

## QBC Worked Example 2

Bridget, born 13th March 1987, gave birth to her son Jacob 9 months ago and has been on maternity leave since his birth. She usually earns a take-home pay of £1,090.57 a month and worked 35 hours a week. She has been in her job for a few years.

Bridget lives in a three bedroom private tenancy, Council Tax band C, and pays £560 a month in rent.

Her employer has been paying her statutory maternity pay since going on leave, but this has now come to an end. She wants to know her entitlements if she returns to work:

Enter Bridget's **date of birth**:

Quick Benefits Calculator (2016/2017): untitled.qb1

File Report Configuration Details Tax Credits Help

Date: 20/2/2017 Monday 20 February 2017 Version: 20.15 Disclaimer

Adviser Reference Claimant

Claimant-  
Has a partner?  - No  
Date of Birth 13/3/1987  
Age: 29

Calculate Universal Credit? - No  
Disability Prem?  - No  
SDP  - No  
Carer Premium  - No  
Savings/Capital 0.00

Income Support/JSA(IB)	73.10
Tax Credits	N/A
Housing Benefit	0.00
Council Tax Reduction	0.00
Non Means Tested Benefits	0.00
Net work income	0.00
Other Income	0.00
<b>Total</b>	<b>73.10</b>

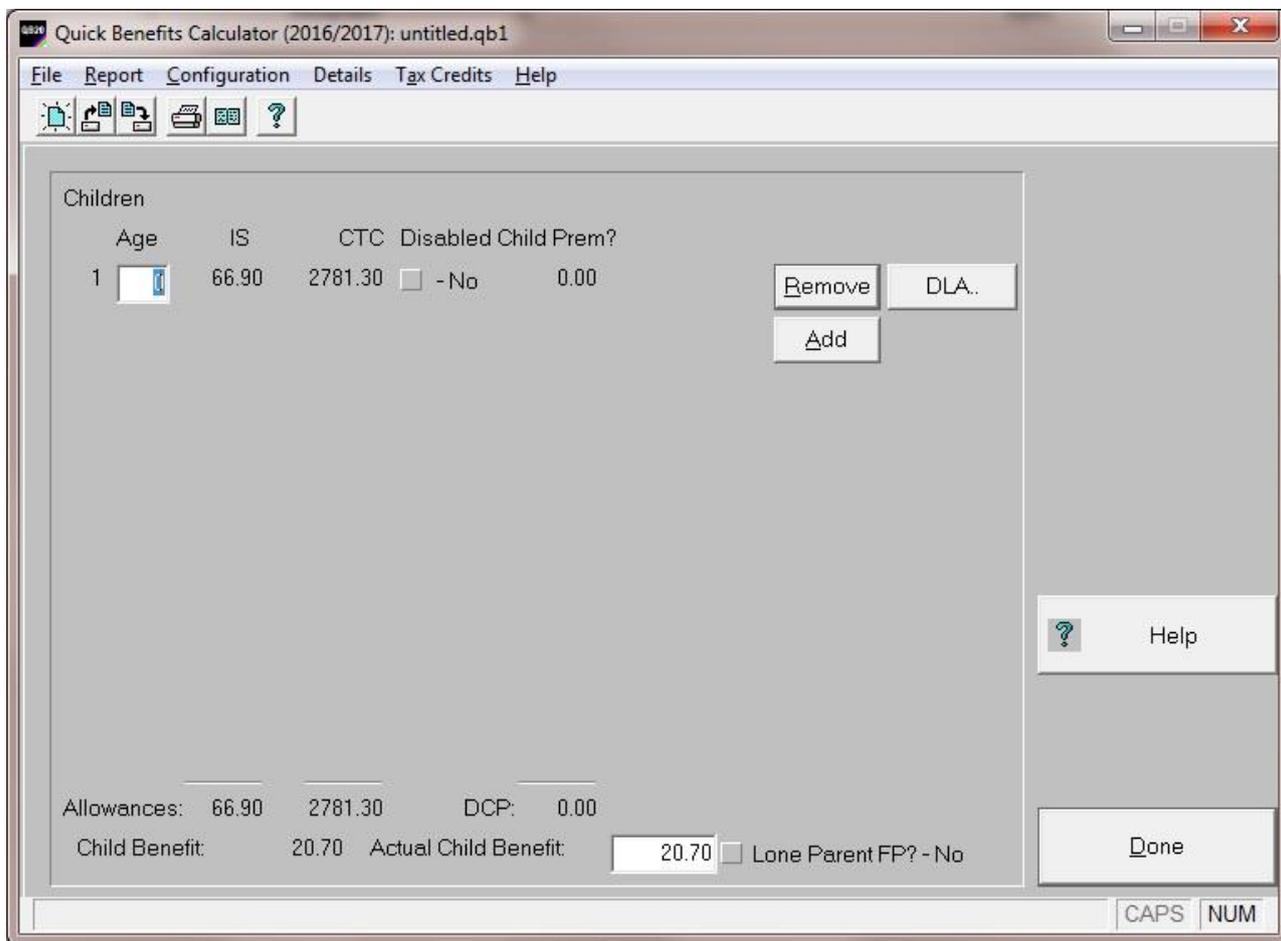
Children  
Claimant's Work  
Claimant's Other Income  
Claimant's ESA/LCW/WRA  
Claimant's Benefit Income  
Rent/NonDeps/Service Chgs  
IS/JSA Housing Costs (mortgage etc)  
IS/JSA(IB)  
Tax Credits  
HB CTR

