

## HMRC – Tax Credit Renewals

### Scripts for online step by step guide

#### **Video 1 - Introduction to the guide**

When you receive your renewals pack, you'll find some forms inside, and some notes to go with them.

They might seem hard to understand at first. And that's where this guide comes in. We will take you through each step of the process, show you what to do next and help you tackle all those tricky calculations along the way.

Getting it right first time could make a big difference. It means that you can be sure we're paying you the right money, so you can avoid having to pay any money back or risk having your payments stopped. Tax Credits are flexible – they change when your life changes. That's why it's important to check your renewals form carefully and make sure the information we have is correct.

You see, every payment you receive from the beginning of April until you renew is based on the information you told us last year or whenever you first claimed tax credits. So although you should have told us about any changes to your circumstances during the year, the information we have could be out of date. So, the quicker you renew, the quicker we can make sure you're receiving the right money.

What's more, if you don't complete your renewal by July 31, your payments will stop altogether and you will have to pay back all the money you've had since April. That means starting everything all over again, which is a real pain; and you could also end up losing money.

But don't worry. The whole point of this guide is to help you renew your claim quickly and correctly. And at each stage you will be asked what's relevant to you – so you needn't bother with the bits you don't need!

There are just 3 simple steps:

Step A – Check what you told us when you last renewed or started your claim.

Step B – Check the changes to your circumstances that you reported during the year.

Step C – Calculate your income for the previous year from April 6 last year to April 5 this year.

It's almost time to get started, but you need to grab a few things first: you will need a calculator, your P60 or P45 from work, any childcare receipts and a copy of your last payslip for the year to the April 5. If you are self-employed, you'll need your Tax Return accounts or details of your income and business expenses from the year. If you've had any interest from savings in the year, you'll also need your bank statements.

Now you are ready to go!

#### **Video 2 – Introduction to the Annual Review**

You will have received an Annual Review in your renewal pack.

The Annual Review contains all the information about you and your circumstances that you gave to us when you first claimed or last renewed. It also contains any changes that you told us about during the last year.

You need to check this information carefully as it can affect how much money you receive from tax credits. It's really important that the details are correct.

#### **Video 3a -Check what you've already told us**

This section is really simple – you just need to check that the details on your Annual Review are correct.

It may be tempting to skim over your Annual Review and think that everything on it is right,

but it's very important that you check the information we have on record for you, because even a small mistake can affect your payments.

Childcare costs can be a little tricky to work out – so if you pay childcare, go to video 3b, otherwise go to video 4b.

### **Video 3b – Childcare calculations**

If you pay *exactly* the same amount for childcare every week of the year, it's pretty easy. But not everyone's life is quite so simple!

Many people pay different amounts at different times, often paying more during the school holidays for example. If this sounds like you, then it's about working out what your average weekly costs are. But remember don't include any amount paid in money or vouchers by your employer

Here's an example of how it works:

Ahmed pays £60 a week for registered childcare. But for 10 weeks of the year, during the school holidays, the cost goes up to £100 a week. So in fact he is only paying £60 a week for 42 weeks of the year. So his total costs over 52 weeks are:  
 $(£100 \times 10) + (£60 \times 42) = £3,520$

To work out the weekly average, we divide this total by 52, because there are 52 weeks in a year. So the average amount Ahmed pays per week is:  $£3,520 \div 52 = £68$ .

Or if you pay your childcare costs monthly, here's an example of how that might work:

Carmen pays for registered childcare on a monthly basis, but the amount she pays varies from month to month. In April she paid **£144**; in February, October and December she spent £200 a month ( $£200 \times 3 = £600$ ); in July and August she spent £400 a month ( $£400 \times 2 = £800$ ); and in the remaining 6 months she spent £150 a month ( $£150 \times 6 = £900$ ). So to calculate her total childcare costs over the 12 months of the year, we add all that together:  
**£144** + £600 + £800 + £900 = **£2,444**

And to work out the weekly average cost, we divide this total by 52, because there are 52 weeks in a year. So the average amount Carmen spends each week is: **£2,444** ÷ 52 = **£47]**  
HELPLINE – If at any stage you realise that the information you have given us is wrong, or you just need some extra help with the calculation, give our helpline a call on 0845 300 3900, (or textphone 0845 300 3909 if you are deaf or have a hearing or speech impairment) but remember to grab your childcare receipts and dates before you call. It'll save time. But remember you can only claim for childcare that is registered or approved and it is your responsibility to check your providers documents to ensure that they are.

