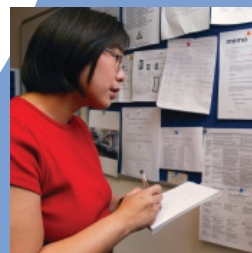
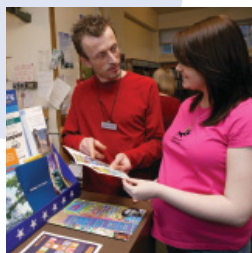
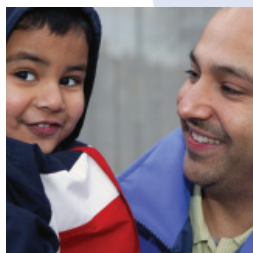


tax credit take-up resource pack

Helping clients to access tax credits
and manage their claims



Acknowledgements

Citizens Advice, in partnership with One Parent Families, produced the original version of this resource pack in April 2006.

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The charity for
your community

One parent families
making change happen

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The information in this booklet is correct at November 2006, but should not be taken as a full statement of the law.

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Introduction

Citizens Advice, in partnership with One Parent Families, produced the original version of this resource pack in April 2006 for distribution to Citizens Advice Bureaux who were planning local tax credit take-up campaigns. The pack, which included printed and online versions of this booklet (a Welsh language version was also available) and marketing materials, was distributed widely throughout the Citizens Advice service and has been well received by bureaux staff.

Following this success, Citizens Advice has made the **tax credit take-up resource pack** available to the entire advice sector through Rightsnet. This new version has been amended and updated so that the content applies to any individual or organisation that is considering running a tax credit take-up campaign.

The introduction of child tax credit and working tax credit in April 2003 was part of the Government's aim to provide greater work incentives and lift low-income households out of poverty. The tax credits aim to help halve child poverty and assist 70 per cent of lone parents to get back to work by 2010. The Government is also committed to increasing employment for disabled people. High take-up of tax credits is crucial to ensuring the Government's aims are realised.

Independent information and advice agencies can play an important and effective role in ensuring clients are able to access the welfare benefits and tax credits they and their families are entitled to. Research by Citizens Advice shows that there is an average £85 gain for every £1 spent on Citizens Advice Bureaux take-up projects.¹ Boosting the income of individuals and families in your local area will also benefit the local economy and can ease pressure on other statutory services.

The campaign also aims to ensure that claimants have sufficient knowledge, through information and advice, to ensure that they receive the correct amount of tax credits and are able to manage their claims effectively.

The information in this guide aims to help you design and implement a tax credit take-up campaign or project that meets the needs of clients in your area. This may include focusing on the take-up of tax credits among particular client groups, providing benefit checks to ensure that claimants are receiving their correct entitlement and/or publicising important information about tax credits to a wider group so that clients are able to successfully manage their tax credit claims.

The large number of potential claimants and the complexity of the system mean that there is much to do. We hope you find this resource pack useful in carrying out your local campaign to improve both the take-up of tax credits and client awareness of how best to manage their claims.

1 *Serious benefits*, Citizens Advice (2003).

Aims of the campaign

1. To increase take-up of child tax credit and working tax credit, particularly among hard-to-reach client groups.
2. To help tax credit recipients ensure that they are receiving the correct entitlement for their circumstances.
3. To help clients successfully manage their claims in the long term.

The aim of this campaign, is to help families and individuals access and retain the correct entitlement of tax credits. Its potential benefits are long-term, as it should not only increase the number of successful claims for tax credits but also ensure that current claimants are receiving their correct entitlement and are able to manage their claims successfully throughout the period of the claim.

The importance of managing claims to ensure correct entitlement

The life span of a tax credit claim includes many potential hazards that can lead to an incorrect award. From completion of the initial and renewal claim forms, through changes in circumstances to disputing decisions and dealing with overpayments, a degree of tactical expertise is required of the claimant. The tax credit system is complex partly because of it being based on an annual system of entitlement which contrasts with the weekly basis of entitlement for most other benefits. Many people lack basic literacy and numeracy skills, yet claiming and renewing tax credits, and keeping HMRC informed about changes of circumstance, mean that people must be able to handle complex information and maintain full household records.

