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**Child and Working Tax Credits  
Statistics**

**December 2010**

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This issue, and issues back to July 2003, can be found on the HMRC website:

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

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Note: Certain figures, mainly in Sections 1 and 2, do not fall under National Statistics. See the Introduction.

# Child and Working Tax Credits Statistics

## December 2010

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## Introduction

### What are tax credits?

Tax credits are a flexible system of financial support designed to deliver support as and when a family needs it, tailored to their specific circumstances. They are part of wider government policy to provide support to parents returning to work, reduce child poverty and increase financial support for all families. The flexibility of the design of the system means that as families' circumstances change, so (daily) entitlement to tax credits changes. This means tax credits can respond quickly to families' changing circumstances, providing support to those that need them most.

Tax credits are based on household circumstances and can be claimed jointly by members of a couple, or by singles. Entitlement is based on the following factors:

- age
- income
- hours worked
- number and age of children
- childcare costs
- disabilities

For further information about who can claim please refer to the HMRC website:

<http://www.hmrc.gov.uk/taxcredits/index.htm>

Tax Credits are made up of:

#### *Child Tax Credit (CTC)*

Brings together income-related support for children and for qualifying young people aged 16-19 who are in full time non-advanced education or approved training, into a single tax credit, payable to the main carer. Families can claim whether or not the adults are in-work.

#### *Working Tax Credit (WTC)*

Provides in-work support for people on low incomes, with or without children. It extends eligibility to in-work support to people who work 16 hours or more a week and;

- are aged at least 16 and are responsible for a child or young person,
- are aged at least 16 and are receiving or have recently received a qualifying sickness or disability related benefit and have a disability that puts them at a disadvantage of getting a job, or
- are over 50 and going back to work after being on a qualifying out-of-work benefit for at least six months.

Otherwise it is extended to people who are aged 25 and over who work 30 hours a week or more.

**CTC** is made up of the following elements,

- **Family element:** which is the basic element for families responsible for one or more children or qualifying young people, with a higher rate of family element known as the baby element to families with one or more children under one year old
- **Child element:** which is paid for each child or qualifying young person the claimant is responsible for
- **Disability element:** for each child or qualifying young person the claimant is responsible for if they get Disability Living Allowance for the child
- **Severe disability element:** for each child or qualifying young person the claimant is responsible for if they get Disability Living Allowance (Highest Care Component) for the child

Some out-of-work families with children do not receive CTC but instead receive the equivalent amount via child and related allowances in Income Support or income-based Jobseeker's Allowance (IS/JSA). These families are included in the figures, generally together with out-of-work families receiving CTC. In due course, they will be "migrated" to HMRC and paid via the tax credits system.

**WTC** is made up of the following elements,

- **Basic element:** which is paid to any working person who meets the basic eligibility conditions
- **Lone Parent element:** for lone parents
- **Second adult element:** for couples
- **30 hour element:** for individuals who work at least 30 hours a week, couples where one person works at least 30 hours a week or couples who have a child and work a total of 30 hours or more a week between them where one of them works at least 16 hours a week
- **Disability element:** for people who work at least 16 hours a week and who have a disability that puts them at a disadvantage in getting a job and who are receiving or have recently received a qualifying sickness or disability related benefit
- **Severe disability element:** for people who are in receipt of Disability Living Allowance (Highest Care Component) or Attendance Allowance at the highest rate.
- **50 plus element:** for people aged 50 or over who are starting work for at least 16 hours a week after being on qualifying out-of-work benefits for at least 6 months
- **Childcare element:** for single people who work at least 16 hours a week or couples who both work at least 16 hours a week and who spend money on registered or approved childcare

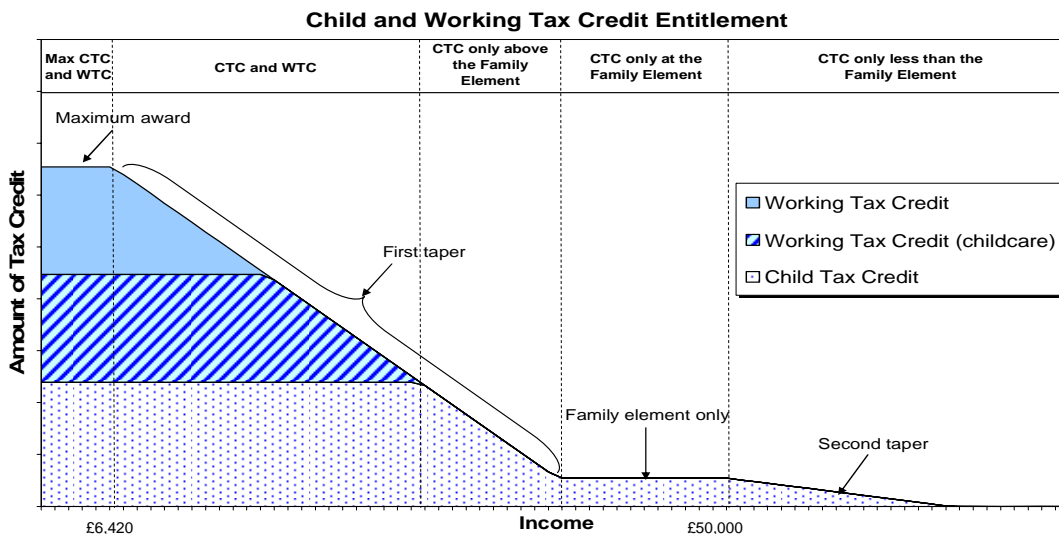
**Tapering:** is the amount of the award that will be reduced when the household income exceeds a given threshold. Tapering reduces WTC first, then CTC, then finally the Family Element

The amount of support an eligible family can receive (known as their *entitlement*) varies depending on their income and which tax credit elements they are eligible for. First, a family's maximum possible entitlement is worked out by adding up all the different elements of CTC and WTC they are eligible for (described on page 2).

A household's actual entitlement is then determined by tapering this maximum amount according to different thresholds. As demonstrated within the diagram below, families eligible for the WTC receive the full entitlement until their annual household income reaches £6,420, after which the amount of tax credits they receive is reduced by 39 pence (the 'first taper') for each additional £1 they earn beyond this threshold.

Once the WTC and child element have tapered out, there is a plateau (termed 'family element only') as the family element of the CTC does not begin to be tapered until annual household income exceeds £50,000, over which entitlement to tax credits is reduced by 6.67 per cent of income (the 'second taper') above that threshold.

If a household is out-of-work and therefore eligible for the CTC only, they will receive the full entitlement until their annual household income reaches £16,190 (2010-11). After this point, the amount of tax credits they receive is again reduced by 39 pence for each additional £1 of income beyond this threshold (note that this is not shown on the diagram below).



Because of the range of possible eligibilities and interactions between the elements, both the maximum award and the shape of the above award profile will be different for every family with different circumstances.

Tax Credits are based on household income. The income used to calculate the award is based on the families' income from the previous tax year, or on their most recently reported circumstances in-year. A family's tax credits award is provisional until finalised at the end of the year, when it is checked against their final income for the year. This publication relates to a snapshot of tax credit support based on these 'provisional' tax credits awards.

## What does this publication tell me?

The provisional awards are currently published at the end of April and December. These statistics are as close to real-time as possible and represent the picture as at the beginning of April and December. These are National Statistics and the month of publication is pre-announced a year in advance with the exact date being published in the preceding publication.

Each release consists of two publications: the main publication and the geographical publication. As only a sample of data is used, detailed analysis at the sub-geographical levels is not always possible. The statistics in this release include analysis at the following geographical levels:

- Country and English Government Office Region (GOR);
- Local Authority (LA);
- Westminster Parliamentary Constituency; and
- Scottish Parliamentary Constituency;

The main publication includes a Country and Government Office Region summary, with the geographical publication going to a lower level. This series has been produced bi-annually since the introduction of Tax Credits in April 2003.

### **Small Area Statistics**

Estimates are also provided in a separate publication at Lower Super Output Area and Data Zone for England, Scotland and Wales. These statistics are available

here: <http://www.hmrc.gov.uk/stats/personal-tax-credits/ctc-small-areas.htm>

The small area statistics are based on the finalised award position, but using a family's circumstances as at 31st August rather than as an average across the year. This ensures that the statistics are directly comparable to other published small area statistics, such as Child Benefit.

## Who might be interested?

The statistics contained in this publication will be of interest to anyone who is looking for the latest possible data on Tax Credits. Specifically, there are aggregate statistics on who is getting what level of tax credits support as well as breakdowns by various sub-categories - e.g. family composition, family income, work status, and geographical analyses. It may be of interest to academics, thinktanks, political parties interested in the twin aims of Tax Credits: eradicating child poverty and improving work incentives. Equally, it may be of interest to people considering wider questions on government support systems and/or others designing benefit systems. Finally, the geographical analyses might be of interest at the more local level, giving some indication of the level of government support in each Government Office Region/Local Authority level.

## Which publication should I use?

Generally, if you are content with less timely statistics, use the finalised awards data publication. If you are more concerned with getting the latest up-to-date information that may not align exactly with finalised data further down the line, use the provisional awards data. Sticking to the finalised award data will also mean the figures will align with other published data on Tax Credits such as information in HMRC's Departmental Accounts.

### **Provisional awards vs finalised awards**

***It is important to recognise that the finalised awards statistics are not a revision of the provisional statistics. The provisional numbers relate to the caseload position at a snapshot point in time, based on the family circumstances we have been informed of by each family prior to that particular time. The finalised awards relate to the complete retrospective picture for the year, based on a finalised view of family incomes and circumstances. The caseload population will be different between the two publications as a result of HMRC knowing the complete finalised picture of the award.***

At the start of the year, the tax credit award will be a provisional award reflecting the reported circumstances as at April 6th (the start of the tax year). Over the course of the year, a family's circumstances may or may not change. As and when a family's circumstances change, the provisional award is updated each time with the latest set of circumstances and a new provisional award re-calculated. It is only at finalisation (usually four to nine months after the end of the tax year) that the family's circumstances for the whole year are known and a finalised award can be calculated. As a result, the finalised award statistics are not available until around 12 months after the end of the entitlement year in question. Given this lag in availability of data, there is some value in looking at a snapshot of families' circumstances at any given time to give some indication of the level of support one might expect to see subsequently at finalisation.

To illustrate the difference, let us look at a family that has one change of circumstance throughout the year, moving from in-work to out-of-work in January of any one year:



The snapshot data looking at the provisional award in December will model entitlement for the whole year on the basis that the family is in-work for the whole year (since we do not know about the move out-of-work at that time). It is not until finalisation - and thereby in the finalised award data publication - that the family's entitlement will be modelled on the basis of 9 months in-work and 3 months out-of-work.

So the figures for provisional awards are more up to date, but are subject to retrospective change. The sizes of these changes can be seen by comparing the data for selected dates in finalised awards with data published earlier on provisional awards at the same snapshot dates. The provisional award data tables classify families according to the levels of their entitlement at the reference date, modelled from data on their circumstances and their latest annual incomes reported and processed by that date. The actual amount being received at that date can be lower, due to the recovery of earlier overpayments. The tables describe as "recipients" all families with positive modelled entitlement, though in some cases the payments are reduced to zero. For more details, see the Technical Note.

## What information do the tables contain?

CTC and WTC are claimed by individuals, or jointly by couples, whether or not they have children (described as "families" in this publication). These tables cover families who had claimed, and were eligible for, CTC (or the equivalent via benefits) or WTC at 1 December 2010 (the "reference date") and who were recipients at that date.

From April 2007, the tables exclude families whose modelled entitlements are tapered to zero due to their income levels. These families were originally included because they may, retrospectively, have positive entitlements at finalisation. However, this is no longer at all likely for the majority of such families. Their numbers have been swelled by families whose youngest children have left full time education, who continue to satisfy the qualifying conditions for WTC (see above), but whose incomes are sufficient to taper the WTC entitlements to zero.

The tables in Sections 3 and 8 include out-of-work families with children; and the figures for such families in Sections 1 and 2 are shown with the same degree of rounding as the figures for in-work families, and are classed as National Statistics. This follows the availability of a new data source for out-of-work families receiving their child support via benefits (see Technical Note).

Tables 8.2 and 8.3 from the main publication give a Country and English Government Office Region summary which includes the number of families receiving CTC above the family element, as well as the number of families benefiting from help with childcare.

### ***Out-of-work families***

A family is defined as being out-of-work at the reference date if both adults, or the single adult, does not work for at least 16 hours per week, these families can fall into two categories:

- 1) Families administered by HMRC who are receiving their child support through CTC
- 2) Families administered by DWP and claiming their child support through benefits

Child Tax Credit was introduced in April 2003 and any application since then falls under 1), whereas families who were receiving out-of-work benefits prior to April 2003 and remain so will fall under 2) – with a policy to eventually migrate all out-of-work cases over to HMRC in time. Therefore, out-of-work caseload numbers falling under 2) is an ever decreasing population.

Since April 2007 the out-of-work estimates have been classified as National Statistics, a significant change in the process of identifying and quantifying this population was introduced from this date and is detailed in the Technical Note.

## **User Engagement**

Bespoke analysis of tax credits data is possible although there may be a charge depending on the level of complexity and the resources required to produce. If you would like to discuss your requirements, to comment on the current publications, or for further information about the tax credits statistics please use the contact information at the beginning of this publication, or from the HMRC website:

[http://www.hmrc.gov.uk/stats/update\\_calendar/enquiry\\_2.htm](http://www.hmrc.gov.uk/stats/update_calendar/enquiry_2.htm)

We are committed to improving the official statistics we publish. We want to encourage and promote user engagement, so we can improve our statistical outputs.