Start 'What if...?' report

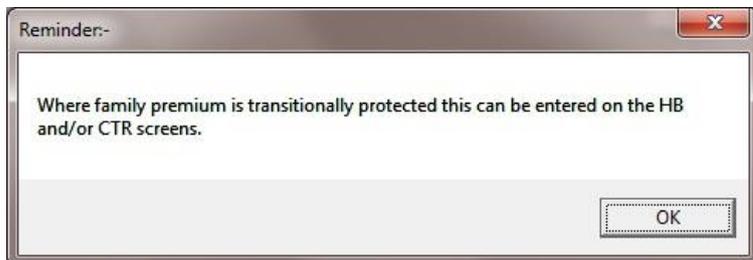
Help

CAPS NUM

Now add her son, Jacob, in the "**Children**" section - As he is under a year old, his age will be zero:



A pop-up will appear, but click "OK":



As Bridget is returning to work, go to the "**Claimant's Work**" section. First add her working hours (35) then the earnings figure she has told us about - As she has said her monthly take-home pay is £1090.57 and QBC works in weekly, we need to put a **M** before the figure, which will convert it to weekly:

Quick Benefits Calculator (2016/2017): untitled.qb1

File Report Configuration Details Tax Credits Help

Claimant's Income From Work.

Total hours work per week	<input type="text" value="35"/>	
Gross Earnings (not incl childminding)	<input type="text" value="251.67"/>	251.67
Income Tax	<input type="text" value="0.00"/>	0.00
National Insurance	<input type="text" value="0.00"/>	0.00
Pension Contributions	<input type="text" value="0.00"/>	0.00
Net Earnings	<input type="text" value="m1090.57"/>	251.67

Hours work childminding/wk	<input type="text" value="0"/>	
Gross Receipts	<input type="text" value="0.00"/>	0.00
Income for Means Tested Benefits		251.67
Costs of taking work:	<input type="text" value="0.00"/>	

Earnings are occupational sick pay? - No

Automatic Tax & NI - No

Allowances:-

Marriage TTA - No

Blind - No

Other taxable income not taxed at source

Treat this person as being  - No in remunerative work for WTC (or HB childcare) - see help

Child Care:

Eligible Child Care Costs:-

For WTC for UC

for HB or CTR

CAPS NUM

We now need her gross (before tax) earnings figure, as this is required for Tax Credit calculations. Select the "**Estimate Gross From Take Home Pay**" button and then "**OK**" on the pop-up window:

Estimate Gross Earnings From Take Home Pay

For employed earners the calculator can estimate gross income from weekly take home pay (ie gross pay less tax, national insurance and any pension contribution). This estimate relies on the information about tax allowances (and, for those aged over pension credit age but under 65, whether the person has reached state retirement age) entered on the work details screen so complete those

Weekly take home pay:

(Right click or start with m(for monthly) y (for yearly) to convert from other periods to weekly figures.)

