



HM Revenue  
& Customs

**HM REVENUE AND CUSTOMS**

Analysis Team

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**Child and Working Tax Credits  
Statistics**

**Finalised annual awards**

**2004-05**

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A National Statistics Publication

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This issue, and the issue for 2003-04, can be found on the HM Revenue & Customs web site:

**<http://www.hmrc.gov.uk/stats/personal-tax-credits/menu.htm>**

The 2005-06 issue of this publication will be released in May 2007. The exact date will be announced in due course.

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Note: Certain figures, mainly in Section 1, do not fall under National Statistics. See the Introduction.

# Child and Working Tax Credits Statistics

## Finalised annual awards

2004-05

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## Introduction

### Child and Working Tax Credits

Child Tax Credit (CTC) provides support to families for the children (up to the 31 August after their 16th birthdays) and the "qualifying" young people (for 2004-05, in full-time non-advanced education until their 19th birthdays) for which they are responsible. It is paid in addition to Child benefit.

Working Tax Credit (WTC) tops up the earnings of families on low or moderate incomes. People working for at least 16 hours a week can claim it if they (a) are responsible for at least one child or qualifying young person, (b) have a disability which puts them at a disadvantage in getting a job, (c) returned to work within the last year aged at least 50 after a period of at least six months receiving out-of-work benefits or (d) are aged at least 25 and work for at least 30 hours a week.

CTC and WTC are claimed by individuals, or jointly by couples, whether or not they have children (described as "families" in this publication).

### Level of entitlement

A family's daily entitlement to tax credits depends on its circumstances (hours worked, children, childcare costs, disabilities) on that day and its annual incomes in the current and previous tax years. For each day, the various elements to which the family is entitled are summed and the total reduced according to the family's income (see the Technical Note for more details).

If a family's circumstances vary within the tax year, then so can the level of its daily entitlement. Awards can also start or stop at any date - for example, as couples separate or as families start (or cease) to satisfy the qualifying conditions.

At any time, entitlement is calculated using the latest information reported. It is recalculated when new information is reported. So, for any day, the calculated entitlement can change over time. This can be true, in particular, when the actual income for the tax year is reported during the following tax year.

### What the tables show

The tables are based on entitlements for each day in 2004-05 calculated from information reported by April 2006 (that is, in "finalised" awards).

Most figures show the average number of families on each day with particular characteristics and levels of daily entitlement, the average being taken over all the days of 2004-05.

Other figures show the aggregate annual entitlement of such families; that is, the sum, taken over 2004-05, of the daily entitlements of families with these characteristics on each day. The average annualised entitlement of families with particular characteristics is the aggregate annual entitlement divided by the average number of families.

*For example, Table 2.2 shows that, taken over 2004-05, there was an average of 658 thousand families with one child entitled to both WTC and CTC. The aggregate annual entitlement of such families, summed over days in the year when they had these characteristics, was £3,182 million and the annualised average entitlement over these days was £4,837.*

The total amount received by a family in 2004-05 may not equal its annual finalised entitlement. First, if claimants fail to report changes in-year this can lead to underpayments or overpayments compared to the finalised entitlement; this is explained more fully in the Payments supplement to this publication. Second, the amount received can be reduced to recover overpayments for 2003-04; such reductions are not taken into account in the tables.

### **In-work and out-of-work families**

The tables in Section 2 cover families for days in the year for which they were in work (that is, the adult, or at least one adult in a couple, worked for 16 or more hours per week).

These tables therefore exclude the many out of work families with children which received CTC. This is because many other such families received their child support as child and family premia in Income Support or income-based Jobseeker's Allowance awards. Tables including only those out of work families receiving CTC could mislead users. *(The number of families receiving their child support via benefits is declining, as families with children falling out of work remain on CTC, and out of work families having their first child must apply for CTC. The residual families will be migrated to CTC in due course).*

Section 1, however, contains a limited number of figures covering all out of work families with children receiving the common level of child support either via CTC or via benefits. The time series in these figures is not affected by the changing balance of out of work families with children between the two systems.

### **Source of the figures**

The figures for in-work families are based on data extracted from the tax credits computer system in April 2006. The extract contained data for each day of the year for most awards. For more details, see the Technical Note.

The estimates for out of work families receiving their child support via benefits are derived from various sources and are not as secure as the tax credits figures. The totals shown in Section 1 for such families, and for total benefiting families, are therefore heavily rounded, and are outside National Statistics.

