

Factsheet

For single parents in England and Wales April 2017

Freephone

0808 802 0925

Gingerbread Single Parent Helpline

Benefits and tax credits if you work 16 hours a week or more

This factsheet gives an overview of the help available for single parents who work 16 hours a week or more. It covers help with rent, tax credits and other sources of financial help. The information in this factsheet is correct as of April 2017.

Please note that the rules for families with more than two children changed in April 2017. If you have more than two children and any of your children were born on or after 6th April 2017 please call our helpline for specific advice.

Note: If you have recently come to the United Kingdom, have limited right to stay in the UK or are from the European Union or European Economic Area, you may not have the right to claim the benefits set out in this factsheet. Get advice before claiming. See page seven for organisations that can help.

Universal credit is a new benefit system that will replace many of the current benefits and tax credits. Some families with children who are claiming benefits for the first time in selected jobcentres will claim universal credit instead of the benefits described in this factsheet. For more information on universal credit and how it may affect your family please visit the [Gingerbread](#) website and search 'universal credit'.

Help with your rent

Depending on your income, you may be entitled to housing benefit if you:

- Pay rent for the home you normally live in
- Don't have savings or capital worth more than £16,000.

If you live in a shared ownership property, you can get housing benefit to help pay the rental cost.

You can't receive housing benefit if you are paying rent to a close relative that you live with (including your child's other parent).

To claim, contact your local council's housing benefit department and ask for a claim form, or make an online application via your council's website if possible.

Is my income low enough to get housing benefit?

The amount of housing benefit you receive depends on your income. Not all income is taken into account. For example, child maintenance and child benefit are not included.

What affects the amount of housing benefit I am entitled to?

Local housing allowance

This is the maximum amount you can be paid if you live in private rented accommodation. If your rent is higher than this you will have to pay the difference yourself.

You can find out the amount of the local housing allowance in your area on the website www.gov.uk.

Reductions if you live in social housing

If you live in social housing and are deemed to have a spare room, your housing benefit could be reduced. This is commonly known as the 'bedroom tax' or the 'removal of the spare room subsidy'.

If you have a 'spare' room, a fixed percentage is cut from the rent that is eligible for housing benefit. This is 14 per cent for one extra bedroom and 25 per cent for two or more extra bedrooms.

Your housing benefit is restricted to allow one bedroom for each of the following:

- A couple or a person over 16 (including a single parent)
- Two children of the same gender and under 16
- Two children under the age of ten
- Any other child
- A carer providing overnight care

Some exceptions apply. For example, if your child gets middle or higher rate DLA and the local authority agree that they can't share a bedroom.

If you have an adult child who is in the armed forces, or if you are a foster carer you are entitled to have one spare room without having your housing benefit reduced.

Tip: If you receive housing benefit and it doesn't cover all of your rent you can ask your local council for a discretionary housing payment. You don't have an automatic right to a payment; it is up to your local council to decide. Get advice if your application is refused.

Non-dependants

If someone lives with you and they are not your dependant, they are usually expected to contribute to the household costs, so your housing benefit may be reduced. This could include grown-up children. The amount of the deduction depends on their income.

Help with your council tax

Council tax reduction

If you are on a low income you can claim council tax reduction. This is a substantial reduction of your council tax bill. Each council has its own local reduction scheme, so the amount of council tax reduction you can get depends on where you live.

For more information on your council tax reduction scheme, and to apply, contact your local council.

Discount for single people

People who don't live with another adult are entitled to 25 per cent off their council tax bill. This applies to all single people, regardless of their income. If you share a home with an adult who is a full-time student or an apprentice/trainee you may still be entitled to the single person's discount. Check with your local council.

Tax credits

Tax credits are paid by Her Majesty's Revenue and Customs (HMRC). The amount you receive depends on your income and personal circumstances, such as how many children you have.

Savings, pensions or any other capital assets don't affect how much you receive, unless you get a taxable income from them of over £300 a year.

Some income is ignored when tax credits are calculated. This includes child maintenance and non-taxable benefits such as child benefit.

