



HM Revenue
& Customs

HM REVENUE AND CUSTOMS

Analysis Team

**Child and Working Tax Credits
Statistics**

Finalised annual awards

2006-07



A National Statistics Publication

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Introduction

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 (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).

A family's entitlement to CTC and WTC in 2006-07 depends its circumstances in the year (hours worked, number of children, childcare costs, disabilities) and on its incomes in 2005-06 and 2006-07 (for more details, see the Technical Note). The tables classify families according to the levels of their entitlement, modelled from data on their circumstances and incomes finally reported for that year. Incomes can taper the award to zero. These tables cover families with positive awards.

The figures for in-work families in the tables are based on data extracted from the tax credits computer system at April 2008 for the vast majority of 2006-07 awards (see the Technical Note). See below for the figures for families out of work.

Relation to "snapshot" publications

During 2006-07, tax credits awards were based on a variety of income data. For many awards the first payments were based on 2004-05 incomes; most families reported 2005-06 incomes during 2006-07, and were encouraged to report in-year estimates of their 2006-07 incomes if this would affect the size of their award. The issues of "Child and Working Tax Credits statistics" with reference dates in December 2006 and April 2007 classified families according to information on their circumstances and incomes known about by the reference date.

During 2006-07, families provided final information on their circumstances during 2005-06, and their 2005-06 incomes. This led to "finalised" awards for 2006-07. The tables are based on these finalised awards.

Annual average number of beneficiaries, and annual entitlement

The calculation of the annual entitlement for an award also yields a value of the entitlement for each day of the year. This can vary within the year as the family's circumstances vary. Also, awards can end during the year (for example, as couples separate, or as families cease to satisfy the qualifying conditions listed above), and other awards start during the year. The tables show annual average numbers of benefiting families with particular characteristics that is, the average taken over all days in the year.

Their aggregate annual entitlement (in £ million) is the sum, taken over all days in the year, of the daily entitlements of families with these characteristics on the day.

Their average annualised entitlement (in £) is 365 times the average, taken over all days in the year, of the aggregate daily entitlement of these families.

The coverage of out-of-work families with children

A family is defined as being in work at any date if one of the adults, or the single adult, works for at least 16 hours per week.

Some out of work families with children received their child support via CTC, but others received it via child premia in benefits (Income Support or income-based Jobseeker's Allowance). The level of support was the same. All the tables in this publication include all such out of work families, where relevant, irrespective of the source of their support.

Geographical analyses

This publication covers families in the United Kingdom (including Northern Ireland). A separate publication shows analyses for each country, region of England, local authority and parliamentary constituency.

Main aggregates

Note: 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 to 2006-07 were:

	2003-04	2004-05	2005-06	2006-07
	----- <i>millions</i> -----			
Total benefiting	5.7	5.89	5.94	5.96
Out-of-work families (all with children)	1.4	1.38	1.41	1.40
In-work families	4.34	4.51	4.53	4.56
Families with no children (WTC only)	0.16	0.23	0.27	0.30
Families with children	4.17	4.28	4.26	4.25
Entitlement more than the family element	2.08	2.12	2.16	2.28
Entitlement equals family element or less	2.09	2.15	2.10	1.97
Families for which entitlements were higher because of:	----- <i>thousands</i> -----			
Childcare element	268	304	339	384
Disabled worker element	64	79	89	99
Baby addition to family element (in-work families)	361	371	364	364
Baby addition to family element (other families)	151	153

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Table 1.1 Families benefiting from tax credits, 2003-04 to 2006-07: annual averages

		Total ¹	Families not in work ¹	In-work families					
				Total	With children			Without children (WTC only)	
					With WTC and CTC	With CTC only	Family element or less	Total	
					-----thousands-----				
2003-04 ²	Number	5.7m	1.4m	4,336	1,438	640	2,093	4,171	164
	Entitlement (£) ³	16,400	5,100	11,314	8,334	1,477	1,206	11,017	296
2004-05 ²	Number	5,888	1,379	4,508	1,445	679	2,151	4,275	234
	Entitlement (£) ³	17,709	5,353	12,356	8,974	1,717	1,235	11,926	431
	CTC	13,564	5,353	8,211	5,259	1,717	1,235	8,211	-
	WTC	4,145	-	4,145	3,714	-	-	3,714	431
2005-06	Number	5,939	1,406	4,533	1,496	664	2,101	4,261	272
	Entitlement (£) ³	18,585	5,474	13,111	9,648	1,742	1,201	12,591	520
	CTC	14,017	5,474	8,543	5,600	1,742	1,201	8,543	-
	WTC	4,568	-	4,568	4,048	-	-	4,048	520
2006-07	Number	5,955	1,399	4,556	1,614	664	1,972	4,251	305
	Entitlement (£) ³	20,317	5,732	14,585	11,024	1,804	1,129	13,958	627
	CTC	14,923	5,732	9,191	6,258	1,804	1,129	9,191	-
	WTC	5,393	-	5,393	4,767	-	-	4,767	627

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.