### **Relation to the "snapshot" publications**

The issues of "Child and Working Tax Credits Statistics" with reference dates in December 2004 and April 2005 were based on such information reported by the reference dates.

This publication covers families only for days for which they have positive entitlements. The "snapshot" publications also cover families whose daily entitlements were tapered to zero at the reference dates.

This publication is based on an analysis of almost all awards (see the Technical Note). The "snapshot" publications are based on samples of awards, and the estimates are subject to sampling uncertainty.

### **Geographical analyses**

Details of families with awards in each country, region of England, local authority and parliamentary constituency are shown in a companion publication.

## Main aggregates

*Note 1: Figures that include out of work families are outside National Statistics*

*Note 2: Figures are separately rounded, which can lead to the components as shown not summing to the total.*

Based on finalised awards, the average number of benefiting families during 2003-04 and 2004-05 were:

	2003-04	2004-05
	-----millions-----	
Total benefiting	5.7	5.9
Out-of-work families (all with children)	1.4	1.4
In-work families	4.34	4.51
Families with no children (WTC only)	0.16	0.23
Families with children	4.17	4.27
Entitlement more than the family element	2.08	2.12
Entitlement equals family element or less	2.09	2.15
Families for which entitlements were higher because of:	-----thousands-----	
Childcare element	268	305
Disabled worker element	64	79
Baby addition to family element (in-work families)	361	371

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**Table 1.1 Families benefiting from tax credits, 2003-04 and 2004-05: annual averages**

		Total <sup>1</sup>	Families not in work <sup>1</sup>	In-work families					
				Total	With children			Without children (WTC only)	
					With WTC and CTC	With CTC only More than family element	Family element or less	Total	
		-----millions-----		-----thousands-----					
2003-04 <sup>2</sup>	Number	5.7	1.4	4,336	1,438	640	2,093	4,171	164
	Entitlement (£) <sup>3</sup>			11,314	8,334	1,477	1,206	11,017	296
2004-05	Number	5.9	1.4	4,508	1,445	679	2,151	4,275	234
	Entitlement (£) <sup>3</sup>			12,356	8,974	1,717	1,235	11,926	431
	CTC			8,211	5,259	1,717	1,235	8,211	-
	WTC			4,145	3,714	-	-	3,714	431
	Average per family (annualised) <sup>3</sup>			£2,741	£6,212	£2,530	£574	£2,790	£1,843

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

<sup>1</sup> These numbers do not fall under National Statistics. They include families with children receiving out-of-work benefits, estimates for which are based on administrative data for these benefits at various dates in 2004-05. These numbers, and the totals including them, are therefore heavily rounded. They also include out of work families receiving CTC but not these benefits. See the Introduction.

<sup>2</sup> Entitlement as at 5 April 2005, as published in the previous issue of this publication. Aggregate 2003-04 entitlement fell by a net £32 million between then and April 2006.

<sup>3</sup> In-work entitlement only. See the Introduction for the definitions of these amounts.

**Table 1.2 Average number of families benefiting from tax credits**

	Total	In work	Not in work
Total benefiting (millions) <sup>1</sup>	5.9	4.5	1.4
Families with children receiving benefits but not CTC (millions) <sup>1</sup>	0.9	-	0.9
<u>Receiving CTC and/or WTC</u>			
Number (thousands)	5,046	4,508	538
Annual entitlement (£ million)			
Child Tax Credit	10,149	8,211	1,938
Working Tax Credit	4,145	4,145	-
Total <sup>2</sup>	14,294	12,356	1,938
Average annualised entitlement	£2,833	£2,741	£3,605

<sup>1</sup> These numbers do not fall under National Statistics. The estimate for families receiving out-of-work benefits but not CTC is based on the average number receiving these benefits during 2004-05, obtained from administrative data for those benefits, less an estimate of the average number receiving both CTC and these benefits. This number, and the totals including it, are therefore heavily rounded. See the Introduction.

<sup>2</sup> The supplement on Payments shows a total of £14,318 million. See the Technical Note.