Since Bridget will be working over 30 hours a week, make sure to tick the "Treat this person as being in remunerative work for WTC (or HB childcare)" and "Includes 30+ hour credit?" boxes.

Quick Benefits Calculator (2016/2017): untitled.qb1

File Report Configuration Details Tax Credits Help

Claimant's Income From Work.

Total hours work per week	35	
Gross Earnings (not incl childminding)	280.69	280.69
Income Tax	13.94	13.94
National Insurance	15.08	15.08
Pension Contributions	0.00	0.00
Net Earnings	251.67	251.67

Estimate Gross From Take Home Pay

Hours work childminding/wk: 0

Gross Receipts	0.00	0.00
Income for Means Tested Benefits		251.67

Costs of taking work: 0.00

Earnings are occupational sick pay? - No

Automatic Tax & NI - No

Recalc Tax

Allowances:-

Marriage TTA - No

Blind - No

Other taxable income not taxed at source: 0.00

Treat this person as being in remunerative work for WTC (or HB childcare) - see help:  - Yes

include 30+ hour credit? - Yes

Child Care:

Eligible Child Care Costs:-

For WTC for UC	0.00
for HB or CTR	0.00

Help

Done

CAPS NUM

When you click "Done", we get the (dreaded) Tax Credit pop-up box - As Bridget is restarting work and will be doing so until the end of this financial year, we can select the first option and then select "Yes" for the next pop-up box:

**Tax Credits : Income Reminder**

No current year earnings have been entered on the Claimant's tax credit income work sheet. To calculate tax credits correctly you must enter accurate income details on the worksheet (see help for more details). Update now?

Yes, go to the worksheet and add this work - starting today and ending at the end of this tax year  
 (This option sets up a correct worksheet entry if this work starts today and is expected to last to the end of this tax year)

Yes, go to the worksheet and add this work - for the whole of this tax year  
 (This option will set up a correct entry if work started at or before the start of the tax year and is expected to last to the end of the tax year. Remember to make any necessary entries for the previous tax year.)

Yes, go to the worksheet and add this work - for the whole of this tax year and the previous year as well.  
 (This option will set up a correct entry if this work started at or before the start of the previous tax year and is expected to last to the end of the current tax year.)

Yes, go to the worksheet but make no changes (update manually instead).  
 (Choose this option if you want to make the necessary entries on the tax credits worksheet yourself).

No, don't go to tax credits income worksheet.

Don't show this screen again (adviser to enter tax credit income later if applicable!)

**Important Information!**

This option assumes that the income entered started today. Income will therefore normally be higher in the following (complete) tax years - tax credits payable may fall in following years. Do you want to continue?

This is where it gets tricky as you have to work out Bridget's earnings in this (2016/17) and the previous (2015/16) tax year.

*SMP is 90% of the average weekly wage before tax for the first 6 weeks, followed by the lower of EITHER £139.58 a week OR 90% of the average weekly pay before tax for 33 weeks (See Advisernet 6.3.2.5 for details).*

In terms of maternity pay, 90% of Bridget's gross (before tax) wages is £252.62 a week, so she would have earned £1,515.72 in total for the first six weeks leave. She then would have earned £139.58 for 33 weeks, which totals £4,606.14:

Quick Benefits Calculator (2016/2017): untitled.qb1

File Report Configuration Details Tax Credits Help

Tax Credits Income (Applicant)

Income Type	Amount	Tax Year	Description		
Employment	1804.43	2016/17		Calc	Remove
					Add

Earnings: include any SMP/SPP/SAP and SSP (but disregard up to £100.00 per week of SMP/SPP/SAP.)