Tax credits are calculated for the whole of the tax year (April to April). The amount you receive is usually based on your income in the previous tax year (currently April 2016 - April 2017). At the end of the tax year HMRC checks to see what your actual income was, and works out if you have been paid the right amount of tax credits.

There are two types of tax credits:

- Child tax credit
- Working tax credit.

Child tax credit

Child tax credit is paid whether you work or you're your eligibility depends on your income. You can receive child tax credit until the September following your child's 16th birthday or up to their 20th birthday if they are in full-time non-advanced education.

If your child gets disability living allowance, you can receive an extra amount of child tax credit called the disabled child element. If your child is entitled to the higher rate care component of disability living allowance, you should also receive a severely disabled child element.

Note: from April 2017 there is a limit on the number of children you can receive child tax credits for. It applies to children born on or after 6th April 2017.

There are some exemptions and it's important to check whether an exemption would apply to you. We have more information about this on our website at <https://gingerbread.org.uk/content/2399/Child-tax-credit-if-you-have-two-or-more-children>.

Working tax credit

Working tax credit can be paid to single parents who work 16 hours a week or more. You can be paid an extra amount if you work 30 hours a week or more. This is called the 30-hour element.

What if I am off work temporarily?

There are situations when you can still get working tax credits when you're not actually going to work, for example:

- In the first 39 weeks of maternity, adoption or paternity leave
- When you're off work because you're ill
- For four weeks after a job ends or the hours reduce to fewer than 16 a week
- During the school holidays if you have a recognised pattern of working 16 or more hours during term time only.

Can I get help with childcare costs through working tax credit?

Yes, you can claim towards the cost of registered or approved childcare. The childcare element of working tax credit pays up to 70 per cent of your childcare expenses. The maximum amounts payable are 70 per cent of £175 a week (£122.50) for one child, or 70 per cent of £300 a week (£210) for two or more children.

You can get help with childcare costs up to the September following your child's 15th birthday, or 16th birthday if your child receives disability living allowance or is registered blind.

Example: help with childcare costs

Amira is a single parent with three children. The children attend a registered after-school club five nights a week, which costs £150. Her costs are below the £300 a week maximum that she can claim for two or more children, so she claims 70 per cent of £150.

70 per cent of £150 = £105 per week
Amira is paid £105 a week through working tax credit to help with her childcare costs.

If the amount you pay varies, for example because you use more childcare in the school holidays, try to work out your average costs.

You can do this by looking at how much you will pay over a year and dividing it by 52 to find an average weekly cost.

What if I am disabled?

If you have a disability that makes it hard for you to get a job, you can be paid an extra amount of working tax credit called the disabled worker element. There is also a severe disability element available if you receive the higher rate of disability living allowance, the enhanced rate of the daily living component of personal independence payment, or the higher rate of attendance allowance.

To qualify, you must also be receiving, or have been recently receiving, a relevant benefit. More information is included in the notes on the tax credit claim form.

Making sure you get the right amount of tax credits

To avoid being underpaid or overpaid tax credits, it is important that you tell HMRC as soon as possible when your circumstances change.

You must tell HMRC within one month if:

- The number of children you are caring for changes
- A new partner moves in
- You stop working
- Your hours reduce to fewer than 16 or 30 hours a week
- Your childcare costs either stop, or reduce by £10 a week for more than four weeks in a row.

For information on what to do if your income or circumstances change see the Gingerbread factsheet [Tax credits when your circumstances change](#).

How do I make a claim?

Make a claim online at www.gov.uk/claim-tax-credits/how-to-claim or by calling the Tax Credit Helpline on 0345 300 3900.

Calculating tax credits

Working out the amount of tax credits you are entitled to involves a complicated calculation.