¹ No, or only approximate, estimates for out of work families are available for some earlier years. Figures shown thus "1.4m" are approximate estimates shown in millions. The estimates for out of work families include those receiving the equivalent level of support via out of work benefits (see the Introduction).

² Entitlement as published in the previous issue of this publication, disregarding any changes since then.

³ See the Introduction for the definitions of these amounts. For 2003-04, rounded to the nearest £0.1bn

Table 1.2 Average number of benefiting couples and single adults; numbers of children and annual entitlements

	Benefiting families			Thousands
	-----			Number of children in benefiting families
	Total	Couples	Singles	
All families				
Total	5,955	3,610	2,344	10,067
With children	5,649	3,518	2,132	10,067
Other	305	93	212	-
Out of work families with children				
Total	1,399	337	1,062	2,664
Receiving CTC	897	246	652	1,677
Maximum award ¹	852	210	642	1,600
Tapered	45	36	10	77
Receiving family premia in benefits ²	501	91	410	987
In work families				
Total	4,556	3,273	1,283	7,403
With children	4,251	3,181	1,070	7,403
Receiving WTC and CTC	1,614	753	862	2,895
Maximum award ¹	480	172	308	887
Tapered	1,134	581	554	2,008
Receiving CTC only	2,636	2,428	208	4,508
More than family element	664	565	99	1,405
Family element	1,851	1,743	108	2,893
Less than family element	122	120	1	210
No children (receiving WTC only)	305	93	212	-
Maximum award ¹	88	16	72	-
Tapered	217	76	141	-

¹ Where the award is not reduced through tapering, either because the family is passported to maximum CTC through receipt of out of work benefits, or because the annual income is below the relevant first threshold.

² See the Introduction. Not tapered.

Table 2.1 Number of benefiting families in 2003-04 to 2006-07; annual averages and aggregate entitlement

	<i>Thousands, and £million</i>			
	2003-04	2004-05	2005-06	2006-07
All families				
WTC and CTC	1,438	1,445	1,496	1,614
CTC only, > family element	640	679	664	664
CTC family element	1,982	2,019	1,961	1,851
CTC < family element	112	133	140	122
Total in work with children	4,171	4,275	4,261	4,251
No children (WTC only)	164	234	272	305
Total in work	4,336	4,508	4,533	4,556
Out of work ¹	1.4m	1,379	1,406	1,399
Total ¹	5.7m	5,888	5,939	5,955
Children in these families				
WTC and CTC	2,628	2,606	2,685	2,895
CTC only, > family element	1,382	1,449	1,409	1,405
CTC family element	3,280	3,229	3,087	2,893
CTC < family element	198	231	241	210
Total for in work families	7,488	7,515	7,422	7,403
Out of work ¹	2.6m	2,624	2,666	2,664
Total ¹	10.1m	10,139	10,088	10,067
Single adults with children				
WTC and CTC	788	799	828	862
CTC only, > family element	94	105	105	99
CTC family element	107	116	116	108
CTC < family element	1	1	1	1
Total in work with children	990	1,021	1,050	1,070
Out of work ¹	1.1m	1,031	1,055	1,062
Total ¹	2.2m	2,053	2,105	2,132
Families benefiting from:				
30 hour element	1,628	1,716	1,757	1,885
Disabled worker element	64	79	89	99
Severely disabled adult element	47	34	28	30
50+ return to work element	8	15	14	14
Childcare element - couples	83	96	106	133
Childcare element - singles	185	208	233	250
Baby addition to family element - in-work families	361	371	364	364
Baby addition to family element - out of work families ¹	151	153
Disabled child element in-work families ²	98	107	110	116
Severely disabled child element - in-work families ²	45	47	47	48
Annual entitlement (£ million)				
WTC and CTC	8,334	8,974	9,648	11,024
CTC only, > family element	1,477	1,717	1,742	1,804
CTC family element	1,166	1,190	1,156	1,090
CTC < family element	40	45	45	39
Total in work with children	11,017	11,926	12,591	13,958
No children (WTC only)	296	431	520	627
Total in work	11,314	12,356	13,111	14,585
Out of work ¹	5,100	5,353	5,474	5,732
Total ¹	16,400	17,709	18,585	20,317

¹ The estimates for out of work families include families receiving the equivalent level of support via out of work benefits (see the Introduction). No, or only approximate, estimates for out of work families are available for 2003-04; figures shown thus "1.4m" are approximate estimates shown in millions.