Help

Done

Enter details of \*annual\* assessable income for tax credit purposes in previous tax year. Also enter (expected) annual income for tax credits for current tax year here. See help for more information about what income counts.

CAPS NUM

Quick Benefits Calculator (2016/2017): untitled.qb1

File Report Configuration Details Tax Credits Help

Tax Credits Income (Applicant)

Income Type	Amount	Tax Year	Description		
Employment	1804.43	2016/17		Calc	Remove
Employment	6121.86	2016/17	Maternity Pay	Calc	Remove
					Add

Earnings: include any SMP/SPP/SAP and SSP (but disregard up to £100.00 per week of SMP/SPP/SAP.)

Help

Done

Enter details of \*annual\* assessable income for tax credit purposes in previous tax year. Also enter (expected) annual income for tax credits for current tax year here. See help for more information about what income counts.

CAPS NUM

However, Bridget had earnings before going on maternity leave - Between the start of her leave (for the purpose of this, 1st July '16 and today is 20th February '17), she worked 13 weeks of this tax year at her usual earnings level, totaling £3,648.97:

Income Type	Amount	Tax Year	Description	Calc	Remove
Employment	1804.43	2016/17		Calc	Remove
Employment	6121.86	2016/17	Maternity Pay	Calc.	Remove
Employment	3648.97	2016/17	Before Mat Leave	Calc	Remove

Earnings: include any SMP/SPP/SAP and SSP (but disregard up to £100.00 per week of SMP/SPP/SAP.)

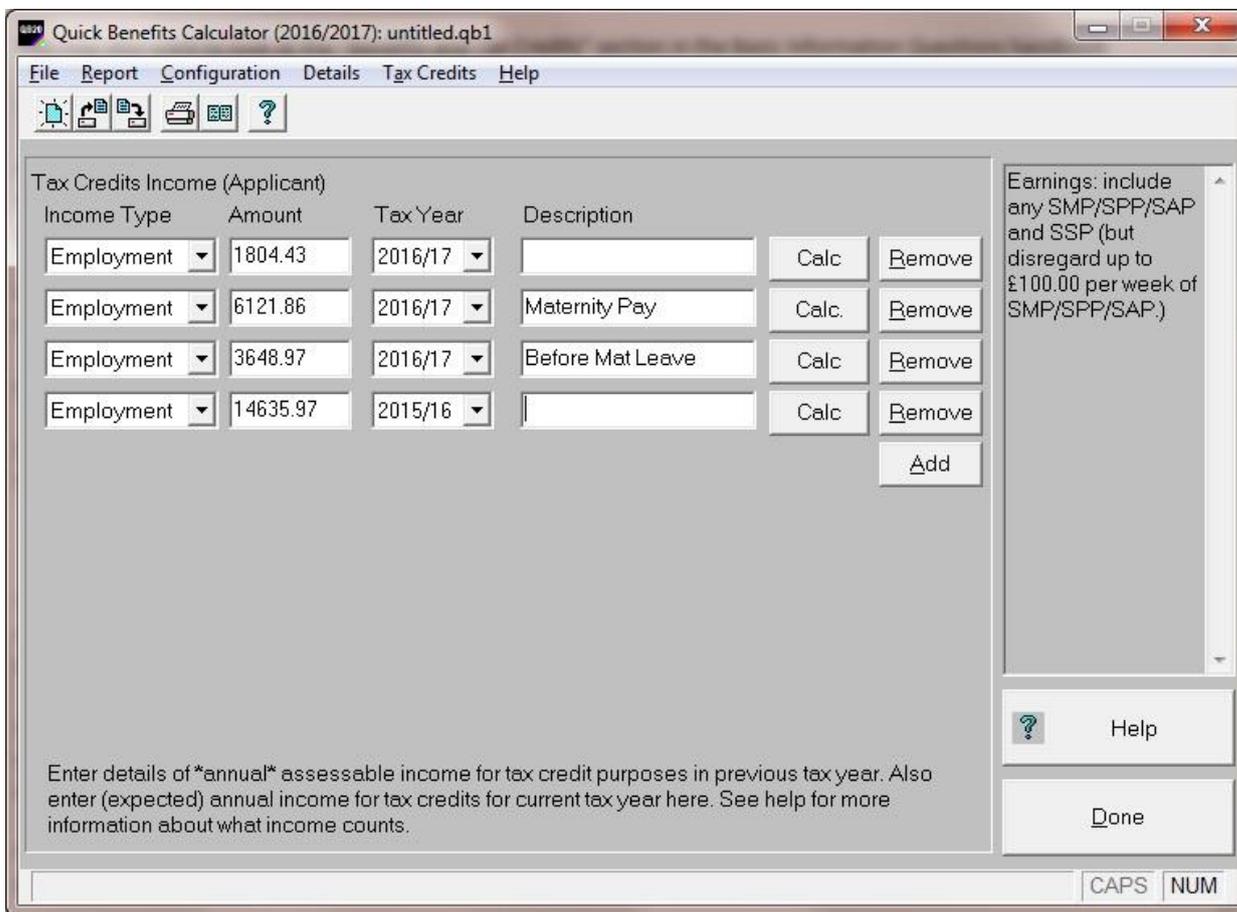
Enter details of \*annual\* assessable income for tax credit purposes in previous tax year. Also enter (expected) annual income for tax credits for current tax year here. See help for more information about what income counts.