Here's how it works:

- 1 See the tax credit rates table below.
The amounts (called elements) that apply to your family are added together. This is the maximum amount of tax credits your family is entitled to
- 2 If you're working (or treated as working) 16 or more hours a week, and your income (before tax and national insurance) is less than £6,420 a year, you get the maximum amount of tax credits
- 3 If your income is more than £6,420 per year, deduct £6,420 from your income. What is left over is called your excess income

- 4 Work out what 41 per cent of your excess income is (total income, minus £6,420, divided by 100 then multiplied by 41)
- 5 Deduct this amount from your maximum amount of tax credits (this was worked out in step one)
- 6 This is the amount you are entitled to.

Working out benefits and tax credits is complicated. The Gingerbread Single Parent Helpline on 0808 802 0925 can work out what you are entitled to receive based on your circumstances. Calls are free.

Tax credit rates

Child Tax Credit	£ per year
Family element – payable only if you have a child born before 6th April 2017	£545
Child element – one payable per child (note: may be limited to two children)	£2,780
Disabled child element – paid for each child who gets disability living allowance	£3,175
Severely disabled child element – paid for each child who gets the highest rate care component of disability living allowance	£1,290

Working Tax Credit	£ per year
Basic element – one paid to a single parent family	£1,960
Single parent element – one paid to a single parent family (as well as the basic element)	£2,010
30-hour element – paid if you normally work 30 hours or more a week	£810
Disabled worker element – see 'What if I am disabled?' on page three	£3,000
Severe disability element – paid if you get the highest rate care component of disability living allowance, the enhanced rate of the daily living component of personal independence payment or the higher rate of attendance allowance (if you are over pension age)	£1,290

Childcare element of working tax credit

70 per cent of costs, up to maximum costs of:	£ per week
For one child	£175 a week
For two or more children	£300 a week

Example: a tax credit calculation

Dave is a single parent with two children: Millie and James. Both were born before April 2017. He works 30 hours a week. In 2016/17 he earned £10,920 (before tax) and received £3,000 in child maintenance. He is still in the same job in 2017/18 and expects to earn a similar amount. Dave pays £80 a week to a childminder who looks after Millie. He doesn't have savings.

Step 1: Dave works out the maximum amount of tax credits for the tax year as follows:

Working tax credit – basic element	£1,960
Working tax credit – single parent element	£2,010
Working tax credit – 30-hour element	£810
Working tax credit – childcare element (70 per cent of £80 x 52 weeks)	£2,912
Family element – child born before 6/4/17	£545
Child tax credit – child element (for Millie)	£2,780
Child tax credit – child element (for James)	£2,780

Annual Total **£13,797**

Step 2: Dave works out if the maximum amount of tax credits is payable.

As maintenance is ignored, only Dave's gross earnings of £10,920 count as his income for the last tax year (2016/17). As Dave works 16 or more hours a week he is entitled to working tax credit. But, as his income is more than £6,420 a year, he doesn't get the maximum amount of tax credits.

Step 3: Dave works out how much needs to be deducted from his maximum amount of tax credits.

Dave's annual income is	£10,920
Deduct	£6,420

Dave's excess income is £4,500

Step 4: Dave works out what 41 per cent of his excess income is.

£4,500 x 41 per cent (.41) = **£1,845**

Step 5: Dave's maximum amount of tax credits is £13,797 (step 1). After deducting £1,845 (step 4) he is left with tax credits of £11,952 for the year.

Dave's weekly tax credits will be £11,952 divided by 365 x 7 = £229.22 a week.

This is made up of:

Child tax credit	£117
Childcare element of working tax credit	£56
Working tax credit	£55

Weekly Total (rounded down) **£228**

Working out benefits and tax credits is complicated. The Gingerbread Single Parent Helpline on 0808 802 0925 can help you to work out your entitlement. Calls are free.

Other sources of financial help

You can still qualify for benefits when you're working. Check the list below to see what you could be entitled to. To find out more or to make a claim, see Further help and information on page seven.