**Table 1.3 Average number of benefiting couples and single adults; numbers of children**

	Benefiting families			Number of children in benefiting families
	Total	Couples	Singles	
<b>All families</b>	-----Millions-----			
Total recipients <sup>1</sup>	5.9	3.7	2.2	10.2
Not in work <sup>1</sup>	1.4	0.4	1.0	2.6
In work	4.5	3.3	1.2	7.5
<b>Families with children</b>				
Total recipients <sup>1</sup>	5.7	3.6	2.1	10.2
Not in work <sup>1</sup>	1.4	0.4	1.0	2.6
In work	4.3	3.3	1.0	7.5
<b>In work families</b>				
WTC and CTC	1,445	646	799	2,606
CTC only, > family element	679	574	105	1,449
CTC family element	2,019	1,903	116	3,229
CTC < family element	133	132	1	231
Total with children	4,275	3,254	1,021	7,515
No children (WTC only)	234	71	163	-
Total	4,508	3,325	1,184	7,515

<sup>1</sup> These numbers do not fall under National Statistics. They include families with children receiving out-of-work benefits, estimates for which are based on administrative data for these benefits for 2004-05. These numbers, and the totals including them, are therefore heavily rounded. They also include out of work families receiving CTC but not these benefits. See the Introduction.

**Table 2.1 Average number of in-work benefiting families in 2003-04 and 2004-05; and aggregate entitlement**

	<i>Thousands, and £million</i>	
	2003-04	2004-05
<b>All families</b>		
WTC and CTC	1,438	1,445
CTC only, > family element	640	679
CTC family element	1,982	2,019
CTC < family element	112	133
Total in work with children	4,171	4,275
No children (WTC only)	164	234
Total in work	4,336	4,508
<b>Children in these families</b>		
WTC and CTC	2,628	2,606
CTC only, > family element	1,382	1,449
CTC family element	3,280	3,229
CTC < family element	198	231
Total for in work families	7,488	7,515
<b>Single adults with children</b>		
WTC and CTC	788	799
CTC only, > family element	94	105
CTC family element	107	116
CTC < family element	1	1
Total in work with children	990	1,021
<b>Number of children in family</b>		
No children (WTC only)	164	234
One child	1,734	1,880
Two children	1,758	1,743
Three children	528	504
Four or more children	152	148
Total	4,336	4,508
<b>Families benefiting from:</b>		
30 hour element	1,628	1,716
Disabled worker element	64	79
Severely disabled adult element	47	34
50+ return to work element	8	15
Childcare element - couples	83	96
Childcare element - singles	185	208
Baby addition to family element	361	371
Disabled child element	98	107
Severely disabled child element	45	47
<b>Annual entitlement (£ million)</b>		
WTC and CTC	8,334	8,974
CTC only, > family element	1,477	1,717
CTC family element	1,166	1,190
CTC < family element	40	45
Total in work with children	11,017	11,926
No children (WTC only)	296	431
Total in work	11,314	12,356

**Table 2.2 Average number of in-work benefiting families with children, and annual entitlements**

	<i>Thousands, and £million</i>				
	Total	Receiving WTC and CTC	Receiving CTC only		
			More than family element	Family element	Less than family element
<b>Family size.</b>					
<b>All families</b>					
One child	1,880	658	167	1,002	54
Two children	1,743	519	318	845	62
Three children	504	191	145	153	14
Four or more children	148	77	50	19	3
<b>Total</b>	<b>4,275</b>	<b>1,445</b>	<b>679</b>	<b>2,019</b>	<b>133</b>
<b>Couples</b>					
One child	1,295	216	114	911	53
Two children	1,409	249	277	822	61
Three children	420	120	135	151	14
Four or more children	129	60	48	18	3
<b>Total</b>	<b>3,254</b>	<b>646</b>	<b>574</b>	<b>1,903</b>	<b>131</b>
<b>Singles</b>					
One child	585	441	52	90	1
Two children	334	269	41	24	-
Three children	84	72	10	2	-
Four or more children	19	17	2	-	-
<b>Total</b>	<b>1,021</b>	<b>799</b>	<b>105</b>	<b>116</b>	<b>1</b>
<b>With a child aged under one year</b>	<b>371</b>	<b>127</b>	<b>72</b>	<b>154</b>	<b>17</b>
<b>Number of children in these families</b>					
All families	7,515	2,606	1,449	3,229	231
Couples	5,931	1,339	1,279	3,083	229
Singles	1,584	1,267	170	145	2
<b>Average annualised entitlement</b>					
One child	£2,152	£4,837	£1,504	£594	£350
Two children	£2,660	£6,527	£2,326	£584	£329
Three children	£4,280	£8,274	£3,313	£588	£338
Four or more children	£7,342	£10,718	£4,989	£597	£358
<b>Total</b>	<b>£2,790</b>	<b>£6,212</b>	<b>£2,530</b>	<b>£589</b>	<b>£339</b>
<b>Total annual entitlement (£ million)</b>					
One child	4,046	3,182	251	595	19
Two children	4,638	3,385	739	494	20
Three children	2,156	1,582	480	90	5
Four or more children	1,085	825	248	11	1
<b>Total</b>	<b>11,926</b>	<b>8,974</b>	<b>1,717</b>	<b>1,190</b>	<b>45</b>

