

1.1 million families claiming tax credits to receive first Cost of Living Payment from 2 September

This £326 government payment will be paid automatically into eligible tax credit-only customers' bank accounts between 2 and 7 September 2022. The first HMRC payments will total around £360 million.

Nadhim Zahawi, Chancellor of the Exchequer, said:

I know people are really concerned by rising prices so I'm glad that over a million more low earners will shortly receive their first Cost of Living Payment. We are also preparing options for further support so the new Prime Minister can hit the ground running.

Alongside £400 off most people's energy bills, tax cuts and the Household Support Fund, these direct payments are a very important part of our £37 billion package of help for households, which is targeted at those who need it most.

Angela MacDonald, HMRC's Deputy Chief Executive and Second Permanent Secretary, said:

This first Cost of Living Payment will provide vital financial support for eligible tax credit-only claimants across the UK. A second payment will be made to eligible customers from the winter.

The money will be paid automatically into bank accounts, so people don't need to do anything to get this extra help.

These latest payments mean that more than eight million eligible households in receipt of a means-tested benefit will have received the first of two automatic Cost of Living payments of £326 from 14 July. The second means-tested payment of £324 will be issued later this year – from the autumn for Department for Work and Pensions (DWP) benefit claimants, and from the winter for tax credit-only customers.

Tax credit claimants who also receive benefits from the DWP will have already received their first Cost of Living Payment from July 2022.

The Cost of Living payments from the government are part of a £37 billion

package of support, which will see millions of low-income households receive at least £1,200 this year to help cover rising costs.

As well as the Cost of Living Payment, other government support includes:

- £400 discount from the government to help with the cost of energy bills from October onwards
- £150 council tax rebate for council tax bands A-D in England
- £300 Pensioner Cost of Living Payment that will be paid alongside Winter Fuel Payments
- £150 Disability Cost of Living Payment from 20 September for those receiving an eligible UK disability benefit

This is all in addition to changes to the Universal Credit taper rate and work allowances worth £1,000 a year on average for 1.7 million working claimants; a rise in the National Living Wage to £9.50 an hour; and a tax cut for around 30 million workers through a rise in National Insurance contribution thresholds.

The government is offering [help for households](#). Customers should check GOV.UK to find out what cost of living support they could be eligible for.

How payments will be made, and how to identify them

There will be a specific identifier when the first payment from HMRC arrives in customers' bank accounts.

The payment reference will be: 'CL'; followed by the customer's National Insurance number (of two letters, six numbers, one letter); followed by '0001AX'.

For example, if the National Insurance number is AB123456C, the payment reference would appear as 'CLAB123456C0001AX'.

For joint claimants, where one claimant receives Working Tax Credit and the other claimant receives Child Tax Credit, payments will be made into the same bank account as the Child Tax Credit.

Customers do not need to apply for this payment. If customers are eligible through receiving tax credits only, HMRC will make the Cost of Living Payment automatically into the bank account where claimants already receive their tax credits. Customers might find that their payment is delayed if they have recently closed the bank account their tax credits are usually paid into.

If customers have not let HMRC know that their bank account has changed, HMRC will pay the money into their old bank account, meaning the payment will be rejected. If this happens, HMRC will follow this up by letter to the customer, letting them know that we need updated bank details.

Payments schedule

The [latest payment schedule information](#) will be updated on 26 August to show that the first tax credit payments will be made between 2 and 7 September.

Tax credit-only customers, who will receive the first Cost of Living Payment in September 2022, must have been entitled, or later found to be entitled, to a payment, or an annual award of at least £26, of tax credits for any day in the period 26 April 2022 to 25 May 2022.

A second Cost of Living Payment will be made to eligible tax credit-only customers from winter 2022. [Payment schedule information](#) will be updated with more specific payment dates in due course.

Contact HMRC

If customers believe they are eligible but have not received a payment between the published payment dates, they should wait until 16 September at the earliest to contact us, to allow time for their payment to be processed. We won't be able to provide customers with any further information before this date.

You can find phone numbers, and other ways to [contact HMRC about tax credits on GOV.UK](#).

Background

Cost of Living payments were announced in May 2022.

Details of DWP and HMRC payments were publicised in [June](#), [July](#) and [August](#) 2022.

Protect yourself from scams

Beware of scams targeting Cost of Living payments. If someone contacts you about Cost of Living payments saying they are from HMRC, it might be a scam.

You don't need to apply for this payment. We will never ask for your bank details by SMS or email. Don't let yourself be rushed.

Check GOV.UK to: