



**HM REVENUE AND CUSTOMS**

**Analysis Team**

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**Child and Working Tax Credits  
Statistics**

**Finalised awards  
2006-07**

**Supplement on payments in  
2006-07**

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## Child and Working Tax Credits Statistics

### Finalised awards 2006-07

#### Supplement on payments in 2006-07

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## Introduction

The main publication, "Child and Working Tax Credits Statistics. Finalised Awards 2006-07", shows the average number of families with positive<sup>1</sup> entitlements to tax credits awards during 2006-07, the elements from which they benefited, and the levels of their entitlements. The figures are based on "finalised" awards - those based on the families' circumstances and incomes as reported by early April 2008.

These tables show the number of 2006-07 awards, analysed by whether payments etc<sup>2</sup> for 2006-07 and issued in 2006-07 were lower or higher than the finalised entitlement. Such awards are described as underpaid or overpaid at 5 April 2007, respectively. Note that this is known only after awards are finalised.

## How overpayments and underpayments arise

During 2006-07, payments were based on the latest information reported on the family's circumstances (hours worked, number of children, disabilities, childcare costs) and income. Families were encouraged to report any changes when they occurred, and in-year estimates of 2006-07 incomes. Payments were then adjusted so that, as far as possible, the new calculated annual entitlement was paid over by 5 April 2007.

Most underpayments and overpayments arose through no 2006-07 incomes being reported until finalisation in 2007-08<sup>3</sup>. They also arose when claimants failed to report changes of circumstances until after the year end; or when changes (or estimated 2006-07 incomes) reducing entitlement were reported in-year but there was insufficient time to reduce payments in the rest of the year to prevent an overpayment. They could also arise through official error.

## Terminated awards

2006-07 awards are described as "Terminated" if the families (a) failed to report by the specified date their actual 2005-06 incomes or other details, (b) according to the latest information, ceased to meet the qualifying conditions for tax credits<sup>4</sup> before the start of 2006-07, or (c) failed to return a signed 2006-07 award notice,

The entitlements of such awards are set to zero. The awards are included in the tables if payments for 2006-07 were made during 2006-07, and not fully recovered (and not remitted) in 2006-07; they are by definition overpaid at 5 April 2007.

## Repayments of underpayments, and overpayment recovery

Underpayments are repaid as lump sums. Overpayments are recovered by reducing future payments, or directly if there are no current payments. For further details, see the HMRC Code of Practice 26, "What happens when we have paid you too much tax credits?" This also explains remitting overpayments arising from official error.

<sup>1</sup> That is, excluding families for periods when their incomes reduced their awards to zero

<sup>2</sup> Payments are scored after adding back reductions made to recover earlier overpayments. Other transactions include the in-year direct recovery and remission of 2006-07 overpayments.

<sup>3</sup> Initial awards were based on 2005-06 incomes. The first £25,000 of any increase in income between then and 2006-07 was however disregarded.

<sup>4</sup> Responsible for children; or including an adult who was a disabled worker, returned to work in the last year aged 50+, or was aged 25+ and worked for 30+ hours per week.

**Disputed overpayments, remissions and recovery suspension**

Overpayments remitted due to official error are included in the tables unless remitted by 5 April 2007. The recovery of overpayments can also be suspended pending investigations or decisions; these overpayments are included in the tables even if the suspension was active at 5 April 2007.

**Overpayments arising after the year end, and from unposted payments**

The data used to compile the main tables exclude (a) manual payments issued in 2006-07 but not posted to customer accounts by 5 April 2008 and (b) payments and other transactions for 2006-07 made after that date .

Aggregates including these transaction, and the equivalent figures for 2003-04, 2004-05 and 2005-06, are shown in the Main Aggregates page of this publication. They are not measures of overpayments at 5 April at the end of each year. Rather, they approximate the sum of the maximum amounts for each award on or after that date. The figures are heavily rounded, reflecting the fact that they are approximate. They fall outside National Statistics.

**Small underpayments and overpayments**

34 thousand awards were underpaid, and 68 thousand overpaid, by less than £10 (excluding amounts under £1). Many of these amounts arose from rounding within the award calculation and payment. We have judged that users would prefer the figures of underpaid and overpaid awards to exclude these cases.