**Table 2.3 Average number of families benefiting from the 30 hour credit**

	<i>Thousands</i>				
	<b>Total</b>	Couples with children	Couples without children	Singles with children	Singles without children
Total families benefiting <sup>1</sup>	1,716	1,077	68	425	146
WTC and CTC	855	519	-	335	-
CTC only, > family element	647	558	-	90	-
No children (WTC only)	214	-	68	-	146

<sup>1</sup> Those claiming the 30-hour element (a) with children and with an award value above the family element, or (b) without children and with a positive award.

**Table 2.4 Average number of families benefiting from the childcare element**

	<i>Thousands</i>		
	<b>Total</b>	<b>Couples</b>	<b>Singles</b>
Total families benefiting <sup>1</sup>	305	96	208
WTC and CTC	241	48	193
CTC only, > family element	64	48	16
Eligible childcare costs allowed (per week)			
Under £20	41	10	32
£20 - £39.99	58	15	43
£40 - £59.99	52	17	35
£60 - £79.99	41	15	26
£80 - £99.99	35	12	22
£100 - £149.99 <sup>2</sup>	62	21	41
£150 and over	17	7	10
Total	305	96	208
Increase in annualised entitlement through this element (£ million)	706	201	505
Average help with childcare costs <sup>3</sup> (£ per week)	£44.29	£39.97	£46.29

<sup>1</sup> Those claiming the childcare element and with CTC above the family element.

<sup>2</sup> After taking account of maximum costs allowed (see Appendix).

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

**Table 2.5 Average number of families benefiting from the disabled worker element***Thousands*

	<b>Total</b>	Couples with children	Couples without children	Singles with children	Singles without children
Total families benefiting <sup>1</sup>	79	24	10	13	31
WTC and CTC	31	18	-	13	-
CTC only, > family element	6	6	-	-	-
No children (WTC only)	41	-	10	-	31
One disabled worker <sup>2</sup> in family	78	24	9	13	31
Both adults are disabled workers	1	1	-	-	-

<sup>1</sup> Those claiming the disabled worker element who (a) have children and have CTC above the family element, or (b) have no children and have a positive WTC award. Disabled workers includes those who are severely disabled and also included in Table 2.6.

<sup>2</sup> Throughout this table, "worker" means an adult working for at least 16 hours per week.

**Table 2.6 Average number of families benefiting from the severely disabled adult element***Thousands*

	<b>Total</b>	Couples with children	Couples without children	Singles with children	Singles without children
Total families benefiting <sup>1</sup>	34	18	8	2	5
WTC and CTC	14	12	-	2	-
CTC only, > family element	5	5	-	-	-
No children (WTC only)	14	-	8	-	5
One severely disabled adult	33	17	8	2	5
Both adults are severely disabled	1	-	-	-	-

<sup>1</sup> Those with the severely disabled adult element who (a) have children and have CTC above the family element, or (b) have no children and have a positive WTC award.

**Table 2.7 Average number of in-work families benefiting from the disabled child element***Thousands*

	Total	Couples		Singles	
		One disabled child	2+ disabled children	One disabled child	2+ disabled children
Total families benefiting <sup>1,2</sup>	107	73	7	25	3
WTC and CTC	55	28	3	22	3
CTC only, > family element	52	44	4	4	-
Family size					
One child	23	13	-	10	-
Two children	47	32	3	10	2
Three children	26	19	2	4	1
Four or more children	12	9	2	1	-
Number of disabled children in benefiting families	118	73	14	25	6

<sup>1</sup> Those with the disabled child element and with CTC above the family element.

<sup>2</sup> In addition, about 100,000 families out of work received the higher level of support for such children through benefits, about two thirds of them headed by single adults (*these estimates are derived from a variety of sources, and do not fall under National Statistics*).