We would welcome any views you have using the link to the feedback form below. We will undertake to review user comments on a quarterly basis and use this information to influence the development of our official statistics. We will summarise and publish user comments at regular intervals.

<http://www.hmrc.gov.uk/stats/user-engagement.htm>

## **National Statistics Review**

We will be carrying out a formal review of our National Statistics publications, covering both Tax Credits (provisional and finalised) and Child Benefit.

It is likely that the 12-week consultation period will start in February 2011, a link to the questionnaire will be sent to current and potential users of our statistics, as well as being made available on a number of appropriate websites, including HMRC, ONS and NeSS.

If you would like to receive notification when the consultation begins, then please contact us using the details at the front of this publication.

## **Sampling uncertainty**

The figures are subject to sampling uncertainty. Figures based on fewer than 25 cases are shown as "-". For more details of the sample, and the sampling errors associated with the figures in the tables, see Appendix B.

## Summary of main aggregates

Table 2.1 shows that, on 1 December 2010:

**6.3 million families, containing 10.1 million children, were tax credit recipients or were receiving the equivalent child support through benefits;**

These families comprised:

**5.7 million families with children receiving CTC, or the equivalent via benefits:**

- 1.4 million in which no adult was in-work
- 2.0 million in-work receiving the maximum CTC, and also receiving WTC
- 0.7 million in-work receiving less than the maximum CTC, but more than the family element
- 1.4 million in-work receiving the family element of CTC
- 0.1 million in-work receiving less than the family element of CTC.

**0.6 million families in-work without children, receiving only WTC.**

- 3.6 million recipient families were couples (3.4 million had children).
- 2.7 million were single adults (2.3 million had children).

Later tables show that:

- 486 thousand families were benefiting from the childcare element of WTC; they were receiving an average of £70 per week help with their childcare costs;
- 118 thousand families were benefiting from the disabled worker element of WTC;
- 478 thousand families receiving CTC were benefiting from the baby addition to the family element;

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

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Figure 7.1: Chosen frequency of payment: in-work families in receipt of CTC, December 2010

### Section 8 : Regional analysis of recipient families

Figure 8.1 Number of families receiving different amounts of tax credits by country and English region, December 2010

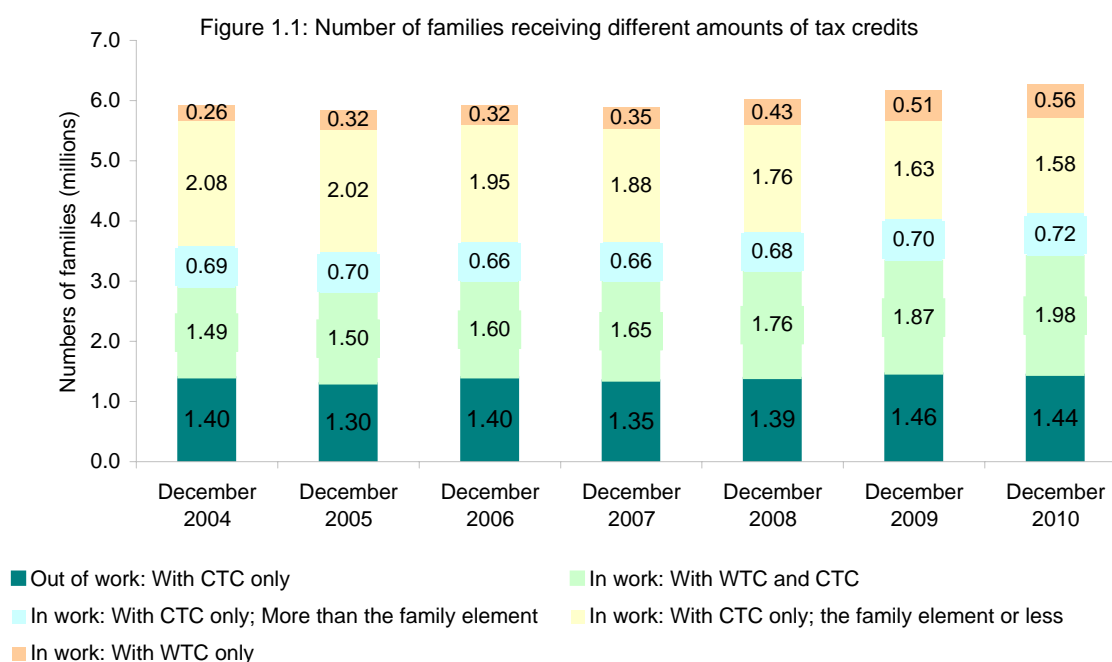
## Section 1 : Time series

**Section 1 provides statistics on the history of the Tax Credits system, between July 2003 and December 2010. This enables comparison across time, across different Tax Credits populations and describes how various parts of the system have changed over time.**

Figure 1.1 shows that the overall numbers of families receiving tax credits had remained broadly level at around 5.9 million since December 2004, but has risen steadily from December 2007 with December 2010 seeing an increase to just under 6.3 million. Within this relatively stable overall number, the composition of the Tax Credits population is changing over time.

The numbers of families receiving relatively high awards - that is in-work families receiving WTC and CTC - have risen from around 1.5 million in December 2004 to 2.0 million in December 2010. During the same period, the numbers of in-work families receiving CTC only with a value more than the family element has remained relatively stable at 0.7 million. The numbers of in-work families receiving CTC only with a value of the family element or less has fallen from a fairly stable 2.0 million in December 2004 to December 2006 down to 1.8 million in December 2008 and now below 1.6 million in December 2010. Numbers of in-work families without children - receiving WTC only - have increased steadily since December 2004, rising from around 260 thousand to 560 thousand in December 2010.

The numbers of families receiving tax credits when out-of-work has remained relatively stable at around 1.40 million since December 2004 with only a small rise in the number of out-of-work families, to 1.46 and 1.44 million over the past two years, despite the economic downturn.



HMRC has been set a Departmental Strategic Objective to increase the numbers of families without children receiving WTC-only to 555 thousand by 31 March 2011. Figure 1.2 shows that the numbers of families without children receiving WTC-only has risen over time, almost doubling from 235 thousand in April 2004 to around 455 thousand in April 2009 and now just over the target at 560 thousand in December 2010.

Figure 1.2: Number of families receiving WTC-only (working families with no children)

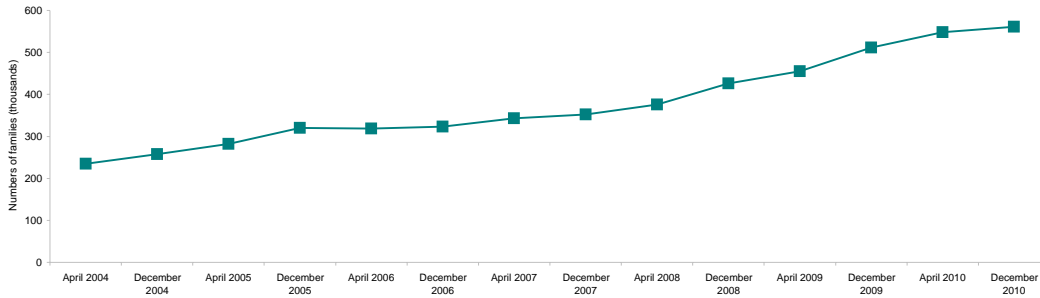
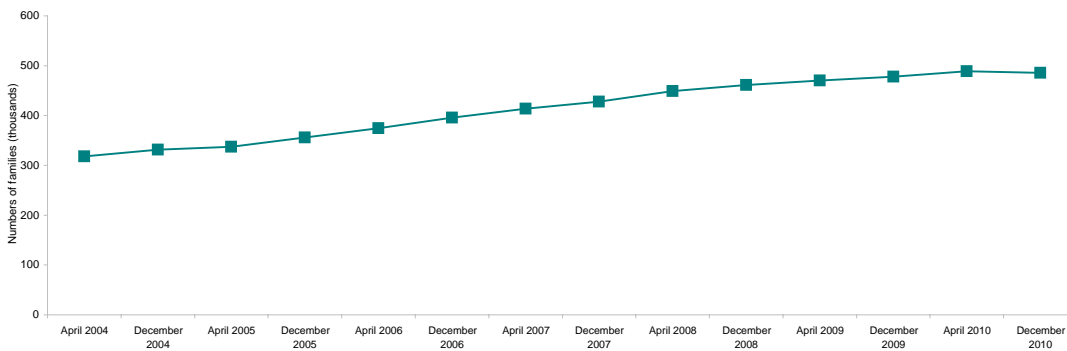


Figure 1.3 shows that the numbers of families benefiting from the childcare element has consistently risen over time, from 318 thousand in April 2004 to around 486 thousand in December 2010.

Figure 1.3: Number of families benefiting from the childcare element



N.B. This figure is not derivable solely from the statistics in this publication. It includes information from previous releases of the provisional award data publications.

**Table 1.1 : Families receiving CTC or WTC, or with children and receiving out-of-work benefits, July 2003 to December 2010.***Thousands*

	Total out-of-work families <sup>1</sup>	in-work families				Total in-work families	Total in receipt (out-of-work and in-work families) <sup>1</sup>
		With children		With no children			
		Receiving WTC and CTC	Receiving CTC only		Receiving WTC only		
			More than the family element	Family element or less			
11 Jul 2003	1,400	1,465	647	1,851	121	4,084	5,500
3 Oct 2003	1,400	1,481	663	1,934	200	4,278	5,700
5 Jan 2004	1,400	1,548	687	1,973	215	4,423	5,900
5 Apr 2004	1,400	1,589	704	2,013	235	4,541	6,000
3 Dec 2004	1,400	1,492	694	2,075	258	4,519	5,900
5 Apr 2005	1,400	1,531	711	2,115	282	4,639	6,000
5 Dec 2005	1,300	1,497	697	2,024	320	4,538	5,900
3 Apr 2006	1,400	1,565	684	2,033	319	4,601	6,000
2 Dec 2006	1,400	1,596	657	1,951	323	4,526	5,900
3 Apr 2007	1,398	1,645	665	1,966	343	4,619	6,017
4 Dec 2007	1,345	1,650	658	1,882	352	4,541	5,886
5 Apr 2008	1,383	1,715	671	1,898	376	4,660	6,043
4 Dec 2008	1,389	1,763	679	1,763	426	4,630	6,019
1 Apr 2009	1,418	1,804	688	1,766	455	4,714	6,131
1 Dec 2009	1,463	1,870	703	1,627	511	4,712	6,174
1 Apr 2010	1,492	1,910	718	1,635	548	4,811	6,304
1 Dec 2010	1,441	1,975	723	1,579	561	4,838	6,279

Note: Between each April and December families' awards are stopped (a) at 31 August if their only qualifying child falls out of entitlement at that date, or (b) in the autumn if they fail to return their Annual Declaration for the previous year. This introduces some seasonality into the figures.

Note: For each date, these data describe awards current at that date, based on incomes and circumstances reported and processed by that date. The publication "Child and Working Tax Credits Statistics. Finalised awards" gives retrospective figures based on later information, including in particular incomes and other details reported during the following tax year at finalisation.

<sup>1</sup> For dates up to December 2006, these numbers do not fall under National Statistics. They include both such families receiving CTC and other families with children receiving the equivalent level of child support through out-of-work benefits. Estimates of the latter are based on numbers at various dates up to May 2006, interpolations to the reference dates and a forecast for December 2006, and are therefore heavily rounded. See the Introduction.

**Table 1.2 : Time series of number of families and children and of selected tax credits elements received by families, December 2004 to December 2010.**  
*Thousands, unless otherwise stated*

	Number of Children			Number of families			Numbers of in-work families benefiting from certain elements <sup>1</sup>							
	In out-of-work families	In in-work families	All	Singles	Couples	All	30 hour credit	Baby addition to family element	Childcare Element		Disability Elements			
									Childcare element	Average help with childcare costs (£ per week)	Disabled worker element	Disabled child element	Severely disabled worker element	Severely disabled child element
3 Dec 2004	2,500	7,500	<b>10,000</b>	2,200	3,700	<b>5,900</b>	1,786	329	331	£45.75	87	116	51	49
5 Dec 2005	2,600	7,300	<b>9,900</b>	2,300	3,600	<b>5,900</b>	1,839	312	356	£48.97	123	113	62	50
2 Dec 2006	2,600	7,300	<b>9,900</b>	2,300	3,600	<b>5,900</b>	1,872	316	396	£60.13	103	116	34	49
4 Dec 2007	2,566	7,252	<b>9,817</b>	2,377	3,510	<b>5,886</b>	1,926	452	428	£64.19	111	118	31	50
4 Dec 2008	2,653	7,271	<b>9,924</b>	2,516	3,504	<b>6,019</b>	2,079	470	462	£68.37	120	127	32	49
1 Dec 2009	2,790	7,238	<b>10,028</b>	2,635	3,540	<b>6,174</b>	2,235	480	478	£70.38	124	139	32	57
1 Dec 2010	2,757	7,388	<b>10,145</b>	2,710	3,569	<b>6,279</b>	2,345	478	486	£69.50	118	146	31	58

Note: Between each April and December families' awards are stopped (a) at 31 August if their only qualifying child falls out of entitlement at that date, or (b) in the autumn if they fail to return their Annual Declaration for the previous year. This introduces some seasonality into the figures.