**Families and awards**

Tax credits awards are made to single adults or couples. No adult can be in more than one current award; when a couple breaks up, or a single adult becomes part of a couple, the award ceases and either or both adults can apply for new awards.

The main publication shows the average number of benefiting families in 2006-07, which is the same as the number of awards with positive entitlement averaged over the year. These tables cover all 2006-07 awards, so individuals can be represented more than once.

To give some information on families, however, several tables distinguish between (a) families with awards current at 5 April 2007 and (b) other awards. The latter comprises awards terminated, ceased by 5 April 2007, or made only in 2007-08 and backdated.

**The coverage of out-of-work families with children**

The tables in the main publication include out of work families receiving their child support via Income Support or income-based Jobseeker's Allowance. This publication is restricted to tax credits awards, and so excludes payments, underpayments and overpayments of these benefits.

**Geographical analyses**

A separate publication gives analyses by region, local authority and parliamentary constituency, of the number of 2006-07 awards with underpayments and overpayments and their values.

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**Main aggregates**

The figures in the top section of the following table relate to underpayments and overpayments in finalised 2006-07 awards at 5 April 2007 as recorded on the tax credits computer system, and the equivalent figures for 2003-04, 2004-05 and 2005-06. More details are shown in the later tables. The figures of overpayments in the bottom section also take account of certain other transactions. They are approximate, and therefore heavily rounded. No further analysis of these figures appears in the later tables.

	2003-04 awards	2004-05 awards	2005-06 awards	2006-07 awards
<b>Underpaid awards<sup>1</sup></b>				
Total ('000)	713	906	886	838
Aggregate amount underpaid (£ million)	464	556	549	525
<b>Overpaid awards<sup>1</sup></b>				
Terminated awards <sup>2</sup> ('000)	30	228	254	208
Aggregate amount overpaid (£ million)	8	395	378	307
Other awards ('000)	1,849	1,730	1,648	1,083
Aggregate amount overpaid (£ million)	1,923	1,300	1,195	646
Total ('000)	1,879	1,958	1,902	1,291
Aggregate amount overpaid (£ million)	1,931	1,695	1,573	953
<b><u>Transactions excluded from the detailed tables<sup>3</sup></u></b>				
<i>Off-system and late payments increasing overpayments</i>	<i>£0.3bn</i>	<i>£0.1bn</i>	<i>£0.1bn</i>	<i>£0.05bn</i>
<b><u>Total overpayments including these transactions<sup>3</sup></u></b>				
<i>Terminated awards<sup>2</sup></i>	<i>-</i>	<i>£0.4bn</i>	<i>£0.4bn</i>	<i>£0.3bn</i>
<i>Other awards</i>	<i>£2.2bn</i>	<i>£1.4bn</i>	<i>£1.2bn</i>	<i>£0.6bn</i>
<i>Total overpayments</i>	<i>£2.2bn</i>	<i>£1.8bn</i>	<i>£1.7bn</i>	<i>£1.0bn</i>

<sup>1</sup> Excluding awards underpaid or overpaid by less than £10

<sup>2</sup> See "Terminated awards" in the Introduction. The main classes of terminated awards are those for which the family failed to report, by the specified date, the actual previous year's income or other details; or the latest information indicates that the family ceased to meet the qualifying conditions for tax credits at a date before the start of the year. The first reason did not apply to 2003-04 awards, and the second reason applied to few such awards with overpayments.

<sup>3</sup> See "Overpayments arising after the year end, and from unposted payments" in the Introduction. These figures fall outside National Statistics

**Table 1 Finalised 2006-07 awards; aggregate entitlement, payments and whether underpaid or overpaid at 5 April 2007**

	Awards (thousands)	Entitlement for 2006-07 (£ million)	Net paid <sup>1</sup> (£ million)	Net overpayment at 5 April 2007 (£ million)
<b>Awards underpaid<sup>2</sup></b>				
Made after 5 April 2007 and backdated	140	79	-	-79
Other	698	2,901	2,455	-446
<b>Total</b>	<b>838</b>	<b>2,980</b>	<b>2,455</b>	<b>-525</b>
Awards neither underpaid nor overpaid	4,401	12,404	12,404	-
<b>Awards overpaid<sup>2</sup></b>				
Terminated <sup>3</sup>	208	-	307	307
Other	1,083	2,834	3,480	646
<b>Total<sup>3</sup></b>	<b>1,291</b>	<b>2,834</b>	<b>3,787</b>	<b>953</b>
<b>Total 2006-07 awards made<sup>3</sup></b>	<b>6,530</b>	<b>18,218</b>	<b>18,646</b>	<b>428</b>

<sup>1</sup> After adding back reductions to recover 2003-04, 2004-05 and 2005-06 overpayments. Net of repayments and remissions.

