

Q27 Which of the following types of other income will you have received between April 2005-March 2006?

READ OUT

FOR EACH OTHER INCOME RECEIVED AT Q27

- Q28 Does payment for (.....) vary each month or is it the same?
- | | Receive | Vary | Same |
|---------------------------------------|----------|-------------------------------------|------|
| Property income such as rental | 1 | | |
| Trust income | 2 | | |
| Savings income | 3 | | |
| Second employed job | 4 | | |
| Pension (state/company or personal) | 5 | | |
| Any other income? (specify) | 7 | (up to 3 mentions including code 6) | |

FOR EACH INCOME THAT IS THE SAME AT Q28, ASK Q29

Q29 How much do you receive each month for (.....)? Please give the GROSS figure before tax and national insurance are taken off
IF Q6/1 or Q10/1 - IF RESPONDENT HAS MORE THAN ONE JOB AND SOME HAVE VARIABLE INCOME AT Q28 – PROMPT WITH: We would like to know the amount you receive for the job (s) in which you receive the same amount each month. Please include all maternity/paternity and bonus payments you receive for this job.

IF RESPONDENT CANNOT PROVIDE GROSS AMOUNT – CODE ‘NET AMOUNT GIVEN’

Numeric _____

Net amount given 1

FOR EACH INCOME THAT IS THE SAME AT Q28, ASK Q30 AND RESPONSE GIVEN AT Q29

Q30 And for how many months will you have received this payment between April 2005- March 2006.

WRITE IN (1-12)

FOR EACH INCOME THAT VARIES AT Q28, ASK Q31

Q31 Can you tell me the amount you received for XXXXX (**EACH PAYMENT AT Q28**) for each month from April 2005- March 2006?

Please give the GROSS figure before tax and national insurance are taken off

IF Q6/1 or Q10/1 - IF RESPONDENT HAS MORE THAN ONE JOB AND SOME HAVE SAME INCOME AT Q28 EACH MONTH – PROMPT WITH: We would like to know the amount you receive for the job (s) in which you receive different amounts each month. Please include all maternity/paternity and bonus payments you receive for this job.

READ OUT EACH MONTH

SCRIPTWRITER: COLLECT NUMERIC AND WORDS

IF RESPONDENT CANNOT PROVIDE GROSS AMOUNT – CODE ‘NET AMOUNT GIVEN’.

Net amount given 3

April 2005 _____

May 2005 _____

June 2005 _____

July 2005..... _____

August 2005..... _____

September 2005..... _____

October 2005 _____

November 2005..... _____

December 2005..... _____

January 2006 _____

February 2006..... _____

March 2006 _____

Don't know, can't attempt any of the months 1

Don't know, for some of the months..... 2

Refused 3

ASK FOR EACH INCOME THAT VARIES AT Q28 IF DON'T KNOW AT Q31

Q32 Would you be able to tell me the average payment you received for xxxxxx
(**VARIABLE INCOME AT Q28**) in a typical month during April 2005-March 2006?

Yes 1

No 2

IF YES: What would your estimate of xxxxxx be (**VARIABLE PAYMENT AT Q28**) for a typical month?

IF RESPONDENT CANNOT PROVIDE GROSS AMOUNT – CODE ‘NET AMOUNT GIVEN’

Numeric..... _____

Net amount given 3

ASK IF CODES 3,7,9,10,11,12 MENTIONED AT Q13 AND EMPLOYED AT Q5 (CODE 1) OR

CODES 3,7,9,10,11,12 MENTIONED AT Q13 AND NOT WORKING: EITHER RESPONDENT HAS NO PARTNER (Q1/2 AND Q4/3) OR BOTH RESPONDENT AND PARTNER ARE NOT WORKING (NO AT Q4 AND Q8)

IF CODES 1,2,4,5,6,8 MENTIONED AT Q13 AND NOT WORKING: EITHER RESPONDENT HAS NO PARTNER (Q1/2 AND Q4/3) OR BOTH RESPONDENT AND PARTNER ARE NOT WORKING (NO AT Q4 AND Q8) AND YES AT Q26 – GO TO CALCULATION AND ASK REST OF SECTION 1

ASK Q33

Q33 You mentioned your household receives (.....) BENEFIT AT Q13. How much does your household receive each month for (.....)BENEFIT AT Q13.