Note: For each date, these data describe awards current at that date, based on incomes and circumstances reported and processed by that date. The publication "Child and Working Tax Credits Statistics. Finalised awards" gives retrospective figures based on later information, including in particular incomes and other details

<sup>1</sup> Qualifying criteria are such that in some cases only families receiving certain tax credits are entitled to claim for the additional elements, therefore when trends are shown due consideration needs to be made of the profile breakdown provided in the individual publications.

## Section 2 : Summary tables

Section 2 provides summary information on the tax credits population at December 2010 at the higher level of aggregation. Sections 3 - 8 go into more detailed breakdowns.

Figure 2.1 shows that the majority of lone parent families with children receive either the full award of CTC (when out-of-work) or WTC and CTC (when in-work). There are just 1,900 lone parent families that are entitled to less than the family element. The pattern for couples is less clear with the largest single grouping receiving the family element of CTC though the next largest group is the WTC and CTC award, followed by those receiving CTC only more than the family element. A majority of families with no children (receiving WTC only) are single recipients.

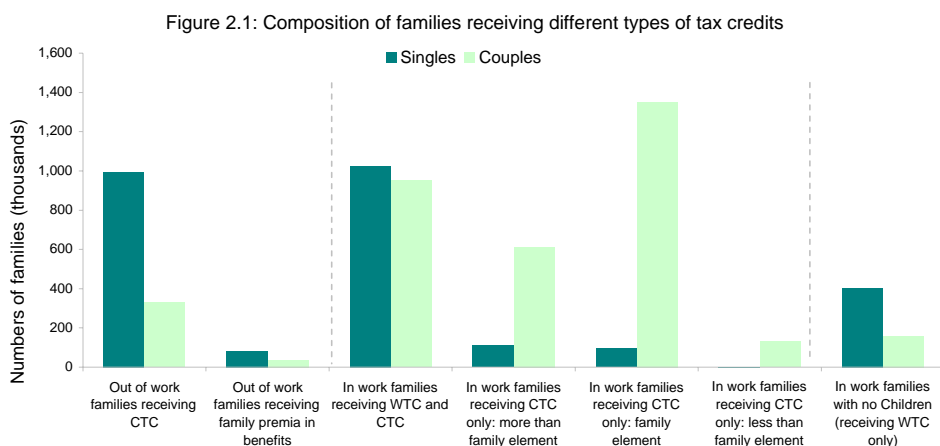


Figure 2.2 shows that 23% of families in receipt of tax credits are out-of-work families (21% receiving CTC and 2% receiving family premia in benefits) with the remaining 77% of families in receipt in-work families. Within this, 31% of families in receipt are receiving the higher value awards (WTC and CTC) while 12% are receiving CTC-only at a value greater than the family element ('on the first taper' - see section 1). 25% are receiving CTC-only at a value of the family element or less while the remaining 9% are in-work families with no children (receiving WTC-only).

Figure 2.2: Recipient families: proportion of families receiving each type of award

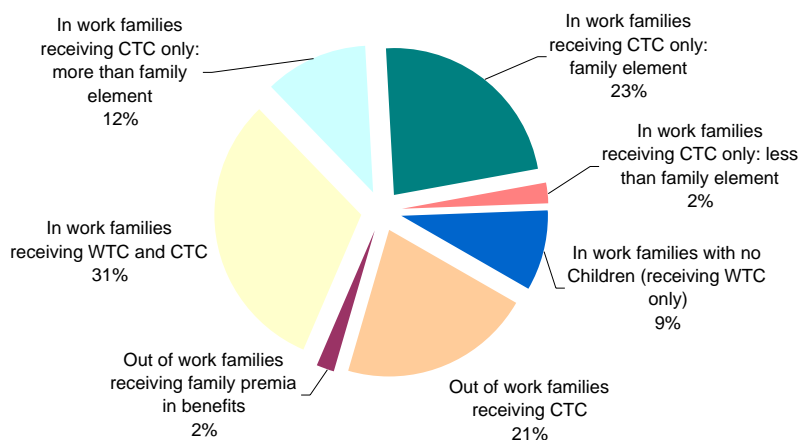


Table 2.1 : Recipient families, couples and single adults and their children, 1st December 2010.

Thousands

	Families			Number of children in recipient families
	Singles	Couples	Total	
<b>Out-of-work families with children</b>				
Receiving CTC	994.3	329.9	1,324.2	2,506.7
<i>of which maximum award<sup>1</sup></i>	985.7	299.7	1,285.4	2,442.9
<i>of which tapered</i>	8.6	30.2	38.8	63.8
Receiving family premia in benefits <sup>2</sup>	80.9	35.9	116.8	249.9
<b>Total out-of-work families with children</b>	<b>1,075.2</b>	<b>365.9</b>	<b>1,441.0</b>	<b>2,756.6</b>
<b>In-work families</b>				
<b>With children</b>				
Of which receiving WTC <sup>3</sup> and CTC <i>and maximum award<sup>1</sup></i> <i>and tapered</i>	426.3 598.7	246.4 703.9	672.7 1,302.6	1,246.7 2,269.7
<b>Total receiving WTC<sup>3</sup> and CTC</b>	<b>1,025.0</b>	<b>950.3</b>	<b>1,975.3</b>	<b>3,516.4</b>
Of which receiving CTC only <i>and more than family element</i> <i>and family element</i> <i>and less than family element</i>	109.4 95.1 1.9	613.4 1,352.3 129.8	722.7 1,447.5 131.7	1,486.4 2,161.3 224.1
<b>Total receiving CTC only</b>	<b>206.4</b>	<b>2,095.5</b>	<b>2,301.9</b>	<b>3,871.8</b>
<b>Total with children</b>	<b>1,231.4</b>	<b>3,045.8</b>	<b>4,277.2</b>	<b>7,388.2</b>
<b>With no children (receiving WTC only)</b>				
<i>of which maximum award<sup>1</sup></i> <i>of which tapered</i>	153.4 249.9	27.3 130.4	180.7 380.3	- -
<b>Total with no children (receiving WTC only)</b>	<b>403.3</b>	<b>157.7</b>	<b>561.0</b>	<b>-</b>
<b>Total in-work families</b>	<b>1,634.7</b>	<b>3,203.5</b>	<b>4,838.2</b>	<b>7,388.2</b>
<b>All families</b>				
With children	2,306.6	3,411.7	5,718.2	10,144.8
Other	403.3	157.7	561.0	-
<b>Total all families</b>	<b>2,709.8</b>	<b>3,569.4</b>	<b>6,279.1</b>	<b>10,144.8</b>

<sup>1</sup> 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. See the Appendix A.

<sup>2</sup> See the Introduction. Not tapered.

<sup>3</sup> Includes 97.9 thousand families (62.6 thousand couples and 35.3 thousand singles) where the WTC entitlement is less than or equal to the childcare element and is therefore paid together with CTC.

### Section 3 : Age, gender and children of recipient families

Section 3 focuses on the demographic make up of the tax credits population. In particular, it looks at the age and gender of the adults in the family as well as the number and age of children in each family.

Figure 3.1 shows that the majority of singles/lone-parents and couples have adults in the age range 40-49; the next largest category being the 35-39 age range. On the whole the age distribution for singles/lone parent families is younger than that of couples.

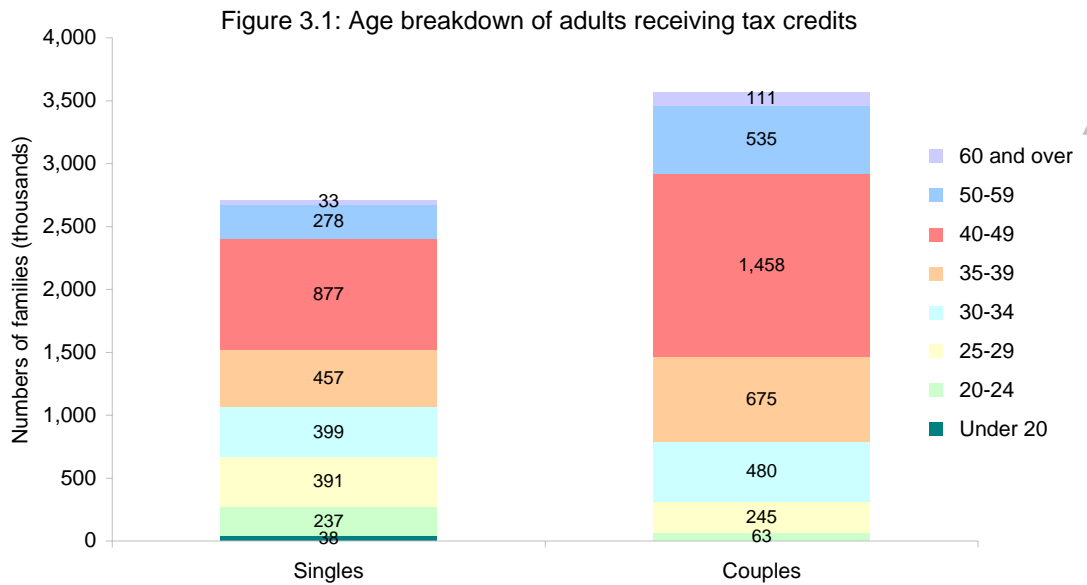


Figure 3.2 shows that the overwhelming majority of families with children are made up of either one or two children with single parent families more likely to have one child than couples. For couples there are almost the same number of families with one child as there are two children. Couples are more likely to have larger family sizes. There are 80 thousand families with 5 or more children.

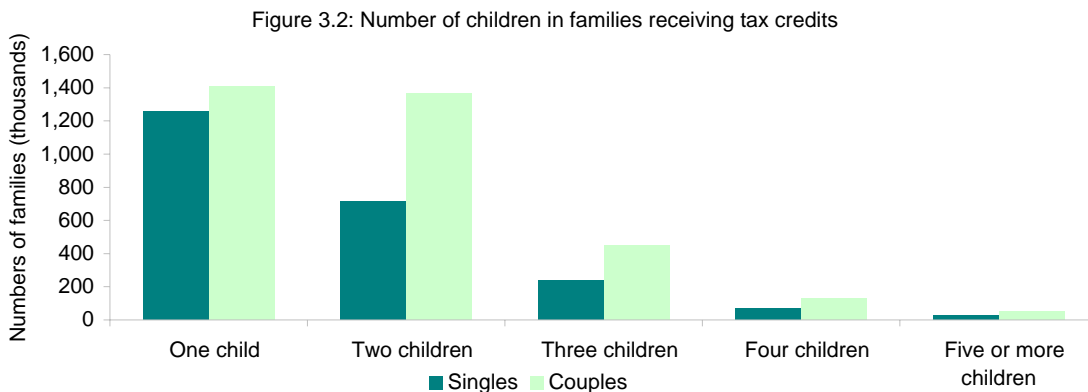


Figure 3.3 shows that lone parents have on average older children than their couple counterparts. Almost half of children of lone parents are aged 10 and over, compared to around 42% of children of couple families. It is also interesting to see that although the number of couple families is significantly higher than the number of lone parent families, they both have similar numbers of qualifying young children aged 16 and over.

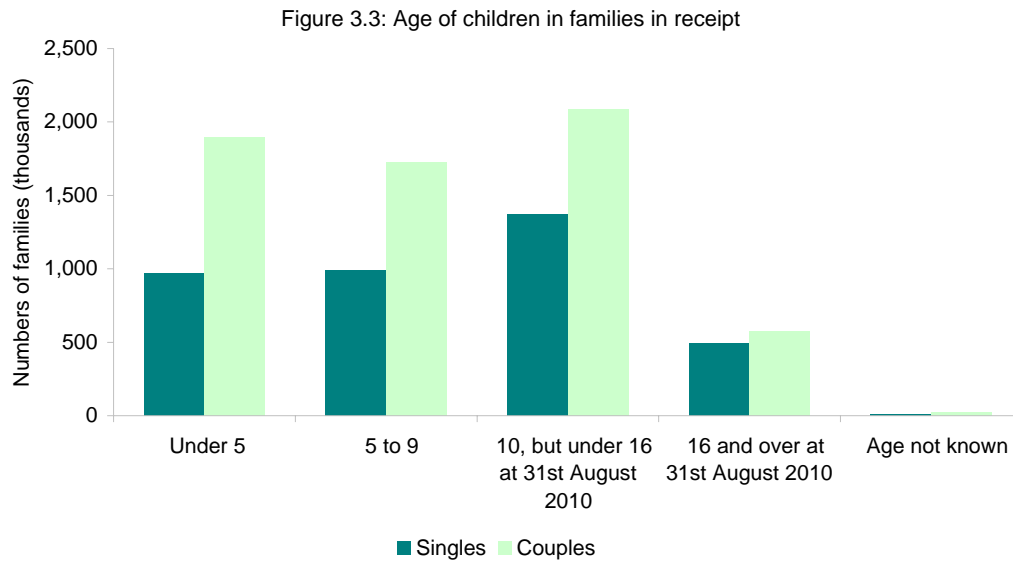


Table 3.1 : Recipient families: age and gender of adults.

