



**HM Revenue
& Customs**

HM REVENUE AND CUSTOMS

KAI Benefits & Credits

**Child and Working Tax Credits
Statistics**

Finalised annual awards

2009-10



A National Statistics Publication

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This issue, and issues back to 2003/04, can be found on the HMRC website:

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

The next issue, for 2010/11, will be published in May 2012. The exact date will be announced in due course.

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Child and Working Tax Credits Statistics

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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

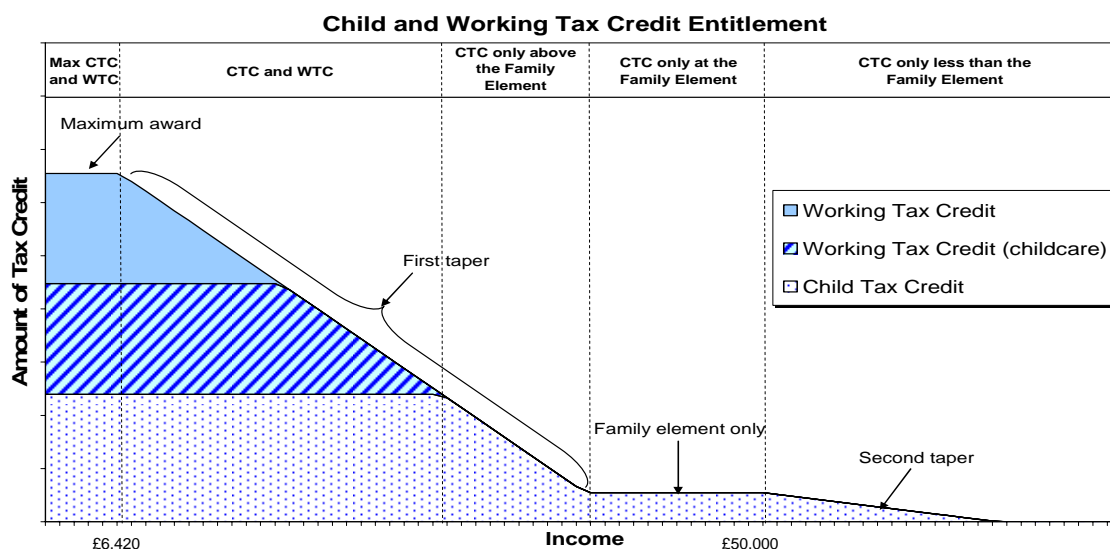
Tapering: is the amount of the award that will be reduced when the household income exceeds a given threshold. Tapering reduces WTC first, then CTC, then finally the Family Element

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, in 2009-10 families eligible for the WTC received the full entitlement until their annual household income reached £6,420, after which the amount of tax credits they received was reduced by 39 pence (the 'first taper') for each additional £1 they earned 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 (2009-10), 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 £16,040 (2009-10). 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 the finalised position of tax credit support.

What does this publication tell me?

The finalised awards are currently published in May around one year following completion of the entitlement year in question. The delay in publication is the result of the finalisation process built into the Tax Credits system. Most families have until *July 31st* following the end of the entitlement year to renew their award reporting their finalised income for the year in question. However, families that report income from Self-Assessment (e.g., the self-employed) have until *January 31st* of the following year to finalise their income. As a result, the full picture is not known until at least February the year after the entitlement year ends and consequently publication is delayed until May. These are National Statistics and the month of publication is pre-announced a year in advance in each publication.

Each release consists of four publications: the main publication, a supplementary payments publication, and the accompanying geographical publications. The statistics in this release include analysis at

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

This series has been produced 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 for anyone that is looking for the most comprehensive data on Tax Credits. Specifically, there are aggregate statistics on who is getting what level of tax credits support and the amount of that support, as well as breakdowns of both by various sub-categories - e.g., family composition, family income, work status, and geographical analyses. It may be of interest to academics, think-tanks, political parties interested in the twin aims of Tax Credits: eradicating child poverty and improving work incentives. Equally it may be of interest for 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?

If you are interested in looking at the level of tax credits support or are content with less timely tax credit population statistics, use this finalised awards data publication. If you are more concerned with getting the latest up-to-date information about tax credit claimants, 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 for all of or part of 2009-10.

The tables in Section 1 include both out-of-work and in-work families, and show the time series since 2003/04 of the tax credits population by profile position. Also included are the total levels of entitlement for each group. Table 1.2 provides further breakdowns of the population in terms of families, children and elements received.

Section 2 provides further breakdowns of the 2009/10 population, specifically those with children, in terms of family size, level of entitlement and profile position,

Section 3 goes into further detail about the average number of families benefiting from the various individual elements of tax credits, as well as a table showing the income used to calculate the award.

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) – these cases are being migrated over to HMRC. All the tables in this publication include all out of work families, irrespective of the source of their support.

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

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 May 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.