When things go wrong, the consequences can be drastic and can result in a substantial reduction in the amount of tax credits claimants receive. The increase of the income disregard since April 2006 and new limits to the extent to which overpayments can be recovered within the current tax year from November 2006, may result in fewer and less drastic falls in income than have been seen in previous years. However, where errors are not identified or changes in circumstances not reported, due to lack of clarity and understanding of the scheme, claimants can still face a drop in the amount of their award, as well as demands for repayment of an overpayment when claims are reconciled at the end of the tax year.

Planning your campaign

1. Decide on a lead person to co-ordinate and deliver the campaign.
2. Identify which groups you want to target – see page 5.
3. Consider setting up a strategic planning group. Depending on the scale and focus of the campaign, this may include members from other organisations and agencies - for example, another local independent advice service or the social services department at the local authority.
4. Decide on the services you will provide for your target group that will enable you to achieve the aims of the campaign. See Delivery of campaign: ideas for action on page 8.
5. Allocate responsibility for delivery of the different aspects of the campaign (for example, advice services, events, publicity and marketing, monitoring and evaluation).
6. Set the time scale of the campaign. Plan your exit strategy and how successful aspects of the campaign can be incorporated into ongoing services.
7. Audit your current resources – staff, volunteers, information resources – and look at how these can be maximised, for example, through training.
8. Organise support for volunteers and paid advisers, including consultancy, referral, administrative back-up and supervision.
9. Ensure accessibility to the services you are providing, for example, for clients with sensory impairments or for whom English is not the first language.
10. Draw up a schedule and budget.
11. Draw up a plan for the publicity and marketing of the campaign – see page 13.
12. Draw up a plan for the monitoring and evaluation of the campaign – see page 15.

Identifying target groups

Also see Making contact with and meeting the needs of target groups on page 9.

Why target particular client groups?

- You can tailor your campaign according to the needs of clients in your area.
- You can focus on particular issues (for example, changes in circumstances or caring for a new baby) that cause barriers to successful management of tax credit claims by targeting client groups who are particularly affected by these issues.
- You can target your services towards those who are generally less likely to have access to, and contact with, advice services.
- To raise the profile of your organisation in hard-to-reach communities, which can help with future work.

Potential target groups

The following is not an exhaustive list and your organisation will wish to take local needs into account. The groups listed below include those who traditionally have lower take-up rates of benefits and those who have greater barriers to the management of their tax credit claims.

Long-term sick and disabled adults, children and their carers

There is a significant link between poverty and ill health and disability. Fifty five per cent of families with disabled children either are, or have been, living in poverty.² Furthermore, isolation and difficulty in accessing advice services also results in under-claiming of the available social security benefits and tax credits.

Disabled adults and children in receipt of a qualifying benefit may be receiving tax credits but missing out on the disability elements.

Changes to entitlement to incapacity, disability and carers' benefits during the course of a tax credit claim and lack of knowledge about how entitlement to other benefits can affect the tax credit award can lead to under- and overpayment of tax credits. Disabled children are more likely to have short awards of disability living allowance and experience changes in the rates that are paid.

2 *Ordinary lives*, Cathy Langerman and Eve Worrall (New Philanthropy Capital, 2005)

For adults, the qualifying conditions for the disability elements of working tax credit are so complicated that it is difficult for claimants to know if they are within the criteria for entitlement or not.

Black and minority ethnic communities

This client group traditionally has low take-up of benefits and under-use advice services. The amount of administration required for successful tax credit claims and the complexity of the system can be extra barriers to the take-up and management of these claims.

Tax credit claimants who do not use advice services are less likely to challenge decisions about awards and the recovery of overpayments and are also at risk of not claiming other financial help that may be available.

When deciding which groups to target, see www.statistics.gov.uk for details from the last census of the breakdown of ethnicity in your local area. You may also wish to look at this breakdown against the poverty statistics outlined in *Households Below Average Income 1994/95–2004/05* (DWP, 2005), also available at www.statistics.gov.uk.

Lone parents, new parents, parents with childcare costs

Government initiatives have led to an increase in the number of lone parents entering employment and claiming working tax credit. However, lone parents can face greater challenges in ensuring stability of tax credit income due to changes to, or inadequate provision of, childcare which is vital for retaining employment of 16 or more hours a week. Caring responsibilities can also mean limited access to advice services.

Maternity periods can bring about changes to income, employment status and childcare costs. Failure to request an award based on the current year's income can result in a drop in the family's income and non-entitlement to the Sure Start maternity grant. For a first child, a family has to apply for child benefit, then child tax credit, and then get their award amended on the basis of their current year's income. This can be complex and time-consuming. The complexities are further exacerbated by the need to estimate income for the remainder of tax credit year (if this is after the end of paid maternity leave). Many mothers or adoptive parents may not know or may subsequently change their mind about whether they will return to employment at the end of their maternity or adoption leave. Families on a low income are not prompted to apply for the Sure Start maternity grant and other benefits, and are at risk of missing out altogether.



All parents with childcare costs must know when to report changes to their costs in order to receive the correct entitlement of working tax credit. The calculation of average weekly childcare costs can be very difficult. Claimants are forced to budget across the year when there are, in fact, periods of peak demand, such as school holidays, the costs of which may not be known at the time of making or renewing the claim or reporting a change in circumstances. Some, who start paying eligible childcare costs after they make or renew their claim, or who only use childcare during school holidays, may not know that the childcare element needs to be claimed.

Parents who have not used their child trust fund voucher

Parents of children born on or after 1 September 2002 automatically receive a £250 voucher to open a child trust fund account. In 2005, 46 per cent of vouchers (worth £230 million) were not used. When the voucher expires after a year, HMRC opens a stakeholder child trust fund account for the child and sends the details to the parent. However, the child will lose any return they might have gained on the money before the account was opened and the parent loses the choice of which type of account is most suitable to them unless they then take action to change the type of account or provider.

Lack of knowledge about the advantages of using the voucher and confusion about which type of account to open are likely to be contributing factors to the high proportion of parents who are not opening accounts. Take-up of the vouchers is also likely to be lowest among client groups who under-claim benefits and tax credits, do not have access to independent financial advice and under-use general information and advice services.

Delivery of the campaign: ideas for action

Increase take-up of tax credits

Barriers to claiming

The complexity of the claims and renewals processes and lack of support available from the HMRC helpline and from over-stretched advice services. This can be a particular issue for disabled clients and those whose first language is not English.

Lack of awareness of tax credits. Although less of an issue in general for tax credits, it is likely to affect hard-to-reach groups who traditionally have low take-up rates for social security benefits and under-use advice services.

Clients may be put off making a claim because of the publicised administrative problems at HMRC.

Ideas for action

Train staff or volunteers to specialise in the claims and renewals processes and offer surgeries or a drop-in service to your target group(s) to specifically help with completing forms.

Work with community organisations to make contact with hard-to-reach groups. Offer awareness sessions and/or benefits advice surgeries at venues where client groups are already present.

Promote the positive aspects of tax credits, in a press release, at talks and when advising individuals. See Tax credits facts, figures and case studies on page 22.

Making contact with, and meeting the information needs of, target groups

Long-term sick and disabled adults, children and their carers

- Display posters and flyers at GP surgeries, health centres and hospitals.
- If you have the resources to do so, advertise the availability of home visits for full benefit checks.

- Set up an advice surgery, or information point (where clients can book appointments for a benefit check at the bureau or a home visit), at one of the settings listed above.
- Offer to set up a referral system between relevant community groups and service providers and the bureau. They can use a form/voicemail number/email address to pass on a client's details, including any particular needs (such as sensory impairment), to the bureau. An appointment time or home visit can then be arranged between the bureau and the client.
- Offer a talk and an advice surgery to carers' and disability groups.
- Make contact with mental health service users by distributing flyers to, and/or running a tax credit awareness session for, community psychiatric nurses and the local Mind association, if there is one in your area.
- Find out about events in your area planned for Carers Week (11-17 June 2007) and offer to take part by providing an information stand or advice surgery. See www.carersweek.org.
- Make contact with families with a disabled child by asking social services if they can distribute flyers in any mailings to carers, or the Children's Information Service to specialist childcare providers. Also distribute posters and flyers to specialist educational settings.
- Make contact with parents who may not think of their child as disabled but have to provide them with extra care (for example, children with asthma or behavioural problems) by advertising your services at mainstream schools and childcare providers.

CASE STUDY

Targeting families where there is a disabled child

As part of their *quids for kids* campaign, Northumberland Welfare Rights Service inserted a flyer in a newsletter issued by social services to families who have children with disabilities. They also organised an awareness meeting attended by 20 foster carers of children with disabilities.

Black and minority ethnic communities

- Make contact with relevant community groups and service providers to discuss the priorities of potential services for their client group, for example, help with completing new claims and/or renewal forms, benefit checks, general advice surgery. Making links with these organisations and involving them with the planning and delivery of the campaign can also improve the quality of referrals and effectiveness of joint working as part of the campaign, and in future work.

- Discuss with contacts in other organisations any possible need for, and provision of, translation services and/or home visits.
- Offer to set up a referral system between relevant community groups and service providers and the bureau. They can use a form/voicemail number/email address to pass on a client's details, including language and any other needs, to the bureau. An appointment time can then be arranged between the bureau and the client.
- Offer to give a talk and/or provide an advice surgery at a community centre.
- Display posters and flyers (including in English and relevant community languages) in settings your client group are likely to access, for example, community groups, translation services, places of worship.
- If it is useful for your target group to receive written information in Arabic, Chinese, Gujarati, Punjabi, Tamil or Urdu, ask local organisations to display and distribute leaflets about the child trust fund. See Useful resources for clients on page 26.
- Offer support for advisers already working with your target group, for example, through sharing information resources, providing a consultancy service.

CASE STUDY

Raising the profile of local advice services

In 2005, Bexley Council's Welfare Rights Service, together with a local law centre and housing association, held an awareness event targeted at Vietnamese and Chinese residents. The 30 residents that attended were given information about where they could seek advice about benefits, from form filling to representation at a tribunal. They were also made aware of the availability of the Language Line interpreting service.

Lone parents, new parents, parents with childcare costs

- Make contact with pregnant women and new parents by distributing posters and flyers to GP surgeries, health centres, mother and baby clinics, midwives, health visitors, and any local Sure Start centre and/or National Childbirth Trust group.
- Ask contacts listed above if they would also be willing to distribute HMRC leaflet WTC6, *Child Tax Credit and Working Tax Credit – Other types of help you may be able to get*, Department of Health publication HSO1, *Healthy Start application leaflet* and Department of Trade and Industry leaflet *Pregnancy at work – what you need to know as an employee – babies due on or after 1 April* (see Useful resources for clients on page 26 and HMRC leaflets on page 27).

- Set up an advice surgery at one of places listed above. When targeting new parents, prioritise advice and information on the effect of changes on tax credits in the 12 months following a child's birth or adoption. Also provide information about the Sure Start maternity grant and child trust fund.
- Provide information support to midwives and health visitors, for example, providing them with relevant leaflets and/or giving a talk.
- Contact your Children's Information Service and ask them to display posters and include flyers in any mailings to parents and childcare providers.
- Contact local schools and childcare providers and ask them to display posters, flyers and HMRC leaflet WTC5, *Help with the costs of childcare – Information for parents and childcare providers*. You may wish to particularly focus on this activity during the run-up to school holiday periods.
- Prior to the school summer holiday, provide local playschemes with leaflets reminding parents they can report extra childcare costs and that renewal claims must be returned by the end of July.
- Ask any local lone parent groups (such as Gingerbread, prisoner families' organisations) and Sure Start programmes to display posters and distribute flyers. Offer to do a talk and benefit checks for their clients. When focusing on lone parents, prioritise advice and information on the effect of changes of circumstance on tax credit claims, particularly in relation to changes to employment and childcare.

CASE STUDY

Benefit checks minimise future financial hardship

During 2003/05, Somerset Welfare Rights Unit ran a benefit take-up campaign focusing on low-income families. One part of the campaign was to offer regular advice sessions at Neighbourhood Nurseries (now the Children's Centre Integrated Daycare Network) to assist families in maximising their income. The experience of the advisers was that due to the amount of publicity for the new tax credits most families were already claiming the benefit. In the main, families came forward to ask whether they were receiving the correct amount, rather than for help making claims. As a result of these checks advisers were identifying the fact that some families were being overpaid tax credits: this was not what parents wanted to hear but, by advising them to let the tax credit office know, the overpayments were minimised and the recovery of a large amount of overpayments at the end of the tax year was prevented.

Meeting information needs across client groups

Also see Appendix A: Sample press releases on page 17.

- Local employers may be willing to include information for employees about renewal of tax credit claims, and/or changes that have to be reported to HMRC, with their payslips, on an intranet site or newsletter.
- Distribute leaflets to all clients and organisations you are in contact with as part of the campaign, for their fridge or noticeboard, reminding them of what changes they need to report to HMRC, as well as HMRC leaflet WTC6, *Child Tax Credit and Working Tax Credit – Other types of help you may be able to get*.
- Consider holding a benefit check surgery at a local school, supermarket or library.
- Contact your local supermarket manager or other local employer whose employees' hours of work are likely to change from week to week – can you offer them a tax credit literacy workshop for their employees followed by a surgery?
- Consider running an information event for all parents to take place on a Saturday. Invite other organisations to attend and provide information and advice. For example, HMRC to promote the child trust fund, Department for Work and Pensions to give information on other benefits, a local Sure Start scheme, the social services department to advise on grants and services and national and local parents' organisations.
- Advertise and promote your advice service during the finalisation of claims period (April–July), with a focus on dealing with overpayments.
- Check with each client you engage with whether they have incurred a tax credit overpayment and:
 - whether they are liable for the overpayment;
 - whether the overpayment is recoverable; and
 - whether additional payments can be made, in particular, for clients with 'in-year' overpayments – see [written ministerial statement by Dawn Primarolo 6 December 2006](#)

Planning your publicity and marketing campaign

- Decide on a lead person to co-ordinate your media and PR activity.
- Evaluate all the time to make sure your plan is working.
- Use your campaign plan as the basis for your media and PR strategy. Your campaign plan will tell you:
 - who you want your audience to be and how you are going to reach them; and
 - what your key message to your audience is – for example, encouraging them to contact your organisation for help with making or checking a tax credits claim. Do you want them to attend a particular event or advice session or see an adviser at the bureau in the normal way? Do you want key information about tax credits to be publicised to a general audience?
- Decide on the most effective method(s) of reaching your audience. These may include press releases to the media (newspapers, websites, radio, specialist newsletters or periodicals), as well as to local organisations, and agencies (see Appendix A: Sample press releases on page 17), distribution of flyers and posters, information stands, talks, visits, etc. The method(s) you choose will depend on how targeted your campaign is going to be, the resources available for dealing with enquiries and how any follow-up work is to be managed.
- Identify the best spokesperson for your organisation – an articulate, friendly, well-informed and easily reachable person, possibly the manager or one of your trustees. Be prepared to answer media enquiries quickly.
- Find clients who are in your target group(s) or who illustrate a key message in your information campaign, and who would be happy to be interviewed about how your organisation has helped them. Contact them yourself each time a journalist is interested in their story to check they are happy to be interviewed. Also see Appendix B: Tax credits facts, figures and case studies on page 23.
- When approaching the local media, you need to sell your idea as interesting and newsworthy. For example, can the message you wish to put across tie in with a national news story about disabled people, carers, child poverty or tax credits? Can you use a feature article or a problem page to advertise your service or get your message across?

e-marketing

When you have decided who you are trying to reach and which message you want to convey, you may decide that e-communication is an effective way of reaching your target group. For example, young people are more likely to look for information on websites, a local employer may include an information article on their intranet site, or a group of professionals who work with your target group may have a website or receive regular e-newsletters.

As well as local authority websites, there may be others that list events and useful organisations in your area. E-forums and bulletin boards on websites that are aimed at your target group may also be a good place to advertise a service, an event or to get across important information.

The points made in Planning your publicity and marketing campaign on page 13 also apply to using electronic methods of publicity and marketing but the following should especially be considered for e-marketing campaigns:

- It is even more important that the information you provide is concise and that the key information is at the top of the article.
- Include a link to where people can get further information.
- Provide an expiry date for the article.
- Include a banner image (for example, your organisation's logo or an image you are using for marketing your project) to accompany the article.



Measuring the success of take-up work

It is important to record the success of your take-up work so that you can use the information with funders, either to continue the work you have started, or to expand a pilot out into a bigger campaign. Evaluation of the work you undertake will identify the most successful initiatives and inform future work.

You should determine the amount of administration time available before deciding how much information you wish to gather, and ensure everyone involved in the project is trained to use the recording system.