### **Video 4a – INTRODUCTION to STEP B**

Once you're sure that the details on your annual review are right, the next step is to check that any changes to your circumstances that you've told us about during the year are present and correct.

This section of the form goes into a little more detail than Step A, so it's important to concentrate. You will need to go through each bit very carefully, checking that the information is right as you go.

If there are any changes that have happened throughout the year which you haven't told us about, or if you find something that is incorrect on the form, just give our helpline a call on 0845 300 3900 (or textphone 0845 300 3909 if you are deaf or have a hearing or speech impairment).

### **Video 4b – About you**

In this section of the form, we need you to check that any changes to your relationship status

are correct.

Everyone's situation is different. Some of you may be claiming tax credits just for yourself, as a single person. But some of you may be claiming as part of a couple. And being a couple doesn't just mean being married. We treat you as a couple if you are married, in a civil partnership, or living with a partner. Even if you are apart for a while, because of work for example, you're still a couple as far as we are concerned.

If you are claiming as a couple, remember that it's up to both of you to make sure that all the information on your Annual Review is correct. If you can, make life easier for yourselves and look through it together!

And remember, if you have either separated from your partner or a new partner has moved in, you need to let us know within one month to minimise overpayments or penalties.

### **Video 5 – Where you live**

This section shows which country you call home. We need you to check any changes to where you live.

Many people travel a lot, on holiday or for work. You might even have more than one home. But wherever you spend most of your time is where you live. And if that place is in England, Scotland, Wales or Northern Ireland, that means you live in the UK.

You can generally only claim tax credits if you live in the UK. This may seem simple enough but what if you have to go away for a while? Well, if you or your partner leave the country for more than eight weeks (or 12 weeks if it's a case of illness or bereavement), you must tell us about it within one month so that we can end your award

And if you decide to live abroad permanently, or you lose your right to reside in the UK, again you must tell us about this within one month.

### **Video 6 – Disability**

In this section, we need you to check changes regarding any disability you may have. Living with a disability can put a strain on your finances, so we can pay you extra amounts of Working Tax Credit to help you out – the disability element, and the severe disability element. If you're not sure whether you qualify for either of these, this bit may be important for you. Oh, and by the way, if you need to know about a child with a disability, we cover that later in a different section of the guide.

To find out if you qualify for the disability element, just answer these 3 questions:

1. Do you work 16 hours a week or more?
2. Do you have a disability that puts you at a disadvantage in getting a job?
3. Do you get or have you recently been getting a sickness or disability-related benefit?

If the answer to all of these is yes, then you may be able to claim the disability element. But how do you know if you qualify for the severe disability element instead? Well, do you receive the Highest Rate Care Component of Disability Living Allowance or the Higher Rate of Attendance Allowance? If so, then you may be able to claim the severe disability element. And what's more, if you're in a couple and your partner works, then you don't have to work yourself in order to claim the severe disability element of Working Tax Credit. Remember though, if your answers to these questions have changed and you think you may no longer qualify for the disability element, you need to tell us within one month to minimise overpayments or penalties.

If you haven't told us already that you think you may qualify for the disability or the severe disability element, you need to tell us as soon as you can or you could be losing out on some extra cash.

### **Video 7 – Your work or benefits**

This is where you check any changes affecting your income or job that you reported during

the year.

For those on a low income, a bit of extra money to make ends meet can be a real help. So, to work out how much we can pay you in Working Tax Credit we need to know how much money you had coming in during the last tax year.

These are the kind of changes to your income that you should have told us about:

1) If you've started (or stopped) getting any of the following benefits since you last claimed:  
income support  
income-based Jobseeker's Allowance  
income-related Employment and Support Allowance or pension credit

- 2) If you were paid any interest on savings
- 3) If you received any money from a pension
- 4) If you received any income from renting a property
- 5) If your income from any jobs you've had has changed, including benefits or expenses.
- 6) If you're self-employed, you need to let us know your taxable profit for the year.