Help

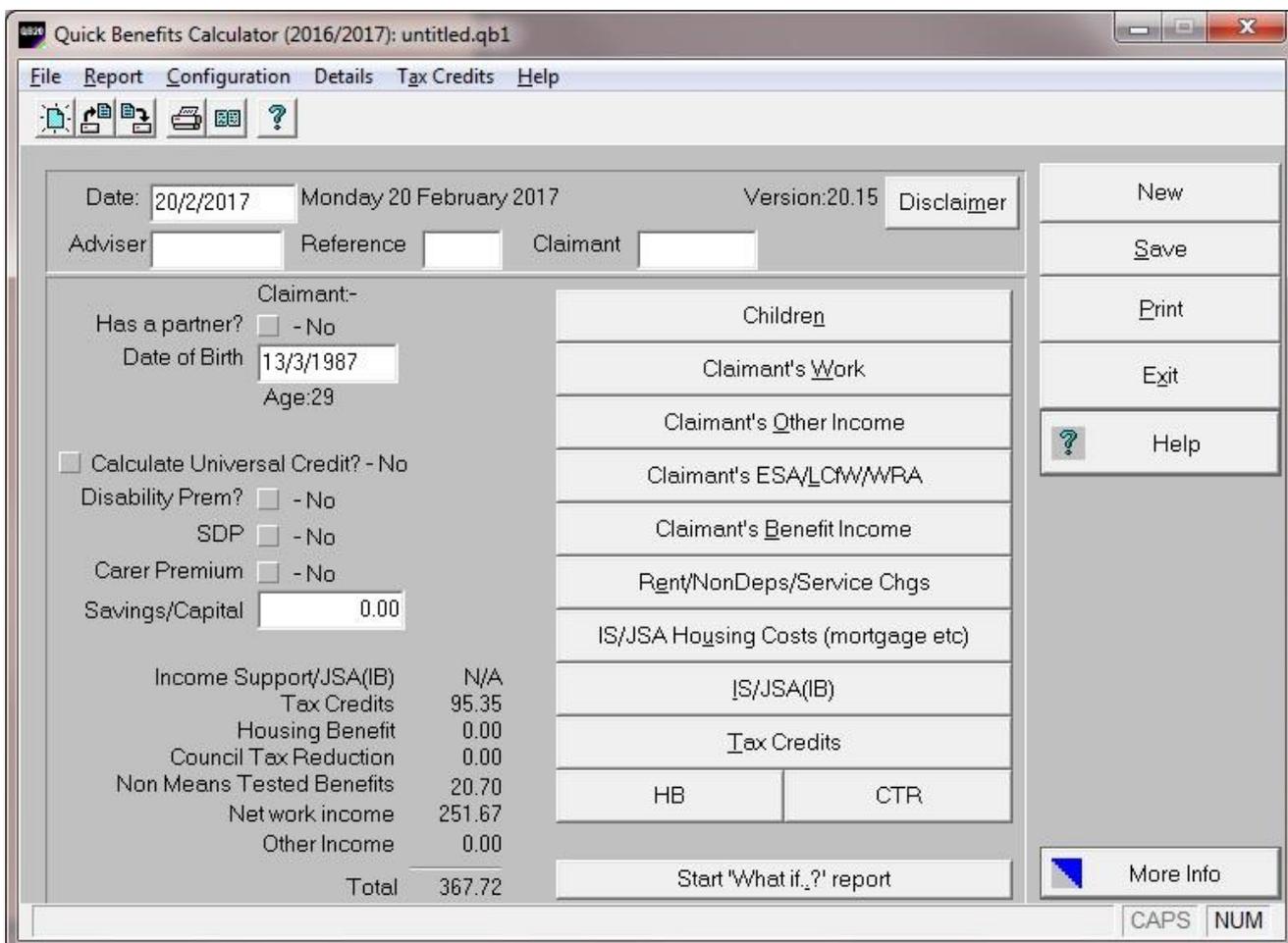
Done

CAPS NUM

Finally, we need to add her income for the previous tax year - This is fairly simple, as we already know her usual rates of pay:



Click **"Done"** and return to the main screen:



The blue **"More Info"** box gives you information about future changes to her Tax Credit award:

Information...

Advisers should consider the following information. Note that any suggestions are purely advisory - advisers should consider the facts of each case - see help for more details.

NB: although tax credits should be payable at the calculated rate in the short term, they may fall in the long term (estimated to fall to £90.94 - this assumes weekly income remains constant and that tax credits rates do not change). You can set the calculator to estimate tax credits for the long term by going to the tax credits screen and changing the income calculation method from 'From Worksheets' to 'Estimate from income for other benefits'. This estimate does not take account of any changes to tax credits in future years. Remember to check for possible entitlement to sure start maternity grant.

[Click here for additional help on long term tax credits falling](#)



We now need to check her entitlement to help with rent, so go to the "**Rent/NonDepts/Service Charges**" section - Bridget told us she rents *privately* at £560 a month, so we need add this figure (again adding an **M** as we do not know the weekly figure):

Quick Benefits Calculator (2016/2017): untitled.qb1

