

2002 No. 1727 (C.52)

TAX CREDITS

**The Tax Credits Act 2002 (Commencement No. 1) Order
2002**

Made - - - -

8th July 2002

The Treasury, in exercise of the powers conferred upon them by sections 61 and 62(2) of the Tax Credits Act 2002^(a) and after the signifying of Royal Assent to that Act, hereby make the following Order:

Citation and interpretation

1.—(1) This Order may be cited as the Tax Credits Act 2002 (Commencement No. 1) Order 2002.

(2) In this Order—

“the Act” means the Tax Credits Act 2002;

“award” means an award of a tax credit for a period commencing on or after 6th April 2003.

Commencement of certain provisions of the Act

2. The following provisions of the Act come into force on the dates and for the purposes mentioned in relation to each provision:

<i>Provision</i>	<i>Date</i>	<i>Purposes</i>
Section 1(1) and (2) (introductory)	9th July 2002	All purposes of Part 1 of the Act and, as respects tax credits, Part 3 of the Act
Section 2 (functions of Board)	9th July 2002	All purposes of Part 1 of the Act and, as respects tax credits, Part 3 of the Act
Section 3(1) and (3) (claims)	9th July 2002	Making regulations about claims
Section 3(1) and (3)	1st August 2002	Making claims
Section 3(1) and (3)	1st January 2003	Making decisions on claims
Section 3(1) and (3)	6th April 2003	All other purposes of Part 1 of the Act and, as respects tax credits, Part 3 of the Act

^(a) 2002 c.21.

<i>Provision</i>	<i>Date</i>	<i>Purposes</i>
Section 3(2)(a)	1st January 2003	All purposes of Part 1 of the Act and, as respects tax credits, Part 3 of the Act
Section 3(2)(b)	1st January 2003	All purposes of Part 1 of the Act and, as respects tax credits, Part 3 of the Act
Section 3(4)	1st August 2002	Entitlement to make a claim
Section 3(5) to (8)	9th July 2002	All purposes of Part 1 of the Act and, as respects tax credits, Part 3 of the Act
Section 4(1) (claims: supplementary)	9th July 2002	Making regulations
Section 4(2)	1st August 2002	All purposes mentioned in section 4(2) of the Act
Section 5(1) and (3) (period of awards)	1st January 2003	Making decisions on claims made before beginning of tax year
Section 5(2) and (3)	6th April 2003	Making decisions on other claims
Section 6 (notifications of changes of circumstances)	9th July 2002	Making regulations
Section 7(1) to (5) (income test)	9th July 2002	Making regulations
Section 7(1) to (5)	1st August 2002	Making claims
Section 7(1) to (5)	1st January 2003	Making decisions on claims
Section 7(1) to (5)	6th April 2003	Entitlement to payment of award
Section 7(6) to (9)	9th July 2002	Making regulations
Section 7(10)	1st August 2002	Estimating income for the purposes of making, amending or terminating awards
Section 8 (entitlement to child tax credit)	9th July 2002	Making regulations
Section 8	1st August 2002	Making claims
Section 8	1st January 2003	Making decisions on claims
Section 8	6th April 2003	Entitlement to payment of award
Section 9 (maximum rate child tax credit)	9th July 2002	Making regulations