COLLECT NUMERIC AND WORDS

Contribution based- job seeker's allowance..	_____	_____
Incapacity benefit	_____	_____
Industrial death benefit.....	_____	_____
Invalid care allowance	_____	_____
Widowed/mother/parent allowance	_____	_____
Widows pension and bereavement allowance	_____	_____
Don't know.....	1	
Refused.....	2	

ASK ALL EMPLOYED OR THOSE NOT WORKING, BUT WHO HAVE AN INCOME AT Q26 OR TAXABLE BENEFITS AT Q33

Calculation 1: Respondent's income:

(EACH INCOME AT Q24 OR Q24b OR Q25) + (Each income at Q23b x Q23c added) + (Each income Q23d) + (Each income at Q23e x 12 added) + (Each income at Q29 X Q30 added) + (each income at Q31) + (each income at Q32 X 12 added) + (each income at Q33 X 12 added)

ONLY READ OUT IF AN AMOUNT GIVEN WHERE INCOME RECEIVED

Q34 READ OUT: So your income over the last year has been about (INSERT CALCULATION)

Prompt if at Q5/3: This is your total employed income and includes all other incomes, but excludes your self-employed income.

INTERVIEWER: ADD IF NECESSARY: This excludes non-taxable benefits

IF RESPONDENT DISAGREES: What do you think would be the right amount?

Numeric _____

IF RESPONDENT DISAGREES

Q35 Why do you think this is different from the amount estimated?

PROBE: Why else?

**IF PARTNER EMPLOYED AT Q9 (CODE 1),
REPEAT QUESTIONS Q23-Q32 and Q34,Q35 SUBSTITUTING 'YOU' FOR 'YOUR
PARTNER' – DO NOT REPEAT Q33**

IF DON'T KNOW AT ANY OF Q29,Q31,Q33 OR PARTNER QUESTIONS

Q48 What could be done to help you answer these questions?

PROBE: What else?

Nothing..... 1

**ALL NOT WORKING: EITHER RESPONDENT HAS NO PARTNER (Q1/2 AND Q4/3) OR
BOTH RESPONDENT AND PARTNER ARE NOT WORKING (NO AT Q4 AND Q8) – NOW
GO TO SECTION 5**

SELF-EMPLOYED SECTION 4

ASK SECTION 5 IF SELF-EMPLOYED - IF Q5/2,3 OR Q9/2,3

WITH FORM SAMPLE

I am now going to ask you some more questions about your household income, specifically about your self-employed income. Some of the questions are not asked on the form in the same way and you may need to provide some more information.

NO FORM SAMPLE

I am now going to ask you some more questions about your household income, specifically about your self-employed income.

RESPONDENT QUESTIONS SE1-SE12

ASK SE1-SE11 IF Q5/2,3

SE1a We would like you to tell us about the **PROFIT** you have made in the financial year from April 2005-March 2006. Your business profit is the difference between your turnover and your allowable business expenses. At this stage, please exclude any other income you receive, we will ask you about this later.

Firstly, please can you tell me whether your profit varies or is it the same each month?

- Varies 1
- Same 2

IF PROFIT IS THE SAME EACH MONTH AT SE1a, ASK SE1b

SE1b Can you tell me the amount of profit you receive each month?

Numeric _____

- Don't know 1
- Refused 2

IF PROFITS VARY AT SE1a, ASK SE1c

SE1c Can you tell me the amount of **PROFIT** you received for each month between April 2005-March 2006

COLLECT NUMERIC AND WORDS

- April 2005 _____
- May 2005 _____
- June 2005 _____
- July 2005 _____
- August 2005 _____
- September 2005 _____
- October 2005 _____
- November 2005 _____

December 2005..... _____

January 2006 _____

February 2006..... _____

March 2006 _____

Don't know, can't attempt any of the months 1

Don't know, for some of the months..... 2

Refused 3

ASK SE2 IF DON'T KNOW/REFUSED AT SE1a OR SE1b

SE2 Would you be able to tell me the average **profit** you made in a typical month during April 2005-March 2006?

Yes 1

No 2

IF YES: What would your estimate of profit be for a typical month?

Numeric _____

ASK SE3 IF NO AT SE2

SE3 Would you be able to tell me the average **TURNOVER** you received in a typical month during April 2005-March 2006? That is all the payments you had coming in

Yes 1

No 2

IF YES: What would your estimate of **TURNOVER** be for a typical month?

Numeric _____

ASK SE4, IF AMOUNT PROVIDED AT SE3

SE4 And how much of your estimate of XXXX (**AMOUNT AT SE3**) would your expenses be in a typical month?

Numeric _____

Don't know 1

Refused 2

ASK IF ONLY SELF-EMPLOYED AT Q5 (CODE 2 ONLY)

SE5 Have you received any other income during April 2005-March 2006, such as property income (e.g rental income), trust income and savings income?