We also need you to tell us about any changes to your job. These are the sort of things we need to know about here:

- 1) If the country you mostly work in has changed (it doesn't matter if you go abroad for work occasionally)
  - 2) If the number of hours you usually work every week has changed
  - 3) If you've lost your job or been involved in industrial action.
- If any of these changes have happened to you during the last year and you haven't already told us, we need to know about them so that we can adjust your award. Otherwise, you will have to pay the money back and you may get a penalty'

### **Video 8 – Qualifying children and young people**

This section contains the details of any children (under 16 yr olds) or young people (16-20 year olds) you may be claiming for, and needs to be checked for changes.

Having children is an expensive business, so if you need a bit of help, you can claim Child Tax Credit for any child or young person you or your partner are responsible for. To be 'responsible' for them they must normally live with you.

Children grow up quickly and changes – good and bad - can happen unexpectedly. Tax credits can adjust to these changes. That's why it's important for you to tell us about them as soon as possible.

These are the types of changes you need to tell us;

- 1) It may be the last thing on your mind, but you need to tell us, for example, if a child in your family is born or dies.
- 2) Once your child is 16 you need to tell us if they start or finish school, college or approved training. There's more information about this in a moment.
- 3) If they get a job, or they start receiving benefits or tax credit for themselves,
- 4) If they go to prison for more than 4 months, we need to know all this too.
- 5) And if they leave home, move in with someone, get married or enter a civil partnership, yes, we need to know this too!

So what happens when your child turns 16? From the 1<sup>st</sup> September following your child's 16th birthday and up to age 20 they must be in full-time non-advanced education or approved training to qualify for Child Tax Credit. We can also continue to pay you for up to 20 weeks if children aged 16 or 17 finish their education or training and register with a qualifying body, like Connexions. If you claim for a 19 year old, they must have started, or been accepted or enrolled in their for full-time non-advanced education or approved training before their 19<sup>th</sup> birthday

But what is full-time non-advanced education? Well, if your child is studying for school or

college qualifications (that includes anything up to A-levels, NVQ level 3, Scottish Highers or Advanced Highers) for more than on average 12 hours a week in supervised study during term time, that counts. But if they're studying at University for a degree or higher national certificate, that doesn't count. It also doesn't count if your child's full-time non advanced education is provided by an employer

And what counts as an approved training course? Well, this includes things like government approved apprenticeships and skills-based training programmes - as long as they are not part of an employment contract or any office your child holds, for instance as a councillor or youth leader.

All of these things can affect whether you qualify for childcare costs and how much you receive.

So, to avoid penalties and inaccurate payments, please tell us if things have changed.

### **Video 9 – Child disability elements**

In this section you should tell us if the child you are claiming for has a disability, and check any changes regarding their disability.

If your child does have a disability, a bit of extra money to help you manage probably wouldn't go amiss. So it's useful to know that you may be able to claim some extra Child Tax Credit. How do you know if you're eligible? Well, if Disability Living Allowance (DLA) is paid for your child or they are registered blind or came off the blind register in the 28 weeks before you claimed, you may get the child disability element of child tax credit.

If the Highest Rate Care Component of DLA is paid for your child, you may also get the severe disability element for your child.

So if any of this applies to you, make sure we know about it, or you could be losing out on some extra cash!

Remember, though, to tell us within one month if you think your child no longer meets the criteria for the child disability elements of Child Tax Credit. If you don't, you will have to pay the money back and you may get a penalty'

### **Video 10 – Childcare costs**

In this section, we need you to check any changes that might affect your childcare costs. If you work, having someone to look after your child can be pricey. So if you are a working parent, you may be able to get help towards the cost of childcare – you can claim childcare costs until the Saturday following the 1<sup>st</sup> Sept after your child's 15<sup>th</sup> birthday, or 16<sup>th</sup> if the child is disabled, provided you are entitled to receive Child Tax Credit for them.