Thousands

	Total out-of-work families <sup>1</sup>	In-work families					Total in-work families	Total in receipt (out-of-work and in-work families)
		With children			With no children			
		Receiving WTC and CTC	Receiving CTC only			Receiving WTC only		
			More than the family element	Family element or less	Less than family element			
<b>Singles</b>								
Age of adult								
Under 20	33.8	3.3	-	-	-	0.3	3.6	37.5
20-24	161.5	71.1	0.5	-	-	3.8	75.5	237.0
25-29	185.2	137.3	3.4	1.6	-	63.5	205.8	391.0
30-34	170.9	164.7	10.4	6.3	-	46.8	228.2	399.2
35-39	177.6	200.8	21.5	14.4	0.3	42.4	279.4	457.0
40-49	267.5	375.5	60.6	55.3	1.2	116.6	609.2	876.7
50-59	65.3	70.4	12.6	16.7	0.3	112.7	212.7	278.0
60 and over	13.3	1.9	0.4	0.7	-	17.0	20.0	33.3
<b>Total singles</b>	<b>1,075.2</b>	<b>1,025.0</b>	<b>109.4</b>	<b>95.1</b>	<b>1.9</b>	<b>403.3</b>	<b>1,634.7</b>	<b>2,709.8</b>
Gender of working adult								
Female	1,005.9	966.8	97.0	79.8	1.5	208.1	1,353.2	2,359.1
Male	69.2	58.2	12.4	15.3	0.4	195.2	281.5	350.7
<b>Couples</b>								
Age of eldest adult <sup>1</sup>								
Under 20	-	1.0	-	-	-	-	1.0	1.0
20-24	16.5	34.0	7.1	5.6	-	0.2	47.0	63.4
25-29	32.5	104.6	43.2	55.8	2.7	6.3	212.6	245.1
30-34	45.4	162.2	93.8	156.1	16.2	5.8	434.1	479.6
35-39	59.1	188.1	137.3	254.9	30.2	5.2	615.7	674.8
40-49	125.2	338.1	260.8	643.6	62.1	28.7	1,333.3	1,458.4
50-59	58.0	108.5	63.9	214.2	17.4	73.1	477.1	535.0
60 and over	27.7	13.8	7.3	22.0	1.2	38.5	82.8	110.5
<b>Total couples</b>	<b>365.9</b>	<b>950.3</b>	<b>613.4</b>	<b>1,352.3</b>	<b>129.8</b>	<b>157.7</b>	<b>3,203.5</b>	<b>3,569.4</b>
Gender of working adult(s) in couple								
Female sole worker <sup>2</sup>	-	138.6	41.3	61.6	2.7	38.8	283.0	-
Male sole worker <sup>2</sup>	-	551.7	293.6	402.3	28.5	74.2	1,350.3	-
Both adults in-work <sup>2</sup>	-	259.9	278.5	888.4	98.6	44.7	1,570.1	-

<sup>1</sup> For out-of-work families receiving their child support via benefits, the age of the Child Benefit claimant.<sup>2</sup> "Worker" here means an adult working for at least 16 hours per week.

Table 3.2 : Recipient families with children, by family size; ages of children.

Thousands

	Total out-of-work families (with children) <sup>1</sup>	In-work families					Total families with children in receipt (out-of-work and in-work families) <sup>1</sup>	Numbers of children
		With children				Total in-work families with children		
		Receiving WTC and CTC	Receiving CTC only					
			More than the family element	Family element or less	Less than family element			
<b>Family size.</b>								
<b>Singles</b>								
One child	519.5	595.5	59.0	79.1	1.1	734.7	1,254.3	
Two children	334.3	326.2	40.6	15.0	0.6	382.4	716.7	
Three children	146.2	83.3	8.6	0.9	-	92.9	239.0	
Four children	52.4	16.5	1.0	-	-	17.6	69.9	
Five or more children	22.8	3.7	-	-	-	3.9	26.7	
<b>Total singles</b>	<b>1,075.2</b>	<b>1,025.0</b>	<b>109.4</b>	<b>95.1</b>	<b>1.9</b>	<b>1,231.4</b>	<b>2,306.6</b>	
<b>Couples</b>								
One child	133.0	338.6	140.7	741.4	55.4	1,276.1	1,409.2	
Two children	116.0	360.5	298.9	531.1	59.7	1,250.2	1,366.2	
Three children	66.8	167.5	130.2	74.0	12.5	384.2	450.9	
Four children	30.8	59.0	34.7	5.7	1.9	101.3	132.1	
Five or more children	19.2	24.7	8.9	0.2	0.3	34.1	53.2	
<b>Total couples</b>	<b>365.9</b>	<b>950.3</b>	<b>613.4</b>	<b>1,352.3</b>	<b>129.8</b>	<b>3,045.8</b>	<b>3,411.7</b>	
<b>All families</b>								
One child	652.5	934.1	199.7	820.5	56.5	2,010.8	2,663.5	
Two children	450.3	686.6	339.5	546.1	60.4	1,632.6	2,082.9	
Three children	213.0	250.7	138.8	74.9	12.6	477.0	689.9	
Four children	83.2	75.5	35.7	5.8	1.9	118.9	202.0	
Five or more children	42.1	28.3	9.1	0.2	0.3	37.9	79.9	
<b>Total all families</b>	<b>1,441.0</b>	<b>1,975.3</b>	<b>722.7</b>	<b>1,447.5</b>	<b>131.7</b>	<b>4,277.2</b>	<b>5,718.2</b>	
<b>With a child aged under one year at the reference date<sup>1</sup></b>								
	147.6	154.3	67.9	90.4	17.8	330.4	478.0	
<b>Number of children by age.</b>								
<b>Singles</b>								
Under 5	618.6	328.6	12.9	6.8	-	348.5	967.1	
5 to 9	540.6	394.6	32.9	19.6	0.7	447.8	988.4	
10, but under 16 at 31st August 2010	603.2	621.5	84.2	58.0	1.3	765.0	1,368.2	
16 and over at 31st August 2010	189.7	237.0	40.9	27.7	0.5	306.1	495.8	
Age not known <sup>2</sup>	8.4	1.2	-	-	-	1.2	9.5	
<b>Total singles</b>	<b>1,960.4</b>	<b>1,582.9</b>	<b>170.9</b>	<b>112.1</b>	<b>2.7</b>	<b>1,868.6</b>	<b>3,829.1</b>	
<b>Couples</b>								
Under 5	217.8	658.4	394.6	550.0	73.3	1,676.3	1,894.1	
5 to 9	206.3	533.7	386.9	542.2	59.5	1,522.3	1,728.6	
10, but under 16 at 31st August 2010	264.1	566.9	422.0	767.1	70.7	1,826.7	2,090.8	
16 and over at 31st August 2010	97.7	162.4	108.8	189.8	17.9	478.9	576.6	
Age not known <sup>2</sup>	10.4	12.1	3.3	-	-	15.4	25.8	
<b>Total couples</b>	<b>796.2</b>	<b>1,933.5</b>	<b>1,315.5</b>	<b>2,049.2</b>	<b>221.4</b>	<b>5,519.6</b>	<b>6,315.8</b>	
<b>All families</b>								
Under 5	836.4	987.0	407.5	556.8	73.5	2,024.8	2,861.1	
5 to 9	746.8	928.3	419.8	561.9	60.1	1,970.1	2,717.0	
10, but under 16 at 31st August 2010	867.3	1,188.5	506.2	825.1	72.0	2,591.8	3,459.0	
16 and over at 31st August 2010	287.4	399.3	149.7	217.6	18.4	785.0	1,072.4	
Age not known <sup>2</sup>	18.7	13.2	3.3	-	-	16.5	35.3	
<b>Total all families</b>	<b>2,756.6</b>	<b>3,516.4</b>	<b>1,486.4</b>	<b>2,161.3</b>	<b>224.1</b>	<b>7,388.2</b>	<b>10,144.8</b>	

<sup>1</sup> Excludes families with babies whose awards did not reflect the baby, or who had no award, at the reference date but whose final annual award will include a baby addition starting by that date. They have three months to report the baby and benefit in full.

<sup>2</sup> For large families, not all dates of birth were copied to the data base used to produce these figures.

## Section 4 : Hours worked and childcare of in-work recipient families

Section 4 focuses on the in-work recipient families with breakdowns on the numbers of hours worked per week and the number of families benefiting from the 30-hour element. It also covers childcare-related breakdowns such as the numbers of families benefiting from the childcare element, the hours worked per week, the age distribution of the children, and detailed breakdowns of the costs.

Figure 4.1 shows the number of weekly hours worked by the main-worker in in-work families in receipt. The overwhelming majority of main-workers in a couple family are working full-time (or the equivalent of 35 hours or more). Single parent families are more evenly split with a narrow majority working 35 or more hours per week with 16-24 hours being the next most likely work pattern.

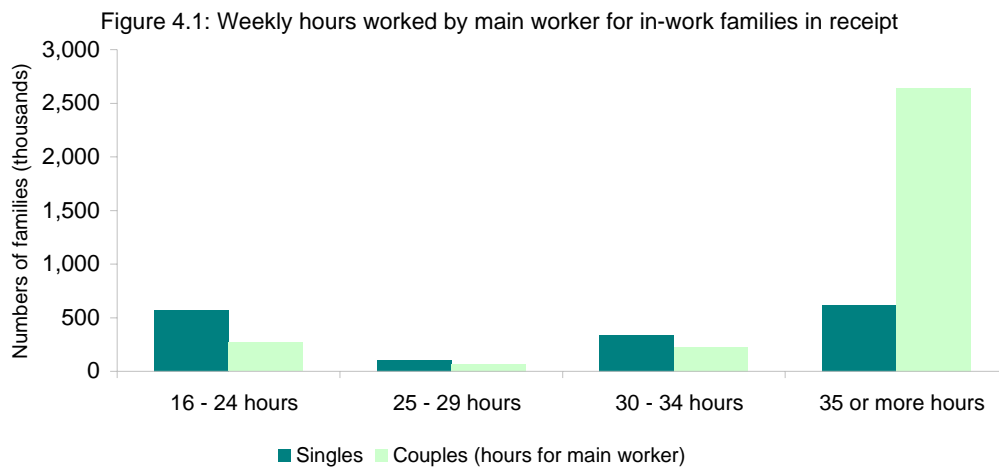


Figure 4.2 shows the average weekly help with childcare costs for single parent, couple, and all families. The costs are broadly split across the cost bands for each of the categories mostly reflecting the range of different numbers of hours childcare provision is claimed for. That said, the largest categories are the £150 per week and over category for both lone-parents and couples followed by the £20-£39.99 per week category.

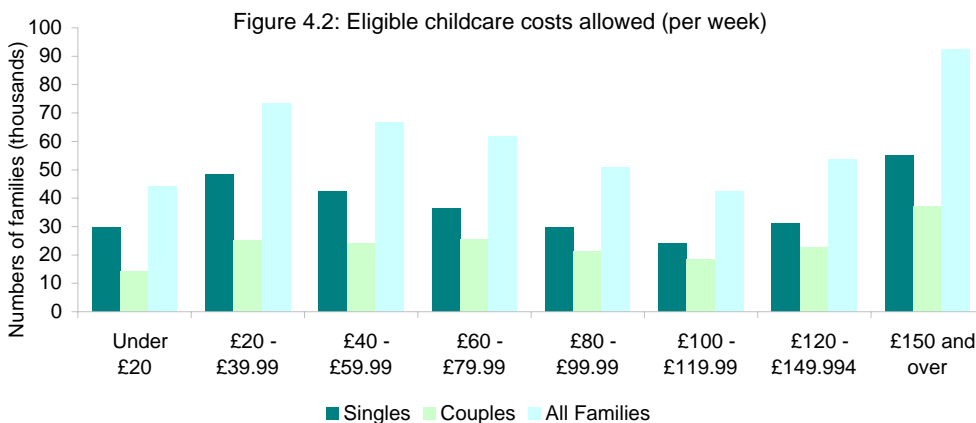


Table 4.1 : In-work recipient families: hours worked.

Thousands

	In-work families					
	With children				With no children	Total in-work families
	Receiving WTC and CTC	Receiving CTC only			Receiving WTC only	
More than the family element		Family element	Less than family element			
<b>Hours worked by main-worker</b>						
Singles						
16 - 24 hours	530.3	11.1	4.4	-	27.7	573.6
25 - 29 hours	88.5	7.0	3.5	-	4.3	103.4
30 - 34 hours	158.5	15.5	8.4	-	154.9	337.4
35 or more hours	247.7	75.8	78.9	1.6	216.4	620.4
<b>Total singles</b>	<b>1,025.0</b>	<b>109.4</b>	<b>95.1</b>	<b>1.9</b>	<b>403.3</b>	<b>1,634.7</b>
Couples (hours for main-worker)						
16 - 24 hours	222.1	20.0	19.0	0.7	5.8	267.6
25 - 29 hours	43.4	10.6	11.0	0.4	1.0	66.4
30 - 34 hours	120.5	30.7	30.9	1.8	43.8	227.8
35 or more hours	564.2	552.1	1,291.5	126.9	107.1	2,641.7
<b>Total couples</b>	<b>950.3</b>	<b>613.4</b>	<b>1,352.3</b>	<b>129.8</b>	<b>157.7</b>	<b>3,203.5</b>

Table 4.2 : In-work recipient couples: combination of hours worked.

