

Claimant's Details

As at 3 September 2014: The Claimant, age 42, works 40 hours per week for £260.72 net (£300.00 gross). The claimant has three dependent children aged fourteen, thirteen and eleven. Child Benefit is £47.60. The claimant is liable to pay £100.00 per week rent and £30.00 per week council tax.

Tax Credits: Income Calculation

Tax Year 2013/14:-

Employment	15600.00
	<u>15600.00</u>

Tax Year 2014/15:-

Employment	15600.00
	<u>15600.00</u>

Current and previous year incomes are equal so relevant income is £15600.00. Annual income is £15600.00.

Child and Working Tax Credits

Calculated for the period 6 April 2014 to 5 April 2015 inclusive (365 days).

Child tax credit	Family element	547.50
	Child	2752.10
	Child	2752.10
	Child	2752.10
Working tax credit	Basic element	1941.80
	30 hour element	803.00
	Lone parent element	1992.90
	Childcare element	3640.00
	Maximum amount	<u>17181.50</u>

Income	15600.00
Threshold	<u>6420.00</u>
Excess	9180.00
	x 41% = 3763.80

Maximum credit	17181.50	
Less	<u>3763.80</u>	
Tax credit payable	13417.70	[257.33]
Credit consists of:-		
Child tax credit	8803.80	[168.84]
Working tax credit	4613.90	[88.49]
WTC includes child care element of	3640.00	[69.81]

(Weekly equivalent figures are shown in square brackets.)

Housing Benefit

Income		Applicable Amount	
Earnings	260.72	Personal Allowance	72.40
Tax Credits	257.33	Family Premium	17.45
	<hr/>	Child (age 14)	66.33
	518.05	Child (age 13)	66.33
Less Disregard	142.10	Child (age 11)	66.33
	<hr/>		<hr/>
Net income	<u>375.95</u>	Applicable Amount	<u>288.84</u>

Income	375.95
Less Applicable Amount	288.84
	<hr/>
Excess Income	<u>87.11</u>

Eligible Rent	100.00
Less 65% of excess	56.62
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Housing Benefit	<u>43.38</u>
Net rent payable	56.62

Council Tax Reduction (England Default Scheme - (No Authority Selected) (Working Age))

England Default Scheme - (No Authority Selected) (Working Age)

Income		Applicable Amount	
Earnings	260.72	Personal Allowance	72.40
Tax Credits	257.33	Family Premium	17.45
	<u>518.05</u>	Child (age 14)	66.33
Less Disregard	142.10	Child (age 13)	66.33
	<u>375.95</u>	Child (age 11)	66.33
Net income	<u><u>375.95</u></u>	Applicable Amount	<u><u>288.84</u></u>

Income	375.95
Less Applicable Amount	288.84
Excess Income	<u><u>87.11</u></u>

Eligible Council Tax	30.00
Less 20% of excess	17.42
CTR	<u><u>12.58</u></u>
Net council tax payable	17.42

Change in circumstances

Claimant is now subject to Universal Credit.

Universal Credit

Gross Earnings(Claimant)	300.00
Less Income Tax	21.64
Less NI	17.64
Net Earnings	<u>260.72</u>

Universal Credit calculated on a monthly basis.

Rent	433.33
Rent for housing element	<u>433.33</u>

Work allowance	263.00	Earnings:-	
		Net Earnings	1129.79
		Total earnings	1129.79
		Less work allowance	263.00
		Excess earnings	866.79
		Earnings tapered at 65%	<u>563.41</u>

Universal Credit:-

Standard Allowance	314.67
Child Responsibility Element	732.92
Housing Element (rent)	433.33
Childcare Element	303.33
Maximum Credit	1784.25
Less tapered earnings	563.41
Universal Credit Payable	<u>1220.84</u>

Council Tax Reduction (England Default Scheme - (No Authority Selected) (Working Age))

England Default Scheme - (No Authority Selected) (Working Age)

(Calculated for a claimant on universal credit)

UC Award Summary (converted to weekly amounts):-

UC payable	281.73
UC maximum amount	411.75
UC earnings	260.72

Income		Applicable Amount	
UC payable	281.73	UC Maximum Amount	411.75
UC earnings	260.72		
	<u>542.45</u>		

Income	542.45
Less Applicable Amount	411.75
	<u>130.70</u>
Excess Income	

Eligible Council Tax	30.00
Less 20% of excess	26.14
	<u>3.86</u>
CTR	
Net council tax payable	26.14

Summary (work income plus benefits)

	Before	After
Child Tax Credit	168.84	0.00
Working Tax Credit	88.49	0.00
Universal Credit	0.00	281.73
Housing Benefit	43.38	0.00
CTR	12.58	3.86
Non Means Tested Benefits	47.60	47.60
Net income from work	260.72	260.72
Total	<u>621.61</u>	<u>593.91</u>

Total is £27.70 lower
