

Claimant's Details

As at 3 September 2014: The Claimant, age 60, works 30 hours per week for £199.52 net (£210.00 gross). The claimant is liable to pay £100.00 per week rent and £30.00 per week council tax. The claimant under-occupies by two or more bedrooms. The claimant lives with two 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.

Tax Credits: Income Calculation

Tax Year 2013/14:-

Employment	10920.00
	<u>10920.00</u>

Tax Year 2014/15:-

Employment	10920.00
	<u>10920.00</u>

Current and previous year incomes are equal so relevant income is £10920.00. Annual income is £10920.00.

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		10920.00
	Threshold		6420.00
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	Excess		4500.00
		x 41% =	1845.00
	Maximum credit	2744.80	
	Less	1845.00	
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	Tax credit payable	899.80	[17.26]

(Weekly equivalent figures are shown in square brackets.)

Housing Benefit

Contractual rent	100.00
Less under occupation reduction (25%)	25.00
Less non-dependent deductions	14.15
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Eligible rent	<u>60.85</u>

Income		Applicable Amount	
Earnings	199.52	Personal Allowance	72.40
Tax Credits	17.26		<hr/>
	<hr/>	Applicable Amount	<u>72.40</u>
	216.78		
Less Disregard	22.10		
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Net income	<u>194.68</u>		

Income	194.68
Less Applicable Amount	72.40
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Excess Income	<u>122.28</u>

Eligible Rent	60.85
Less 65% of excess	79.48
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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)

Income		Applicable Amount	
Earnings	199.52	Personal Allowance	72.40
Tax Credits	17.26		<u>72.40</u>
	<u>216.78</u>	Applicable Amount	<u>72.40</u>
Less Disregard	22.10		
Net income	<u>194.68</u>		

Income	194.68
Less Applicable Amount	72.40
Excess Income	<u>122.28</u>

Eligible Council Tax	30.00
Less 20% of excess	24.45
CTR	<u>5.55</u>
Net council tax payable	24.45

Change in circumstances

Claimant is now subject to Universal Credit.

Universal Credit

Gross Earnings(Claimant)	210.00
Less Income Tax	3.64
Less NI	6.84
Net Earnings	<u>199.52</u>

Universal Credit calculated on a monthly basis.

Rent	433.33
Less under-occupation deduction	108.33
Less housing cost contribution	137.36
Rent for housing element	<u>187.64</u>

Work allowance	111.00	Earnings:-	
		Net Earnings	864.59
		Total earnings	864.59
		Less work allowance	111.00
		Excess earnings	753.59
		Earnings tapered at 65%	<u>489.83</u>

Universal Credit:-

Standard Allowance	314.67
Housing Element (rent)	187.64
Maximum Credit	502.31
Less tapered earnings	489.83
Universal Credit Payable	<u>12.48</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	2.88
UC maximum amount	115.92
UC earnings	199.52

Income		Applicable Amount	
UC payable	2.88	UC Maximum Amount	115.92
UC earnings	199.52		
	<u>202.40</u>		

Income	202.40
Less Applicable Amount	115.92
Excess Income	<u>86.48</u>

Eligible Council Tax	30.00
Less 20% of excess	17.29
CTR	<u>12.71</u>
Net council tax payable	17.29

Summary (work income plus benefits)

	Before	After
Working Tax Credit	17.26	0.00
Universal Credit	0.00	2.88
Housing Benefit	0.00	0.00
CTR	5.55	12.71
Net income from work	199.52	199.52
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Total	<u>222.33</u>	<u>215.11</u>

Total is £7.22 lower