Type of benefit	Who is it for?
Disability living allowance (for children)	Children under 16 who have difficulties walking or need more looking after than a child of the same age who doesn't have a disability. If you qualify, your other benefits and tax credits may go up. For details of how to make a claim see page seven.
Personal independence payment (for adults)	Adults aged 16 to 64 with a long-term health condition or disability. If you qualify, your other benefits and tax credits may go up. For organisations that can help you to make a claim see page seven.
Bereavement benefits	Parents whose husband, wife or civil partner has died. Also ask if you're entitled to the funeral expenses payment. These are paid by Jobcentre Plus.
Maternity, paternity and adoption benefits	<p>Maternity, paternity or adoption benefits are available to pregnant women or those who have had a child or adopted a child recently.</p> <p>See the Gingerbread factsheet Money during maternity, paternity and adoption.</p>
Help with health costs	<p>Free prescriptions, dental treatment, sight tests and vouchers for glasses and fares to hospital are available to families receiving:</p> <ul style="list-style-type: none"> ■ Child tax credit and working tax credit with an income below £15,276 a year ■ A disability or severe disability element of working tax credit. <p>Exemption cards should be sent out automatically to those who qualify.</p> <p>If you do not automatically qualify but are on a low income, you may still be entitled to help – claim on form HC1 available from Jobcentre Plus offices.</p>
16-19 Bursary	Available to 16 -19 year-olds who are in full-time education. Applications should be made directly to your school, college or training provider.
School uniforms	Each local council decides what, if any, help they give for the cost of school uniforms. Contact your local council's education department to ask what help is available.
Cold weather payment	Should be paid automatically if you get the disability or severe disability element of child tax credit. Only paid in periods of very cold weather, as defined by the government.

Further help and information

Gingerbread Single Parent Helpline

Freephone 0808 802 0925

www.gingerbread.org.uk

Provides free, confidential advice for single parents. No matter the challenge – around your finances, contact arrangements or help you could receive – our trained advisers are here with tailored advice that works for you.

One Parent Families Scotland Lone Parent Helpline

0808 801 0323

www.opfs.org.uk

Run by our partner organisation, One Parent Families Scotland, the Lone Parent Helpline provides free, confidential advice and information for single parents in Scotland.

Child Maintenance Options

0800 988 0988

www.cmoptions.org

Information about making arrangements for child support.

Citizens Advice

England: 03444 111 444

Wales: 03444 77 20 20

www.citizensadvice.org.uk

Information and advice on a wide range of issues including benefits and tax credits.

Disability Living Allowance helpline

Telephone: 0345 712 3456

Textphone: 0345 722 4433

Monday to Friday, 8am to 6pm

Office of the Immigration Services Commissioner

0345 000 0046

www.oisc.gov.uk

For information on organisations/solicitors that give immigration advice.

Personal Independence Payment claim line

Telephone: 0800 917 2222

Textphone: 0800 917 7777

Monday to Friday, 8am to 6pm

Refugee Council

www.refugeecouncil.org.uk

Provides advice and information to refugees and asylum seekers in their own language.

Tax Credit Helpline

Telephone: 0345 300 3900

Textphone: 0345 300 3909

Information about tax credits and to request claim forms.

Working Families

0300 012 0312

www.workingfamilies.org.uk

Advice on benefits and employment law.

www.gov.uk/housing-benefit

For information on how to find out your local housing allowance, and for details of your local housing office.

More from Gingerbread

The following related Gingerbread factsheets are also available:

- > [Tax credits when your circumstances change](#)
- > [Housing options for single parents](#)
- > [Claiming income support and other benefits](#)

Download them from our [website](#)
or call 0207 428 5400 to request them.

Become a Gingerbread member

Membership is available to single parents in England and Wales. Join a community of thousands of single parents who benefit from the mutual support, free advice and information provided by Gingerbread. You can also meet other single parents at one of our local support groups.

Visit our [website](#), call 0207 428 5424
or email membership@gingerbread.org.uk

Gingerbread
Single parents, equal families

Gingerbread, the charity for single parent families, is registered in England and Wales as a company limited by guarantee, no. 402748, and a registered charity, no. 230750. The Gingerbread Single Parent Helpline is supported by the Department for Education, HMRC, The Big Lottery and other funders and is accredited by the Helplines Partnership.

www.gingerbread.org.uk

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