<sup>2</sup> Awards with underpayments or overpayments under £10 are counted as neither underpaid nor overpaid in this publication. See "Small underpayments and overpayments" in the Introduction.

<sup>3</sup> Excluding terminated awards with no overpayment at 5 April 2007. See the Introduction.

**Table 2 Families with finalised 2006-07 awards underpaid or overpaid at 5 April 2007**

	Awards (thousands)	Net overpayment (£ million)
<b>Awards underpaid<sup>1</sup></b>		
Families with awards at 5 April 2007	667	-418
Awards made after 5 April 2007 and backdated	140	-79
Awards ceased during 2006-07	31	-27
<b>Total</b>	<b>838</b>	<b>-525</b>
<b>Awards overpaid<sup>1</sup></b>		
Terminated awards	208	307
Families with awards at 5 April 2007	761	526
Awards ceased during 2006-07	321	120
<b>Total</b>	<b>1,291</b>	<b>953</b>

<sup>1</sup> See footnote 2 to Table 1

Note. The level of under or overpayment at 5 April 2007 for each award is based on the 2006-07 entitlement calculated from the family's circumstances and income in 2006-07 reported by April 2008.

**Table 3 Finalised 2006-07 awards underpaid or overpaid at 5 April 2007, by size of under or overpayment**

	Underpaid awards <sup>1</sup> (thousands)	Underpayment at 5 April 2007 (£ million)	Overpaid awards <sup>1</sup> (thousands)	Overpayment at 5 April 2007 (£ million)
<b>Band of underpayment or overpayment</b>				
<b>All awards</b>				
Up to £50	110	3	154	5
£50 to £100	95	7	154	11
£100 to £200	131	19	198	29
£200 to £500	211	69	293	95
£500 to £1,000	135	96	206	148
£1,000 to £2,000	97	135	164	229
£2,000 to £5,000	51	149	105	308
Over £5,000	7	46	18	128
Total	838	525	1,291	953
<b>Terminated awards</b>				
Up to £50	-	-	3	-
£50 to £100	-	-	9	1
£100 to £200	-	-	18	3
£200 to £500	-	-	42	13
£500 to £1,000	-	-	38	28
£1,000 to £2,000	-	-	47	66
£2,000 to £5,000	-	-	42	124
Over £5,000	-	-	10	73
Total	-	-	208	307
<b>Families with awards at 5 April 2007</b>				
Up to £50	87	2	93	3
£50 to £100	74	5	93	7
£100 to £200	102	15	114	17
£200 to £500	171	56	172	56
£500 to £1,000	108	77	129	93
£1,000 to £2,000	78	108	97	136
£2,000 to £5,000	41	121	56	162
Over £5,000	5	34	8	52
Total	667	418	761	526
<b>Other awards<sup>2</sup></b>				
Up to £50	22	1	58	2
£50 to £100	21	2	52	4
£100 to £200	29	4	66	10
£200 to £500	40	13	79	25
£500 to £1,000	27	19	39	27
£1,000 to £2,000	19	27	19	27
£2,000 to £5,000	10	29	8	22
Over £5,000	2	12	1	4
Total	171	106	321	120

<sup>1</sup> Excluding awards with underpayments or overpayments under £10. See "Small underpayments and overpayments" in the introduction.

<sup>2</sup> Awards not made, or ceased, by 5 April 2007.

Note. The level of under or overpayment at 5 April 2007 for each award is based on the 2006-07 entitlement calculated from the family's circumstances and income in 2006-07 reported by April 2008.