- Yes
- No

IF YES AT SE5

SE6 Which of the following types of other income will you have received between April 2005-March 2006?

READ OUT

FOR EACH OTHER INCOME RECEIVED AT SE6

SE7 Does (.....) INCOME FROM SE6 vary each month or is it the same?

	Receive	Vary	Same
Property income such as rental	1		
Trust income	2		
Savings income	3		
Pension (state/company or personal) ⁴			
Any other income? (specify)	5 (up to 3 mentions including code 6)		

FOR EACH INCOME THAT IS THE SAME SE7, ASK QSE8

SE8 How much do you receive each month for (.....)? Please give the GROSS figure before tax and national insurance are taken off

IF RESPONDENT CANNOT PROVIDE GROSS AMOUNT – CODE ‘NET AMOUNT GIVEN’

Numeric _____

Net amount given 3

FOR EACH INCOME THAT IS THE SAME AT SE7 AND RESPONSE GIVEN AT SE8, ASK SE9

SE9 And for how many months will you have received this payment between April 2005-March 2006.

WRITE IN (1-12)

FOR EACH INCOME THAT VARIES AT SE7, ASK SE10

SE10 Can you tell me the amount you received for XXXXX (**INCOME AT SE7**) for each month from April 2005- March 2006?
Please give the GROSS figure before tax and national insurance are taken off

READ OUT EACH MONTH

SCRIPTWRITER: COLLECT NUMERIC AND WORDS

IF RESPONDENT CANNOT PROVIDE GROSS AMOUNT – CODE 'NET AMOUNT GIVEN'.

Net amount given 3

- April 2005 _____
- May 2005 _____
- June 2005 _____
- July 2005..... _____
- August 2005 _____
- September 2005..... _____
- October 2005 _____
- November 2005..... _____
- December 2005..... _____
- January 2006 _____
- February 2006..... _____
- March 2006 _____

- Don't know, can't attempt any of the months 1
- Don't know, for some of the months..... 2
- Refused 3

ASK FOR EACH INCOME THAT VARIES AT SE7 IF DON'T KNOW AT SE10

SE11 Would you be able to tell me the average payment you received for xxxxxx (**VARIABLE INCOME AT SE7**) in a typical month during April 2005-March 2006?

- Yes 1
- No 2

IF YES: What would your estimate of xxxxxx be (**VARIABLE INCOME AT SE7**) for a typical month?

IF RESPONDENT CANNOT PROVIDE GROSS AMOUNT – CODE 'NET AMOUNT GIVEN' FOR EACH ONE THIS APPLIES.

Net amount given 3

Numeric..... _____

ASK SE12 IF CODES 3,7,9,10,11,12 MENTIONED AT Q13 AND ONLY SELF-EMPLOYED AT Q5 (CODE 2 ONLY)

SE12 You mentioned your household receives (.....) BENEFIT AT Q13. How much does your household receive each month for (.....)BENEFIT AT Q13.

COLLECT NUMERIC AND WORDS

Contribution based- job seeker's allowance..	_____	_____
Incapacity benefit	_____	_____
Industrial death benefit.....	_____	_____
Invalid care allowance	_____	_____
Widowed/mother/parent allowance	_____	_____
Widows pension and bereavement allowance	_____	_____
Don't know.....	1	
Refused.....	2	

ONLY READ OUT CALCULATION IF AN AMOUNT GIVEN WHERE INCOME RECEIVED

Calculation 2: Respondent's income:

(EACH INCOME AT SE1b x 12 OR SE1c) + (EACH INCOME SE8 x SE9) + (EACH INCOME AT SE10) + (EACH INCOME AT SE11) + (EACH INCOME AT E12)

OR (INCOME AT SE2 X 12) + (EACH INCOME SE8 x SE9) + (EACH INCOME AT SE10) + (EACH INCOME AT SE11) + (EACH INCOME AT E12)

OR [(SE3 MINUS SE4) X 12] + (EACH INCOME SE8 x SE9) + (EACH INCOME AT SE10) + (EACH INCOME AT SE11) + (EACH INCOME AT E12)

READ OUT: So your income over the last year has been about (INSERT CALCULATION)

Prompt if at Q5/3: This is your total self-employed income but does not include any other incomes.

INTERVIEWER: ADD IF NECESSARY: This excludes non-taxable benefits

IF RESPONDENT DISAGREES: What do you think would be the right amount?

Numeric _____

IF RESPONDENT DISAGREES

SE13 Why do you think this is different from the amount estimated?

PROBE: Why else?