To get help with childcare costs you must be:

- ☐ a lone parent who works at least 16 hours a week or more, or
- ☐ a member of a couple and both of you work at least 16 hours a week, or
- ☐ a member of a couple and one of you works at least 16 hours a week and the other is
  - incapacitated and in receipt of a disability or incapacity benefit ; or
  - a hospital in-patient, or
  - in prison

And remember, if any of this changes at any time make sure you tell us

You will also need to check that the childcare provider you use is approved or registered. If in doubt, simply ask the person who looks after your child for evidence of their approval or registration. And remember it is your responsibility to ensure that they are for Tax Credit purposes. As your family's needs change, your tax credits may go up or down. Remember to let us know if your childcare provider stops being approved or registered, or if you start using a relative to look after your child, or your childcare weekly average total costs go up or down by £10 or more or go to nil. Get it sorted straight away and you will avoid any wrong payments or penalties.

We also need to check that the average weekly childcare cost you gave us last year is still correct as this will affect how much money you get from us in tax credit. Don't worry, the next section of the guide [Step C] will help you calculate this.

#### **Additional information;**

Some people may only use childcare for a short period for example to cover school holidays or an emergency. You can now claim the childcare element just for these periods.

If this sounds like you and you wish to make a claim please phone our helpline on 0845 300 3900 (or textphone 0845 300 3909 if you are deaf or have a hearing or speech impairment) within 7 days of the childcare starting.

### **Renewals Videos: Step C Scripts**

#### **Video 11 -Introduction to Step C**

Some of you will have been sent an Annual Declaration in your renewal pack, as well as your Annual Review. This is a good time to check whether you have one or not.

If there is an Annual Declaration in your pack go to video 19 and if there isn't an Annual Declaration go to video 12a.

#### **Video 12A - Calculate your income on Annual Review**

Now that you've checked everything on your Annual Review, it's time to calculate how much money you've received in the last tax year (that's April 6 - April 5).

And if you're not a maths whiz, don't worry! It's easier than you think. Just grab your P60, your P45 or your last payslip for the year (up to April 5), or if you're self-employed grab your tax return or accounts, and then you're ready to follow this section of the guide. All the numbers you need will be right there in your hand, so you'll get through the calculations in no time.

If you're claiming as a couple we need to know the income for each of you, so you'll need to have your partner's details to hand too.

#### **Video 12B - Working out your employment income – part 1**

If you are employed by a company, we need to know how much they paid you in the tax year up to April 5 this year,.. If you only received income from self-employment, you can skip this section and

go straight to [Animation 15]

If you're part self-employed but also work for an employer, you'll have to follow both sections.

#### **Video 12c - Working out your employment income – part 2**

So, to check how much your total income is, you need to have a look at the 'Total Pay to Date' section of your P45, or the 'Total for the year' section on your P60 or your last payslip **you received at the end of March** (we told you they'd come in handy!). You get all of these forms from work so if your employer hasn't given you any of these, just ask them.

Remember to include in this figure anything you earned abroad – but in British Pounds please! – and any tips, strike pay from your trade union or money you may have earned in prison or on remand between April 6 last year and April 5 this year.

And remember also to deduct any work expenses **allowed against your tax** that you haven't yet been paid back for, as well as any money you've paid into a personal pension scheme. You also need to deduct any statutory Maternity, Paternity or Adoption payments you may have received – but only up to a maximum of £100 per week.

The help notes that you'll find in your renewal pack called 'Renewing your tax credits: Getting it right' contain a worksheet that will tell you what you should include as your income as an employee and what deductions can be made.

When you have the figure, jot it down on the worksheet or a scrap of paper – you will need it later.

If, for whatever reason, you can't get hold of the exact figure right now, you can give us an estimate. But please, please, please tell us as soon as you do know the actual figure and no later than 31<sup>st</sup> Jan next year. Until we have it, we can't be certain that you are getting the right amount of tax credits. You may be due some more money. Or you could have been paid too much, which means you'll have to pay it back.

If you need further help at any stage working out your income, just give the helpline a call on 0845 300 3900 (or textphone 0845 300 3909 if you are deaf or have a hearing or speech impairment).

### **Video 13 - Benefits in kind from your employer**

This section helps you work out how much your work benefits are worth.

If you're lucky, you may get all sorts of perks that come with your job – things like medical insurance or a company car.

We need to know how much all these are worth, so the figure here should be the cash equivalent value of all the benefits you got from your employer for the tax year to April 5 this year.

Again, your employer will usually do the work for you by sending you a P11D or a P9D form. But if you haven't got either of these forms, just ask your employer to tell you how much the benefits in kind that you should include as income are worth.