Main aggregates

Based on finalised awards, the average number of benefiting families during 2003-04 to 2009-10 were:

Millions

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Total out-of-work families (all with children)	1.4	1.38	1.41	1.40	1.39	1.43	1.48
In-work families							
With children							
<i>of which receiving more than the family element</i>	2.08	2.12	2.16	2.28	2.34	2.50	2.61
<i>of which receiving family element or less</i>	2.09	2.15	2.10	1.97	1.91	1.78	1.67
Total with children	4.17	4.28	4.26	4.25	4.25	4.28	4.28
With no children (receiving WTC only)	0.16	0.23	0.27	0.30	0.34	0.41	0.48
Total in-work families	4.34	4.51	4.53	4.56	4.59	4.69	4.76
Total number of families benefiting	5.70	5.89	5.94	5.96	5.98	6.12	6.25

And of the total number of benefiting families, those whose entitlements were higher because of certain tax credits elements were:

Thousands

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Families for which entitlements were higher because of:							
Childcare element	268	304	339	384	414	448	460
Disabled worker element	64	79	89	99	108	118	115
Baby addition to family element (out-of-work families)	151	153	153	164	167
Baby addition to family element (in-work families)	361	371	364	364	378	394	387

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

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Section 1 : Time series

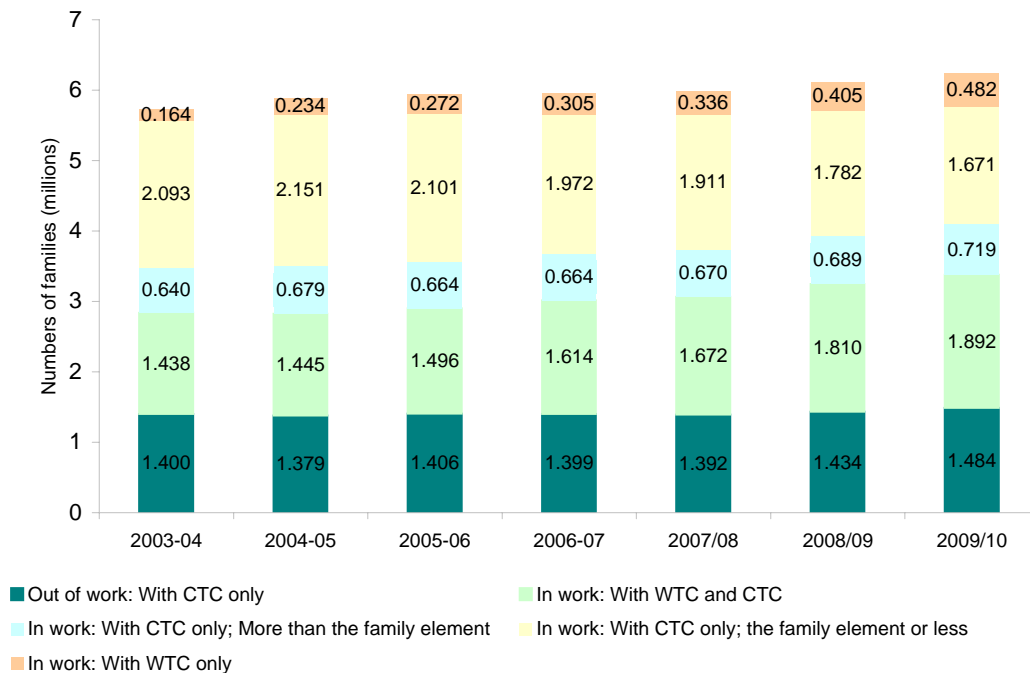
Section 1 provides statistics on the history of the Tax Credits system, between 2003-04 and 2009-10. This enables comparison across time, across different Tax Credits populations and describes how various parts of the system have changed over time.

Figure 1.1 shows that the overall numbers of families receiving tax credits has gradually risen over time. The number of families with children receiving tax credits had remained broadly level at around 5.65 million between 2003-04 and 2007-08 and has risen in the last two years to 5.77 million in 2009-10, mainly due to the rise in out of work families. The number of families without children (receiving WTC-only) is also largely responsible for the rise in the overall population. Within this broadly 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 1.4 million in 2003-04 to 1.9 million in 2009-10. 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 0.66 - 0.67 million although there have been small rises in this population since 2007-08. The numbers of in-work families receiving CTC only with a value of the family element or less has fallen from a relatively stable 2.1 million in 2003-04 to 2005-06 down to 1.7 million in 2009-10. Numbers of in-work families without children - receiving WTC only - have increased steadily since 2003-04, rising from around 164,000 to 482,000 in 2009-10.

The numbers of families receiving tax credits when out-of-work had remained stable at almost exactly 1.4 million until the rise in 2008-09 and 2009-10.

Figure 1.1: Numbers of families receiving different amounts of tax credits



Section 1 : Time series

Figure 1.2 shows that annual entitlement to tax credits has risen over time, increasing from around £16bn in 2003-04 to around £27bn in 2009-10. The bulk of entitlement is claimed by families entitled to either the full amount of CTC (when out of work) or families in work and entitled to both WTC and CTC. Over time, the proportion of entitlement covered by those claiming WTC and CTC has risen from around 51% to 56% of entitlement while the proportion covered by out of work families has fallen slightly from 31% to 27%.