**REPEAT SE1-SE13 (SE14-SE26) QUESTIONS FOR PARTNER IF Q9/2,3
REPLACE 'DO YOU' WITH 'DOES YOUR PARTNER'**

IF SELF-EMPLOYED AT Q5/2,3

SE27 Do you have an accountant or someone else who does your accounts for you?

CODE ONE ONLY

Yes 1

No 2

IF SELF-EMPLOYED AT Q9/2,3 and Q1=1

SE28 Does your partner have an accountant or someone else who does your accounts for them?

CODE ONE ONLY

Yes 1

No 2

IFDON'T KNOW AT ANY OF SE1, SE2, SE4, SE8, SE10, SE11 OR SAME ON PARTNER QUESTIONS

SE29 What could be done to help you answer these questions?

PROBE: What else?

Nothing..... 1

Section 5: Overall Opinions

In the next and final section, we want to ask you some questions about how you found this exercise.

SCRIPWRITER: WORK OUT TOTAL CALCULATION: ADD ALL THE CALCULATIONS GIVEN : 1+2 (FOR BOTH RESPONDENT AND PARTNER, IF APPLICABLE)
IF RESPONDENT HAS MANAGED TO COMPLETE ALL CALCULATIONS REQUESTED.

IF RESPONDENT HAS NO PARTNER (Q1/2) – DO NOT ASK.

WHERE THERE IS ONLY ONE INCOME IN THE HOUSEHOLD DO NOT READ OUT I.E IF RESPONDENT WORKS AND PARTNER DOES NOT WORK (Q1/1 AND Q5/1,2 AND Q8/3) OR IF PARTNER WORKS AND RESPONDENT DOES NOT (Q1/1 AND Q4/3 AND Q9/1,2)

IF RESPONDENT (AND PARTNER IF THEY HAVE ONE) HAS NO HOUSEHOLD INCOME OTHER THAN NON-TAXABLE BENEFITS, GO TO Q56

Q49 According to our calculations, your Total Household Income from April 2005- March 2006 was (TOTAL CALCULATION)

INTERVIEWER: ADD IF NECESSARY: This excludes non-taxable benefits

IF RESPONDENT DISAGREES: What do you think would be the right amount?

Numeric _____

Words _____

IF RESPONDENT DISAGREES

Q50 Why do you think this is different from the amount estimated?

PROBE: Why else?

Q51 How accurate or inaccurate do you think your estimate of household income is?

CODE ONE ONLY. READ OUT

- Very accurate 1
- Fairly accurate..... 2
- Neither accurate nor inaccurate 3
- Not very accurate 4
- Not at all accurate 5

Q52 Would you say your estimates are correct to within..... ..

READ OUT. CODE ONE ONLY

£0 - £500	1
£501 - £1000	2
£1001 - £2500	3
£2501 - £5000	4
More than £5000	5
Don't know	6

ASK ALL

Q53 How easy or difficult did you find this task of providing household income estimates to complete?

CODE ONE ONLY. READ OUT

Very easy	1
Fairly easy	2
Neither easy nor difficult.....	3
Fairly difficult	4
Very difficult.....	5

ASK IF COMPLETED FORM (S4A/1)

Q54 Approximately, how long did it take you to collect together all the information needed?

WRITE IN

WITH FORM SAMPLE

Q55a How helpful or unhelpful was receiving the Household Income Estimation Form prior to this interview?

CODE ONE ONLY

Very helpful	1
Fairly helpful	2
Neither helpful nor unhelpful	3
Not very helpful	4
Not at all helpful	5
Don't recall receiving form.....	6
Not completed form.....	7

NO FORM SAMPLE

Q55b How helpful or unhelpful would it have been to receive a form prior to this interview, including all the questions on income which we have asked today?

CODE ONE ONLY

Very helpful	1
Fairly helpful	2
Neither helpful nor unhelpful	3
Not very helpful	4
Not at all helpful	5

Q56 Why do you think HMRC are proposing to collect estimates of household income amongst tax credit claimants? PROBE: Why else?

- To get a more accurate estimate of income .. 1
- To avoid over-payments..... 2
- To avoid under-payments 3
- To create more work for claimants 4
- No idea..... 5
- Other (please specify)

Q57 HMRC are hoping that by collecting household income estimates, in the year prior to the tax credit claim, they can reduce over and under-payments of tax credits. Do you think it is a good idea or a bad idea for HMRC to collect estimates of household income? **CODE ONE ONLY**

- Very good idea 1
- Fairly good idea..... 2
- Neither a good nor a poor idea 3
- Fairly bad idea..... 4
- Very bad idea 5

Q58 Which of the following collection methods would you prefer HMRC to use to collect this information? **CODE ONE ONLY**

- Telephone with form sent prior to interview .. 1
- Telephone with no form sent prior to interview 2
- Internet 3
- Post 4

IF EITHER RESPONDENT AND/OR PARTNER ARE EMPLOYED [Q5=1 or 3 OR Q9=1 or 3]

Thank you for taking part in this stage of the research. We would like to re-contact you again in a couple of months time to ask you some more questions – this would be a much shorter interview and would be to find out how accurate your estimates on income have been.