To make it that little bit easier, the help notes included in your renewal pack contain a worksheet that will tell you which work benefits you should include as income. And if you've had more than one job over the last tax year, just add the figures together. When you have the figure, note it down for later.

### **Video 14 - Taxable social security benefits received**

Now it's time to add up how much money you may have received from taxable social security benefits.

Firstly, you may well be wondering what on earth 'taxable social security benefits' are. Well, there are many social security benefits available to people from the Government – these are regular payments designed to help people with all kinds of needs – people who are unemployed, sick, retired or expecting a child, for example.

And these benefits fall into two categories. Some of them are tax-free. Others are taxed. The benefits that are taxed are:

- ☐ Bereavement Allowance,
- ☐ Carer's Allowance
- ☐ **Contribution-based** Jobseeker's Allowance
- ☐ **Contribution-based** Employment and Support Allowance
- ☐ **Incapacity benefit** – but don't include it if you have been receiving it since before 13<sup>th</sup> April 1995 and have received it ever since.

So, if you've been paid any of these over the last tax year, add up how much you've received from them and note down the total.

If you're still a bit baffled and aren't sure which benefits you got or how much money you got from them, just give your Social Security office or Jobcentre Plus a call.

### **Video 15 - Income from self-employment**

This section is for those of you who are self-employed to help you work out your taxable profits for the tax year (April 6 last year to April 5 this year).

It can be tricky working this out as the information may not be all in one place. Normally, though, if you're self-employed, you will fill in your Tax Return every year to work out how much you've earned and what tax you owe.

So, if you've already done this, then you've made life easy for yourself because all the figures you need for this section you will find on your Tax Return, and you can simply copy them across.

Even if you've been running more than one business, maybe in partnership with someone else, you should be able to work out the answers from your Tax Return. To work out your total profits across all your businesses, you just add together the adjusted profit from each of your self-employment pages AND your share of the adjusted partnership profit from each of your partnership pages.

Businesses can bring in money from all over the place - you may get some extra profit from rental income for example. If this applies to your business, again you should be able to find the amounts you need on your Tax Return.

If you're a farmer, market gardener, artist or writer, you get a special mention here, because if you usually use averages when you're working out your profits, you need to be careful. You cannot use averages in your tax credits claim. We need exact figures. The notes we've included in your renewals pack tell you how to work these out.

BUT what if you haven't filled in your Tax Return yet? In that case, it's likely that you don't have all this information to hand. And if that's the case, please give us an estimate of what it will be using your invoices and receipts for the year – but please try and be as accurate as possible, and let us know as soon as you have the actual figures!, but no later than 31<sup>st</sup> Jan next year. Until we have them, we can only estimate how much tax credits we should pay you. This may mean that you have not been paid enough, or you could have been paid too much and have to pay some money back.

Remember, any money earned abroad should be included in British Pounds please! And if your business made a loss in the last financial year, you should deduct that amount from your total income for that year (including your partner's income if you are claiming as a couple).

All this stuff can be very confusing, so if you need any help at any time working it all out, just give the helpline a call on 0845 300 3900 (or textphone 0845 300 3909 if you are deaf or have a hearing or speech impairment).

Once you have checked that you have included all your income make a note of this as you need it in just a minute when you come to your final income calculation.

### **Video 16 - Other Income**

This section is for totting up any money you have coming in from sources that we haven't yet mentioned.

Aside from earnings and benefits, you may well have money coming in from all sorts of places.

For example, you might have earned some interest on savings, investments or dividends, or you may be receiving money from a pension. Or perhaps you've received money from a trust, settlement or estate, or from a property that you own.

You should also tell us here about any foreign income that wasn't part of your pay from employment or self-employment. This could be foreign pensions, or any foreign social security benefits you may have received.

If you think this section applies to you, note down the total gross amount that you received from these other sources on your worksheet – in other words, add everything up using the amounts you received before tax was deducted, not after!



Remember to convert any money you got from overseas into British Pounds before you include them in your sums, otherwise your answer could be very wrong!

AND if the total you end up with is less than £300, that's great news - you don't have to include it! It simply doesn't count, and nor do maintenance payments, student loans or grants.

### **Video 17 - If you are self-employed**

This section is for those of you who are self-employed to help you work out your profits for the tax year (April 6 last year to April 5 this year).