**Table 4 Finalised 2006-07 awards underpaid or overpaid at 5 April 2007, by position on profile at that date (and as assessed at that date)**

	Underpaid awards <sup>1</sup> (thousands)	Underpayment at 5 April 2007 (£ million)	awards <sup>1</sup> (thousands)	Overpayment at 5 April 2007 (£ million)
<b>All families</b>				
Terminated awards <sup>2</sup>	-	-	208	307
Positive entitlement at 5/4/07				
Not in work with children	59	36	77	56
In work with children				
WTC and CTC	281	154	273	248
CTC only, more than family element	134	116	141	106
CTC family element	76	66	78	55
CTC, less than family element	31	6	23	5
In work, no children (WTC only)	52	24	49	27
Entitlement at 5/4/07 tapered to zero	34	17	121	28
Awards ceased during 2006-07	31	27	321	120
Awards made after 5/4/07 and backdated	140	79	-	-
<b>Total</b>	<b>838</b>	<b>525</b>	<b>1,291</b>	<b>953</b>
<b>Singles</b>				
Terminated awards <sup>2</sup>	-	-	110	180
Positive entitlement at 5/4/07				
Not in work with children	32	17	46	32
In work with children				
WTC and CTC	135	61	117	89
CTC only, more than family element	20	14	13	8
CTC family element	5	5	6	4
CTC, less than family element	-	-	-	-
In work, no children (WTC only)	32	13	29	13
Entitlement at 5/4/07 tapered to zero	9	5	32	10
Award ceased during 2006-07	18	13	175	66
Awards made after 5/4/07 and backdated	64	37	-	-
<b>Total</b>	<b>315</b>	<b>166</b>	<b>529</b>	<b>401</b>
<b>Couples</b>				
Terminated awards <sup>2</sup>	-	-	98	126
Positive entitlement at 5/4/07				
Not in work with children	27	19	31	24
In work with children				
WTC and CTC	146	94	156	159
CTC only, more than family element	114	102	127	98
CTC family element	70	60	72	52
CTC, less than family element	31	6	23	5
In work, no children (WTC only)	19	11	19	14
Entitlement at 5/4/07 tapered to zero	25	12	89	18
Award ceased during 2006-07	13	14	147	55
Awards made after 5/4/07 and backdated	77	42	-	-
<b>Total</b>	<b>523</b>	<b>359</b>	<b>762</b>	<b>551</b>

<sup>1</sup> Excluding awards with underpayments or overpayments under £10. See "Small underpayments and overpayments" in the introduction.

<sup>2</sup> Includes awards terminated after 5 April 2007

Note. The level of under or overpayment at 5 April 2007 for each award is based on the 2006-07 entitlement calculated from the family's circumstances and income in 2006-07 reported by April 2008.

**Table 5 Finalised 2006-07 awards underpaid or overpaid at 5 April 2007, by band of family income (excludes terminated awards)**

	awards <sup>1</sup> (thousands)	Underpayment at 5 April 2007 (£ million)	Overpaid awards <sup>1</sup> (thousands)	Overpayment at 5 April 2007 (£ million)
<b>2006-07 income band<sup>2</sup></b>				
<b>All awards</b>				
Up to £5,000	102	84	130	79
£5,000 to £10,000	214	141	186	88
£10,000 to £15,000	151	111	170	93
£15,000 to £20,000	110	77	135	90
£20,000 to £30,000	122	66	217	154
£30,000 to £40,000	47	18	98	66
£40,000 to £50,000	33	8	35	25
Over £50,000	32	5	46	21
Not known <sup>3</sup>	28	15	65	31
<b>Total</b>	<b>838</b>	<b>525</b>	<b>1,083</b>	<b>646</b>
<b>Families with awards at 5 April 2007</b>				
Up to £5,000	72	60	63	50
£5,000 to £10,000	179	113	118	59
£10,000 to £15,000	128	92	123	73
£15,000 to £20,000	95	66	108	78
£20,000 to £30,000	101	57	181	145
£30,000 to £40,000	34	15	78	63
£40,000 to £50,000	25	7	27	24
Over £50,000	27	4	43	20
Not known <sup>3</sup>	9	5	22	15
<b>Total</b>	<b>667</b>	<b>418</b>	<b>761</b>	<b>526</b>
<b>Other awards<sup>4</sup></b>				
Up to £5,000	30	24	68	29
£5,000 to £10,000	35	28	67	28
£10,000 to £15,000	23	19	47	20
£15,000 to £20,000	16	11	28	12
£20,000 to £30,000	21	9	36	10
£30,000 to £40,000	14	3	20	4
£40,000 to £50,000	9	1	8	1
Over £50,000	5	1	3	1
Not known <sup>3</sup>	19	11	44	16
<b>Total</b>	<b>171</b>	<b>106</b>	<b>321</b>	<b>120</b>

<sup>1</sup> Excluding awards with underpayments or overpayments under £10. See "Small underpayments and overpayments" in the Introduction.