Thousands

	Hours worked by main-worker					
	16 - 24	25-29	30-34	35-39	40 or more	Total
<b>Hours worked by partner of main worker</b>						
<b>Couples with children, and receiving more than CTC family element</b>						
Not in-work	198.7	35.0	98.0	234.4	331.4	897.5
1-5	1.8	0.5	1.6	4.7	8.1	16.7
6-10	5.9	1.7	4.0	14.8	25.9	52.3
11-15	6.2	1.8	4.6	17.2	28.8	58.6
16-24	29.5	12.3	28.8	96.2	143.5	310.4
25-29	-	2.5	6.2	20.4	29.1	58.2
30 or more	-	-	8.0	54.7	107.1	169.8
<b>Total couples with children and receiving more than the CTC family element</b>	<b>242.1</b>	<b>54.0</b>	<b>151.3</b>	<b>442.5</b>	<b>673.8</b>	<b>1,563.6</b>
<b>Couples with children, and receiving family element of CTC or less</b>						
Not in-work	14.0	6.4	11.1	140.8	177.6	349.8
1-5	0.3	-	0.4	5.6	8.6	15.0
6-10	0.5	0.3	1.0	18.3	29.0	49.1
11-15	0.9	0.5	1.6	32.9	45.5	81.3
16-24	4.0	3.1	10.0	162.5	206.6	386.2
25-29	-	1.1	3.6	52.0	65.3	121.9
30 or more	-	-	5.1	193.5	280.3	478.8
<b>Total couples with children, and receiving family element of CTC or less</b>	<b>19.7</b>	<b>11.4</b>	<b>32.7</b>	<b>605.5</b>	<b>812.9</b>	<b>1,482.2</b>
<b>Couples without children</b>						
Not in-work	4.1	0.6	32.6	32.5	32.9	102.7
1-5	-	-	0.5	0.4	0.7	1.7
6-10	0.2	-	1.1	1.1	1.9	4.3
11-15	0.2	-	1.1	1.2	1.8	4.3
16-24	1.1	0.4	5.0	4.5	7.7	18.7
25-29	-	-	1.0	0.9	1.6	3.6
30 or more	-	-	2.5	5.1	14.8	22.4
<b>Total couples without children</b>	<b>5.8</b>	<b>1.0</b>	<b>43.8</b>	<b>45.8</b>	<b>61.3</b>	<b>157.7</b>
<b>All couples</b>						
Not in-work	216.8	42.0	141.7	407.7	541.9	1,350.0
1-5	2.1	0.7	2.5	10.7	17.3	33.3
6-10	6.7	2.0	6.1	34.2	56.8	105.8
11-15	7.3	2.3	7.4	51.2	76.0	144.3
16-24	34.6	15.8	43.8	263.2	357.9	715.3
25-29	-	3.7	10.8	73.3	96.0	183.8
30 or more	-	-	15.6	253.3	402.2	671.1
<b>Total all couples</b>	<b>267.6</b>	<b>66.4</b>	<b>227.8</b>	<b>1,093.7</b>	<b>1,548.0</b>	<b>3,203.5</b>

**Table 4.3 : Families benefiting from the 30-hour credit: family type.***Thousands*

	Singles with children	Singles with no children	Couples with children	Couples with no children	Total
<b>Hours worked by benefiting family</b>					
Main earner works for at least 30 hours	497.5	371.3	1,267.6	150.9	2,287.2
Neither adult works for 30+ hours, but combined hours exceed 30	-	-	55.7	1.9	57.6
<b>Total families benefiting<sup>1</sup></b>	<b>497.5</b>	<b>371.3</b>	<b>1,323.3</b>	<b>152.8</b>	<b>2,344.8</b>
<b>Gender of sole or main-worker</b>					
Female	446.6	189.4	152.1	44.4	832.5
Male	50.9	181.9	1,115.8	98.0	1,446.5
Couples - equal hours <sup>2</sup>	-	-	55.4	10.4	65.8
<b>Total families benefiting<sup>1</sup></b>	<b>497.5</b>	<b>371.3</b>	<b>1,323.3</b>	<b>152.8</b>	<b>2,344.8</b>

<sup>1</sup> Those claiming the 30-hour element who (a) have children and have an award value above the family element, or (b) have no children and have a positive award.

<sup>2</sup> Couples where the two partners (including those in civil partnerships) work the same number of hours.

**Table 4.4 : Families benefiting from the childcare element.***Thousands unless otherwise stated*

	Singles	Couples			Total
		Both working	Other <sup>1</sup>	All couples	
Age group, or age groups of children <sup>3</sup>					
Under 5 years only	95.9	81.9	1.6	83.4	179.3
Under 5 years plus older	62.7	67.9	1.7	69.6	132.3
5 to 9 years only	62.7	13.9	0.6	14.5	77.2
5 to 9 years plus older	37.6	14.9	0.5	15.4	53.0
10 years and over only	38.3	5.3	0.3	5.7	44.0
<b>Total families benefiting<sup>2</sup></b>	<b>297.2</b>	<b>183.8</b>	<b>4.7</b>	<b>188.6</b>	<b>485.7</b>
Hours worked per week (fewest for couples where both work at least 16 hours)					
16-24	134.7	99.7	1.3	101.0	235.6
25-29	23.7	18.4	0.3	18.7	42.4
30-34	44.6	23.0	0.5	23.5	68.0
35-39	67.8	32.4	1.4	33.8	101.6
40+	26.4	10.4	1.3	11.6	38.1
<b>Total families benefiting<sup>2</sup></b>	<b>297.2</b>	<b>183.8</b>	<b>4.7</b>	<b>188.6</b>	<b>485.7</b>
Eligible childcare costs allowed (per week)					
Under £20	29.9	13.6	0.7	14.3	44.1
£20 - £39.99	48.3	24.2	0.9	25.2	73.5
£40 - £59.99	42.5	23.5	0.7	24.2	66.8
£60 - £79.99	36.5	24.9	0.6	25.4	61.9
£80 - £99.99	29.6	20.8	0.4	21.3	50.9
£100 - £119.99	24.2	18.1	0.3	18.4	42.6
£120 - £149.99 <sup>4</sup>	31.0	22.2	0.4	22.6	53.6
£150 and over	55.2	36.5	0.7	37.2	92.4
<b>Total families benefiting<sup>2</sup></b>	<b>297.2</b>	<b>183.8</b>	<b>4.7</b>	<b>188.6</b>	<b>485.7</b>
Average costs allowed <sup>4</sup> (£ per week)	£91.93	£98.76	£83.02	£98.36	£94.43
Average help with childcare costs <sup>5</sup> (£ per week)	£72.22	£65.25	£64.20	£65.22	£69.50

<sup>1</sup> The non-working partner is incapacitated, in hospital or in prison.<sup>2</sup> Those claiming the childcare element and with CTC above the family element.<sup>3</sup> Ages of all children in the family, not just those for whom childcare costs are incurred.<sup>4</sup> After taking account of maximum costs allowed (see Appendix B).<sup>5</sup> The difference between the award and the notional award excluding the childcare element.

Table 4.5 : In-work single parents: hours worked and childcare.

Thousands

	Age group, or age groups, of children <sup>1</sup>					Total
	Under 5 years only	Under 5 years plus older	5 to 9 years only	5 to 9 years plus older	10 years and older only	
<b>In-work single parents</b>						
<b>Receiving more than CTC family element: claiming childcare element.</b>						
Weekly hours worked:						
16-24	49.8	34.0	23.4	15.1	12.3	134.7
25-29	7.2	5.1	5.0	3.3	3.1	23.7
30-34	12.1	9.1	10.3	6.2	6.9	44.6
35-39	18.2	10.2	17.5	9.8	12.2	67.8
40 or more	8.6	4.3	6.5	3.1	4.0	26.4
<b>Total receiving more than CTC family element: claiming childcare element</b>	<b>95.9</b>	<b>62.7</b>	<b>62.7</b>	<b>37.6</b>	<b>38.3</b>	<b>297.2</b>
<b>Receiving more than CTC family element: not claiming childcare elements</b>						
Weekly hours worked:						
16-24	49.0	36.5	59.1	49.7	212.5	406.8
25-29	5.2	3.4	9.1	7.8	46.3	71.8
30-34	9.1	5.9	13.6	11.1	89.7	129.4
35-39	15.6	6.7	13.4	9.8	110.4	156.0
40 or more	8.4	3.2	7.2	4.9	49.5	73.2
<b>Total receiving more than CTC family element: not claiming childcare elements</b>	<b>87.3</b>	<b>55.7</b>	<b>102.5</b>	<b>83.4</b>	<b>508.4</b>	<b>837.2</b>
<b>Receiving CTC family element or less</b>						
Weekly hours worked:						
16-24	0.3	-	0.9	-	3.0	4.5
25-29	0.3	-	0.8	-	2.3	3.5
30-34	0.5	-	1.4	0.5	6.0	8.5
35-39	3.1	0.6	8.0	2.0	41.8	55.4
40 or more	1.6	0.3	3.5	0.8	18.9	25.0
<b>Total receiving CTC family element or less</b>	<b>5.7</b>	<b>1.1</b>	<b>14.5</b>	<b>3.6</b>	<b>72.0</b>	<b>97.0</b>
<b>Total single parents</b>						
Weekly hours worked:						
16-24	99.1	70.6	83.3	65.1	227.8	545.9
25-29	12.6	8.6	14.9	11.2	51.7	99.0
30-34	21.8	15.0	25.4	17.8	102.6	182.5
35-39	36.8	17.5	38.9	21.6	164.4	279.3
40 or more	18.5	7.7	17.2	8.8	72.3	124.6
<b>Total single parents</b>	<b>188.9</b>	<b>119.4</b>	<b>179.7</b>	<b>124.6</b>	<b>618.8</b>	<b>1,231.4</b>

<sup>1</sup> Ages of all children in the family, not just those for whom childcare costs are incurred.

## Section 5 : In-work families benefiting from disability elements

**Section 5 focuses on families that are benefiting from the disability elements - that is the disabled worker element, the severely disabled adult element, the disabled child element and the severely disabled child element. There are breakdowns of the family size and the numbers of hours worked by those benefiting as well as breakdowns on overlapping disability/childcare elements.**

Figure 5.1 shows the number of individuals benefiting from the disability elements. There are 120 thousand disabled workers, 157 thousand disabled children, 32 thousand severely disabled adults, and 61 thousand severely disabled children in benefiting families.

Figure 5.1: Number of individuals benefiting from the disability elements

	<i>thousands</i>
Number of disabled workers in benefiting families	119.5
<i>of which number of severely disabled adults in benefiting families</i>	31.8
Number of disabled children in benefiting families	157.0
<i>of which number of severely disabled in benefiting families</i>	60.9

**Table 5.1 : In-work families benefiting from the disabled worker element.***Thousands*

	Singles with children	Singles with no children	Couples with children	Couples with no children	Total
Disabled worker(s) in family benefiting					
Sole worker <sup>2</sup> is disabled	17.8	54.4	14.5	10.3	96.9
Couples both working - one disabled	-	-	13.4	6.2	19.6
Couples both working - both disabled	-	-	0.7	0.8	1.5
<b>Total families benefiting<sup>1</sup></b>	<b>17.8</b>	<b>54.4</b>	<b>28.6</b>	<b>17.2</b>	<b>118.0</b>
Gender of disabled workers					
Female	16.4	28.0	9.9	6.8	61.1
Male	1.4	26.4	19.3	11.2	58.3
<b>Total disabled workers in benefiting families</b>	<b>17.8</b>	<b>54.4</b>	<b>29.3</b>	<b>18.0</b>	<b>119.5</b>
Ages of disabled workers					
Under 20	-	0.3	-	-	0.4
20-29	1.2	9.1	2.3	0.8	13.4
30-39	5.2	11.9	9.1	1.3	27.5
40-49	9.0	15.6	13.1	3.9	41.5
50-59	2.3	14.3	4.3	8.2	29.0
60 or over	-	3.2	0.5	3.8	7.6
<b>Total disabled workers in benefiting families</b>	<b>17.8</b>	<b>54.4</b>	<b>29.3</b>	<b>18.0</b>	<b>119.5</b>
Hours worked by disabled workers					
16-24	9.1	24.7	10.2	7.5	51.5
25-29	1.5	3.7	1.7	1.1	8.0
30-34	3.1	9.3	3.5	2.8	18.8
35-39	3.0	11.7	7.6	3.9	26.1
40 or more	1.2	5.1	6.2	2.7	15.1
<b>Total disabled workers in benefiting families</b>	<b>17.8</b>	<b>54.4</b>	<b>29.3</b>	<b>18.0</b>	<b>119.5</b>

<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 who are also included in Table 5.3.

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

**Table 5.2 : In-work families benefiting from the disabled child element.***Thousands*

	Singles		Couples		Total
	One disabled child	2+ disabled children	One disabled child	2+ disabled children	
Family size					
One child	16.1	-	20.8	-	36.9
Two children	14.5	0.7	41.2	3.5	59.8
Three children	5.1	0.5	23.4	3.2	32.2
Four children	1.3	-	8.7	1.6	11.8
Five or more children	0.3	-	3.6	0.8	4.8
<b>Total families benefiting<sup>1</sup></b>	<b>37.2</b>	<b>1.4</b>	<b>97.8</b>	<b>9.2</b>	<b>145.5</b>
Number of disabled children in benefiting families	37.2	2.8	97.8	19.2	157.0
Also with the childcare element	8.8	0.4	6.3	0.4	15.9
Also with the disabled worker element	1.3	-	2.7	0.3	4.4

<sup>1</sup> 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 5.4.