Figure 1.2: Annual Entitlement by type of tax credits received

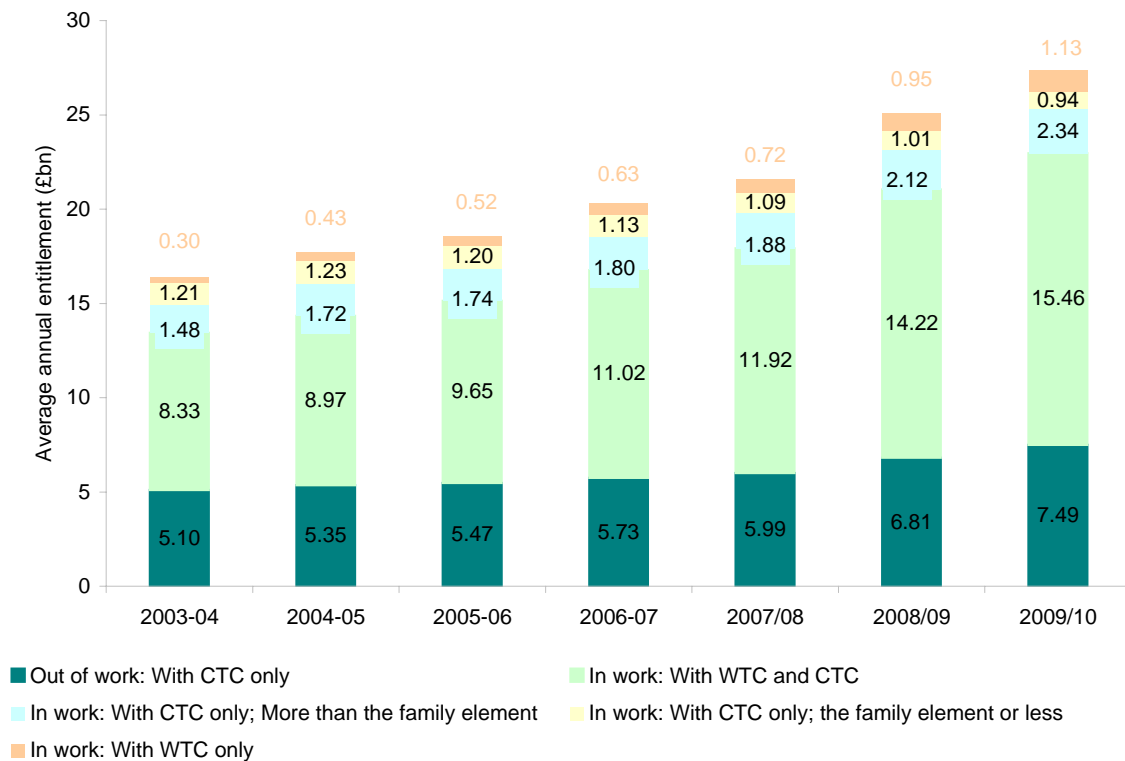


Table 1.1 Average number of recipient families and entitlement, 2003-04 to 2009-10*Thousands unless otherwise stated*

		Total out-of-work families ¹	In-work families					Total in-work families	Total in receipt (out-of-work and in-work families) ¹	
			With children			Total in-work families with children	With no children			
			Receiving WTC and CTC	Receiving CTC only	Receiving WTC only		Total in-work families			
			More than the family element	Family element or less						
2003-04 ²	Number of families	1.4m	1,438	640	2,093	4,171	164	4,336	5.7m	
	Entitlement (£million) ³	5,100	8,334	1,477	1,206	11,017	296	11,314	16,400	
2004-05 ²	Number of families	1,379	1,445	679	2,151	4,275	234	4,508	5,888	
	Entitlement to CTC	5,353	5,259	1,717	1,235	8,211	-	8,211	13,564	
	Entitlement to WTC	-	3,714	-	-	3,714	431	4,145	4,145	
	Total Entitlement (£million) ³	5,353	8,974	1,717	1,235	11,926	431	12,356	17,709	
2005-06 ²	Number of families	1,406	1,496	664	2,101	4,261	272	4,533	5,939	
	Entitlement to CTC	5,474	5,600	1,742	1,201	8,543	-	8,543	14,017	
	Entitlement to WTC	-	4,048	-	-	4,048	520	4,568	4,568	
	Total Entitlement (£million) ³	5,474	9,648	1,742	1,201	12,591	520	13,111	18,585	
2006-07 ²	Number of families	1,399	1,614	664	1,972	4,251	305	4,556	5,955	
	Entitlement to CTC	5,732	6,258	1,804	1,129	9,191	-	9,191	14,923	
	Entitlement to WTC	-	4,767	-	-	4,767	627	5,393	5,393	
	Total Entitlement (£million) ³	5,732	11,024	1,804	1,129	13,958	627	14,585	20,317	
2007-08 ²	Number of families	1,392	1,672	670	1,911	4,253	336	4,589	5,981	
	Entitlement to CTC	5,986	6,721	1,885	1,087	9,693	-	9,693	15,679	
	Entitlement to WTC	-	5,196	-	-	5,196	719	5,915	5,915	
	Total Entitlement (£million) ³	5,986	11,918	1,885	1,087	14,890	719	15,609	21,595	
2008-09 ²	Number of families	1,434	1,810	689	1,782	4,281	405	4,686	6,120	
	Entitlement to CTC	6,811	8,073	2,123	1,013	11,210	-	11,210	18,020	
	Entitlement to WTC	-	6,145	-	-	6,145	952	7,097	7,097	
	Total Entitlement (£million) ³	6,811	14,218	2,123	1,013	17,354	952	18,306	25,117	
2009-10	Number of families	1,484	1,892	719	1,671	4,283	482	4,765	6,249	
	Entitlement to CTC	7,486	8,920	2,345	945	12,210	-	12,210	19,696	
	Entitlement to WTC	-	6,541	-	-	6,541	1,134	7,675	7,675	
	Total Entitlement (£million) ³	7,486	15,462	2,345	945	18,751	1,134	19,885	27,371	

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 Appendix A for the definitions of these amounts. For 2003-04, rounded to the nearest £0.1bn

Table 1.2 Average number of recipient families and entitlement by family type and profile position, 2003-04 to 2009-10

	<i>Thousands, and £million</i>						
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
All families							
Total out-of-work families ¹	1.4m	1,379	1,406	1,399	1,392	1,434	1,484
WTC and CTC	1,438	1,445	1,496	1,614	1,672	1,810	1,892
CTC only, > family element	640	679	664	664	670	689	719
CTC family element	1,982	2,019	1,961	1,851	1,777	1,633	1,519
CTC < family element	112	133	140	122	134	149	153
Total in-work with children	4,171	4,275	4,261	4,251	4,253	4,281	4,283
With no children (receiving WTC only)	164	234	272	305	336	405	482
Total in-work families	4,336	4,508	4,533	4,556	4,589	4,686	4,765
Total families¹	5.7m	5,888	5,939	5,955	5,981	6,120	6,249
Single adults with children							
Total out-of-work families ¹	1.1m	1,031	1,055	1,062	1,059	1,073	1,090
WTC and CTC	788	799	828	862	898	966	988
CTC only, > family element	94	105	105	99	104	103	108
CTC family element	107	116	116	108	107	99	98
CTC < family element	1	1	1	1	1	2	2
Total in-work families with children	990	1,021	1,050	1,070	1,110	1,169	1,196
Total single adults with children¹	2.2m	2,052	2,105	2,132	2,169	2,242	2,286
All children							
Total out-of-work families ¹	2.6m	2,624	2,666	2,664	2,634	2,744	2,825
WTC and CTC	2,628	2,606	2,685	2,895	2,997	3,240	3,361
CTC only, > family element	1,382	1,449	1,409	1,405	1,412	1,439	1,483
CTC family element	3,280	3,229	3,087	2,893	2,760	2,499	2,291
CTC < family element	198	231	241	210	230	258	264
Total in-work families	7,488	7,515	7,422	7,403	7,399	7,437	7,399
Total children¹	10.1m	10,139	10,088	10,067	10,033	10,181	10,225
Families benefiting from:							
30 hour element	1,628	1,716	1,757	1,885	1,950	2,118	2,248
Disabled worker element	64	79	89	99	108	118	115
Severely disabled adult element	47	34	28	30	31	33	33
50+ return to work element	8	15	14	14	15	17	15
Childcare element - singles	185	208	233	250	268	286	286
Childcare element - couples	83	96	106	133	147	163	174
Baby addition to family element - out-of-work families ¹	151	153	153	164	167
Baby addition to family element - in-work families	361	371	364	364	378	394	387
Disabled child element in-work families ²	98	107	110	116	121	132	142
Severely disabled child element - in-work families ²	45	47	47	48	47	52	57
Annual entitlement (£ million)							
Total out-of-work families ¹	5,100	5,353	5,474	5,732	5,986	6,811	7,486
WTC and CTC	8,334	8,974	9,648	11,024	11,918	14,218	15,462
CTC only, > family element	1,477	1,717	1,742	1,804	1,885	2,123	2,345
CTC family element	1,166	1,190	1,156	1,090	1,044	965	896
CTC < family element	40	45	45	39	43	48	49
Total in-work with children	11,017	11,926	12,591	13,958	14,890	17,354	18,751
With no children (receiving WTC only)	296	431	520	627	719	952	1,134
Total in-work families	11,314	12,356	13,111	14,585	15,609	18,306	19,885
Total families¹	16,400	17,709	18,585	20,317	21,595	25,117	27,371

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.

Section 2 : Summary tables

Section 2 provides summary information on the tax credits population in 2009-10 at the higher level of aggregation. Section 3 goes 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 1,930 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.

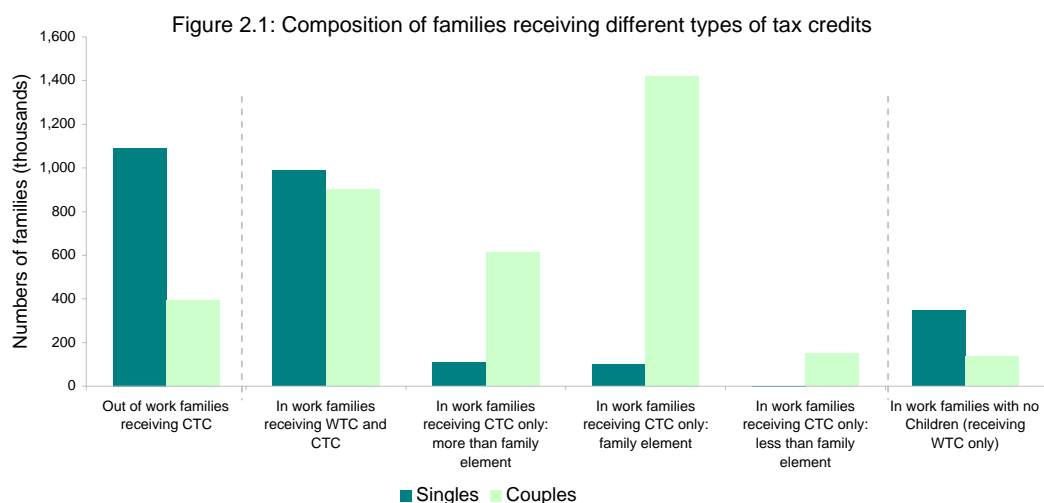
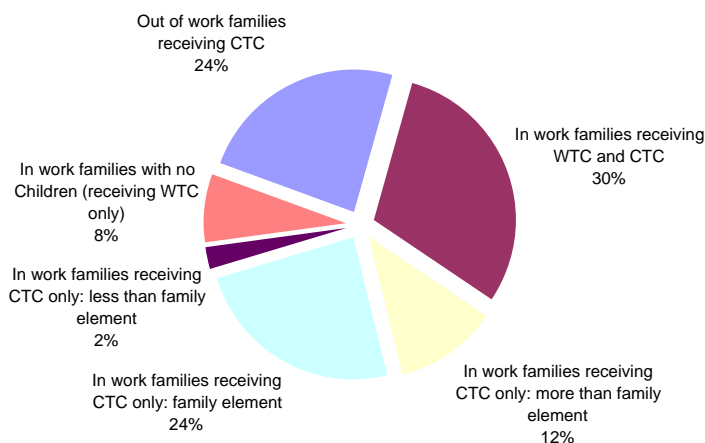


Figure 2.2 shows that 24% of families in receipt of tax credits are out-of-work families with the remaining 76% of families in receipt in-work families. Within this, 30% of families in receipt are receiving the higher value awards (WTC and CTC) while 12% are receiving CTC-only at a value greater than the family element ('on the first taper' - see section 1). 27% are receiving CTC-only to a value of the family element or less while the remaining 8% are in-work families with no children (receiving WTC-only).