<sup>2</sup> For families not reporting 2006-07 incomes they are assumed to fall into the same bands as in 2005-06 for this table. These include "auto-renewal" families with awards at the family element of CTC, or tapered to zero, and who had to report 2006-07 incomes only if it would affect the entitlement.

<sup>3</sup> Comprises families receiving out of work benefits not required to report incomes; and others, apart from "auto-renewal" cases, not reporting their 2006-07 incomes by April 2008, so their 2006-07 entitlement was still calculated using 2005-06 incomes.

<sup>4</sup> Awards not made, or ceased, by 5 April 2007. Based on information reported by 5 April 2007.

Note. The level of under or overpayment at 5 April 2007 for each award is based on the 2006-07 entitlement calculated from the family's circumstances and income in 2006-07 reported by April 2007.

**Table 6 Finalised 2006-07 awards underpaid or overpaid at 5 April 2007, by combination of bands of family income in 2005-06 and 2006-07 (excluding terminated awards)**

Thousands

	2005-06 income band								Total
	Under £5,000	£5,000 to £10,000	£10,000 to £15,000	£15,000 to £20,000	£20,000 to £30,000	£30,000 to £40,000	£40,000 to £50,000	Over £50,000	
<b>2006-07 income band<sup>1</sup></b>									
<b>All awards</b>									
Under £5,000	687	95	25	9	5	1	-	-	823
£5,000 to £10,000	198	588	82	20	12	2	1	1	903
£10,000 to £15,000	54	148	411	58	26	5	1	1	705
£15,000 to £20,000	17	30	119	283	63	9	2	1	524
£20,000 to £30,000	10	14	38	131	918	63	10	3	1,188
£30,000 to £40,000	2	3	5	12	142	781	36	10	992
£40,000 to £50,000	1	1	1	2	19	69	325	30	448
Over £50,000	1	-	1	1	6	24	81	140	254
Not known <sup>2</sup>	484	-	-	-	-	-	-	-	484
<b>Total</b>	<b>1,454</b>	<b>879</b>	<b>683</b>	<b>516</b>	<b>1,192</b>	<b>955</b>	<b>457</b>	<b>185</b>	<b>6,322</b>
<b>Awards underpaid at 5 April 2007<sup>3</sup></b>									
Under £5,000	43	40	12	4	3	1	-	-	102
£5,000 to £10,000	15	131	47	11	6	1	-	-	214
£10,000 to £15,000	6	10	85	33	14	3	1	-	151
£15,000 to £20,000	3	3	7	58	33	5	1	1	110
£20,000 to £30,000	2	2	3	7	90	15	2	1	122
£30,000 to £40,000	1	-	1	1	7	32	3	3	47
£40,000 to £50,000	-	-	-	-	1	3	13	15	33
Over £50,000	-	-	-	-	-	1	3	28	32
Not known	27	-	-	-	-	-	-	-	28
<b>Total</b>	<b>97</b>	<b>186</b>	<b>154</b>	<b>115</b>	<b>154</b>	<b>60</b>	<b>24</b>	<b>49</b>	<b>838</b>
<b>Neither underpaid nor overpaid</b>									
Under £5,000	535	40	10	3	2	-	-	-	591
£5,000 to £10,000	156	333	10	3	2	-	-	-	504
£10,000 to £15,000	41	113	222	5	3	-	-	-	384
£15,000 to £20,000	13	23	91	149	4	1	-	-	279
£20,000 to £30,000	7	11	28	99	669	28	5	1	848
£30,000 to £40,000	-	1	3	9	112	687	28	5	846
£40,000 to £50,000	-	-	-	1	15	59	292	13	380
Over £50,000	-	-	-	-	4	21	74	77	176
Not known <sup>2</sup>	392	-	-	-	-	-	-	-	392
<b>Total</b>	<b>1,144</b>	<b>520</b>	<b>364</b>	<b>268</b>	<b>810</b>	<b>798</b>	<b>400</b>	<b>97</b>	<b>4,401</b>
<b>Awards overpaid at 5 April 2007<sup>3</sup></b>									
Under £5,000	109	15	4	1	1	-	-	-	130
£5,000 to £10,000	27	124	24	6	3	1	-	-	186
£10,000 to £15,000	7	26	104	21	10	2	-	-	170
£15,000 to £20,000	2	5	22	76	26	4	1	-	135
£20,000 to £30,000	1	2	6	25	160	19	3	1	217
£30,000 to £40,000	1	1	1	2	23	62	5	1	98
£40,000 to £50,000	-	1	1	1	3	7	19	2	35
Over £50,000	-	-	-	1	2	2	4	35	46
Not known <sup>2</sup>	65	-	-	-	-	-	-	-	65
<b>Total</b>	<b>213</b>	<b>174</b>	<b>164</b>	<b>134</b>	<b>227</b>	<b>97</b>	<b>33</b>	<b>40</b>	<b>1,083</b>