<i>Provision</i>	<i>Date</i>	<i>Purposes</i>
Section 9	1st August 2002	Making claims
Section 9	1st January 2003	Making decisions on claims
Section 9	6th April 2003	Entitlement to payment of award
Section 10 (entitlement to working tax credit)	9th July 2002	Making regulations
Section 10	1st August 2002	Making claims
Section 10	1st January 2003	Making decisions on claims
Section 10	6th April 2003	Entitlement to payment of award
Section 11 (maximum rate working tax credit)	9th July 2002	Making regulations
Section 11	1st August 2002	Making claims
Section 11	1st January 2003	Making decisions on claims
Section 11	6th April 2003	Entitlement to payment of award
Section 12(1) to (5) (child care element working tax credit)	9th July 2002	Making regulations
Section 12(1) to (5)	1st August 2002	Making claims
Section 12(1) to (5)	1st January 2003	Making decisions on claims
Section 12(1) to (5)	6th April 2003	Entitlement to payment of award
Section 12(5) to (8)	9th July 2002	Making schemes
Section 13 (rate of tax credit)	9th July 2002	Making regulations
Section 13	1st August 2002	Making claims
Section 13	1st January 2003	Making decisions on claims
Section 13	6th April 2003	Entitlement to payment of award
Section 14(1) and (3) (initial decisions on claims)	1st January 2003	Making decisions on claims
Section 14(2)	9th July 2002	Making regulations
Section 14(2)	1st August 2002	Dealing with claims
Section 15(1) (revised decisions after notifications)	1st January 2003	Making decisions on whether to amend awards

<i>Provision</i>	<i>Date</i>	<i>Purposes</i>
Section 15(2)	9th July 2002	Making regulations
Section 15(2)	1st August 2002	Dealing with notifications of change of circumstances
Section 16(1) (other revised decisions)	1st January 2003	Making decisions on whether to amend or terminate awards
Section 16(2) and (3)	1st January 2003	Giving of notice under section 16(2) and (3) of the Act
Section 16(3)	9th July 2002	Making regulations
Section 17(1) to (9) (final notice)	6th April 2003	Giving final notice on award
Section 17(10)	9th July 2002	Making regulations
Section 18 (decisions after final notice)	6th April 2003	Making decisions after final notice
Section 19 (power to enquire into awards)	6th April 2003	Enquiring into awards
Section 19(2)	9th July 2002	Making regulations
Section 20 (decisions on discovery)	6th April 2003	Making decisions under section 20(1) and (4) of the Act
Section 21 (decisions subject to official error)	9th July 2002	Making regulations for the purposes of revising decisions under sections 14(1), 15(1), 16(1), 18(1), (5), (6) and (9), 19(3) and 20(1) and (4) of the Act
Section 22 (information etc. requirements: supplementary)	9th July 2002	Making regulations
Section 23 (notice of decisions)	1st January 2003	Giving notices of decisions under sections 14(1), 15(1) and 16(1) of the Act, and of revised decisions under those sections by virtue of regulations under section 21 of the Act
Section 23	6th April 2003	Giving notices of decisions under sections 18(1), (5), (6) and (9), 19(3) and 20(1) and (4) of the Act, and of revised decisions under those sections by virtue of regulations under section 21 of the Act

<i>Provision</i>	<i>Date</i>	<i>Purposes</i>
Section 24 (payments of a tax credit)	9th July 2002	Making regulations
Section 24	1st August 2002	Making claims
Section 24	1st January 2003	Making decisions on claims
Section 24	6th April 2003	Entitlement to payment of award
Section 25(1), (2) and (5) to (7) (payments of working tax credit by employers)	9th July 2002	Making regulations
Section 25(3), (4) and (5)	6th April 2003	Power to call for documents etc. in relation to employer's compliance with regulations under section 25
Section 26 (liability of officers for sums paid to employers)	1st January 2003	Making regulations
Section 27 and Schedule 1 (rights of employees)	1st September 2002	Rights conferred on employees by virtue of regulations under section 25 of the Act
Sections 28 to 30 (overpayments, recovery of overpayments and underpayments of a tax credit)	6th April 2003	Liability to repay overpayments or to be paid full entitlement where underpayment
Section 30 (underpayments)	1st January 2003	Making regulations under section 30 of the Act
Section 31 (incorrect statements etc.)	1st August 2002	Imposition of penalties for incorrect statement or declaration in or in connection with a claim for a tax credit or a notification given in accordance with regulations under section 6 of the Act, or for incorrect information or evidence in response to a requirement imposed by virtue of regulations under section 25 of the Act
Section 31	1st January 2003	Imposition of penalties for incorrect information or evidence in response to a requirement imposed by virtue of section 14(2), 15(2) or 16(3) of the Act

<i>Provision</i>	<i>Date</i>	<i>Purposes</i>
Section 31	6th April 2003	Imposition of penalties for incorrect information or evidence in response to a requirement imposed by virtue of section 18(10) or 19(2) of the Act, or for incorrect statement or declaration in response to a notice under section 17 of the Act
Section 32 (failure to comply with requirements)	1st August 2002	Imposition of penalty for failure to provide information or evidence required by regulations under section 25 of the Act, or for failure to give notification required by regulations under section 6(3) of the Act
Section 32	1st January 2003	Imposition of penalty for failure to provide information or evidence under section 14(2), 15(2) or 16(3) of the Act
Section 32	6th April 2003	Imposition of penalty for failure to provide information or evidence under section 18(10) or 19(2) of the Act, or to comply with requirement imposed by notice under section 17 of the Act by virtue of subsection (2)(a), (4)(a) or (6)(a) of that section
Section 33 (failure by employers to make correct payments)	6th April 2003	Imposition of penalty for failure by employer to make correct payment to employee

<i>Provision</i>	<i>Date</i>	<i>Purposes</i>
Section 34 and Schedule 2 (penalties: supplementary)	1st August 2002	Imposition of penalties under section 31 of the Act for incorrect statement or declaration in or in connection with a claim for a tax credit or a notification given in accordance with regulations under section 6 of the Act, or for incorrect information or evidence in response to a requirement imposed by regulations under section 25 of the Act; mitigation of such penalties, appeals against such penalties and recovery of such penalties
Section 34 and Schedule 2	1st January 2003	Imposition of penalties under section 31 of the Act for incorrect information or evidence in response to a requirement imposed by virtue of section 14(2), 15(2) or 16(3) of the Act; mitigation of such penalties, appeals against such penalties and recovery of such penalties
Section 34 and Schedule 2	6th April 2003	Imposition of penalties under section 31 of the Act for incorrect information or evidence in response to a requirement imposed by virtue of section 18(10) or 19(2) of the Act, or for incorrect statement or declaration in response to a notice under section 17 of the Act; mitigation of such penalties, appeals against such penalties and recovery of such penalties

<i>Provision</i>	<i>Date</i>	<i>Purposes</i>
Section 34 and Schedule 2	1st August 2002	Imposition of penalties under section 32(2)(b) or (3) of the Act for failure to provide information or evidence required by regulations under section 25 of the Act, or for failure to give notification required by regulations under section 6(3) of the Act; bringing of proceedings for penalties under section 32(2)(a) before Commissioners for failure to provide information or evidence required by regulations under section 25 of the Act; mitigation of such penalties, appeals against such penalties and recovery of such penalties
Section 34 and Schedule 2	1st January 2003	Imposition of penalties under section 32(2)(b) of the Act for failure to provide information or evidence under section 14(2), 15(2) or 16(3) of the Act; bringing of proceedings for such penalties under section 32(2)(a) before Commissioners; mitigation of such penalties, appeals against such penalties and recovery of such penalties
Section 34 and Schedule 2	6th April 2003	Imposition of penalties under section 32(2)(b) of the Act for failure to provide information or evidence under section 18(10) or 19(2) of the Act, or for failure to comply with requirement imposed by notice under section 17 of the Act by virtue of subsection (2)(a), (4)(a) or (6)(a) of that section; bringing of proceedings for such penalties under section 32(2)(a) before Commissioners; mitigation of such penalties, appeals against such penalties and recovery of such penalties