It can be tricky working this out as the information may not be all in one place. Normally, though, if you're self-employed, you will fill in your Tax Return every year to work out how much you've earned and what tax you owe.

So, if you've already done this, then you've made life easy for yourself because all the figures you need for this section you will find on your Tax Return, and you can simply copy them across.

Even if you've been running more than one business, maybe in partnership with someone else, you should be able to work out the answers from your Tax Return. To work out your total profits across all your businesses, you just add together the adjusted profit from each of your self-employment pages AND your share of the adjusted partnership profit from each of your partnership pages.

Businesses can bring in money from all over the place - you may get some extra profit from rental income for example. If this applies to your business, again you should be able to find the amounts you need on your Tax Return.

If you're a farmer, market gardener, artist or writer, you get a special mention here, because if you usually use averages when you're working out your profits, you need to be careful. You cannot use averages in your tax credits claim. We need exact figures. The notes we've included in your renewals pack tell you how to work these out.

BUT what if you haven't filled in your Tax Return yet? In that case, it's likely that you don't have all this information to hand. And if that's the case, please give us an estimate of what it will be using your invoices and receipts for the year – but please try and be as accurate as possible, and let us know as soon as you have the actual figures! Until we have them, we can only estimate how much tax credits we should pay you. This may mean that you have not been paid enough, or you could have been paid too much and have to pay some money back.

Remember, any money earned abroad should be included in British Pounds please! And if your business made a loss in the last financial year, you should deduct that amount from your total income for that year (including your partner's income if you are claiming as a couple).

All this stuff can be very confusing, so if you need any help at any time working it all out, just give the helpline a call on 0845 300 3900 (or textphone 0845 300 3909 if you are deaf or have a hearing or speech impairment).

Once you have checked that you have included all your income make a note of this as you need it in just a minute when you come to your final income calculation.

### **Video 18 – What to do next**

Now that you've gone through all your calculations and worked out how much money you have coming in, what are you supposed to do with all these figures? Well, you now need to add them all up to work out your total income. Don't forget to take off pension contributions and gift aid.

Have you done everything? Let's just check:

1. Is all your personal information in Step A correct?
2. Have you told us about all your changes of circumstance in Step B?
3. Have you worked out your income for the year from April 6 last year to April 5 this year?

The Annual Review form will give you a range of income. If your income is inside the range given then you don't need to call us. If however it is above or below, then you need to give the helpline a quick call on 0845 300 3900 (or textphone 0845 300 3909 if you are deaf or have a hearing or speech impairment).

If not, then you are now finished! It's clear that the information we have for you is still correct and up to date, so your claim will automatically be renewed. Time for a cuppa to celebrate!

#### **Video 19 – Introduction to your declaration**

You have clicked on this route because you do have a Declaration form in your renewal pack. So, all you need to do now, is to go through the following sections, calculate your income for the last tax year (that's April 6 last year – April 5 this year) and then enter your figures on the Declaration form. All that's left then is for you to post it back to us.

This step will take you through the Declaration form. It will also help you calculate your income for the last tax year. This is your chance to update the information we have for you and give us the right figures. It's all about letting us know how much money you have coming in – from work, benefits or anywhere else.

#### **Video 20 - Certain Benefits**

Part 1 of your Annual Declaration is about the benefits you receive.

All you have to do here is put a 'X' next to the income based benefits that you have received for the whole of the tax year to April 5 this year.

BUT please remember not to put a 'X' next to these if you're still waiting to hear whether you qualify, or if you are receiving a ~~run-on~~ payment of one of these because you have started work either in the last 2 weeks or will do in the next 7 days, or if you did not receive one of these benefits for the whole of the tax year.

#### **Video 21 - Taxable social security benefits received**

Now it's time to add up how much money you may have received from taxable social security benefits.

Firstly, you may well be wondering what on earth 'taxable social security benefits' are. Well, there are many social security benefits available to people from the Government – these are regular payments designed to help people with all kinds of needs – people who are unemployed, sick, retired or expecting a child, for example.