Q59 Are you willing to take part in this follow-up interview?

- Yes 1
- No 2

IF YES AT Q59

Q60 Can I just check we have the correct telephone number for you and name for when we call back.

SCREEN TO SHOW DETAILS OF ORIGINAL NUMBER AND NAME – ALLOW INTERVIEWER TO AMEND

IF NO AT Q59

Q61 Would you be willing to take part in this follow-up interview if this was a postal self-completion survey rather than a telephone interview?

- Yes 1
- No 2

IF YES AT Q61

Q62 Can I just check we have the correct name and address for you?

SCREEN TO SHOW DETAILS OF ORIGINAL NAME AND ADDRESS – ALLOW INTERVIEWER TO AMEND

On behalf of GFK NOP and HMRC, I'd like to thank you very much for taking part in this stage of the research and we will be in contact again in late May or June 2006. Please also note this is a research survey and not connected with your actual claim. You will still need to complete the tax credit claim form as you would normally.

IF BOTH RESPONDENT AND PARTNER IS SELF-EMPLOYED (Q5/2 AND Q9/2)

That's all the questions we have for you so on behalf of GFK NOP and HMRC, I'd like to thank you very much for taking part in this research. We do not need to call you back as part of this research. Please also note this is a research survey and not connected with your actual claim. You will still need to complete the tax credit claim form as you would normally.

ADD IF NECESSARY:

If you wish to check GFK NOP's credentials, please call the operator on 100 and ask for Freephone Market Research Society. Alternatively, contact Jenny Smith at GFK NOP on 020 7890 9938 or Victoria Hughes at HMRC on 0207 7147 2989

Interviewer Assessment of respondent's understanding of income estimates

Good understanding 1

Average understanding..... 2

Poor understanding..... 3

1.2.3 Verification Stage: CATI (telephone) script

In Year Estimates Survey

QUANTITATIVE TELEPHONE QUESTIONNAIRE: VERIFICATION STAGE

INTRODUCTION TO RECEPTION

Good morning/afternoon, please can I speak to (named contact that took part in first survey, if different from sample)?

ADD AS NECESSARY:

My name is _____, from GfK NOP Business, an Independent Research Agency. We are conducting the follow-up survey on behalf of Her Majesty's Revenue and Customs (HMRC), formerly Inland Revenue, about tax credits. About a month ago you took part in research about tax credits and provided ESTIMATES of your total annual income during the tax year. We would now like to ask you some additional questions based on information contained in your P60 and other annual records, for example statements of interest to determine how accurate your estimates were. This interview will only take about 5 minutes.

IF DIFFICULT TO GET THROUGH TO NAMED CONTACT PLEASE REASSURE THAT RESPONDENT BY SAYING

Please be assured that (Insert name of contact) has already taken part in the first stage of the research and has also received a letter from HMRC. This survey is strictly confidential and your responses will not be passed on to HMRC with your name attached. Therefore you and your partner will not be identifiable to HMRC.

WHEN THROUGH TO RESPONDENT

Good morning/afternoon, my name is _____, from GfK NOP Business, an independent Research Agency. About a month ago you took part in research about tax credits and provided ESTIMATES of your total annual income during the tax year. We would now like to ask you some additional questions based on information contained in your P60 to determine how accurate your estimates were. This interview will only take about 5 minutes.

A letter was sent to you recently to inform you that the second stage of this research was taking place and we would greatly appreciate your participation in this important study.

ASK ALL EMPLOYED: REMP/1 OR 3

S1 We'd like to ask you a few more questions about your income from your employed job(s). In order for you to answer the following questions we will need you to provide us with some details from your P60. Can I just check that you have received your P60 for the last financial year, April 2005- March 2006, from your employer?

Yes	1	OK TO CONTINUE
No	2	GOT TO S2 IF PARTNER EMPLOYED PEMP/1 OR 3
Don't know	3	

IF DON'T KNOW: Your P60 is a summary from your employer of your pay and the tax deducted for the whole financial year. Have you received this form?