File Report Configuration Details Tax Credits Help

Rent, Ineligible Charges, LHA, Under-occupation NB: Council Tax Liability entry has moved to the CTR screen. For non-dependants see bottom left.

Rent (weekly)

Ineligible Charges / Reductions (HB / Legacy Benefits only):-

Fuel (where not specified):- Other Fuel Charges

Heating - No Water Charges

Hot Water - No

Lighting - No Other Ineligible Charges

Single Room - No Meals included:- Pre-LHA Private Sector Reduction

Cooking - No

LHA Applies? - No

Rent Free Weeks

Under Occ:

Bedroom Calculator (Under Occ)

Non-dependants

	Rent
Gross/Maximum	129.23
less Ineligible	0.00
less Non Dep	0.00
Eligible	129.23

Help

Done

CAPS NUM

As it is a private tenancy, we need to be mindful that local housing allowance rates apply and we need to tell QBC this - Tick the "**LHA Applies?**" and then add the applicable rate (rates can be found on West Dunbartonshire Council's website). If you are unsure which applies to the client, you can also use the "**Bedroom Calculator(Under Occ)**" button:

LHA Bedroom Calculator

Adult Couples (16+)	<input type="text" value="0"/>
Single Adults (16+)	<input type="text" value="1"/>
Boys 10-15	<input type="text" value="0"/>
Girls 10-15	<input type="text" value="0"/>
Boys 0-9	<input type="text" value="1"/>
Girls 0-9	<input type="text" value="0"/>
Bedrooms	2

NB: the rules may also allow members of the armed forces away on operations to be treated as occupying the dwelling. See help.

