

## Tax Credits

Tax Credits are an additional form of financial help from HM Revenue and Customs (HMRC). Child Tax Credit (CTC) is designed to support people with children, and Working Tax Credit (WTC) is aimed at working people on low incomes.

Depending on your circumstances and where you live, both of the above can be claimed by continuing and new students. This leaflet aims to give you some basic information relating to the Tax Credit system

### Do I need to apply for Universal Credits?

Universal Credit is being introduced in stages across Great Britain by postcode area. You will need to check whether you need to apply for Tax Credits or Universal Credit. You can usually only claim Tax Credit if you do not live in a Universal Credit area. You can check what benefits are available in your postcode area at the following web site:

<https://universalcreditinfo.net/>

### What is Child Tax Credit (CTC)?

Child Tax Credit (CTC) is for people with one or more dependant children (a child can usually be anyone under the age of 20 in relevant full-time non-advanced education or approved training) and can be claimed by all parents regardless of whether or not they are working, although it does depend on the level of income. If you have children and are not already in receipt of Child Tax Credit you should apply now in addition to your student support package. See Welfare Advice Guide: 2018/19 'Childcare Grant and Other Money for Student Parents'

### How will my student income and benefits be treated?

Most Student Support income is not counted when HMRC calculate a Tax Credit award. The exception is the Adult Dependant's Grant. However CTC is counted as income when calculating entitlement to Housing Benefit and Council Tax Benefit.

### How much can I get?

All Tax Credits are means-tested and the amount you get will depend upon your household income. See:

[www.gov.uk/tax-credits-calculator](http://www.gov.uk/tax-credits-calculator)

### How is Child Tax Credit paid?

CTC is usually paid to the person who is mainly responsible for

looking after the child(ren). Claimants can choose to have it paid either weekly or four-weekly directly into their bank account.

### Will I still receive help towards the cost of my children's school meals?

**Yes.** Claimants who receive the maximum amount of CTC and have an annual gross income of no more than £16,190 are entitled to free school meals.

### When should I apply?

If you have not done so already apply now. CTC can only be back-dated for up to one month. If you are late applying, do ask for the payment to be back-dated on your form.

### How do I apply?

Applications should be made on form TC600 available from:

- Tax Credit Helpline 0345 300 3900 (text phone 0345 300 3909)
- Citizens Advice
- Local offices of the Department for Work and Pensions
- The HMRC website is at: [www.gov.uk/claim-tax-credits](http://www.gov.uk/claim-tax-credits)

### What is Working Tax Credit (WTC)?

WTC is paid to people, with or without children, who are working and receive a low wage. It also provides extra support for disabled people in work.

### Who can apply?

For WTC you do not need to be a parent but you must meet one of the following conditions:

- You are aged 25 or over and work 30 hours or more per week
- You are aged 16 or over and have a disability which puts you at a disadvantage in getting a job; you satisfy HM Revenue and Custom's 'qualifying benefit' test or 'fast track' rules and work 16 hours or more per week
- You or your partner are at least 60 years old and work at least 16 hours per week
- You are a single claimant and have responsibility for

at least one child, and work 16 hours or more per week.

- You or your partner are aged 16 or over and have responsibility for a child, and work 24 hours or more per week between you and one of you works at least 16 hours

**Note:** The work must be expected to last for at least four weeks after you have made your claim.

Please check for ongoing (welfare reform) changes to the way tax credits are being assessed.

### If I am working and have children is there any help with childcare?

**Yes.** WTC can offer help towards childcare through the Childcare Element. This pays up to 70% of Approved Childcare costs (up to a maximum of £175 for one child or £300 for two or more children) This means the most help you can get is £122.50 a week for one child or £210 for two or more children.

This can be useful for part time students who are not eligible for the Student Finance England Childcare Grant (usually paid to full time students). To qualify if you are part of a couple, BOTH partners need to be working 16 hours each or more, unless one partner is disabled. Lone parents need only work 16 hours.

‘Approved Childcare’ is similar to ‘Registered Childcare’ and for details of what counts as ‘Approved Childcare’ visit:

**[www.gov.uk/childcare-tax-credits/eligibility](http://www.gov.uk/childcare-tax-credits/eligibility)**

**Note:** Full-time students in paid employment, whose children are in Approved/Registered Childcare, may be eligible for the Childcare Grant administered by Student Finance England (SFE). This pays a more generous 85% **(subject to a maximum)**.

For more information see Welfare Advice Guide: 2018/19 ‘Childcare Grant and Other Money for Student Parents’

It is important to note that you do not receive both the Childcare Element of WTC and the Childcare Grant. Students who claim the Childcare Grant from SFE do not need to complete the section relating to childcare costs in their application for WTC. If you are already in receipt of the Childcare Element of WTC, you can change to the more generous Childcare Grant instead. If you are uncertain about this, then please contact the Student Welfare Advice Team.

### How do I apply for help with childcare?

In the same way you apply for Child Tax Credits. Like CTC, claims can be backdated for up to one month. Remember the amount of tax credits you receive depends on your family circumstances and income.

If you need more help you can call one of the following:

- Tax Credit Helpline 0345 300 3900 (text phone 0345 300 3909)
- Citizens Advice (England) 0344 411 1444

### Can I apply if I have just arrived in the UK?

If you’ve come from another country to live in the UK you may be able to get tax credits, but to qualify for them you’ll have to satisfy some ‘residency’ rules. To find out if you may qualify see:

**[www.gov.uk/tax-credits-if-moving-country-or-travelling](http://www.gov.uk/tax-credits-if-moving-country-or-travelling)**

### Any questions?

Contact the Middlesex University Student Welfare Advice Team on 020 8411 3008 or email: **[welfare@mdx.ac.uk](mailto:welfare@mdx.ac.uk)**

You can access some of our other Welfare Advice Guide information leaflets at:

**<http://unihub.mdx.ac.uk/welfare-guides>**

Middlesex University Student Welfare Advice Team have made every effort to ensure that the information contained in this leaflet is accurate. Middlesex University however, cannot be held responsible for any omissions or errors. This publication can only be a guide and is not intended to replace the complex and diverse legislation covered. Statutes and regulations may change during the year without notice. If in doubt seek independent advice.

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