**Table 5.3 : In-work families benefiting from the severely disabled adult element.***Thousands*

	Singles		Couples		Total		
	With children	With no children	With children	With no children	With children	With no children	Total
Family size							
No children	-	4.2	-	8.8	-	13.0	13.0
One child	1.6	-	7.1	-	8.7	-	8.7
Two children	0.7	-	5.9	-	6.6	-	6.6
Three children	-	-	2.1	-	2.2	-	2.2
Four children	-	-	0.7	-	0.7	-	0.7
Five or more children	-	-	0.2	-	0.2	-	0.2
<b>Total families benefiting<sup>1</sup></b>	<b>2.5</b>	<b>4.2</b>	<b>15.9</b>	<b>8.8</b>	<b>18.4</b>	<b>13.0</b>	<b>31.4</b>
Hours worked by sole or main-worker							
16-24	1.1	1.9	3.9	0.9	5.0	2.8	7.8
25-29	0.3	-	0.7	-	1.1	0.4	1.4
30-34	0.4	0.6	2.0	2.4	2.4	3.0	5.4
35-39	0.4	1.0	4.6	2.9	5.0	3.9	8.9
40 or more	-	0.4	4.8	2.5	5.0	2.9	7.9
<b>Total families benefiting<sup>1</sup></b>	<b>2.5</b>	<b>4.2</b>	<b>15.9</b>	<b>8.8</b>	<b>18.4</b>	<b>13.0</b>	<b>31.4</b>
Total severely disabled adults in benefiting families	2.5	4.2	16.1	9.0	18.6	13.2	31.8
Also with childcare element	0.5	-	1.4	-	1.9	-	1.9
Also with disabled worker element	2.5	4.2	4.4	2.9	6.9	7.1	14.0

<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 5.4 : In-work families benefiting from the severely disabled child element.**  
*Thousands*

	Singles	Couples	Total
Family size			
One child	5.5	8.7	14.2
Two children	5.0	18.4	23.4
Three children	2.3	11.1	13.3
Four children	0.6	4.5	5.1
Five or more children	-	1.9	2.0
<b>Total families benefiting<sup>1</sup></b>	<b>13.5</b>	<b>44.5</b>	<b>58.0</b>
Hours worked by main-worker			
16-24	7.2	6.0	13.2
25-29	1.1	1.4	2.4
30-34	2.0	3.8	5.8
35-39	2.3	14.2	16.5
40 or more	0.9	19.1	20.0
<b>Total families benefiting<sup>1</sup></b>	<b>13.5</b>	<b>44.5</b>	<b>58.0</b>
Total severely disabled children in benefiting families	13.9	47.0	60.9
Also with childcare element	3.6	2.8	6.4
Also with disabled worker element	0.6	1.1	1.7

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

## Section 6 : Annual incomes of recipient families

Section 6 describes the distribution of incomes used to taper awards for families in receipt. This is also broken down by the type of income reported - i.e., whether the award is based on the family's previous year's income ('PY' income), the family's current year income ('CY' income), and whether the £25,000 disregard has been applied.

Figure 6.1 shows that tax credits covers a broad range of incomes up to £50,000 with the majority of support going to families on incomes of £10,000 or less. Broadly speaking, the higher the income used to taper the award, the fewer the numbers of families in receipt - reflecting the targeted approach to financial support in built in the Tax Credits system.

Figure 6.1 Income used to taper awards: in-work recipient families

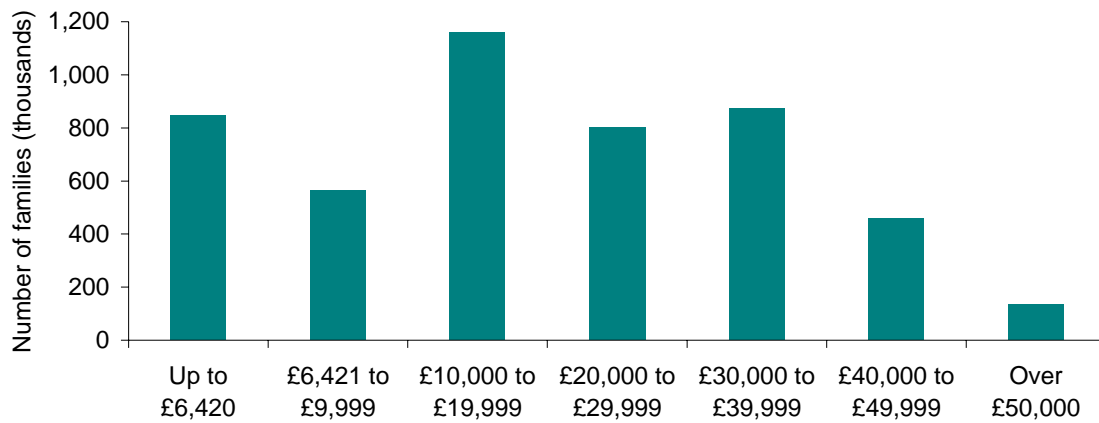


Table 6.1 : In-work recipient families: ranges of incomes used to taper awards.

Thousands

	Range of income used to taper awards							Total
	Up to £6,420	£6,421 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>With children</b>								
<b>Of which receiving WTC and CTC</b>	<b>665.5</b>	<b>422.9</b>	<b>802.0</b>	<b>70.4</b>	<b>13.1</b>	<b>1.2</b>	<b>0.2</b>	<b>1,975.3</b>
Of which receiving CTC only and above family element	-	-	124.1	727.4	859.4	457.7	133.2	2,301.9
and family element	-	-	124.1	485.9	98.2	13.1	1.5	722.7
and below family element	-	-	-	241.6	761.3	444.6	-	1,447.5
	-	-	-	-	-	-	131.7	131.7
<b>Total with children</b>	<b>665.5</b>	<b>422.9</b>	<b>926.1</b>	<b>797.8</b>	<b>872.5</b>	<b>458.9</b>	<b>133.4</b>	<b>4,277.2</b>
<b>With no children</b>								
<b>Receiving WTC only</b>	<b>180.7</b>	<b>141.4</b>	<b>234.4</b>	<b>4.1</b>	<b>0.3</b>	-	-	<b>561.0</b>
<b>Income reported<sup>1</sup>:</b>								
PY income only <sup>3</sup>	513.2	380.0	750.0	544.2	739.8	392.0	99.1	3,418.4
Also CY income	333.0	184.3	410.5	257.7	132.9	67.0	34.3	1,419.8
<b>Total in-work recipient families</b>	<b>846.2</b>	<b>564.3</b>	<b>1,160.5</b>	<b>801.9</b>	<b>872.7</b>	<b>459.0</b>	<b>133.4</b>	<b>4,838.2</b>
<b>Year of income used<sup>1</sup>:</b>								
PY income used								
No CY income reported	513.2	380.0	750.0	544.2	739.8	392.0	99.1	3,418.4
CY income up to £25,000 above PY income	245.2	107.3	212.3	132.3	68.6	34.7	19.2	819.6
<b>Total where PY income is used</b>	<b>758.4</b>	<b>487.3</b>	<b>962.3</b>	<b>676.5</b>	<b>808.4</b>	<b>426.7</b>	<b>118.3</b>	<b>4,238.0</b>
CY income used								
Lower than PY income								
of which increasing award value	54.0	76.5	196.6	104.4	24.0	18.3	14.5	488.2
of which not affecting award value	33.2	-	-	19.4	38.8	12.8	-	104.2
Over £25,000 above PY income								
of which reducing award value	-	0.5	1.6	1.6	0.9	0.4	0.6	5.7
of which not affecting award value	0.6	-	-	-	0.6	0.8	-	2.1
<b>Total where CY income is used</b>	<b>87.8</b>	<b>77.0</b>	<b>198.2</b>	<b>125.4</b>	<b>64.3</b>	<b>32.3</b>	<b>15.1</b>	<b>600.2</b>
<b>Total in-work recipient families</b>	<b>846.2</b>	<b>564.3</b>	<b>1,160.5</b>	<b>801.9</b>	<b>872.7</b>	<b>459.0</b>	<b>133.4</b>	<b>4,838.2</b>

<sup>1</sup> "PY income" is income in 2009-10; "CY income" is estimated income in 2010-11. Where CY income is more than £25,000 above PY income, CY income less £25,000 is used. See the Technical Note.

<sup>2</sup> Even where CY incomes are below PY incomes, or are more than £25,000 above PY incomes, awards may remain at the maximum, at the family level or tapered to zero

<sup>3</sup> This includes 1,092,000 families whose CY income is greater than PY income due to auto-inflated income

Table 6.2 : Recipient families: awards not reduced through tapering.

Thousands

	Out-of-work families (with children)	In-work families		Total recipient families where awards are not reduced through tapering <sup>1</sup>
		Receiving WTC and CTC	Receiving WTC only	
<b>Family size</b>				
Singles				
No children	-	-	153.4	153.4
One child	513.7	232.5	-	746.2
Two children	332.2	139.7	-	471.9
Three children	145.6	41.9	-	187.5
Four children	52.3	9.7	-	62.0
Five or more children	22.8	2.5	-	25.3
<b>Total singles</b>	<b>1,066.6</b>	<b>426.3</b>	<b>153.4</b>	<b>1,646.3</b>
Couples				
No children	-	-	27.3	27.3
One child	118.4	74.5	-	192.8
Two children	104.8	86.0	-	190.8
Three children	63.5	51.2	-	114.7
Four children	29.9	22.9	-	52.9
Five or more children	19.0	11.8	-	30.8
<b>Total couples</b>	<b>335.6</b>	<b>246.4</b>	<b>27.3</b>	<b>609.3</b>
<b>All families</b>				
No children	-	-	180.7	180.7
One child	632.0	307.0	-	939.0
Two children	436.9	225.7	-	662.6
Three children	209.2	93.1	-	302.3
Four children	82.2	32.6	-	114.8
Five or more children	41.8	14.3	-	56.1
<b>Total all families</b>	<b>1,402.2</b>	<b>672.7</b>	<b>180.7</b>	<b>2,255.6</b>

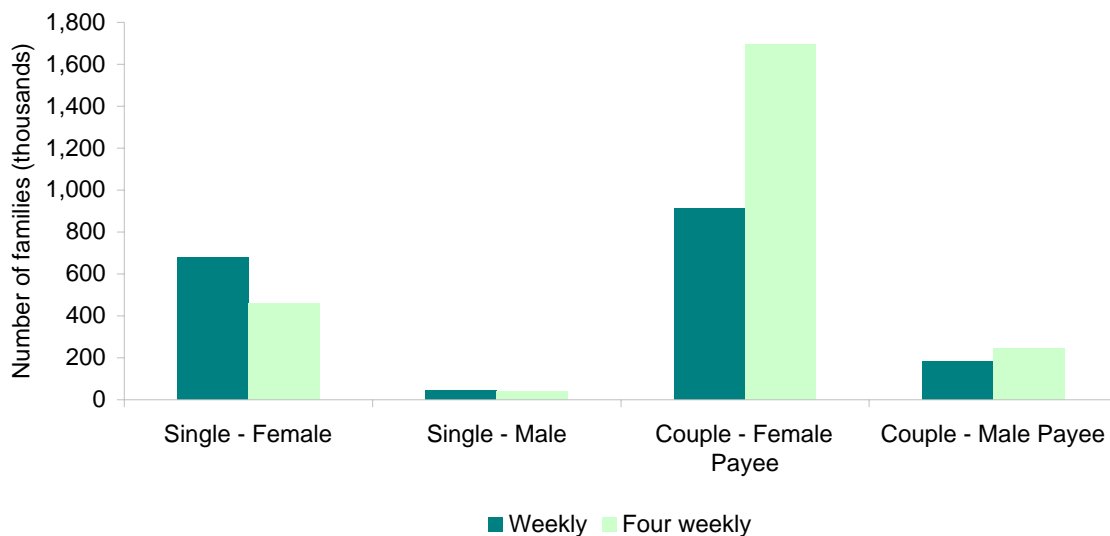
1 For in-work families, those with annual incomes for tapering up to the first income threshold (£6,420). For out-of-work families, those receiving Income Support, income-based Jobseeker's Allowance or Pension Credit, plus other families with annual incomes for tapering up to the threshold for those entitled to CTC only (£16,190). Ignores any income reduction to benefit entitlement for those receiving their child support via benefits.

## Section 7 : Payments to in-work families

**Section 7 details the chosen payment frequency for families in receipt, broken down by family status and gender of the adults. Tax Credit recipients are able to choose whether they are paid in weekly or 4-weekly intervals.**

Figure 7.1 shows that there is broadly an equal preference for weekly and four-weekly payment cycles for most groups apart from in couple families where female payees are almost twice as likely to request four-weekly payment intervals.

Figure 7.1: Chosen frequency of payment: in-work families in receipt of CTC



**Table 7.1 : In-work families - chosen frequency of payment, and payees, of CTC.***Thousands*

	Singles		Couples		Total
	Female	Male	Female payee <sup>1</sup>	Male payee <sup>1</sup>	
<b>Chosen frequency of payment<sup>2</sup></b>					
All in-work families receiving CTC					
<i>and above family element</i>					
Weekly	665.2	42.4	665.1	143.2	1,515.9
Four weekly	396.7	27.9	633.4	117.2	1,175.2
Frequency not known <sup>3</sup>	1.9	0.4	4.7	-	7.0
<b>Total</b>	<b>1,063.8</b>	<b>70.6</b>	<b>1,303.2</b>	<b>260.5</b>	<b>2,698.0</b>
<i>and at or below family element</i>					
Weekly	15.5	3.1	246.0	38.1	302.7
Four weekly	65.6	12.5	1,062.3	128.3	1,268.8
Frequency not known <sup>3</sup>	-	-	7.5	-	7.7
<b>Total</b>	<b>81.3</b>	<b>15.7</b>	<b>1,315.8</b>	<b>166.3</b>	<b>1,579.1</b>
All in-work families receiving CTC					
Weekly	680.6	45.5	911.1	181.3	1,818.5
Four weekly	462.3	40.5	1,695.7	245.5	2,444.0
Frequency not known <sup>3</sup>	2.1	0.4	12.1	-	14.6
<b>Total in-work families receiving CTC</b>	<b>1,145.1</b>	<b>86.3</b>	<b>2,619.0</b>	<b>426.8</b>	<b>4,277.2</b>
<b>Gender of partner working most hours</b>					
Couples - female works longest					
Weekly	-	-	131.7	27.1	158.8
Four weekly	-	-	197.0	37.1	234.2
Frequency not known <sup>3</sup>	-	-	1.8	-	1.8
<b>Total</b>	<b>-</b>	<b>-</b>	<b>330.5</b>	<b>64.3</b>	<b>394.8</b>
Couples - male works longest					
Weekly	-	-	741.8	146.8	888.6
Four weekly	-	-	1,391.9	193.1	1,585.0
Frequency not known <sup>3</sup>	-	-	9.1	-	9.1
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2,142.7</b>	<b>339.9</b>	<b>2,482.7</b>
Couples - equal hours <sup>4</sup>					
Weekly	-	-	37.7	7.3	45.1
Four weekly	-	-	106.8	15.3	122.1
Frequency not known <sup>3</sup>	-	-	1.2	-	1.2
<b>Total</b>	<b>-</b>	<b>-</b>	<b>145.7</b>	<b>22.6</b>	<b>168.4</b>

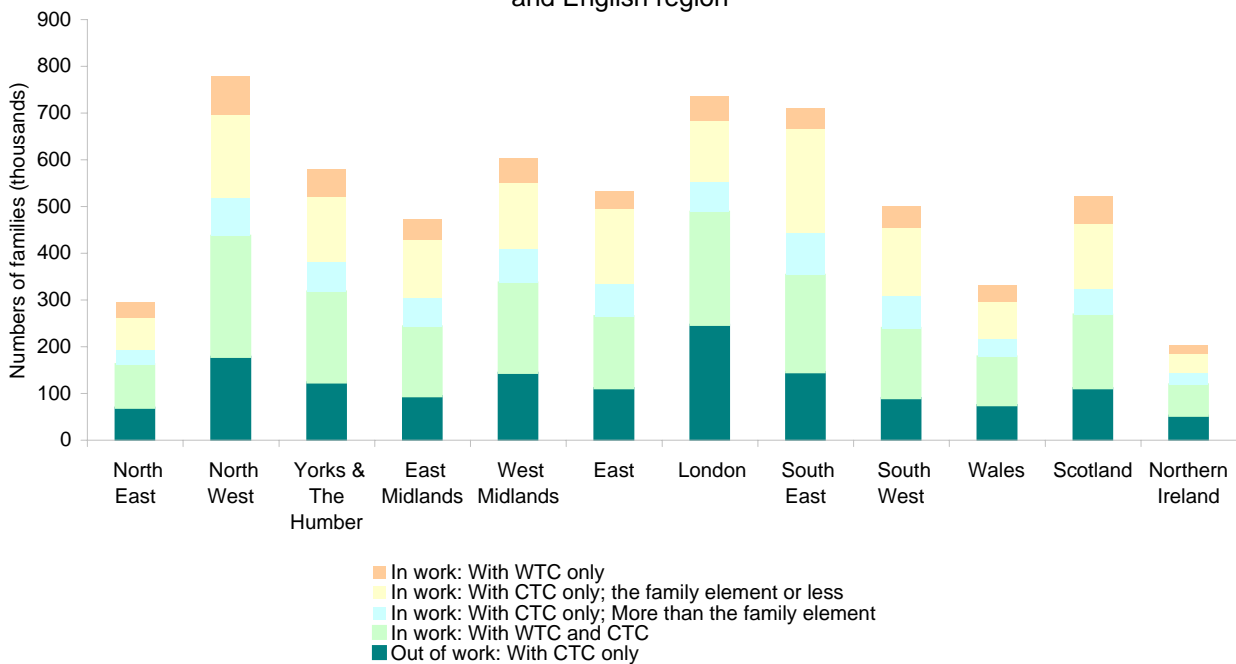
<sup>1</sup> The main carer of the children, as nominated in the claim. See the Technical Note.<sup>2</sup> As chosen in the claim. This table, as all others, includes as "recipients" families where adjustments to modelled awards, made to eliminate or minimise prospective overpayments for the year, have reduced to zero the actual rate of payment at the reference date. See the Technical Note.<sup>3</sup> The data giving the frequency for these families were not copied to the data base used to produce these tables.<sup>4</sup> Couples where the two partners work the same number of hours.

## Section 8 : Regional analysis of recipient families

Section 8 details the numbers of families in receipt by country and English region. There are detailed breakdowns of the level of support provided in each region, the numbers of families benefiting from the childcare element as well as the disabled worker element and disabled child element.

As seen in figure 8.1, the region with the highest numbers of tax credits recipients is the North West, followed by London and then the South East. Northern Ireland has the lowest numbers of tax credits recipients, followed by the North East of England. Within the overall figures, the highest number of families on the higher awards - those receiving WTC and CTC - are from the North West followed by London. The highest number of out-of-work families in receipt are in London followed by the North West. This takes no account of the size of the population that are eligible for tax credits so one should be careful when drawing inferences from these results.

Figure 8.1: Number of families receiving different amounts of tax credits by country and English region



**Table 8.1 : Recipient families; combination and level of payment by country and English region.**

Thousands

	Total out-of-work families	In-work families					Total in-work families	Total in receipt (out-of-work and in-work families)
		With children			With no children			
		Receiving WTC and CTC	Receiving CTC only			Receiving WTC only		
			More than family element	Family element	Less than family element			
<b>Singles</b>								
<b>England</b>	892.4	832.0	91.5	82.0	1.6	321.0	1,328.1	2,220.5
North East	50.8	51.2	4.5	3.6	-	23.5	82.8	133.7
North West	133.4	135.7	13.4	10.7	-	58.3	218.2	351.7
Yorks & The Humber	87.7	94.0	8.7	6.7	-	41.1	150.6	238.4
East Midlands	67.7	74.3	7.3	5.7	-	30.0	117.4	185.1
West Midlands	102.9	90.2	10.0	8.1	-	35.1	143.6	246.5
East	81.6	78.0	9.3	9.1	-	26.8	123.4	204.9
London	193.9	124.1	17.3	18.4	0.3	43.0	203.1	397.0
South East	108.7	110.5	13.6	13.3	0.4	31.5	169.3	277.9
South West	65.7	73.9	7.4	6.5	-	31.8	119.7	185.4
<b>Wales</b>	53.4	55.3	5.3	4.1	-	23.3	88.1	141.4
<b>Scotland</b>	87.5	99.5	9.5	6.8	-	46.2	162.1	249.6
<b>Northern Ireland</b>	40.3	36.6	3.0	1.9	-	11.7	53.3	93.5
Foreign and not known	1.6	1.7	-	0.3	-	1.1	3.3	4.8
<b>United Kingdom<sup>1</sup></b>	<b>1,075.2</b>	<b>1,025.0</b>	<b>109.4</b>	<b>95.1</b>	<b>1.9</b>	<b>403.3</b>	<b>1,634.7</b>	<b>2,709.8</b>
<b>Couples</b>								
<b>England</b>	308.7	811.3	510.1	1,124.0	108.8	128.1	2,682.3	2,990.9
North East	18.6	41.6	26.2	61.0	5.1	9.6	143.5	162.2
North West	44.9	123.1	68.1	153.6	14.6	23.2	382.6	427.4
Yorks & The Humber	35.8	100.1	56.2	119.9	10.8	18.1	305.1	341.0
East Midlands	26.0	75.3	53.2	109.5	9.9	13.4	261.3	287.4
West Midlands	40.8	103.3	61.9	124.0	10.5	16.4	316.1	356.9
East	29.3	76.6	59.7	137.7	13.8	10.2	298.0	327.2
London	52.7	117.9	46.2	101.9	10.7	10.1	286.8	339.5
South East	36.7	97.6	76.9	188.0	21.4	12.8	396.7	433.5
South West	24.0	75.8	61.6	128.3	12.0	14.3	292.0	315.9
<b>Wales</b>	21.2	49.1	32.8	68.7	5.7	10.9	167.2	188.5
<b>Scotland</b>	23.4	58.2	46.5	119.0	11.9	13.0	248.6	272.0
<b>Northern Ireland</b>	11.8	30.1	22.2	37.0	3.2	5.5	98.0	109.9
Foreign and not known	0.8	1.5	1.7	3.7	0.2	0.2	7.3	8.1
<b>United Kingdom<sup>1</sup></b>	<b>365.9</b>	<b>950.3</b>	<b>613.4</b>	<b>1,352.3</b>	<b>129.8</b>	<b>157.7</b>	<b>3,203.5</b>	<b>3,569.4</b>
<b>All families</b>								
<b>England</b>	1,201.2	1,643.3	601.5	1,206.0	110.4	449.0	4,010.2	5,211.4
North East	69.4	92.8	30.7	64.6	5.1	33.2	226.4	295.8
North West	178.2	258.8	81.5	164.3	14.8	81.4	600.8	779.1
Yorks & The Humber	123.5	194.1	64.9	126.6	10.9	59.3	455.8	579.3
East Midlands	93.7	149.7	60.5	115.2	10.0	43.4	378.8	472.5
West Midlands	143.8	193.5	72.0	132.1	10.7	51.4	459.7	603.4
East	110.8	154.6	69.0	146.8	14.0	37.0	421.4	532.1
London	246.6	242.0	63.5	120.2	11.0	53.1	489.8	736.5
South East	145.4	208.1	90.5	201.3	21.8	44.3	566.0	711.4
South West	89.7	149.7	69.0	134.8	12.1	46.0	411.6	501.3
<b>Wales</b>	74.5	104.4	38.1	72.8	5.8	34.2	255.3	329.9
<b>Scotland</b>	110.8	157.7	56.1	125.8	12.0	59.2	410.8	521.6
<b>Northern Ireland</b>	52.2	66.7	25.2	38.9	3.2	17.2	151.2	203.4
Foreign and not known	2.3	3.2	1.9	3.9	0.2	1.3	10.5	12.9
<b>United Kingdom<sup>1</sup></b>	<b>1,441.0</b>	<b>1,975.3</b>	<b>722.7</b>	<b>1,447.5</b>	<b>131.7</b>	<b>561.0</b>	<b>4,838.2</b>	<b>6,279.1</b>

<sup>1</sup> Including foreign and not known.

Table 8.2 : Recipient families and their children by country and English region.

Thousands

	Recipient families with children						Total in receipt (out-of-work and in-work families)
	Out-of-work families		In-work families				
	Families	Children	More than family element		Family element or below		
			Families	Children	Families	Children	
<b>Singles</b>							
<b>England</b>	892.4	1,643.0	923.4	1,436.8	83.7	99.1	2,220.5
North West	50.8	87.8	55.7	83.0	3.6	4.1	133.7
North West	133.4	240.2	149.2	228.8	10.8	12.8	351.7
Yorks & The Humber	87.7	161.3	102.7	159.1	6.8	8.0	238.4
East Midlands	67.7	125.4	81.6	126.8	5.8	6.7	185.1
West Midlands	102.9	191.3	100.2	155.9	8.3	9.5	246.5
East	81.6	148.1	87.3	136.6	9.3	11.2	204.9
London	193.9	370.8	141.4	229.1	18.7	22.4	397.0
South East	108.7	198.8	124.1	192.5	13.7	16.4	277.9
South West	65.7	119.2	81.3	124.8	6.6	8.0	185.4
<b>Wales</b>	53.4	95.4	60.6	92.8	4.2	5.1	141.4
<b>Scotland</b>	87.5	146.3	109.0	159.8	6.9	8.1	249.6
<b>Northern Ireland</b>	40.3	72.9	39.6	61.6	1.9	2.3	93.5
Foreign and not known	1.6	2.8	1.8	2.8	0.3	0.4	4.8
<b>United Kingdom<sup>1</sup></b>	<b>1,075.2</b>	<b>1,960.4</b>	<b>1,134.4</b>	<b>1,753.8</b>	<b>97.0</b>	<b>114.9</b>	<b>2,709.8</b>
<b>Couples</b>							
<b>England</b>	308.7	677.9	1,321.4	2,755.0	1,232.7	1,887.5	2,990.9
North East	18.6	39.2	67.8	134.9	66.1	96.6	162.2
North West	44.9	98.5	191.2	396.1	168.2	251.4	427.4
Yorks & The Humber	35.8	77.9	156.3	324.0	130.7	195.2	341.0
East Midlands	26.0	55.7	128.5	260.9	119.4	180.6	287.4
West Midlands	40.8	93.0	165.2	350.8	134.5	202.5	356.9
East	29.3	62.8	136.3	284.6	151.5	237.0	327.2
London	52.7	120.9	164.1	355.3	112.5	174.3	339.5
South East	36.7	78.7	174.5	365.5	209.4	331.0	433.5
South West	24.0	51.1	137.4	283.0	140.3	219.0	315.9
<b>Wales</b>	21.2	44.7	81.9	164.8	74.5	112.6	188.5
<b>Scotland</b>	23.4	47.1	104.7	209.6	130.9	199.0	272.0
<b>Northern Ireland</b>	11.8	25.1	52.4	112.9	40.2	65.2	109.9
Foreign and not known	0.8	1.4	3.2	6.7	3.9	6.2	8.1
<b>United Kingdom<sup>1</sup></b>	<b>365.9</b>	<b>796.2</b>	<b>1,563.6</b>	<b>3,249.0</b>	<b>1,482.2</b>	<b>2,270.5</b>	<b>3,569.4</b>
<b>All families</b>							
<b>England</b>	1,201.2	2,320.9	2,244.8	4,191.8	1,316.4	1,986.6	5,211.4
North East	69.4	127.0	123.5	217.9	69.7	100.7	295.8
North West	178.2	338.7	340.3	624.9	179.0	264.2	779.1
Yorks & The Humber	123.5	239.2	259.0	483.1	137.6	203.2	579.3
East Midlands	93.7	181.1	210.1	387.6	125.3	187.3	472.5
West Midlands	143.8	284.3	265.4	506.8	142.8	212.0	603.4
East	110.8	210.9	223.6	421.2	160.7	248.2	532.1
London	246.6	491.7	305.5	584.4	131.3	196.6	736.5
South East	145.4	277.4	298.6	558.1	223.1	347.4	711.4
South West	89.7	170.3	218.7	407.8	146.9	227.0	501.3
<b>Wales</b>	74.5	140.1	142.5	257.6	78.6	117.7	329.9
<b>Scotland</b>	110.8	193.4	213.8	369.3	137.8	207.1	521.6
<b>Northern Ireland</b>	52.2	98.0	91.9	174.5	42.1	67.5	203.4
Foreign and not known	2.3	4.3	5.1	9.6	4.2	6.5	12.9
<b>United Kingdom<sup>1</sup></b>	<b>1,441.0</b>	<b>2,756.6</b>	<b>2,698.0</b>	<b>5,002.8</b>	<b>1,579.1</b>	<b>2,385.4</b>	<b>6,279.1</b>