² No estimates for out of work families are available.

Table 2.2 Average number of benefiting families with children, and annual entitlements

	<i>Thousands, and £million</i>						
	Total	Out of work families	In work families				
			Total	Receiving WTC and CTC	More than family element	Family element	Less than family element
Family size.							
All families							
One child	2,554	631	1,923	744	167	962	50
Two children	2,142	445	1,697	577	312	751	57
Three children	689	204	484	209	138	125	12
Four or more children	264	117	147	84	47	14	2
Total	5,649	1,399	4,251	1,614	664	1,851	122
Couples							
One child	1,422	123	1,300	259	116	875	49
Two children	1,463	111	1,353	291	274	731	57
Three children	461	60	400	135	130	123	12
Four or more children	171	43	128	67	45	14	2
Total	3,518	337	3,181	753	565	1,743	120
Singles							
One child	1,132	509	623	485	51	86	1
Two children	679	335	344	285	38	20	-
Three children	228	144	84	74	8	2	-
Four or more children	93	74	19	17	1	-	-
Total	2,132	1,062	1,070	862	99	108	1
With a child aged under one year	517	153	364	140	70	140	14
Number of children in these families							
All families	10,067	2,664	7,403	2,895	1,405	2,893	210
Couples	6,494	735	5,758	1,543	1,245	2,762	208
Singles	3,574	1,929	1,645	1,352	159	131	2
Average annualised entitlement							
One child	2,484	2,423	2,504	5,330	1,592	590	333
Two children	3,401	4,243	3,180	7,202	2,510	586	316
Three children	5,439	6,143	5,141	9,133	3,621	592	321
Four or more children	8,759	8,999	8,567	11,784	5,476	604	342
Total	3,485	4,098	3,284	6,829	2,717	589	324
Total annual entitlement (£ million)							
One child	6,345	1,530	4,816	3,965	267	568	17
Two children	7,286	1,890	5,396	4,154	783	440	18
Three children	3,746	1,256	2,490	1,913	500	74	4
Four or more children	2,313	1,056	1,256	993	255	8	1
Total	19,690	5,732	13,958	11,024	1,804	1,090	39

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

	<i>Thousands</i>				
	Total	Couples with children	Couples without children	Singles children	Singles without children
Total families benefiting ¹	1,885	1,159	89	448	190
WTC and CTC	973	610	-	364	-
CTC only, > family element	633	549	-	84	-
No children (WTC only)	279	-	89	-	190

¹ 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>		
	Total	Couples	Singles
Total families benefiting ¹	384	133	250
WTC and CTC	314	78	236
CTC only, > family element	70	55	15
Eligible childcare costs allowed (per week)			
Under £20	34	8	25
£20 - £39.99	60	17	43
£40 - £59.99	52	16	35
£60 - £79.99	49	18	31
£80 - £99.99	38	15	23
£100 - £119.99	37	14	22
£120 - £139.99	28	11	17
£140 - £159.99	27	10	17
£160 - £179.99	17	6	10
£180 - £199.99	12	5	8
£200 - £249.99	17	7	11
£250 or more	12	5	7
Total	384	133	250
Increase in annualised entitlement through this element (£ million)			
	1,179	377	802
Average help with childcare costs ² (£ per week)			
	£58.97	£54.36	£61.41

¹ Those claiming the childcare element and with CTC above the family element.

² 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*

	Total	Couples with children	Couples without children	Singles children	Singles without children
Total families benefiting ¹	99	28	13	16	42
WTC and CTC	37	22	-	15	-
CTC only, > family element	7	6	-	-	-
No children (WTC only)	55	-	13	-	42
One disabled worker ² in family	98	27	13	16	42
Both adults are disabled workers ²	1	1	-	-	-

¹ 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.

² 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*

	Total	Couples with children	Couples without children	Singles with children	Singles without children
Total families benefiting ¹	30	16	8	2	4
WTC and CTC	14	12	-	2	-
CTC only, > family element	5	5	-	-	-
No children (WTC only)	11	-	8	-	4
One severely disabled adult	29	16	7	2	4
Both adults are severely disabled	-	-	-	-	-

¹ 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 ^{1,2}	116	79	8	28	1
WTC and CTC	62	33	3	24	1
CTC only, > family element	54	45	4	4	-
Family size					
One child	26	15	-	11	-
Two children	50	34	3	12	1
Three children	27	20	3	4	-
Four or more children	13	10	2	1	-
Number of disabled children in benefiting families	126	79	16	28	3

¹ Those with the disabled child element and with CTC above the family element. Disabled children includes those who are severely disabled and included in Table 2.8.

² No estimates for out of work families are available.

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

	All	Couples	Singles
Total families benefiting ^{1,2}	48	37	10
WTC and CTC	24	15	9
CTC only, > family element	23	22	1
Family size			
One child	10	6	4
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	39	11

¹ Those with the severely disabled child element and with CTC above the family element.

² No estimates for out of work families are available.

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

	<i>Thousands</i>							
	Range of income used to taper awards ¹							
	Total	Up to £5,220	£5,221 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
Total								
WTC and CTC	1,614	474	518	575	41	5	1	-
CTC only, > family element	664	-	-	286	335	38	4	-
CTC family element	1,851	-	-	2	647	803	399	-
CTC < family element	122	-	-	-	-	-	-	122
Total with children	4,251	474	518	863	1,024	846	404	122
No children (WTC only)	305	87	117	99	1	-	-	-
Total	4,556	561	635	963	1,025	846	404	122
Comparison of income in 2005-06 and 2006-07²:								
Income falling between 2005-06 and 2006-07:								
Increasing award value in 2006-07	720	77	193	277	103	18	26	25
Not affecting award value in 2006-07 ³	253	67	1	2	81	75	27	-
Income increasing between 2005-06 and 2006-07:								
by up to the £25,000 income disregard:	3,560	416	440	680	836	748	346	94
by more than the £25,000 income disregard:								
Reducing award value in 2006-07	13	-	1	3	3	2	1	3
Not affecting award value in 2006-07 ³	10	1	-	-	1	4	4	-
Total	4,556	561	635	963	1,025	846	404	122

¹ See the Technical Note. After deducting the £25,000 income increase disregard, but before deducting the first threshold.

² Where 2006-07 income is more than £25,000 above 2005-06 income, 2006-07 income less £25,000 is used. See the Technical Note.

³ Even where 2006-07 incomes are below 2005-06 incomes, or are more than £25,000 above 2005-06 incomes, awards may remain at the maximum, at the family level.

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

	Total	Band of annual 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 ¹ and CTC	1,614	-	-	66	114	208	318	246	662
CTC only, > family element	664	77	200	151	118	50	36	14	18
CTC family element	1,851	1,711	140	-	-	-	-	-	-
CTC < family element	122	119	2	-	-	-	-	-	-
Total with children	4,251	1,907	342	217	232	258	354	260	680
No children (WTC only)	305	83	66	89	46	14	5	2	1
Total in work	4,556	1,991	408	306	278	272	359	262	680
Out of work ²	1,399	25	7	598	4	420	177	28	138
Total	5,955	2,016	415	904	282	692	536	290	818
Number of children									
No children (WTC only)	305	83	66	89	46	14	5	2	1
One child	1,923	970	168	103	116	136	225	114	91
Two children	1,697	787	137	86	85	90	94	107	310
Three children	484	135	32	24	25	27	28	31	182
Four or more children	147	16	5	4	5	6	6	8	97
Total in work	4,556	1,991	408	306	278	272	359	262	680
Out of work ²	1,399	25	7	598	4	420	177	28	138
Total	5,955	2,016	415	904	281	692	536	290	818
Single adult families									
Number of children									
No children (WTC only)	212	63	46	71	19	11	2	1	-
One child	623	96	30	42	58	85	170	66	77
Two children	344	23	8	11	15	22	33	53	181
Three children	84	2	1	1	1	2	3	5	69
Four or more children	18	-	-	-	-	-	-	-	18
Total in work	1,281	184	84	124	94	119	207	124	346
Out of work ²	1,062	5	2	492	1	326	129	19	88
Total	2,343	188	86	616	95	446	336	142	433
Couples									
Number of children									
No children (WTC only)	93	20	20	18	26	3	3	2	1
One child	1,300	874	138	61	58	51	56	48	14
Two children	1,353	765	129	76	71	68	62	55	128
Three children	400	133	31	23	24	25	25	27	113
Four or more children	128	16	5	4	5	6	6	7	79
Total in work	3,273	1,807	324	182	184	152	152	138	335
Out of work ²	337	21	5	106	3	94	48	9	50
Total	3,610	1,828	329	288	187	247	200	148	385

¹ Where 2006-07 income is more than £2,5,000 above 2005-06 income, 2006-07 income less £25,000 is used. See the Technical

² For out of work families receiving their child support via Income Support or income-based Jobseeker's Allowance rather than CTC these entitlements are estimates. See Technical Note.

