

WORKING TAX CREDIT

WHAT IS IT?

It is a sum of money claimed from HM Revenue and Customs if you work more than a certain number of hours.

TO QUALIFY

You must be:

- ◆ aged 16 or over, working 16 hours or more, *and*
 - have one or more dependent children, *or*
 - be at a disadvantage in getting a job due to disability, *or*
 - be aged at least 50 and returning to work;
- OR
- ◆ aged 25 or more working 30 or more hours a week.

HOW MUCH?

Working Tax Credit is made up of 'elements', and how much you get depends on your circumstances. For instance, you may get more if you are disabled, work 30 hours or more, or are over 50. The Tax Credit is then calculated according to your income.

POINTS TO REMEMBER

- ◆ You do not have to have children or a partner in order to qualify for Working Tax Credit.
- ◆ There is no upper limit for savings
- ◆ You do not have to report most changes. However you must tell HM Revenue and Customs for example: if you split up from your partner, or become a couple; you stop working 16/30 hours; a child moves out or leaves full-time education. These changes must be reported within 1 month.

- ◆ The assessment is based on your previous year's income (although this can be varied), and adjustments are made at the end of the tax year. This means you do not have to report changes in income.
- ◆ However, you may prefer to report changes as they occur, to avoid under or over-payments at the year end. A rise in income of £25,000 or less does not have to be notified straight away.
- ◆ You must also tell the HM Revenue & Customs if your childcare costs reduce by more than £10 per week for more than 4 weeks in a row.
- ◆ Other changes, such as disability, do not have to be reported. However, if you do not report such a change within 3 months, any extra credit will not be backdated.

HOW TO CLAIM

- ◆ Get a copy of form TC600 from HM Revenue & Customs or Jobcentre Plus; or
- ◆ Apply on-line: – a paper copy will be sent back to you for you to check and sign.

FURTHER HELP

- ◆ Contact the HM Revenue and Customs Tax Credits Helpline – 0845 300 3900 Text phone: 0845 300 3909
- ◆ Contact your local Advice Centre

NB: See also our factsheet on “Child Tax Credit” (Pb45) and on Overpayments (Pb37a).

The information in this factsheet is correct as of April 2009

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***Produced by Warwickshire Welfare Rights Advice Service
Funded by: Warwickshire County Council
Charity Reg No: 1113524
Company No. 5730678***

