

Services for Young Children

Parents/ Carers Update - May 2021

Included this month: Child Benefit Entitlements, Working Families – updates on benefits and tax credits, Are you looking after you?



Child Benefit Entitlements

Do you have a total income of over £50,000? You may have to pay a tax charge, known as the 'High Income Child Benefit Charge' if you or your partner get Child Benefit.

Parents earning over £50,000 should:

- check their annual income either on their P60 or their personal tax account
- include any taxable benefits, for example medical insurance, company car or accommodation in their income
- use the <u>child benefit tax calculator</u> to work out how much they may have to pay.

Child Benefit remains a universal benefit. It is important for parents to fill in the Child Benefit claim form, so, they do not miss out on National Insurance credits, which help to build entitlement to their State Pension. It will also help their children get a National Insurance number automatically when they turn 16. Parents can decide to Opt out of getting Child Benefit payments so they won't have to pay the charge but will still receive the National Insurance credits.

If parents are unable to register their child's birth because of coronavirus, they can still get Child Benefit, and this can be backdated for three months. First time parents will need to fill in the Child Benefit claim form and send it to the Child Benefit Office. If they have not registered the birth, they should add a note with their claim to let HMRC know. Child Benefit payments will increase from 12 April 2021 to a weekly rate of £21.15 for the first child and £14.00 for each additional child.

Working Families - updates on benefits and tax credits

During the pandemic there have been some changes to welfare benefits, tax credits and Tax-Free Childcare. These include:

- The £20 uplift to the standard rate of Universal Credit has been extended until the end of September 2021. If you are entitled to Universal Credit, you will automatically get this.
- working families changing the way we live and work
- Working Tax Credit On 5 April 2021 the temporary increase ended and was replaced with a oneoff extra payment of £500. If you were entitled to Working Tax Credit on 2 March 2021 you will be
 eligible for the payment and you should automatically receive it by 23 April 2021.
- If you are currently getting Working Tax Credit and your hours have temporarily fallen due to coronavirus, you will continue to be treated as though you are working your usual hours until the Coronavirus Job Retention Scheme (furlough) closes. You do not have to be furloughed for this to apply. See WF's Working Tax Credit page for more information.
- Tax-Free Childcare If your working pattern has changed because of coronavirus, you are now
 only eligible for the scheme if you are temporarily working less and are either on furlough or
 claiming a Self-Employed Income Support Grant. See WF's page on <u>Tax-Free Childcare</u> for more

information.



Are you looking after you?

In order to look after others, parents need to care for their own health and wellbeing. Feeling stressed, anxious, low or struggling to sleep? *Every Mind Matters and One You*, can help with expert advice and practical tips.

Start the fightback to a healthier you today: One You (www.nhs.uk).

Also check out Hampshire County Council's information, *Five Ways to Wellbeing*: https://www.hants.gov.uk/socialcareandhealth/publichealth/fivewaystowellbeing