And these benefits fall into two categories. Some of them are tax-free. Others are taxed. The benefits that are taxed are:

- ☐ Bereavement Allowance,
- ☐ Carer's Allowance
- ☐ **Contributions-based** Jobseeker's Allowance
- ☐ **Contributions-based** Employment and Support Allowance
- ☐ **Incapacity benefit** - but don't include it if you have been receiving it since before 13<sup>th</sup> April 1995 and have received it ever since.

So, if you've been paid any of these over the last tax year, add up how much you've received from them and write down the total in box **[2.1]**

If you're still a bit baffled and aren't sure which benefits you got or how much money you got from them, just give your Social Security office or Jobcentre Plus a call.

#### **Video 22a - Income details – part 1**

If you are employed by a company, we need to know how much they paid you in the tax year up to April 5 this year. If you are entirely self-employed, you can skip this section and go straight to [ANIMATION 24]. If you are part self-employed but also work for an employer, you will have to follow both sections.

### **Video 22b - Income details – part 2**

So, to check how much your total income is, you need to have a look at the 'Total Pay to Date' section of your P45 or the 'Total for the year' section on your P60 or your last payslip **you received at the end of March** (we told you they'd come in handy!). You get all of these forms from work so if you don't seem to have any of them, just ask your employer.

Remember to include in this figure anything you earned abroad – but in British Pounds please! – and any tips, strike pay from your trade union or money you may have earned in prison or on remand between April 6 last year and April 5 this year.

And remember also to deduct any work expenses **allowed against your tax** that you haven't yet been paid back for, as well as any money you've paid into a personal pension scheme, you also need to deduct any statutory Maternity, Paternity or Adoption payments you may have received – but only up to a maximum of £100 per week.

The help notes that you'll find in your renewal pack called 'Renewing your tax credits: Getting it right' contain a worksheet that will tell you what you should include as your income as an employee and what deductions can be made.

When you have the figure, write it down in box **[2.2]**

If, for whatever reason, you can't get hold of the exact figure right now, you can give us an estimate. But please, please, please tell us as soon as you do know the actual figure and no later than 31<sup>st</sup> Jan next year. Until we have it, we can't be certain that you are getting the right amount of tax credits. You may be due some more money, or you could have been paid too much, which means you will have to pay it back.

If you need further help at any stage working out your income, just give the helpline a call on 0845 300 3900 (or textphone 0845 300 3909 if you are deaf or have a hearing or speech impairment).

### **Video 23 - Benefits in kind from your employer**

This section helps you work out how much your work benefits are worth.

If you're lucky, you may get all sorts of perks that come with your job – things like, medical insurance or a company car.

We need to know how much all these are worth, so the figure here should be the cash equivalent value of all the benefits you got from your employer for the tax year to April 5 this year.

Again, your employer will usually do the work for you by sending you a P11D or a P9D form. But if you haven't got either of these forms, just ask your employer to tell you how much the benefits in kind you should include as income are worth.

To make things a little easier, the help notes included in your renewal pack contain a worksheet that will tell you which work benefits you should include as income.

And if you've had more than one job over the last tax year, just add the figures together.

When you have the figure, write it down in box **[2.3]**

### **Video 24 - Income from self-employment**

This section is for those who are self-employed to help them work out their income for the last tax year.

Instead of working as an employee for someone else, you may well be self-employed on a full-time basis. If this is you, then you need to work out your taxable profits for the tax year April 6 last year to April 5 this year.

It can be tricky working this out as the information may not be all in one place. Normally, though, if you're self-employed, you will fill in your Tax Return every year to work out how much you've earned and what tax you owe.

So, if you've already done this, then you've made life easy for yourself because all the figures you need for this section you will find on your Tax Return, and you can simply copy them across.

Even if you've been running more than one business, maybe in partnership with someone else, you should be able to work out the answers from your Tax Return. To work out your total profits across all your businesses, you just add together the adjusted profit from each of your self-employment pages AND your share of the adjusted partnership profit from each of your partnership pages.

Businesses can bring in money from all over the place - you may get some extra profit from rental income for example. If this applies to your business, again you should be able to find the amounts you need on your Tax Return.

If you're a farmer, market gardener, artist or writer, you get a special mention here, because if you usually use averages when you're working out your profits, you need to be careful. You cannot use averages in your tax credits claim. We need exact figures. The notes we sent with your renewals pack tell you how to work these out.

