



Working Tax Credit:

Advice to members on hourly paid contracts

This guidance is aimed at helping hourly paid lecturing staff to access Working Tax Credit. It deals with some common and distinct problems faced by hourly paid staff in accessing Working Tax Credits.

You can find *general* guidance on accessing Working tax Credit at the Government website here: <https://www.gov.uk/benefits-credits/tax-credits>

The Citizens Advice Bureau produces comprehensive advice to help you through the process of applying for Tax Credits here: <https://www.citizensadvice.org.uk/benefits/in-work-or-looking-for-work/benefits-and-tax-credits-for-people-in-work/#h-working-tax-credit>

Working Tax Credit (WTC) can be complex and bureaucratic to access. For staff on hourly paid, variable hours or zero hours contracts it can be incredibly difficult and can lead to completely unnecessary hardship.

A UCU survey of staff on casual contracts, published in May 2015, revealed that a worrying number of staff on hourly paid teaching contracts were struggling to access Working Tax Credits, leading to people opting not to claim because of the complexity and risks inherent in the process.

Some lecturers reported being unable to claim because the variation in their hours took them above and below the thresholds for claiming WTC too frequently to claim without the risk of being charged later for overpayment. This highlights another of the detrimental effects of variable hours contracts as people move in and out of entitlement to a complex and bureaucratic tax credit system.

Others are struggling to access Working Tax Credits to which they are entitled because they cannot provide evidence to show the actual hours they are working. This is usually because local tax offices assess eligibility using payslips or contracts. For hourly paid lecturers, these tend to show monthly pay calculated using a multiplier linked to the number of scheduled teaching hours worked. From the institution's point of view the multiplier deals with the issue of the time spent preparing, and assessing students' work either side of the classroom time (however inaccurately).

However, from the point of view of the lecturer attempting to show that they have worked above the appropriate threshold for eligibility to Working Tax Credits, it presents significant problems. The representation of pay in this form obscures the actual hours worked and makes it difficult for them to present a claim for eligibility to Working Tax Credits.

UCU is campaigning nationally and locally to get staff moved off precarious hourly paid contracts and onto better contracts that offer more job security and we are having some successes. But too many hourly paid lecturers still live with the difficulty of trying to access benefits like Working Tax Credit. In this guidance we offer help in navigating the Working Tax Credit system.

Eligibility for Working Tax Credit:

Working Tax credit requires a minimum number of hours to be worked, depending on the claimant's circumstances:

Single claimant with child/ren: 16 hours

Couple with child/ren: 24 hours with one working at least 16 hours

Claimant with disability: 16 hours

Claimant age 25-60: 30 hours

Claimant aged 60+: 16 hours

Making a claim for Working tax credit:

When you make a claim, you need to put the number of hours you usually work in a week on your tax credits form. Only count hours you actually work – not unpaid lunch hours. But make sure that you count every hour for which you are paid and not just the 'teaching hours' against which the multiplier to reach your pay rate is calculated.

Verifying your hours:

HMRC guidance states that tax offices should accept a statement from an employer that they work a certain number of hours per week: '*A statement provided by the customer or employer stating that a person works for 16, 24 or 30 hours or more weekly (whichever is appropriate) should be accepted.*' (<http://www.hmrc.gov.uk/manuals/tcmanual/TCM0126040.htm>) If possible, seek a statement or letter from your head of department, manager or personnel department that explains how your working hours are calculated. If you have problems with this, seek advice from your local UCU branch.

How to deal with irregular hours:

Entitlement to WTC is based on the claimant doing the required hours and the work being expected to last at least 4 weeks after the claim is made.

If your hours are irregular and liable to change, tax offices will accept an **average of your hours for the previous five weeks**. There are no specific rules on how to calculate your average hours. HMRC says that your average hours should reflect an overall pattern of hours over a representative period. You should put down what you and your employer think a representative average would be.

What to do if you are term-time only but have regular hours:

If your hours are regular but term-time only, you should state your hours as being those worked during the term. You are eligible for Tax Credits throughout the year, even for the period where you are not being paid. See the guidance note on page 9 and the worked example on page 9 of the Government's guidance notes here:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/419525/TC600_Notes-2015.pdf (page, 8 and 9)

Notice of change of hours/eligibility:

If your hours of work reduce below the minimum required, you must tell the tax office **within one month**. If you do this, then you will avoid any risk of overpayment, for which you will be charged later.

If you notify the tax office within one month, you will continue to receive WTC for a further four weeks. This is known as a run-on.

You can notify the tax office of a change in circumstances by phoning the Tax Credit Helpline on 0345 300 3900 or writing to: Tax Credit Office (Change of Circumstances), PRESTON, PR1 4AT.

If your hours go up again you may be able to get more tax credits. Extra payments can be backdated by up to a month. If your hours go up to the point where your income changes substantially you also need to tell the Tax credit office to avoid the risk of overpayment.

For more on Tax Credits visit the Government website here:

<https://www.gov.uk/benefits-credits/tax-credits>

The Citizens Advice Bureau produces comprehensive advice to help you through the process of applying for Tax Credits here:

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