Extra room : claimant/partner/JT needs overnight carer (see help)	<input type="text" value="0"/>
Extra room : disabled child unable to share (see help)	<input type="text" value="0"/>
Extra room : qualifying foster carer (see help)	<input type="text" value="0"/>

NB: The bedroom calculator does not cover single claimants or couples who live alone (ie without dependent children, non-dependents, boarders or subtenants). These claimants will be restricted to the 1-bedroom self contained or 1-bedroom shared facilities rates - see help.



Quick Benefits Calculator (2016/2017): untitled.qb1

File Report Configuration Details Tax Credits Help

Rent, Ineligible Charges, LHA, Under-occupation NB: Council Tax Liability entry has moved to the CTR screen. For non-dependants see bottom left.

Rent (weekly)

Ineligible Charges / Reductions (HB / Legacy Benefits only):- LHA Cap: £129.23

Fuel (where not specified):- Other Fuel Charges

Heating - No Water Charges

Hot Water - No Other Ineligible Charges

Lighting - No Meals included:-

Single Room - No

Cooking - No

LHA Applies? - Yes Rent Free Weeks

LHA:

Bedroom Calculator (LHA)

	Rent
Gross/Maximum	103.85
less Non Dep	0.00
Eligible	103.85

Non-dependants

Help

Done

CAPS NUM

Click "**Done**" and return to the summary page to finally add the client's Council Tax, which is located in the "**CTR**" section.

Clients in general may tell you what they pay in Council Tax. However, we should be mindful that these figures usually include water & sewerage, which is not covered by Council Tax Reduction (benefit) and shouldn't be added into our calculation - The safest option is to put the client's postcode into the Scottish Assessors website to discover their band.

Bridget has told us she is a band C property. Click the "Calculate CT Liability" button and enter the West Dunbartonshire band A rate (presently £775.33) rather than the figure for the Bridget's stated band. Then select her band (C). Also make sure her 25% discount is showing:

### Calculate Council Tax Liability

This screen calculates council tax liability. Enter the band A council tax level, the % status discount applicable and the CT band of the property. . (Alternatively you can just enter the net liability on the CTR screen)

Enter the annual (undiscounted) band A Council Tax for this area:-

775.33

The actual CT band applicable for this claimant:

C

% Status discount for this person (e.g 25% single person discount)

25

Based on the above information the weekly equivalent council tax liability would be

14.86



Quick Benefits Calculator (2016/2017): untitled.qb1

File Report Configuration Details Tax Credits Help

Council Tax Reduction

Select Local Authority: Scotland

CTR scheme details believed to be correct for this scheme : click for details

West Dunbartonshire  
West Dunbartonshire (Working Age)

Calculate CT Liability

Weekly Liability: 14.86

Applicable Amount:-		Income:-	
Personal Allowance	73.10	Net Earnings	251.67
Children:	66.90	Tariff Income	0.00
Disabled Child Premium:	0.00	Other Income	0.00
Enhanced Disability (Child):	0.00	Benefits/Tax Credits	95.35
Family Premium	0.00		347.02
Carer Premium	0.00	Less Disregard	42.10
Severe Disability Premium	0.00	Income	304.92
Enhanced Disability Premium:	0.00		
Total:	140.00	Eligible CT	14.86
Excess Income	164.92	Less 20 % taper	32.98
		Council Tax Reduction	0.00

Transitional FP? - No

Non-Dependants

Help

Preview

Done

CAPS NUM

Then click "**Done**". The client's entitlements are now listed.....