<sup>1</sup> Including foreign and not known.

**Table 8.3 : In-work recipient families; beneficiaries of the childcare, disabled child and disabled worker elements by country and English region.**

*Thousands unless otherwise stated*

	Benefiting from childcare element <sup>1</sup>				Benefiting from disabled child element <sup>1</sup>	Benefiting from disabled worker element		
	Singles	Couples	Total	Average help with childcare costs <sup>3</sup> (£ per week)			With children <sup>1</sup>	With no children <sup>2</sup>
<b>England</b>	244.4	157.4	401.8	£69.33	119.2	35.7	54.1	
North East	13.1	8.1	21.2	£66.85	7.3	2.7	4.5	
North West	44.8	29.3	74.1	£66.90	17.4	7.2	11.1	
Yorks & The Humber	26.4	19.1	45.5	£64.71	12.8	3.9	6.4	
East Midlands	21.3	16.8	38.2	£65.39	11.4	3.8	5.1	
West Midlands	27.9	19.9	47.8	£66.30	14.7	4.1	5.7	
East	20.1	13.3	33.4	£68.24	13.2	2.9	4.7	
London	41.7	12.0	53.6	£95.51	12.3	3.5	4.2	
South East	29.5	20.5	50.1	£65.51	17.9	3.9	5.7	
South West	19.6	18.4	37.9	£57.79	12.1	3.8	6.7	
<b>Wales</b>	13.0	9.7	22.7	£65.07	8.1	3.2	4.6	
<b>Scotland</b>	29.4	14.8	44.2	£68.43	11.8	4.8	10.0	
<b>Northern Ireland</b>	9.9	6.3	16.2	£82.29	6.1	2.6	2.8	
Foreign and not known	0.4	0.4	0.8	£82.85	0.2	-	-	
<b>United Kingdom<sup>4</sup></b>	<b>297.2</b>	<b>188.6</b>	<b>485.7</b>	<b>£69.50</b>	<b>145.5</b>	<b>46.3</b>	<b>71.7</b>	

<sup>1</sup> Families with the relevant element and with CTC awards above the family element.

<sup>2</sup> Families with the disabled worker element and with positive WTC awards.

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

<sup>4</sup> Including foreign and not known.

## Appendix A: Technical Note

### Current entitlement

There is a single claim form covering both Child and Working Tax Credits, and entitlement is calculated jointly. Awards run to the end of the tax year, and are based on the element values, thresholds, etc shown at Appendix B.

An annual award is calculated by summing the various elements to which the family is entitled. Unless the family is receiving Income Support, income-based Jobseeker's Allowance or Pension Credit, this sum is reduced if the family's annual income (see below) exceeds the relevant first income threshold. The reduction is 39 per cent of the excess over the threshold. Awards of CTC are not, however, reduced below the level of the family element unless the annual income exceeds the second threshold of £50,000. Once the income exceeds the second threshold the award is further reduced by £1 for every £15 of income over the threshold.

### Annual income and tapering of awards

For 2010-11 awards, the initial calculation of a family's entitlement is based on its relevant income in 2009-10, which is reported for the final calculation of the 2009-10 award or on the claim form. Relevant income comprises gross annual taxable income from social security benefits (except pensions) and from employment or self employment, less pension contributions; plus annual income from savings, property, state and private pensions and other sources (but excluding maintenance) in excess of £300. For claims by couples, entitlement is based on their joint annual income.

Final entitlement for 2010-11 is based on 2010-11 income if that is lower than the income in 2009-10, or exceeds it by more than £25,000. However, the first £25,000 of a rise in income in 2010-11 (compared with 2009-10) is disregarded in calculating the tax credit due for that year. The family can report an estimate of its income in 2010-11 at any time, and the award will be recalculated using this income. After the end of the year the award is finalised when the 2010-11 income is known.

### Changes of circumstances

A family's circumstances (number of children, hours worked, childcare costs, disabilities etc) can change within the year. To calculate the annual award, the year is then split into the periods between which the family's circumstances changed. Entitlement is calculated for each period, based on the annual values shown in Appendix B but scaled down to the number of days in the period. The rate of entitlement attributed to each case for this publication is that for the period spanning the reference date.

<sup>1</sup> *Some families were not required to report their 2009-10 income, but only to notify HMRC if it differs sufficiently from the latest reported income to affect the level of entitlement. For these cases the latest reported incomes have been taken as proxies for 2009-10 incomes.*

**Backdating**

Initial claims can be backdated by up to three months. Changes of circumstance that can potentially increase the value of awards are backdated to when they occurred, or to a date three months before they were reported, whichever is later. Changes that can potentially reduce the value of awards are backdated to when they occurred. However, none of these backdated changes affect the figures in these tables, which are for the reference date and based on information taken into account by the reference date.

**Receipt of CTC and WTC awards, and level of CTC**

The rate of receipt attributed to each sample family for these tables is the entitlement modelled using the information on circumstances and income taken into account by the reference date.

This may not equal the actual amount being received. This can be reduced to eliminate or minimise prospective overpayments for the year, or to recover previous years' overpayments (overpayments can arise when backdated changes of circumstances that reduce awards, or higher incomes, are reported).

Families without children can only receive WTC. Out-of-work families with children can only receive CTC. The maximum award (before tapering) of in-work families with children includes both WTC and CTC. The tapering is deemed to reduce WTC first, so families for which the reduction through tapering exceeds the modelled level of WTC are shown as receiving CTC only.

**Payees in couples; and frequency of payment.**

For couples, CTC (plus any WTC up to the level of the childcare element) is paid to the main carer of the children, as nominated in the claim. WTC (in excess of any childcare element) is paid to the adult working for at least 16 hours per week. If both work for at least 16 hours per week then the couple can nominate the payee.

Families are asked to choose between weekly and four-weekly payment of CTC and WTC (separately).

**Main-worker**

This is defined as the adult working the most hours.

**Civil partnerships**

Couples in civil partnerships can claim tax credits as couples. Such couples are included as normal in the tables showing families according to the gender of the main earner, or of the recipient of CTC.

**Data sources**

The estimates in the tables for in-work families are based on data for a random sample of families with awards at the reference date, extracted from the tax credits computer system on that date.

The estimates for out-of-work families with children are based on data at 1 December 2010. The estimates for families receiving CTC at that date are based on a scan of the tax credits system taken at that date. The estimates for families receiving their child support via benefits are based on scans of the benefits systems. These identified all families with children receiving benefits at August 2009. The estimates are restricted to families that had qualifying children in Child Benefit awards at August 2010 and were not claiming tax credits at 1 December 2010. However, the split shown at Table 2.1 of out-of-work families between those receiving their child support via each system takes account of the estimated movement in the split by 1 December 2010.

*Note that this method works because families receiving their child support via benefits can have moved to CTC between August 2009 and December 2010 (for example, when they move into work), but movement in the opposite direction is not possible. Also, since April 2004, all new families receive their child support via CTC, not benefits. An aggregate allowance has however been made for the relatively small number of babies born between August 2009 and December 2010 to families receiving their child support via benefits at the latter date.*

## Appendix B: Sampling method and sampling error

The tables are based on a random sample of families receiving CTC or WTC at the reference date. The sample comprises 10 per cent of such single adults (with or without children) and 20 per cent of such couples. Each figure in the tables is derived by weighting the relevant sample cases by the inverses of these sampling fractions<sup>1</sup>.

The figures in the tables are therefore estimates, but we know how accurate they are. For example, suppose that there are 100,000 couples with a characteristic. This number is not known, and we are to estimate it via the sample. Each couple is sampled with a probability of 0.2. Statistical theory says that there is a 95 per cent probability that the number sampled will lie between 19,752 and 20,248, and that the resulting estimate will lie between 98,760 and 101,240. At least approximately, then, where an estimate of 100,000 is derived from the sample, the true figure lies between these figures, with a 95 per cent probability. That is, the "95 per cent confidence interval" for the estimate is the estimate itself plus or minus 1,240.

The width of the confidence interval varies with the size of the estimate and the sampling fraction, as shown in the table below. For estimates that comprise a mixture of couples and single adults, the figures will lie between the two sets shown, according to the mix.

Confidence intervals for estimates of recipient families				
Estimated value	95% confidence interval		As % of the estimate	
	Couples	Single adults	Couples	Single adults
'000	'000	'000		
1	± 0.1	± 0.2	± 12%	± 19%
2	± 0.2	± 0.3	± 8%	± 12%
5	± 0.3	± 0.4	± 6%	± 8%
10	± 0.4	± 0.6	± 4%	± 6%
25	± 0.6	± 0.9	± 2.5%	± 4%
50	± 0.9	± 1.3	± 1.8%	± 2.6%
100	± 1.2	± 1.9	± 1.2%	± 1.9%
250	± 2.0	± 2.9	± 0.8%	± 1.2%
500	± 2.8	± 4.2	± 0.6%	± 0.8%
1,000	± 3.9	± 5.9	± 0.4%	± 0.6%

<sup>1</sup> Each case is further weighted so that the overall total equals an independent count of families with awards.

## Appendix C: CTC and WTC elements and thresholds

	Annual rate (£), except where specified							
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
<b>Child Tax Credit</b>								
Family element	545	545	545	545	545	545	545	545
Family element, baby addition <sup>1</sup>	545	545	545	545	545	545	545	545
Child element <sup>2</sup>	1,445	1,625	1,690	1,765	1,845	2,085	2,235	2,300
Disabled child additional element <sup>3</sup>	2,215	2,215	2,285	2,350	2,440	2,540	2,670	2,715
Severely disabled child additional element <sup>4</sup>	865	890	920	945	980	1,020	1,075	1,095
<b>Working Tax Credit</b>								
Basic element	1,525	1,570	1,620	1,665	1,730	1,800	1,890	1,920
Couples and lone parent element	1,500	1,545	1,595	1,640	1,700	1,770	1,860	1,890
30 hour element <sup>5</sup>	620	640	660	680	705	735	775	790
Disabled worker element	2,040	2,100	2,165	2,225	2,310	2,405	2,530	2,570
Severely disabled adult element	865	890	920	945	980	1,020	1,075	1,095
50+ return to work payment <sup>6</sup>								
16 but less than 30 hours per week	1,045	1,075	1,110	1,140	1,185	1,235	1,300	1,320
at least 30 hours per week	1,565	1,610	1,660	1,705	1,770	1,840	1,935	1,965
Childcare element								
Maximum eligible costs allowed (£ per week)								
Eligible costs incurred for 1 child	135	135	175	175	175	175	175	175
Eligible costs incurred for 2+ children	200	200	300	300	300	300	300	300
Percentage of eligible costs covered	70%	70%	70%	80%	80%	80%	80%	80%
<b>Common features</b>								
First income threshold <sup>7</sup>	5,060	5,060	5,220	5,220	5,220	6,420	6,420	6,420
First withdrawal rate	37%	37%	37%	37%	37%	39%	39%	39%
Second income threshold <sup>8</sup>	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Second withdrawal rate	1 in 15	1 in 15	1 in 15	1 in 15	1 in 15	1 in 15	1 in 15	1 in 15
First income threshold for those entitled to Child Tax Credit only <sup>9</sup>	13,230	13,480	13,910	14,155	14,495	15,575	16,040	16,190
Income increase disregard	2,500	2,500	2,500	25,000	25,000	25,000	25,000	25,000
Minimum award payable	26	26	26	26	26	26	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 20 (under 19 to 2005-06) 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.

<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 award with no tapering.