

## Better off Calculation Example - Case Lone Parent Customer

Source: Department of Work and Pensions

<b>Case Summary</b>	Single customer. Two dependant child.
<b>Current Circumstances</b>	Single customer receiving Income Support. Renting from private landlord. Housing benefit and Council Tax Benefit in payment.
<b>Potential Circumstances</b>	Working 30 hours per week on minimum wage (£5.52 per hour). Receives Working Tax Credit, Housing Benefit, Council Tax Benefit.

### Current Report of Interview on 12<sup>th</sup> May 2008

#### Customer:

Aged 33  
You are Single

#### Dependant Children :

You have 2 children dependant on you :  
Aged 8  
Aged 3

#### Accommodation:

You are a tenant  
You are charged £100.00 per week for you accommodation.  
You rent your accommodation from a private landlord on a commercial basis  
Your Maximum Rent is £100.00 every week  
Your Maximum Rent is payable over 52 weeks per year.

You are liable for Council Tax at £1000.00 per year.

#### Work:

You do not work because you are exempt from work.

#### Details of Health and Benefits:

- You have an existing claim to Income Support

#### Previous Year Income

You did not receive and taxable income in the previous tax year.

#### Current Year Income

You have not received any taxable income in the current year.

## Comparison Results on 12 May 2008

<b>Current circumstances</b>	<b>New circumstances</b> (working 30 per week, earning £146.74 net)
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<b>Total Weekly Income</b>	<b>£301.61</b>	<b>Total Weekly Income</b>	<b>£616.47</b>
<b>Total Weekly Outgoings</b>	<b>£119.18</b>	<b>Total Weekly Outgoings</b>	<b>£381.68</b>
<b>Income minus Outgoings</b>	<b>£182.43</b>	<b>Income minus Outgoings</b>	<b>£234.79</b>

<b>The difference between your current income and you new income is</b>	<b>£52.36</b>
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To support your transition into work you may also be entitled to :

- **In Work Credit**

The In Work Credit is a tax-free payment of £40 per week paid direct to you on top of your wages for 52 weeks if you work for 16 hours or more per week.

You can claim the Return to Work Credit if you can answer 'Yes' to all four questions below:

1. Do you have a dependant child living in your household who is under 16 years old?
2. Have you been claiming one of the following, or a combination, without a break for 52 weeks or more?
  - Income Support; or
  - Jobseekers Allowance.
3. Will you be working for 16 hours or more per week?
4. Do you expect your job to last more than five weeks?

- **A Job Grant**

You may be entitled to a tax free Job Grant when starting full time work providing the qualifying conditions are met. The Job Grant is paid at one of two rates, £100 for single people and couples without children, and £250 for all lone parents and couples with children.

- **A Child Maintenance Bonus**

If you were entitled to child maintenance whilst receiving Income Support/ Jobseekers Allowance (Income Based)

- **Housing Benefit and Council Tax Benefit Extended Payments**

Housing Benefit and Council Tax benefit may continue for 4 weeks from the date you start work or increase your hours/earnings, provided the qualifying conditions are met. These payments are known as Housing Benefit Extended Payments. To see if you are entitled, tell the office dealing with your claim as soon as you know you are starting work.

Please remember

- Any outstanding Social Fund loans or Overpayments will still have to be repaid
- Any deductions (eg for Electricity, Gas, Water Rates etc.) being made from your Income Support/ Jobseekers Allowance (income Based) will end. You will have to arrange repayment of these.

### Comparison Details

<b>Current circumstances</b>	<b>New circumstances</b> (working 30 hours per week, earning £146.74 net)
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<b>Money coming in each week</b>		<b>Money coming in each week</b>	
Income Support	£60.50		
Child Tax Credit	£90.58	Child Tax Credit	£90.58
		Working Tax Credit	£292.67
Housing Benefit	£100.00	Housing Benefit	£51.02
Council Tax Benefit	£19.18	Council Tax Benefit	£4.11
		Earnings	£146.74
<b>Total Weekly Income</b>	<b>£301.61</b>	<b>Total Weekly Income</b>	<b>£616.47</b>

<b>Money going out each week</b>		<b>Money going out each week</b>	
Housing Costs – Rent	£100.00	Housing Costs – Rent	£100.00
Council Tax	£19.18	Council Tax	£19.18
		Child Care costs (see note 1)	£262.50
<b>Total Weekly Outgoings:</b>	<b>£119.18</b>	<b>Total Weekly Outgoings:</b>	<b>£381.68</b>

Notes (1) The money you pay for Child Care has been calculated as an average weekly amount.