

Claimant's Details

As at 3 September 2014: The Claimant, age 25, works 40 hours per week for £233.52 net (£260.00 gross). 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	13520.00
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	<u>13520.00</u>

Tax Year 2014/15:-

Employment	13520.00
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	<u>13520.00</u>

Current and previous year incomes are equal so relevant income is £13520.00. Annual income is £13520.00.

Working Tax Credit

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

Working tax credit	Basic element	1941.80
	30 hour element	803.00
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	Maximum amount	<u>2744.80</u>
	Income	13520.00
	Threshold	6420.00
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	Excess	7100.00
		x 41% = 2911.00
	Maximum credit	2744.80
	Less	2911.00
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	Tax credit payable	0.00 [0.00]

Although income appears too high to claim tax credits, it may be worthwhile making a claim in any case to protect entitlement should income fall later in the tax year.

(Weekly equivalent figures are shown in square brackets.)

Housing Benefit

Income		Applicable Amount	
Earnings	233.52	Personal Allowance	72.40
	<u>233.52</u>		<u>72.40</u>
Less Disregard	22.10	Applicable Amount	<u>72.40</u>
	<u>211.42</u>		
Net income	<u>211.42</u>		
Income	211.42		
Less Applicable Amount	72.40		
	<u>139.02</u>		
Excess Income	<u>139.02</u>		
Eligible Rent	100.00		
Less 65% of excess	90.36		
	<u>9.64</u>		
Housing Benefit	<u>9.64</u>		
Net rent payable	90.36		

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

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

Income		Applicable Amount	
Earnings	233.52	Personal Allowance	72.40
	<u>233.52</u>	Applicable Amount	<u>72.40</u>
Less Disregard	22.10		
Net income	<u>211.42</u>		

Income	211.42
Less Applicable Amount	72.40
Excess Income	<u>139.02</u>

Eligible Council Tax	30.00
Less 20% of excess	27.80
CTR	<u>2.20</u>
Net council tax payable	27.80

Change in circumstances

Claimant is now subject to Universal Credit.

Universal Credit

Gross Earnings(Claimant)	260.00
Less Income Tax	13.64
Less NI	12.84
Net Earnings	<u>233.52</u>

Universal Credit calculated on a monthly basis.

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

Work allowance	111.00	Earnings:-	
		Net Earnings	<u>1011.92</u>
		Total earnings	1011.92
		Less work allowance	111.00
		Excess earnings	<u>900.92</u>
		Earnings tapered at 65%	<u>585.59</u>

Universal Credit:-

Standard Allowance	314.67
Housing Element (rent)	433.33
Maximum Credit	<u>748.00</u>
Less tapered earnings	585.59
Universal Credit Payable	<u>162.41</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	37.48
UC maximum amount	172.62
UC earnings	233.52

Income		Applicable Amount	
UC payable	37.48	UC Maximum Amount	172.62
UC earnings	233.52		
	<u>271.00</u>		

Income	271.00
Less Applicable Amount	172.62
	<u>98.38</u>

Eligible Council Tax	30.00
Less 20% of excess	19.67
	<u>10.33</u>
CTR	<u>10.33</u>
Net council tax payable	19.67

Summary (work income plus benefits)

	Before	After
Universal Credit	0.00	37.48
Housing Benefit	9.64	0.00
CTR	2.20	10.33
Net income from work	233.52	233.52
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Total	<u>245.36</u>	<u>281.33</u>

Total is £35.97 higher.