Quick Benefits Calculator (2016/2017): untitled.qb1

File Report Configuration Details Tax Credits Help

Date: 20/2/2017 Monday 20 February 2017 Version:20.15 Disclaimer

Adviser Reference Claimant

Claimant:-  
 Has a partner?  - No  
 Date of Birth 13/3/1987  
 Age:29

Calculate Universal Credit? - No  
 Disability Prem?  - No  
 SDP  - No  
 Carer Premium  - No  
 Savings/Capital 0.00

Income Support/JSA(IB)	N/A
Tax Credits	95.35
Housing Benefit	0.00
Council Tax Reduction	0.00
Non Means Tested Benefits	20.70
Net work income	251.67
Other Income	0.00
<b>Total</b>	<b>367.72</b>

Children  
 Claimant's Work  
 Claimant's Other Income  
 Claimant's ESA/LCW/WRA  
 Claimant's Benefit Income  
 Rent/NonDeps/Service Chgs  
 IS/JSA Housing Costs (mortgage etc)  
 IS/JSA(IB)  
 Tax Credits  
 HB CTR

Start "What if.?" report

More Info

CAPS NUM

Buttons: New, Save, Print, Exit, Help

**EXTRA ISSUES:**

Bridget advises she may put her son into child care, at a cost of £180 a week. She wants to see if this would increase her entitlement.

To check for assistance with childcare cost, return to the "Claimants Work" section. In the "Eligible Child Care Costs, For WTC for UC" box enter £180 - It will automatically add the figure to the "For HB or CTR" box. This is because awards for childcare costs should not be counted as income when calculating Housing Benefit:

Quick Benefits Calculator (2016/2017): untitled.qb1

File Report Configuration Details Tax Credits Help

Home  Print  Save  Help

Claimant's Income From Work.

Total hours work per week	<input type="text" value="35"/>	
Gross Earnings (not incl childminding)	<input type="text" value="280.69"/>	280.69
Income Tax	<input type="text" value="13.94"/>	13.94
National Insurance	<input type="text" value="15.08"/>	15.08
Pension Contributions	<input type="text" value="0.00"/>	0.00
Net Earnings	<input type="text" value="251.67"/>	251.67

Hours work childminding/wk	<input type="text" value="0"/>	
Gross Receipts	<input type="text" value="0.00"/>	0.00
Income for Means Tested Benefits		251.67

Earnings are occupational sick pay? - No

Automatic Tax & NI - Yes

Allowances:-

Marriage TTA - No

Blind - No

Other taxable income not taxed at source

Treat this person as being  - Yes in remunerative work for WTC (or HB childcare) - see help

Include 30+ hour credit? - Yes

Child Care:

Eligible Child Care Costs:-

For WTC for UC

for HB or CTR

Click "Done" to return to the client's summary page - You will see her entitlement to Tax Credits has now increased and she now has a Housing Benefit award:

Quick Benefits Calculator (2016/2017): untitled.qb1

File Report Configuration Details Tax Credits Help

Date: 21/2/2017 Tuesday 21 February 2017 Version:20.15 Disclaimer

Adviser Reference Claimant

Claimant-  
 Has a partner?  - No  
 Date of Birth 13/3/1987  
 Age:29

Calculate Universal Credit? - No  
 Disability Prem?  - No  
 SDP  - No  
 Carer Premium  - No  
 Savings/Capital 0.00

Income Support/JSA(IB)	N/A
Tax Credits	217.85
Housing Benefit	30.78
Council Tax Reduction	0.00
Non Means Tested Benefits	20.70
Net work income	251.67
Other Income	0.00
<b>Total</b>	<b>521.00</b>

Children  
 Claimant's Work  
 Claimant's Other Income  
 Claimant's ESA/LCW/WRA  
 Claimant's Benefit Income  
 Rent/NonDeps/Service Chgs  
 IS/JSA Housing Costs (mortgage etc)  
 IS/JSA(IB)  
 Tax Credits  
 HB CTR

Start 'What if\_?' report

New  
 Save  
 Print  
 Exit  
 Help  
 More Info  
 CAPS NUM