- | | | |
|------------|---|--|
| Yes | 1 | OK TO CONTINUE |
| No | 2 | GOT TO S2 IF PARTNER EMPLOYED PEMP/1 OR 3 |
| Don't know | 3 | GOT TO S2 IF PARTNER EMPLOYED PEMP/1 OR 3 |

IF NO & DON'T KNOW & DO NOT HAVE AN EMPLOYED PARTNER: Thank you for your time today. We'll call you back in a week or so to see if you have then received your P60.

ASK ALL WHOSE PARTNER IS EMPLOYED: PEMP/1 OR 3

S2 We'd (also) like to ask a few more questions about your partner's income from your employed job(s). In order for you to answer the following questions we will need you to provide us with some details from their P60. Can I just check have they received their P60 for the last financial year, April 2005- March 2006, from their employer?

- | | | |
|------------|---|----------------|
| Yes | 1 | OK TO CONTINUE |
| No | 2 | |
| Don't know | 3 | |

IF DON'T KNOW AND NOT ASKED S1 (RESPONDENT NOT EMPLOYED: REMP/0 OR 2): Your partner's P60 is a summary from their employer of their pay and the tax deducted for the whole financial year. Have you received this form?

- | | | |
|------------|---|----------------|
| Yes | 1 | OK TO CONTINUE |
| No | 2 | |
| Don't know | 3 | |

IF NO/DON'T KNOW AT S2, BUT YES AT S1 GO TO S3

IF RESPONDENT NOT EMPLOYED (REMP 0/OR 2) AND PARTNER IS EMPLOYED (PEMP/1 OR 3) AND YES AT S2 GO TO PS3

IF NO/DON'T KNOW AT BOTH S1 AND S2: Thank you for your time today. We'll call you back in a week or so to see if you have then received your P60s.

S3 Do you have your P60 to hand and would now be a convenient time to ask you these questions?

- | | |
|-----|---|
| Yes | 1 |
| No | 2 |

ADD IF NECESSARY:

I would like to assure you that anything you say will be treated in the strictest confidence. No information, which could identify you or anyone else connected to your tax credit claim will be passed on to HMRC and participation in this survey will not have any effect on your dealings with HMRC either now or in the future.

- | | | |
|--|---|--------------------------|
| OK to continue | 1 | GO TO SECTION 1 |
| Arrange Call-back-Inconvenient time | 2 | } Return to SMS and code |
| Arrange Call-back- to gather information | 3 | } appropriately |
| Others, cannot continue | 4 | |

Section 1- Your Income

ASK ALL EMPLOYED: REMP/1 OR 3 AND S1/1 (e.g. YES AT S1)

Q1 We would now like to ask you some questions specifically about your income from your employed job. Looking at your April 2005-March 2006 P60, please can you tell me the **total pay** for the year that you received?

ADD IF NECESSARY: In your P60, your pay for the year will be labelled 'Pay: Total for year' .

INTERVIEWER INSTRUCTION: If asked whether we want previous and current employment, ask respondent to provide total.

Numeric _____

Q2a Can you please tell me whether you received a tax refund the year April 2005-March 2006?

ADD IF NECESSARY: You can tell this by looking at the 'Tax deducted: Total for year' section of the P60. If there is an 'R' appearing before the amount, this means that you received a tax refund.

INTERVIEWER NOTE: The respondent may also refer to this as a tax rebate - this is the same thing.

INTERVIEWER NOTE: If respondent does not understand, ask them to read the headings to you.

Tax Refund not received	1	GO TO Q2b
Tax Refund received	2	GO TO NUMERIC AND SKIP TO Q3a

Refund Numeric _____

Q2b Can you please tell me the amount of tax that was deducted for the total year?

ADD IF NECESSARY: In your P60, your deducted tax for the year will be labelled 'Tax deducted: Total for year'

INTERVIEWER NOTE: if respondent does not understand, ask them to read the headings to you.

Numeric _____

Q3a Please now look at the section on your P60 marked: 'National Insurance Contributions'.

Please tell me the amount entered in the FIRST row of this section, under the heading of 'Employee contributions'?

ADD IF NECESSARY: In your P60, your national insurance contributions for the year will be labelled 'National Insurance Contributions'.

INTERVIEWER NOTE: If respondent does not understand ask them to read the headings to you.

Numeric _____

Nothing entered/Row blank 1

Programmer note: Repeat Q3a for SECOND, THIRD and FOURTH rows.

Q4 Did you receive any statutory maternity or paternity payments during the last year April 2005-March 2006?

- Yes 1
- No 2

IF YES:

Q5 These payments are included on your P60, under statutory payments. Can you tell me the amount you received for statutory maternity or paternity pay?

