

Claimant's Details

As at 3 September 2014: The Claimant, age 60, works 25 hours per week for £172.36 net (£175.00 gross). The claimant is liable to pay £100.00 per week rent and £30.00 per week council tax. The claimant under-occupies by one bedroom. The claimant lives with three non-dependants. Non-dependant (1) is age 30 and on JSA(IB). Non-dependant (2) is age 30 and on JSA(IB). Non-dependants (1) and (2) are partners. Non-dependant (3) is age 25, working 16+ hours/week with a gross income of £242.00/week.

Tax Credits: Income Calculation

Tax Year 2013/14:-

Employment	9100.00
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	<u>9100.00</u>

Tax Year 2014/15:-

Employment	9100.00
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	<u>9100.00</u>

Current and previous year incomes are equal so relevant income is £9100.00. Annual income is £9100.00.

Working Tax Credit

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

Working tax credit	Basic element		1941.80
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	Maximum amount		<u>1941.80</u>
	Income		9100.00
	Threshold		6420.00
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	Excess		2680.00
		x 41% =	1098.80
	Maximum credit	1941.80	
	Less	1098.80	
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	Tax credit payable	843.00	[16.17]

(Weekly equivalent figures are shown in square brackets.)

Housing Benefit

Contractual rent	100.00
Less under occupation reduction (14%)	14.00
Less non-dependent deductions	58.70
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Eligible rent	<u>27.30</u>

Income		Applicable Amount	
Earnings	172.36	Personal Allowance	72.40
Tax Credits	16.17		<hr/>
	<hr/>	Applicable Amount	<u>72.40</u>
	188.53		
Less Disregard	5.00		
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Net income	<u>183.53</u>		

Income	183.53
Less Applicable Amount	72.40
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Excess Income	<u>111.13</u>

Eligible Rent	27.30
Less 65% of excess	72.23
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Housing Benefit	<u>0.00</u>
Net rent payable	100.00

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

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

A deduction of £7.45 is made in respect of non-dependents.

Income		Applicable Amount	
Earnings	172.36	Personal Allowance	72.40
Tax Credits	16.17		<u>72.40</u>
	<u>188.53</u>	Applicable Amount	<u>72.40</u>
Less Disregard	5.00		
Net income	<u>183.53</u>		

Income	183.53
Less Applicable Amount	72.40
Excess Income	<u>111.13</u>

Eligible Council Tax	22.55
Less 20% of excess	22.22
CTR	<u>0.33</u>
Net council tax payable	29.67

Change in circumstances

Claimant is now subject to Universal Credit.

Universal Credit

Gross Earnings(Claimant)	175.00
Less NI	2.64
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Net Earnings	<u>172.36</u>

Universal Credit calculated on a monthly basis.

Rent	433.33
Less under-occupation deduction	60.66
Less housing cost contribution	206.04
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Rent for housing element	<u>166.63</u>

Work allowance	111.00	Earnings:-	
		Net Earnings	746.89
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		Total earnings	746.89
		Less work allowance	111.00
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		Excess earnings	635.89
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		Earnings tapered at 65%	<u>413.32</u>

Universal Credit:-

Standard Allowance	314.67
Housing Element (rent)	166.63
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Maximum Credit	481.30
Less tapered earnings	413.32
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Universal Credit Payable	<u>67.98</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	15.69
UC maximum amount	111.07
UC earnings	172.36

A deduction of £7.45 is made in respect of non-dependents.

Income		Applicable Amount	
UC payable	15.69	UC Maximum Amount	111.07
UC earnings	172.36		
	<u>188.05</u>		
Income		188.05	
Less Applicable Amount		111.07	
Excess Income		<u>76.98</u>	
	Eligible Council Tax		22.55
	Less 20% of excess		15.39
	CTR		<u>7.16</u>
	Net council tax payable		22.84

Summary (work income plus benefits)

	Before	After
Working Tax Credit	16.17	0.00
Universal Credit	0.00	15.69
Housing Benefit	0.00	0.00
CTR	0.33	7.16
Net income from work	172.36	172.36
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Total	<u>188.86</u>	<u>195.21</u>

Total is £6.35 higher.