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



Section 2 : Summary tables

Figure 2.3 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 almost 280,000 families with 4 or more children.

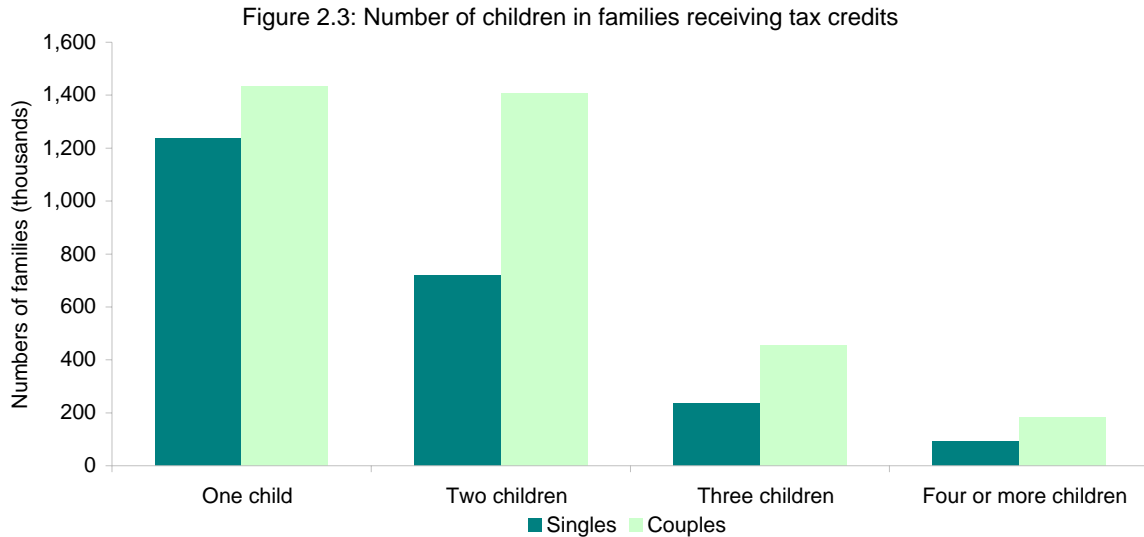


Figure 2.4 shows that the largest proportion of awards are of the value of £1,000 or less, followed by the largest value awards - those of the value £7,000 and over.

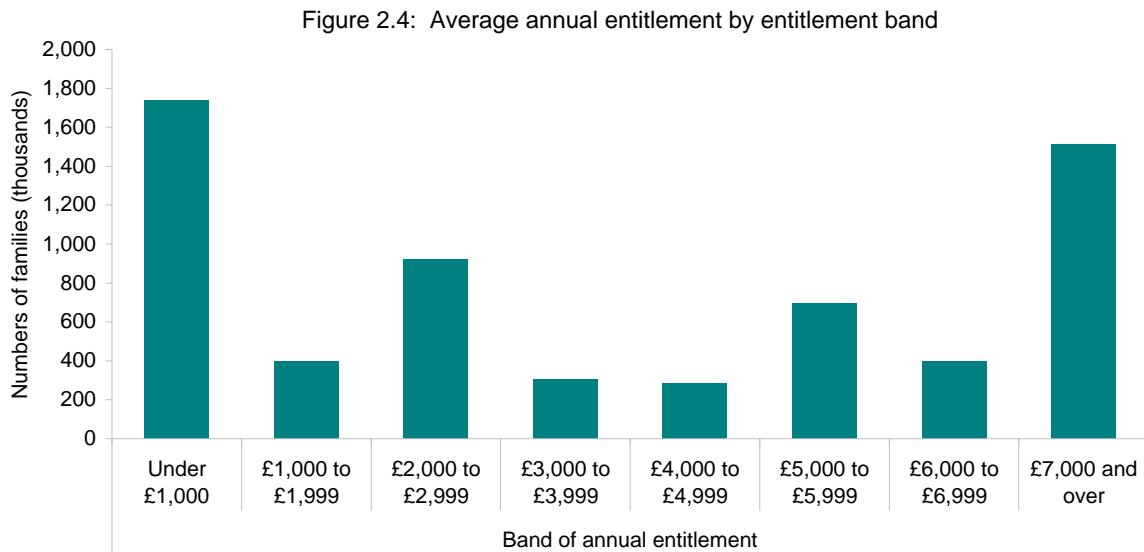


Table 2.1 Average number of recipient families, couples and singles and their children*Thousands*

	Families			Number of children in recipient families
	Singles	Couples	Total	
Out-of-work families with children				
Receiving CTC	956	348	1,304	2,449
<i>of which maximum award¹</i>	947	313	1,260	2,375
<i>of which tapered</i>	9	35	44	74
Receiving family premia in benefits ²	134	46	180	376
Total out-of-work families with children	1,090	394	1,484	2,825
In-work families				
With children				
Of which receiving WTC and CTC				
<i>and maximum award¹</i>	418	240	658	1,215
<i>and tapered</i>	570	664	1,234	2,146
Total receiving WTC and CTC	988	904	1,892	3,361
Of which receiving CTC only				
<i>and more than family element</i>	108	611	719	1,483
<i>and family element</i>	98	1,421	1,519	2,291
<i>and less than family element</i>	2	151	153	264
Total receiving CTC only	208	2,183	2,391	4,039
Total with children	1,196	3,087	4,283	7,399
With no children (receiving WTC only)				
<i>of which maximum award¹</i>	133	27	161	-
<i>of which tapered</i>	213	109	322	-
Total with no children (receiving WTC only)	346	136	482	-
Total in-work families	1,542	3,223	4,765	7,399
All families				
With children	2,286	3,481	5,767	10,225
With no children (receiving WTC only)	346	136	482	-
Total all families	2,633	3,617	6,249	10,225