Numeric _____

Q6 Does your P60 include details of any other deductions from your pay, such as student loan deductions, or tax credits in this employment?

- Yes 1
- No 2

IF YES:

Q7a What deductions are included on your P60?

- Student loan deductions 1
- Tax credits in this employment 2
- Other (allow up to 3 other – please specify) 3

Q7b On your P60, how much was deducted for [INSERT TYPE OF DEDUCTION FROM Q7A)

Numeric _____

Q7c Please can you tell me if there are any deductions that are made from your take home pay each month that have not been included in your P60?

IF YES:

Which of the following deductions are made on a monthly basis? **Probe fully**

Pension contributions	1
Travel related	2
Share schemes	3
Charities	4
Gym membership	5
Sport & Leisure Club memberships	6
Private Healthcare premiums	7
Educational related, such as course fees	8
Other 1 (please specify)	10
Other 2 (please specify)	11
Other 3 (please specify)	12

IF A NET VALUE WAS PROVIDED IN LAST INTERVIEW: RINCOMEN >0: Subtract Q2b, Q3 AND Q7B from Q1 to give NET value = 'NEW NET VALUE' and compare to value at RINCOMEN.

IF A GROSS VALUE WAS PROVIDED IN LAST INTERVIEW: RINCOMEG >0: compare to value at RINCOMEG.

IF MORE THAN £1000 DIFFERENT TO COMPARISON AMOUNT ASK:

Q8 In your previous interview you said that your total income from your employed job for the last financial year was **[INSERT VALUE AT RINCOMEN IF >0 OR RINCOMEG IF >0]** and your P60 information indicates your pay for the year was **[INSERT GROSS VALUE FROM Q1 IF RINCOMEG >0 OR 'NEW NET VALUE' IF RINCOMEN >0]**.

Why do you think that your estimate was different from your P60? **Do not read out; probe fully**

1. I changed my job
2. I changed my working hours
3. Payment/ amount earned varies so much/ get paid at different calendar periods
4. Received a Pay/ salary increase
5. Received Bonuses/ overtime
6. Didn't know the estimate/I gave an estimated guess/ quote
7. Didn't know all the figures/ my income
8. Didn't have all the appropriate paperwork/ my P60
9. My fault/ I gave the wrong information/ worked it out wrong
10. Didn't work a full year/ worked less than I thought/ made redundant
11. Other 1 (please specify)
12. Other 2 (please specify)
13. Other 3 (please specify)

IF EMPLOYED (remp/1 OR 3) AND NO SAVINGS INCOME (rsavingg or rsavingsn = 0) AND PARTNER EMPLOYED (pemp/1 OR 3): GO TO PARTNER SECTION

IF EMPLOYED (remp/1 OR 3) AND NO SAVINGS INCOME (rsavingg or rsavingsn = 0) AND PARTNER NOT EMPLOYED (pemp/0 OR 2) AND PARTNER HAS NO SAVINGS INCOME (psavingg or psavingn = 0): GO TO THANK & CLOSE

IF EMPLOYED (remp/1 OR 3) AND NO SAVINGS INCOME (rsavingg or rsavingsn = 0) AND PARTNER NOT EMPLOYED (pemp/0 OR 2) AND PARTNER HAS NO SAVINGS INCOME (psavingg or psavingn = 0): GO TO PARTNER SAVINGS QUESTIONS (q9-q15 for partner)

ASK ALL EMPLOYED: REMP/1 OR 3 & HAVE 'SAVINGS INCOME': RSAVINGG >0 OR RSAVINGN >0

Q9 We'd like to ask you some questions about your savings income - this is interest earned on your savings accounts. In order for you to answer the following questions we will need you to provide us with some details from your Statement of Interest for each savings income. Can I just check that you have received any of your Statement of Interest(s) for the last financial year, April 2005- March 2006?

ADD IF NECESSARY: For savings income, here we are referring to savings that are subject to tax. Therefore this doesn't include for example, ISAs that are not taxable.

Yes	1	OK TO CONTINUE
No	2	
Don't know	3	

IF NO or DK, AND IF PARTNER WAS NOT EMPLOYED: PEMP/0 OR 2: Thank you for your time today. We'll call you back in a week or so to see if you have received your Statement of Interest(s) then.

IF NO or DK, AND IF PARTNER WAS EMPLOYED: PEMP/1 OR 3: GO TO SECTION 2.

Q10 Do you have your Statement of Interest(s) to hand?

ADD IF NECESSARY:

I would like to assure you that anything you say will be treated in the strictest confidence. No information, which could identify you or anyone else connected to your tax credit claim will be passed on to HMRC and participation in this survey will not have any effect on your dealings with HMRC either now or in the future.

