



Your entitlement may be affected by the pandemic information from the benefits office is below

Child tax credit

Child tax credit

(CTC) provides support for children, and working tax credit (WTC) provides support for people working at least a certain number of hours, employed or self-employed, on a low income. The government has announced that the basic element of WTC will increase by £1,045 on top of the planned rise from 6 April 2020. The basic element will be £3,040 for 2020/21 (a daily rate of £8.33).

Claiming universal credit

Claiming universal credit

If you do not have enough to live on, you may be advised to claim universal credit (UC), which can include help with your rent as well as amounts for adults and children in the household. Claiming UC means that your tax credits are automatically terminated and you will not be able to get them back. Get advice about whether you should claim UC to make sure claiming will not make you worse off if you are currently getting tax credits and:

- You have capital over £16,000. This is the capital limit for UC, so you will not be entitled to UC, but you will still lose your tax credits. The value of your home is ignored, but it includes owning property other than the home. Property can be disregarded in some situations, for example if you are trying to sell it. Capital can still be counted against you if you deprive yourself of it in order to claim UC. If you are self-employed, business assets can be ignored while you are carrying on work, or for at least six months if you are unable to work due to illness.

- You are a student. Most students are not entitled to UC. You may be entitled to UC if you have children or are disabled, but student income affects the amount you get. Nearly all student income is ignored for tax credits.

Staying on Tax credits

Staying on tax credits

Off work due to infection or self-isolation, or caring for a child who is infected or in isolation?

- You can continue to be entitled to WTC if you are absent for work and you are getting statutory sick pay (SSP) as an employee, or
- are self-employed and would otherwise have qualified for SSP, or
- are getting employment and support allowance (ESA),
- or are getting credits on your national insurance record for limited capability for work

These periods must start immediately after working and can continue for a maximum of 28 weeks.

Offwork or reduced hours

Off work or reduced hours due to downturn in employment or self-employment?

If you stop work or your normal weekly working hours are reduced to below the number required in your circumstances (16, 24 or 30), then there is a four week run-on of WTC.

However, there is HMRC guidance for people who have been laid off or put on short-time working, which effectively means the four week run-on only starts after an initial period of up to four weeks, or after you have been notified that you will not be able to return to work, or work of sufficient hours. Updated guidance is expected for 'furloughed' workers, meaning you are unable to do any work but you are kept on your employer's payroll, rather than being laid off. The Government has set up a fund, the Coronavirus Job Retention Scheme, for employers to pay employees 80% of their salary (up to a maximum of £2,500 a month). The government has said that you will remain employed while furloughed. Entitlement to WTC only ends if you have 'ceased work' so it is expected that you will be able to remain entitled to WTC if you are a 'furloughed' worker.

Contact the Tax Credits Helpline on 0345 300 3900

or online at <https://www.gov.uk/manage-your-tax-credits>

<https://askcpag.org.uk/content/201050/tax-credits-and-coronavirus>



Childcare costs

Childcare costs

You are entitled to the childcare element of WTC for registered childcare provided for a child for whom you are responsible. It covers 70% of your actual costs, up to a maximum payable of £122.50 for one child or £210 for two or more children. To qualify for the childcare element, you must continue to be entitled to WTC (see above) and paying for childcare. You continue to be entitled to the childcare element if you stop paying for childcare costs for less than four weeks. The amount of the childcare element only changes if your average weekly childcare costs change by at least £10 a week for four weeks in a row. So if you have stopped paying childcare costs, there is in effect a four week run-on in which you remain entitled to the amount you were getting. If you are still paying your registered childcare provider but childcare is no longer being provided due to the necessity to stay at home, (ie, you are paying a retainer so as not to lose the place) HMRC has said that these costs will continue to be covered, but updated guidance is expected.

Income

Income

If your income in 2019/20 has reduced (compared to what you expected, or compared to your 2018/19 income), you may have been underpaid tax credits for the current tax year. As the tax year is coming to an end on 5 April, any underpayment should be paid to you when your entitlement is finalised during the annual review, by 31 July 2020. If your income in 2020/21 is likely to be reduced (compared to your 2019/20 income), your payments in the new tax year, starting on 6 April, may be increased, based on an estimate of your 2020/21 income. For these reasons, you should provide an estimate of your actual income in 2019/20 and your expected income in 2020/21 as soon as you can. If things change, it is vital to keep your current year estimate up to date.

Information for those self employed to follow

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