**Table 2.8 Average number of in-work families benefiting from the severely disabled child element***Thousands*

	All	Couples	Singles
Total families benefiting <sup>1,2</sup>	47	37	10
WTC and CTC	23	14	9
CTC only, > family element	25	23	1
Family size			
One child	10	6	3
Two children	20	16	4
Three children	12	10	2
Four or more children	6	5	1
Number of severely disabled children in benefiting families	50	40	10

<sup>1</sup> Those with the severely disabled child element and with CTC above the family element.

<sup>2</sup> In addition, about 50,000 families out of work received the higher level of support for such children through benefits, about two thirds of them headed by single adults (*these estimates are derived from a variety of sources, and do not fall under National Statistics*).

**Table 2.9 Average number of in-work benefiting families in each band of income used to taper awards***Thousands*

	Range of income used to taper awards <sup>1</sup>							
	Total	Up to £5,060	£5,061 to £9,999	£10,000 to £19,999	£20,000 to £29,999	£30,000 to £39,999	£40,000 to £50,000	Over £50,000
<b>Total</b>								
WTC <sup>2</sup> and CTC	1,445	397	513	508	25	2	-	-
CTC only, > family element	679	-	-	361	293	23	1	-
CTC family element	2,019	-	-	15	798	816	390	-
CTC < family element	133	-	-	-	-	-	-	133
Total with children	4,274	397	513	885	1,116	840	392	133
No children (WTC only)	234	51	111	71	1	-	-	-
Total	4,508	448	624	956	1,116	840	392	133
<b>Derivation of income used<sup>1</sup>:</b>								
2004-05 income < 2003-04 income								
Increasing award value	703	76	192	287	89	13	23	22
Not affecting award value <sup>2</sup>	323	64	1	6	123	99	31	-
2004-05 income the same as, or up the £2,500 above, the 2003-04 income; or not reported <sup>3</sup>	2,427	223	313	439	647	545	226	33
2004-05 income > 2003-04 income + £2,500								
Reducing award value <sup>4</sup>	632	-	117	222	167	41	8	77
Not affecting award value <sup>2</sup>	424	85	1	2	90	142	104	-
Total	4,508	448	624	956	1,116	840	392	133

<sup>1</sup> See the Technical Note. After deducting the income increase disregard, but before deducting the first threshold

<sup>2</sup> Awards remaining unchanged at the maximum (income below first threshold) or family element level.

<sup>3</sup> Some families were not required to report their 2004-05 incomes if their 2004-05 entitlements were at the family element level based on their 2003-04 incomes and this would not change based on their 2004-05 incomes. The awards for certain other families were also finalised on 2003-04 incomes where complete 2004-05 income data were not reported (for example, couples who had separated).

<sup>4</sup> Excluding families with positive entitlements based on their 2003-04 incomes but tapered to zero based on their 2004-05 incomes.

**Table 2.10 Average number of in-work benefiting families in each band of annual entitlement***Thousands*

	Total	Band of annualised entitlement							
		Under £1,000	£1,000 to £1,999	£2,000 to £2,999	£3,000 to £3,999	£4,000 to £4,999	£5,000 to £5,999	£6,000 to £6,999	£7,000 and over
WTC and CTC	1,445	-	-	82	133	225	339	252	415
CTC only, > family element	679	90	224	152	113	46	29	13	12
CTC family element	2,019	1,865	154	-	-	-	-	-	-
CTC < family element	133	130	3	-	-	-	-	-	-
Total with children	4,275	2,084	381	234	246	271	368	265	426
No children (WTC only)	234	76	56	56	32	8	4	1	-
Total	4,508	2,160	437	290	278	279	371	266	427
<b>Number of children</b>									
No children (WTC only)	234	76	56	56	32	8	4	1	-
One child	1,880	1,008	185	107	119	140	231	37	53
Two children	1,743	889	152	94	91	94	97	186	140
Three children	504	166	38	28	29	30	31	33	148
Four or more children	148	21	6	5	6	7	8	9	85
Total	4,508	2,160	437	290	278	279	371	266	427
<b>Single adult families</b>									
<b>Number of children</b>									
No children (WTC only)	163	58	39	43	16	6	1	-	-
One child	585	101	34	46	65	95	170	27	46
Two children	334	27	10	13	18	27	41	121	78
Three children	84	3	1	1	2	3	4	6	63
Four or more children	19	-	-	-	-	-	-	1	17
Total	1,184	190	83	103	102	131	216	155	204
<b>Couples</b>									
<b>Number of children</b>									
No children (WTC only)	71	17	17	14	16	3	3	1	-
One child	1,295	907	151	61	54	45	61	9	7
Two children	1,409	862	142	81	73	67	57	65	62
Most figures show the £	420	164	37	26	27	27	27	27	85
Four or more children	129	21	6	5	6	7	8	9	68
Total	3,324	1,970	354	187	177	149	155	110	222