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 2.2 Average number of recipient families with children by family size, and annual and average entitlements*Thousands, and £million*

	Total out-of-work families (with children) ¹	In-work families				Total in-work families (with children)	Total in receipt (out-of-work and 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				
Family size							
Singles							
One child	528	569	58	80	1	708	1,236
Two children	342	319	41	16	1	376	718
Three children	147	81	8	1	-	91	237
Four or more children	74	19	1	-	-	21	95
Total singles	1,090	988	108	98	2	1,196	2,286
Couples							
One child	145	325	140	764	61	1,290	1,435
Two children	128	344	297	568	71	1,280	1,407
Three children	70	157	131	82	16	385	456
Four or more children	51	78	44	7	3	132	182
Total couples	394	904	611	1,421	151	3,087	3,481
All families							
One child	673	894	198	844	63	1,999	2,671
Two children	470	663	337	584	72	1,656	2,126
Three children	217	238	139	83	16	476	693
Four or more children	125	97	45	7	3	152	277
Total all families	1,484	1,892	719	1,519	153	4,283	5,767
With a child aged under one year	167	174	78	118	17	387	553
Number of children							
Single families	1,970	1,532	171	116	3	1,822	3,792
Couple families	855	1,828	1,313	2,175	261	5,578	6,433
All children	2,825	3,361	1,483	2,291	264	7,399	10,225
Average annualised entitlement							
One child	£2,918	£6,269	£1,874	£593	£328	£3,250	£3,167
Two children	£5,238	£8,720	£3,060	£585	£309	£4,335	£4,535
Three children	£7,641	£11,198	£4,515	£593	£317	£7,024	£7,217
Four or more children	£11,246	£14,542	£6,942	£603	£344	£11,387	£11,323
Total average annualised entitlement	£5,043	£8,172	£3,260	£590	£318	£4,378	£4,550
Total annual entitlement (£ million)							
One child	1,964	5,604	371	501	21	6,496	8,459
Two children	2,460	5,783	1,032	342	22	7,179	9,639
Three children	1,658	2,660	629	49	5	3,343	5,001
Four or more children	1,405	1,414	313	4	1	1,733	3,138
Total annual entitlement	7,486	15,462	2,345	896	49	18,751	26,238

Table 2.3 Average number of recipient families in each band of annual entitlement*Thousands*

	Band of annual entitlement								Total families
	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	
All families									
Total out-of-work families ¹	24	5	563	66	3	437	13	372	1,484
WTC ¹ and CTC	-	-	20	102	117	209	349	1,094	1,892
CTC only, > family element	63	168	169	102	103	37	33	44	719
CTC family element	1,401	118	-	-	-	-	-	-	1,519
CTC < family element	150	3	-	-	-	-	-	-	153
Total in-work families with children	1,614	289	188	204	220	247	383	1,138	4,283
With no children (receiving WTC only)	99	102	169	34	60	12	4	3	482
Total in-work families	1,713	391	357	238	280	259	387	1,141	4,765
Total families	1,736	396	921	304	283	696	400	1,513	6,249
Number of children									
Singles									
Out-of-work families ¹	4	1	452	50	1	328	9	245	1,090
No children (receiving WTC only)	76	77	144	14	26	9	1	-	346
One child	89	24	33	46	61	85	199	173	708
Two children	19	6	8	10	13	19	27	275	376
Three children	1	-	1	1	1	2	2	82	91
Four or more children	-	-	-	-	-	-	-	20	21
Total in-work families	185	107	185	70	102	114	229	550	1,542
Total singles	189	108	638	120	102	442	238	795	2,633
Couples									
Out-of-work families ¹	19	4	111	16	3	109	4	127	394
No children (receiving WTC only)	22	26	25	20	33	3	3	3	136
One child	777	130	61	62	59	56	68	78	1,290
Two children	622	104	65	64	63	62	61	240	1,280
Three children	96	22	17	19	19	20	21	170	385
Four or more children	10	3	3	3	4	4	5	100	132
Total in-work families	1,528	284	172	167	178	145	158	591	3,223
Total couples	1,547	288	283	184	181	254	162	718	3,617
All families									
Out-of-work families ¹	24	5	563	66	3	437	13	372	1,484
No children (receiving WTC only)	99	102	169	34	60	12	4	3	482
One child	866	153	95	107	120	140	267	251	1,999
Two children	641	109	73	74	76	81	87	515	1,656
Three children	98	23	18	20	21	22	24	252	476
Four or more children	10	3	3	3	4	4	5	120	152
Total in-work families	1,713	391	357	238	280	259	387	1,141	4,765
Total families	1,736	396	921	304	283	696	400	1,513	6,249

¹ 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.

² Where 2009-10 income is more than £25,000 above 2008-09 income, 2009-10 income less £25,000 is used. See the Technical Note

Section 3 : Detailed figures

Section 3 focuses on detailed breakdowns of the tax credits population. It reports the numbers of families entitled to specific elements within tax credits and more detailed information on levels of income.

Figure 3.1 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 category for both lone-parents and couples is the £20-£39.99 per week category with decreasing numbers of families eligible for higher amounts as the size of the costs allowed increases. It is also much more likely for lone parents to have childcare costs than couples (26% of eligible population compared to 11%).