Yes	1	GO TO Q11
No	2	

IF NO, AND IF PARTNER WAS NOT EMPLOYED: PEMP/0 OR 2: Thank you for your time today. Arrange call back for convenient time when respondent could have to hand – return to SMS.

IF NO, AND IF PARTNER WAS EMPLOYED: PEMP/1 OR 3: GO TO SECTION 2.

Q11 Looking at your Statement of Interest for April 2005-March 2006, please can you tell me the **total gross income** on your savings for the year?

INTERVIEWER INSTRUCTION: if respondent does not understand ask them to read the headings to you. If respondent has more than one Statement of Interest, ask the respondent to select one and we will then ask about others.

Numeric _____

Q12 Can you please tell me the amount of tax that was **deducted** on your savings for the total year?

Numeric _____

Q13 Can you please tell me the **net amount of savings income** you gained for April 2005-March 2006?

Numeric _____

Q14 Do you have to hand any other Statement of Interest for April 2005-March 2006, for other savings income?

- | | | |
|------------------------------|---|--|
| Yes | 1 | Repeat Q11-13 for each Statement of Interest available |
| No – not to hand | 2 | GO TO Q15 |
| No – no other savings income | 3 | GO TO Q15 |

Q15 **IF GROSS VALUE WAS PROVIDED IN LAST INTERVIEW : RAVINGG > 0**
SHOW COMPARISON TO ANSWER AT Q11 (SUM ALL ANSWERS GIVEN AT Q11 IF ASKED MORE THAN ONCE)

IF NET VALUE WAS PROVIDED IN LAST INTERVIEW: RAVINGN > 0
SHOW COMPARISON TO ANSWER AT Q13 (SUM ALL ANSWERS GIVEN AT Q13 IF ASKED MORE THAN ONCE)

IF MORE THAN £1000 DIFFERENT TO COMPARISON AMOUNT ASK:

In your previous interview you said that your total savings income from your employed job for the last financial year was **[INSERT VALUE AT RAVINGG IF >0 OR RAVINGN IF >0]** and your Statement of Interest(s) indicates your savings income was **[INSERT GROSS VALUE FROM Q11 IF RAVINGG >0 OR NET VALUE FROM Q13 IF RAVINGN >0]**.

Why do you think that your estimate was different from your Statement of Interest?

Do not read out; probe fully

1. Didn't know the estimate/I gave an estimated guess/ quote
2. Didn't know all the figures/ my savings income
3. Didn't have all the appropriate paperwork/ my Statement of Interest
4. My fault/ I gave the wrong information/ worked it out wrong
5. Other 1 (please specify)
6. Other 2 (please specify)
7. Other 3 (please specify)

Section 2- Your Partner's Income

PARTNER QUESTIONS (REPEAT Q1-15 FOR PARTNER REPLACING 'YOUR' WITH 'YOUR PARTNER')

IF NO AT S2, BUT HAVE ANSWERED Q1-15: Thank you for your time today. We'll call you back in a week or so to see if your partner has then received their P60.

ASK PARTNER QUESTIONS, IF PARTNER WAS EMPLOYED: PEMP/1 OR 3, and PARTNER SAVINGS QUESTIONS (Q9-15) IF PSAVINGG >0 OR PSAVINGN >0.

I would now like to ask you the same questions about your partner's income from their employed job (s).

INSERT PARTNER QUESTIONS

S3 Do you have your partner's P60 to hand and would now be a convenient time to ask you these questions?

Yes	1	OK TO CONTINUE TO SECTION 2
No	2	

ADD IF NECESSARY:

I would like to assure you that anything you say will be treated in the strictest confidence. No information, which could identify you or anyone else connected to your tax credit claim will be passed on to HMRC and participation in this survey will not have any effect on your dealings with HMRC either now or in the future.

OK to continue	1	Ask Section 2
Arrange Call-back-Inconvenient time	2	} Return to SMS and code
Arrange Call-back- to gather information	3	} appropriately
Others, cannot continue	4	

That's all the questions we have for you so on behalf of GfK NOP and HMRC, I'd like to thank you very much for taking part in this research. We do not need to call you back as part of this research. Please also note this is a research survey and not connected with your actual claim. You will still need to complete the tax credit claim form as you would normally.

ADD IF NECESSARY:

If you wish to check GfK NOP's credentials, please call the operator on 100 and ask for Freephone Market Research Society. Alternatively, contact Jenny Smith at GfK NOP on 020 7890 9938 or Victoria Hughes at HMRC on 0207 7147 2989.