## Technical Note

### Calculating entitlement for in-work families

For each 2004-05 award, the year is divided into sub-periods during which the family's circumstances (adult partners, hours worked, number of children, childcare costs, disabilities) remained unchanged.

For each sub-period, the elements to which the family is entitled during that period (see the Appendix for the annual values) are first summed. This includes 70% of the family's eligible childcare costs.

The resulting total is then tapered away based on the family's annual income. This is defined as (a) 2004-05 income, if that was lower than the 2003-04 income; (b) 2003-04 income if the 2004-05 income was less than £2,500 higher than this; or (c) 2004-05 income less £2,500 if this difference was higher than the 2003-04 income. The award is reduced by 37% of the excess of this annual income over the first threshold, adjusted for the length of the sub-period. (For families with children, the WTC elements are deemed to be tapered away first).

For families with children there is a minimum value for this tapered award, which is the family element, plus the baby addition if appropriate. However, this minimum is itself reduced by £1 for every £1 by which the annual income (as defined above) exceeds £50,000, adjusted for the sub-period length.

The annual entitlement is then the sum of the entitlements for the various sub-periods.

### Data quality

The figures in the table are derived from a scan of the tax credits computer system taken in early April 2006, comprising a record for each sub-period for each award.

Each record indicated the sub-period start date and length, the elements for which the family qualified for that period, the daily value of the childcare element, the 2003-04 and 2004-05 incomes for the award and the sub-period entitlement.

For each case, and for each sub-period, it was possible to compare the entitlement with an entitlement modelled by applying the above rules. For all but about 0.1 per cent of cases the discrepancy was at most 2p per day.

A small number (less than 1 per cent) of cases were not included in the scan. Sub-period records for these cases were imputed from data for a sample of them extracted from a different source. The sample cases are included in the tables with appropriate weights.

To ensure complete consistency, the modelled entitlement is used in the compilation of this publication.

Table 1.2 shows a total modelled entitlement of £14,294 million. Table 1 in the Payments supplement shows £14,318 million for the same figure. The difference is due to (a) £11 million entitlement calculated and paid off-system, (b) sampling error among the cases included on a sample basis, (c) modelled entitlement not always matching entitlement on the system and (d) the few days between the scans taken for the two publications.

**Appendix: 2003-04 and 2004-05 tax credit elements and thresholds**

	Annual rate (£), except where specified	
	2003-04	2004-05
<b>Child Tax Credit</b>		
Family element	545	545
Family element, baby addition <sup>1</sup>	545	545
Child element <sup>2</sup>	1,445	1,625
Disabled child additional element <sup>3</sup>	2,155	2,215
Severely disabled child additional element <sup>4</sup>	865	890
<b>Working Tax Credit</b>		
Basic element	1,525	1,570
Couples and lone parent element	1,500	1,545
30 hour element <sup>5</sup>	620	640
Disabled worker element	2,040	2,100
Severely disabled adult element	865	890
50+ return to work payment <sup>6</sup>		
16 but less than 30 hours per week	1,045	1,075
at least 30 hours per week	1,565	1,610
Childcare element		
Maximum eligible costs allowed (£ per week)		
Eligible costs incurred for 1 child	135	135
Eligible costs incurred for 2 or more children	200	200
Percentage of eligible costs covered	70%	70%
<b>Common features</b>		
First income threshold <sup>7</sup>	5,060	5,060
First withdrawal rate	37%	37%
Second income threshold <sup>8</sup>	50,000	50,000
Second withdrawal rate	1 in 15	1 in 15
First income threshold for those entitled to Child Tax Credit only <sup>9</sup>	13,230	13,480
Income increase disregard	2,500	2,500
Minimum award payable.	26	26

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

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

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

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

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

<sup>6</sup> Payable for each qualifying adult for the first 12 months following a return to work after 5 April 2003.

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

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

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