Things you may wish to monitor:

- The number of enquiries that result from the campaign. Use the number of tax credit enquiries to your organisation before the start of the campaign, or from the same month(s) in the previous year, as your baseline from which to measure the increase.
- The profile of clients helped, for example, client group, housing status, number and ages of children.
- Financial gains for clients, for example, by helping them to obtain new or increased benefits and/or tax credits. Record all amounts, including one-off payments such as maternity grants and annual increases in overall income. Potential estimated weekly or annual gain can be the result of:
 - new claims being made;
 - a benefit check revealing an error in entitlement;
 - challenging a decision relating to the amount of the award or recovery of an overpayment.
- The benefits to families of financial gains for instance:
 - How did the increase in income improve the quality of family life?
 - Did the increase in income prevent the family from being evicted or facing court proceedings for debt?
 - Did a successful claim for tax credits enable someone to enter or remain in employment?

This qualitative information can be gathered from questionnaires, follow-up interviews or letters of thanks from clients.

If general information provision is part of your campaign, you will not be able to measure the numbers of those who potentially benefited from the campaign. Comparison between the number of tax credit enquiries to your organisation before and after a press release and/or publicity campaign can indicate how effective it was.

In terms of take-up, you may wish, in the longer term, to compare numbers of claimants over the course of the campaign with the figures from the Office for National Statistics at <http://neighbourhood.statistics.gov.uk>.



Appendix A: Sample press releases

1. Promoting your information event

[Date – NB This release should be issued at least a week beforehand]

[Name of organisation] to hold information fair for parents and parents to be

[Name of organisation] is inviting parents to find out about the financial help they may be entitled to at an information fair at [venue and area] on [day, date and month].

Parents can access a range of free, confidential, independent advice and information about benefits, tax credits [include any other types of information available at event, for example, about local childcare provision, help from social services for people with disabilities] and the child trust fund.

Advisers will be available from [time event starts – time event ends] to make sure families are claiming all the help they may be entitled to. Parents can check if they can get help towards childcare costs while they are working, or get extra help because someone in the family is long-term sick or disabled. They can also find out about the financial help available to parents of a new baby and changes to maternity and adoption benefits for babies due on or after 1 April 2007.

Parents can also get information and advice about claims for benefits and tax credits they may have already made. Advisers can check to see if families are receiving the correct amounts, tell parents about how any changes in their family's situation might affect their claims, and give advice about what to do if a family has been overpaid tax credits.

[New paragraph for details of anything else provided at event, for example, an activity or area for children, translation services].

[Organisation name] manager [name] said:

“Many parents can find it a real challenge to get information about the different types of financial help that they could be entitled to. The benefits and tax credit system is complicated, and some parents have to contact several different government departments and their local council to find out about the different types of help that may be available to them.

“On [day, date and month] at [venue] parents have a chance to get the information they need all in one place, and ensure their family doesn’t lose out.”

Parents who cannot attend the event can arrange to see an adviser by contacting [name of organisation] on [telephone number].

Ends

For more information, call [name of manager], [name of organisation] on [telephone number].

Notes to Editors

[Insert standard brief text about your organisation and the services you provide]

2. Information article for local newspaper or local authority/ Sure Start/ employees’ newsletter about the childcare element of working tax credit

[Date – NB This release should be timed to coincide with the period before school holidays]

Parents might be missing out on help with childcare costs, warns [name of organisation]

At this time of year, working parents of school children are busy arranging childcare to cover the school holidays, but many do not know if they are getting the right amount towards the costs of childcare through their working tax credit.

In order not to miss out (or to have to repay an overpayment), it is important to know whether the type of childcare you are using qualifies for help, or when a change in your childcare costs means a change to the amount of working tax credit you receive.

[name of organisation] manager [name] said:

“We have seen clients who have claimed working tax credit, but when they started using childcare, even if it is just for the school holidays, did not know they could claim an extra amount towards the costs. We are concerned that many families who are struggling to meet these costs are missing out.”

Trained advisers at [name of organisation] can check that you are getting the right amount of tax credits and explain how changes to your childcare costs can affect your award. They can also provide free, confidential advice about other benefit claims and any money problems you may have. Contact [name of organisation] on [address and telephone number].

Ends

For more information, call [name of manager], [name of organisation] on [telephone number].

Notes to Editors

Here are some key facts you may wish include in your article:

Three things you need to know when your childcare costs change:

1. If you start using childcare, you may be entitled to an increase in your working tax credit. Report the change within three months of the increase or you may lose out.
2. When you tell the tax credit office what you pay on average each week for childcare, remember to include any extra costs for school holidays.
3. If you are already receiving some working tax credit towards your childcare costs and these end or go down by more than £10 a week for 4 weeks running, you must tell the tax credit office within three months.

[Insert standard brief text about your organisation and the services you provide]

3. Information article for local or community newspaper/newsletter promoting advice surgery at BME community group

[Date – NB this release should be issued at least one week before the surgery]

Got a question about tax credits? Free advice available at [name of venue]

[From/on] [day, date and month], [name of organisation] will offer free and confidential advice on all aspects of tax credits at [name of venue]. The advice surgery and translation service will be available [weekly/ monthly/ dates of surgeries].

The adviser can help with completing your claim or renewal form, check to see if you are receiving the correct amount, and give advice about what to do if you have been overpaid tax credits. They will also check if there are other sources of financial help you may be entitled to.

[Name of organisation] manager [name] said:

“The tax credits system is complex and it can be difficult to work out if you are entitled to any help or if you are getting the right amount of money.

“I am therefore delighted that we are able to work with [name of BME group/ organisation and/or translation service] to bring our advice services to their members/clients. By working together we hope that more people in [name of area] make a claim for tax credits, and that those who already have are sure they are getting the correct amount.”

You can also arrange to see an adviser about benefits, tax credits or other money issues at [name of organisation]. Contact them at [address and telephone number].

Ends

For more information, call [name of manager], [name of organisation] on [telephone number].

Notes to Editors

[Insert standard brief text about your organisation and the services you provide]

4. Problem/money page information article about how overpayments are dealt with by HMRC

[Date]

Question: I have been told that I was overpaid tax credits last year and that my money will go down to pay it back. Is there anything I can do?

Answer: Yes there are several things you can do. If you think the overpayment was caused by an error made by the tax credit office, you can ask them not to claim it back/deduct it from your payments. They will need to agree that you could not have known, from the information you had, that you were being overpaid.

If repaying the overpayment will cause you hardship, the tax credit office may decide that you do not have to repay it, or they may offer you 'additional payments'. These additional payments may be claimed back from you the following year, but you can ask for them not to be if this will continue to cause you hardship.

Remember, if your tax credit income goes down to repay the overpayment, you may be entitled to other benefits, for example, Housing Benefit.

For more information and help with dealing with your tax credit claim and other benefits, contact [*name of organisation*] at [*address and telephone number*].

Ends

For more information, call [*name of manager*], [*name of organisation*] on [*telephone number*].

Notes to Editors

[*Insert standard brief text about your organisation and the services you provide*]

Appendix B: Tax credits facts, figures and case studies

You may wish to use or adapt the following to add to your press releases or other work you are doing to promote your project.

Tax credit take-up rates

- HMRC estimates that 11 per cent of families who are entitled to child tax credit do not claim.
- HMRC estimates that only 56 per cent of families and individuals who are entitled to working tax credit make a claim.
- HMRC estimates that their expenditure on child tax credit is 87 per cent of what it would be if there were 100 per cent take-up and 78 per cent on working tax credit.³

Tax credits increase income for poorest households

- Families in the bottom 20 per cent of the income distribution are, on average, £3,000 better off than they were in 1997.⁴
- For those on the lowest incomes, a tax credit award, including childcare, can be worth a substantial part of their weekly income. A lone parent with one child, working 20 hours a week earning the minimum wage and paying £80 a week for childcare, would be entitled to over £8,000 a year in tax credits. Families on higher incomes receive about £10 a week. A family with income of £25,000 a year would receive £545 a year.⁵

Overpayments and underpayments for 2003/04

- One third of all families awarded tax credits were overpaid.
- Over half of all overpayments were over £500 and one third were over £1,000.
- Over 300,000 families effectively owed the Inland Revenue (now Her Majesty's Revenue and Customs) between £2,000 and £5,000 each.

³ HM Treasury (2004) *Child Poverty Review*, p34. HMSO: London © Crown copyright 2004

⁴ *Child Poverty Review*, p34, HM Treasury (2004), HMSO: London, © Crown copyright 2004.

⁵ *Money with your name on it? CAB clients' experience of tax credits* (2005).

- £1.9 billion was overpaid in tax credits.
- Over 700,000 families were paid less than they were entitled to, totalling £464 million, and 60 per cent of these families have incomes below £15,000 a year.⁶

Case studies

CASE STUDY ONE

Adviser helps family repaying an overpayment, with the help of a translator

Nasir Mohammed is married with three children: “I saw a CAB adviser at the Somali Community Centre who offered to check the way my tax credits had been worked out. I knew my money had gone down because I had been overpaid tax credits but I didn’t know why. The adviser contacted the tax credit office for me a few times and asked them not to recover the overpayment because it was because of their mistake. I could not tell from the letters they sent me that a mistake had been made. My family were struggling to live on the money we had before, but now my tax credits have gone up. The translator at the Centre helped explain the complexities of the situation and now I don’t have to worry that the same thing might happen next year.”

⁶ *Child and working tax credits finalised awards 2003-04*, HMRC analysis team, June 2005.

CASE STUDY TWO

Lone parent with disabled children gets tax credit increase

Anna Knezevic is a lone parent with two sons who have autistic spectrum disorder: "I only found out that I could claim disability living allowance for my sons after speaking to another mum at their school. A couple of months after the payments started, I saw a poster at my doctor's surgery saying that I could get all my benefits checked at the local advice centre and I decided to call. I couldn't go to the centre, as I can't afford to pay any more for childcare than I do already, but they said they could visit me instead. The adviser told me that now my sons receive disability living allowance, my tax credits would go up by around £90 a week! He also told me to call the tax credit helpline when my childcare costs go up in the summer holidays. Not only did my family get the extra money that we need to live – I know now that my kids aren't missing out on anything they're entitled to."

Useful resources for you

Serious benefits: the success of CAB benefit take-up campaigns (CAB 2003), available from www.citizensadvice.org.uk/index/publications/serious_benefits.htm.

Money with your name on it? CAB clients' experience of tax credits (CAB, June 2005), available from www.citizensadvice.org.uk/index/publications/money_with_your_name_on_it-5.pdf.

www.carersweek.org to register any activities you are planning during carers week (11–17 June 2007) and for information about activities already planned in your area.

<http://www.hmrc.gov.uk/taxcredits/tax--credit-questions.htm> for answers to frequently asked questions for welfare rights' advisers.

www.oneparentfamilies.org.uk to register for regular tax credit e-bulletins for organisations working with lone parents.

www.rightsnet.org.uk/taxcredits London Advice Service Alliance's website dedicated to tax credits for welfare rights' advisers.

www.statistics.gov.uk/census for summary information on population, ethnicity and religion, health, work and housing.

Useful resources for clients

www.hmrc.gov.uk/taxcredits for information and to download leaflets.

www.childtrustfund.gov.uk for information about the Child Trust Fund, or call 0845 302 1470 or textphone 0845 366 7870. Factsheets in the following languages are available to download from the website or by calling the helpline: Arabic, Chinese, English, Gujarati, Punjabi, Tamil, Urdu, Welsh.

www.dti.gov.uk to download leaflet *Pregnancy at work – what you need to know as an employee – babies due on or after 1 April* (Welsh language version also available) or order by calling 0845 015 0010 or Minicom 020 7215 6740.

www.fsa.gov.uk for information on a wide range of financial issues including credit and debt, using a bank account and basic bank accounts.

www.healthystart.nhs.uk for information about Healthy Start vouchers and to apply online, or call 08701 555 455.

HMRC leaflets

To get any of these leaflets call the tax credit helpline on 0845 300 3900 or go to www.hmrc.gov.uk/leaflets/credit.htm. Welsh-language versions are also available.

- WTC2, *Child Tax Credit and Working Tax Credit – A guide* (May 2005); includes examples of calculations.
- WTC5, *Help with the costs of childcare – Information for parents and childcare providers* (November 2006).
- WTC6, *Child Tax Credit and Working Tax Credit – Other types of help you may be able to get* (July 2006).
- WTC7, *Tax Credits Penalties – What happens at the end of a check* (February 2005); information about the penalties HMRC can impose and how to appeal against those penalties.
- WTC/AP, *Child Tax Credit and Working Tax Credit – How to appeal against a tax credit decision or award* (October 2004).
- COP 26, *What happens if we have paid you too much tax credit?* (March 2006); a code of practice setting out how HMRC deal with overpayments of tax credits. Form TC846, *A request to reconsider recovery of tax credits*, is also available.



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