Technical note

Data quality

The figures for 2006-07 in the table are mostly derived from a scan of the tax credits computer system taken in early April 2008. For each award, the scan contained a record for each sub-period of the year for which the family's circumstances (adult partners, hours worked, number of children, childcare costs, disabilities) remained unchanged. For each such sub-period, the scan revealed the various elements for which the family qualified for the period, and the daily monetary value of the childcare element. It also revealed the values of the 2005-06 and 2006-07 incomes for each award.

For each award, and for each sub-period, the daily rate of entitlement was then modelled by summing the various element values to which the family was entitled and tapering the total away using the income data¹. The modelled daily entitlement was then used to establish where on the plateau - taper profile the family fell for that period. A small number (under 1 per cent) of tax credits awards were not included in the scan.

For each case covered by the scan, and for each sub-period, it was possible to compare the modelled entitlement with that held on the computer system. For all but about 0.1 per cent of cases the discrepancy was at most 2p per day.

The scan did not cover out of work families which receiving their child support via Income Support or income-based Jobseeker's Allowance (IS-JSA) rather than CTC. A scan of such families at August 2005 was obtained from the Department for Work and Pensions. This contained sufficient information to distinguish single parents from couples. The number and ages of the children were obtained from the Child Benefit records for these families who were still receiving their child support through IS-JSA at August 2006. The level of entitlement at August 2006 was modelled using this information, which however could not include the disabled child or severely disabled child premium. To produce annual averages to be added to the annual CTC averages, the August 2006 aggregates were scaled by a factor needed to produce a separately-estimated overall average for the year. The annualised August 2006 entitlements were also scaled to agree with the separately known total of expenditure via benefits for these families.

¹ In accordance with the tax credits system, the income used to taper the award was the 2006-06 income, if that was lower than the 2005-06 income; the 2005-06 income if the 2006-07 income was less than £25,000 higher; and the 2006-07 income less £25,000 if this was higher than the 2005-06 income.

Appendix: 2003-04 to 2006-07 tax credit elements and thresholds

Annual rate (£), except where specified

	2003-04	2004-05	2005-06	2006-07
Child Tax Credit				
Family element	545	545	545	545
Family element, baby addition ¹	545	545	545	545
Child element ²	1,445	1,625	1,690	1,765
Disabled child additional element ³	2,155	2,215	2,285	2,350
Severely disabled child additional element ⁴	865	890	920	945
Working Tax Credit				
Basic element	1,525	1,570	1,620	1,665
Couples and lone parent element	1,500	1,545	1,595	1,640
30 hour element ⁵	620	640	660	680
Disabled worker element	2,040	2,100	2,165	2,225
Severely disabled adult element	865	890	920	945
50+ return to work element ⁶				
16 but less than 30 hours per week	1,045	1,075	1,110	1,140
at least 30 hours per week	1,565	1,610	1,660	1,705
Childcare element				
Maximum eligible costs allowed (£ per week)				
Eligible costs incurred for 1 child	135	135	175	175
Eligible costs incurred for 2+ children	200	200	300	300
<i>Percentage of eligible costs covered</i>	70%	70%	70%	80%
Common features				
First income threshold ⁷	5,060	5,060	5,220	5,220
<i>First withdrawal rate</i>	37%	37%	37%	37%
Second income threshold ⁸	50,000	50,000	50,000	50,000
<i>Second withdrawal rate</i>	1 in 15	1 in 15	1 in 15	1 in 15
First income threshold for those entitled to Child Tax Credit only ⁹	13,230	13,480	13,910	14,155
Income increase disregard	2,500	2,500	2,500	25,000
Minimum award payable	26	26	26	26

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

² 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.

³ Payable in addition to the child element for each disabled child.

⁴ Payable in addition to the disabled child element for each severely disabled child.

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

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

⁷ 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.

⁸ 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.

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