BUT what if you haven't filled in your Tax Return yet? In that case, it's likely that you don't have all this information to hand. And if that's the case, please give us an estimate of what it will be using your invoices and receipts for the year – but please try and be as accurate as possible, and let us know as soon as you have the actual figures and no later than 31<sup>st</sup> Jan next year. Until we have them, we can only estimate how much we owe you. This may mean that you have not been paid enough, or you could have been paid too much and you may have to pay it back.

Remember, any money earned abroad should be included in British Pounds please! And if your business made a loss in the last financial year, you should deduct that amount from your total income for that year (including your partner's income if you are claiming as a couple).

All this stuff can be very confusing, so if you need any help at any time working it all out, just give the helpline a call on 0845 300 3900 (or textphone 0845 300 3909 if you are deaf or have a hearing or speech impairment).

Once you have your final figure, write it down in box **[2.4]**

### **Video 25 - Other income**

This section is for totting up any money you have coming in from sources that we haven't yet mentioned.

Aside from earnings and benefits, you may well have money coming in from all sorts of places.

For example, you might have earned some interest on savings, investments or dividends, or you may be receiving money from a pension. Or perhaps you've received money from a trust, settlement or estate, or from a property that you own.

You should also tell us here about any foreign income that wasn't part of your pay from employment or self-employment. This could be foreign pensions, or any foreign social security benefits that you may have received.

If you think this section applies to you, write down the total gross amount that you've received from these other sources in box 2.5 – in other words, add everything up using the amounts you received before tax was deducted, not after!

Remember to convert any money you got from overseas into British Pounds before you

include them in your sums, otherwise your answer could be very wrong!

AND if the total you end up with is less than £300, that's great news - you don't have to include it! It simply doesn't count, and nor do maintenance payments, student loans or grants.

### **Video 26 - Personal circumstances (Part 3 of the form)**

Part 3 of your Declaration form is really important. This is where you tell us whether everything in your Annual Review is correct or not. Without this information, we can't renew your tax credit claim!

In Step A at the very beginning of this guide, we went through your Annual Review carefully with you to check that everything you told us when you first claimed was correct. And at Step B we went through all your personal circumstances to check that any changes since then have also been correctly included in your review.

So now is your chance to tell us if you've spotted any mistakes or there are any changes we need to know about. You don't need to go into any details here, just mark one of these two boxes:

If everything in your Annual Review is definitely correct and you have no changes to report for the period April 6 last year to April 5 this year, then put a 'X' in box 3.1.

OR

If some of the information in your Annual Review is missing or incorrect, or you do have some changes to report, then put 'X' in box 3.2.

If you've marked box 3.2 because something is wrong, you can tell us what that something is either by calling the helpline on 0845 300 3900 (or textphone 0845 300 3909 if you are deaf or have a hearing or speech impairment), or writing to us – whichever you prefer.

If you'd rather write, just put 'Change of circumstances' on your letter, followed by the details of the changes, and then send it to:

Tax Credit Office  
St Mary's House  
St Mary's Street  
Preston  
PR1 4AT

You're now ready to move on to the last part of your renewal!

### **Video 27 - Declaration (Part 4 of the form)**

You're nearly there! Please just check one last time that everything you've put down on your Annual Declaration is correct before you dash on to the signing part.

We're going on about it so much because it's important to get it right. We will work out how much to pay you based on all this information, so if it's wrong, you could end up receiving too much money – which you'll have to pay back – or too little, which won't be much help!

It's important to know too that if you put false information on this form, you probably won't be able to change it later on, and you could end up having to pay a penalty or even being prosecuted, which no one wants.

And remember that if you're claiming as part of a couple, both of you are equally responsible for getting the information right and for paying back any overpayments or penalties, so help each other out!

But if you're sure that everything is correct, absolutely, positively, 100 per cent sure, then go for it and sign and date your Declaration.

If you're claiming as a couple, both of you should sign and date your Declaration. Now there's just one more thing to do – pop it in the post to us.

And now you can relax, you've done it! That wasn't so bad now, was it?

*FILE AND KEEP SAFE MESSAGE - And remember, hang on to your documents like your p60 and your childcare receipts. Make sure that you keep them somewhere safe as you may need them again throughout the year if your circumstances change or if we contact you to do random checks.]*