<sup>1</sup> For some families not reporting 2006-07 incomes they are assumed to fall into the same bands as in 2005-06. These include families with awards at the family element of Child Tax Credit, or tapered to zero, and who had to report 2006-07 incomes only if the change in income was sufficient to affect the size of the award.

<sup>2</sup> Comprises certain families receiving out of work benefits not required to report incomes, and those not reporting their 2006-07 incomes by April 2008, so their 2006-07 entitlement was still calculated using 2005-06 incomes.

<sup>3</sup> Excluding awards with underpayments or overpayments under £10. See "Small underpayments and overpayments" in the Introduction.

Note. The level of under or overpayment at 5 April 2007 for each award is based on the 2006-07 entitlement calculated from the family's circumstances and income in 2006-07 reported by April 2008.

## Technical Note

### Data source, definition and quality

The figures in the table are derived from a scan of the tax credits computer system, taken in early April 2008. For each 2006-07 award, the scan contained the aggregate of each of (a) 2006-07 entitlement postings up to 5 April 2008, and (b) payments and other transactions for 2006-07 posted up to 5 April 2007 (but including, exceptionally, manual payments for 2006-07 issued in 2006-07 and posted during 2007-08). The sums of the posting amounts taken over all awards were consistent with separate aggregates derived from other scans of the system.

Payments received direct from claimants to settle 2006-07 overpayments identified in-year are included at (b) above if they were posted to accounts by 5 April 2008.

These data in the scan were generally those used to issue payments and award notices to tax credits claimants, and to recover overpayments. A small number of awards were handled clerically, and the computer system may have out of date or incorrect data. Some payments made in 2006-07 were not recorded on the computer system, such as manual payments issued in 2006-07 but not posted to accounts by April 2008. However, the numbers and amounts involved are extremely small.

By definition, the data exclude payments made after 5 April 2007, even if these were the sole cause of, or increased, 2006-07 overpayments as measured at a later date.

### Incomes

The incomes in Tables 5 and 6 represent the taxable incomes of the family in the year (net of pension contributions), but excluding the first £300 of most income other than earnings and taxable social security benefits. The 2006-07 income used to taper the award is net of the first £25,000 of any increase over 2005-06. Awards are reduced by a proportion of the excess of this income over the relevant threshold. The incomes shown in Tables 5 and 6 are before deducting either the £25,000 disregard or the threshold.

### Terminated awards

Terminated awards were identified as those with no entitlement sub-period in the scan used for the main publication "Child and Working Tax Credits. Finalised awards. 2006-07". Only such awards with positive payment postings are included in the tables.

### Table 4

The analysis by position on the profile at 5 April 2007 was derived by linking the data in this scan with another data set giving this information. This second data set covers only a sample of one in ten awards to single adults and one in five awards to couples. The figures in this table are therefore subject to small sampling uncertainty

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

Annual rate (£), except where specified

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

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

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

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

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

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

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

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

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

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