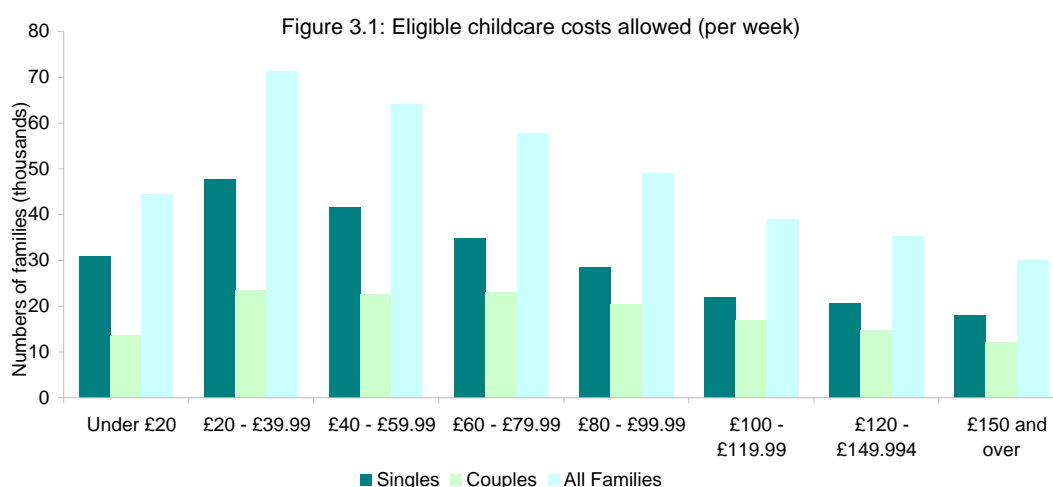


Figure 3.2 shows that tax credits covers a broad range of incomes up to £50,000. Broadly speaking, the higher the income used to taper the award, the fewer the numbers of families in receipt - reflecting the targeted approach to financial support in built in the Tax Credits system.

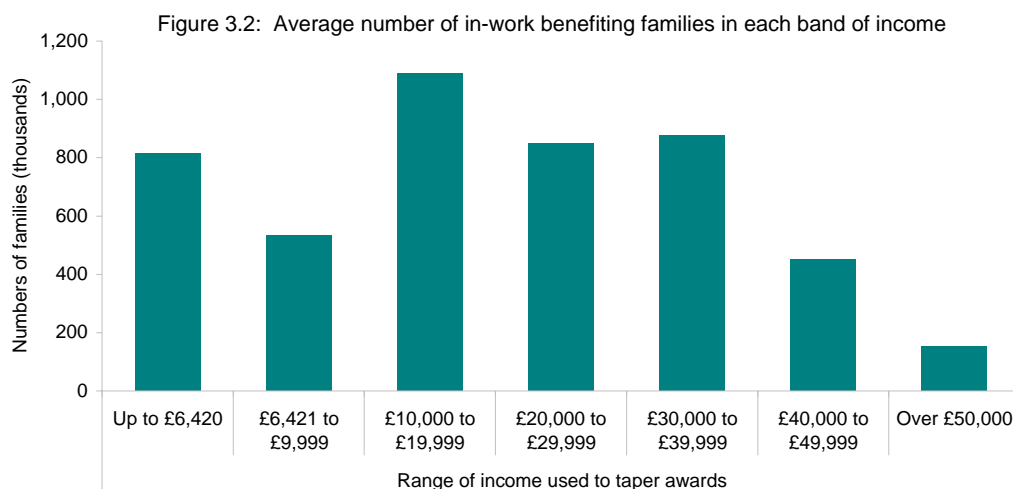


Table 3.1 Average number of in-work families benefiting from the 30 hour credit*Thousands*

	Singles with children	Singles with no children	Couples with children	Couples with no children	Total
WTC and CTC	416	-	705	-	1,121
CTC only, > family element	92	-	589	-	681
With no children (receiving WTC only)	-	314	-	132	446
Total families benefiting¹	508	314	1,294	132	2,248

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 3.2 Average number of in-work families benefiting from the childcare element*Thousands*

	Singles	Couples	Total
WTC and CTC	269	104	373
CTC only, > family element	17	70	87
Eligible childcare costs allowed (per week)			
Under £20	31	14	44
£20 - £39.99	48	23	71
£40 - £59.99	42	23	64
£60 - £79.99	35	23	58
£80 - £99.99	29	20	49
£100 - £119.99	22	17	39
£120 - £139.99	21	15	35
£140 - £159.99	18	12	30
£160 - £179.99	22	13	35
£180 - £199.99	4	3	7
£200 - £249.99	7	6	12
£250 or more	9	6	15
Total families benefiting¹	286	174	460
Increase in annualised entitlement through this element (£ million)	1,043	575	1,618
Average help with childcare costs ² (£ per week)	£70.06	£63.21	£67.46

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 3.3 Average number of 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
WTC and CTC	17	-	22	-	39
CTC only, > family element	-	-	7	-	7
With no children (receiving WTC only)	-	52	-	16	68
Total families benefiting¹	17	52	29	16	115
One disabled worker ² in family	17	52	28	16	113
Both adults are disabled workers ²	-	-	1	1	1
Total families benefiting¹	17	52	29	16	115

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 3.4.

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

Table 3.4 Average number of in-work families benefiting from the severely disabled adult element*Thousands*

	Singles with children	Singles with no children	Couples with children	Couples with no children	Total
WTC and CTC	2	-	13	-	15
CTC only, > family element	-	-	5	-	5
With no children (receiving WTC only)	-	4	-	9	13
Total families benefiting¹	2	4	17	9	33
One severely disabled adult	2	4	17	9	32
Both adults are severely disabled	-	-	-	-	-
Total families benefiting¹	2	4	17	9	33

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 3.5 Average number of 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	
WTC and CTC	32	1	44	4	81
CTC only, > family element	4	-	51	5	61
Total families benefiting^{1,2}	36	2	95	9	142
Family size					
One child	15	-	20	-	34
Two children	15	1	41	4	60
Three children	5	-	23	3	32
Four or more children	1	-	12	2	16
Total families benefiting^{1,2}	36	2	95	9	142
Number of disabled children in benefiting families	36	3	95	19	154

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

	Singles	Couples	All
WTC and CTC	11	20	31
CTC only, > family element	2	24	26
Total families benefiting^{1,2}	13	44	57
Family size			
One child	5	8	13
Two children	5	18	24
Three children	2	11	13
Four or more children	1	6	7
Total families benefiting^{1,2}	13	44	57
Number of severely disabled children in benefiting families	13	46	60

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 3.7 Average number of in-work benefiting families in each band of income 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	
With children								
Of which receiving WTC and CTC	653	407	754	65	11	1	-	1,892
Of which receiving CTC only <i>and above family element and family element and below family element</i>	-	-	142	473	91	12	1	719
	-	-	-	308	774	437	-	1,519
	-	-	-	-	-	-	153	153
Total with children	653	407	896	846	876	450	154	4,283
With no children (receiving WTC only)	161	125	194	3	-	-	-	482
Total in-work recipient families	814	532	1,090	849	876	450	154	4,765
Comparison of income in 2008-09 and 2009-10:								
Income falling between 2008-09 and 2009-10:								
Increasing award value in 2009-10	117	197	408	212	48	47	46	1,074
Not affecting award value in 2009-10 ³	134	1	2	53	84	28	-	301
Income increasing between 2008-09 and 2009-10:								
by up to the £25,000 income disregard:	562	333	677	581	741	371	106	3,372
by more than the £25,000 income disregard:								
Reducing award value in 2009-10	-	1	3	3	2	1	2	11
Not affecting award value in 2009-10 ³	1	-	-	-	3	3	-	7
Total in-work recipient families	814	532	1,090	849	876	450	154	4,765

¹ See Appendix A. After deducting the income increase disregard, but before deducting the first threshold.

² Where 2009-10 income is more than £25,000 above 2008-09 income, 2009-10 income less £25,000 is used. See the Appendix A

³ Even where 2009-10 incomes are below 2008-09 incomes, or are more than £25,000 above 2008-09 incomes, awards may remain at the maximum, at the family level or tapered to zero.

Appendix A: Technical Note

Using finalised awards data

The figures for 2009-10 in the table are mostly derived from a scan of the tax credits computer system taken in early April 2011. 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 2008-09 and 2009-10 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 who received their child support via Income Support or income-based Jobseeker's Allowance (IS-JSA) rather than CTC. A scan of such families at August 2008 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 2009. The level of entitlement at August 2009 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 2009 aggregates were scaled by a factor needed to produce a separately-estimated overall average for the year. The annualised August 2009 entitlements were also scaled to agree with the separately known total of expenditure via benefits for these families.

Interpreting 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.

¹ In accordance with the tax credits system, the income used to taper the award was the 2009-10 income, if that was lower than the 2008-09 income; the 2008-09 income if the 2009-10 income was less than £25,000 higher; and the 2009-10 income less £25,000 if this was more than £25,000 higher than the 2008-09 income.

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.

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.

Revisions policy

Our policy, for all tax credit statistics, is that once the publication has been published, there will be no revisions of the data. In exceptional circumstances where further work identifies errors in the publication then a revision will be made, with an accompanying explanation on the HMRC website.

Appendix B: 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
Child Tax Credit							
Family element	545	545	545	545	545	545	545
Family element, baby addition ¹	545	545	545	545	545	545	545
Child element ²	1,445	1,625	1,690	1,765	1,845	2,085	2,235
Disabled child additional element ³	2,155	2,215	2,285	2,350	2,440	2,540	2,670
Severely disabled child additional element ⁴	865	890	920	945	980	1,020	1,075
Working Tax Credit							
Basic element	1,525	1,570	1,620	1,665	1,730	1,800	1,890
Couples and lone parent element	1,500	1,545	1,595	1,640	1,700	1,770	1,860
30 hour element ⁵	620	640	660	680	705	735	775
Disabled worker element	2,040	2,100	2,165	2,225	2,310	2,405	2,530
Severely disabled adult element	865	890	920	945	980	1,020	1,076
50+ return to work payment ⁶							
16 but less than 30 hours per week	1,045	1,075	1,110	1,140	1,185	1,235	1,300
at least 30 hours per week	1,565	1,610	1,660	1,705	1,770	1,840	1,935
Childcare element							
Maximum eligible costs allowed (£ per week)							
Eligible costs incurred for 1 child	135	135	175	175	175	175	175
Eligible costs incurred for 2+ children	200	200	300	300	300	300	300
Percentage of eligible costs covered	70%	70%	70%	80%	80%	80%	80%
Common features							
First income threshold ⁷	5,060	5,060	5,220	5,220	5,220	6,420	6,420
First withdrawal rate	37%	37%	37%	37%	37%	39%	39%
Second income threshold ⁸	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
First income threshold for those entitled to Child Tax Credit only ⁹	13,230	13,480	13,910	14,155	14,495	15,575	16,040
Income increase disregard	2,500	2,500	2,500	25,000	25,000	25,000	25,000
Minimum award payable	26	26	26	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 20 (under 19 to 2005-06) and in full-time non-advanced education, or under 19 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.