<i>Provision</i>	<i>Date</i>	<i>Purposes</i>
Section 34 and Schedule 2	6th April 2003	Imposition of penalties under section 33 of the Act for failure by employer to make correct payment to employee; mitigation of such penalties, appeals against such penalties and recovery of such penalties
Section 35 (offence of fraud)	1st August 2002	Instituting criminal proceedings for fraud in connection with obtaining payments of a tax credit
Section 36 (powers in relation to documents)	1st August 2002	Obtaining of documents in relation to offences involving fraud or serious fraud in connection with, or in relation to, tax credits
Section 37(1) to (4) and (6) (interest)	6th April 2003	Interest on overpayment of a tax credit
Section 37(2) and (5)	9th July 2002	Making regulations to prescribe rates of interest
Section 37(5) and (6)	1st August 2002	Interest on penalties under section 31 of the Act for incorrect statement or declaration in or in connection with a claim for a tax credit or a notification given in accordance with regulations under section 6 of the Act, or for incorrect information or evidence in response to a requirement imposed by virtue of regulations under section 25 of the Act
Section 37(5) and (6)	1st January 2003	Interest on penalties under section 31 of the Act for incorrect information or evidence in response to a requirement imposed by virtue of section 14(2), 15(2) or 16(3) of the Act

<i>Provision</i>	<i>Date</i>	<i>Purposes</i>
Section 37(5) and (6)	6th April 2003	Interest on penalties under section 31 of the Act for incorrect information or evidence in response to a requirement imposed by virtue of section 18(10) or 19(2) of the Act, or for incorrect statement or declaration in response to a notice under section 17 of the Act
Section 37(5) and (6)	1st August 2002	Interest on penalties under section 32 of the Act for failure to provide information or evidence required by regulations under section 25 of the Act, or for failure to give notification required by regulations under section 6(3) of the Act
Section 37(5) and (6)	1st January 2003	Interest on penalties under section 32 of the Act for failure to provide information or evidence under section 14(2), 15(2) or 16(3) of the Act
Section 37(5) and (6)	6th April 2003	Interest on penalties under section 32 of the Act for failure to provide information or evidence under section 18(10) or 19(2) of the Act, or to comply with requirement imposed by notice under section 17 of the Act by virtue of subsection (2)(a), (4)(a) or (6)(a) of that section
Section 37(5) and (6)	6th April 2003	Interest on penalties under section 33 of the Act for failure by employer to make correct payment to employee

<i>Provision</i>	<i>Date</i>	<i>Purposes</i>
Sections 38 and 39 (appeals and exercise of right of appeal)	1st September 2002	Appeal against determination of penalty under paragraph 1 of Schedule 2 to the Act where the penalty is imposed under section 31 of the Act for incorrect statement or declaration in or in connection with a claim for a tax credit or a notification given in accordance with regulations under section 6 of the Act, or for incorrect information or evidence in response to a requirement imposed by virtue of regulations under section 25 of the Act
Sections 38 and 39	1st January 2003	Appeal against determination of penalty under paragraph 1 of Schedule 2 to the Act where the penalty is imposed under section 31 of the Act for incorrect information or evidence in response to a requirement imposed by virtue of section 14(2), 15(2) or 16(3) of the Act
Sections 38 and 39	6th April 2003	Appeal against determination of penalty under paragraph 1 of Schedule 2 to the Act where the penalty is imposed under section 31 of the Act for incorrect information or evidence in response to a requirement imposed by virtue of section 18(10) or 19(2) of the Act, or for incorrect statement or declaration in response to a notice under section 17 of the Act

<i>Provision</i>	<i>Date</i>	<i>Purposes</i>
Sections 38 and 39	1st September 2002	Appeal against determination of penalty under paragraph 1 of Schedule 2 to the Act where the penalty is imposed under section 32(2)(b) or (3) of the Act for failure to provide information or evidence required by regulations under section 25 of the Act, or for failure to give notification required by regulations under section 6(3) of the Act
Sections 38 and 39	1st January 2003	Appeal against determination of penalty under paragraph 1 of Schedule 2 to the Act where the penalty is imposed under section 32(2)(b) of the Act for failure to provide information or evidence under section 14(2), 15(2) or 16(3) of the Act
Sections 38 and 39	6th April 2003	Appeal against determination of penalty under paragraph 1 of Schedule 2 to the Act where the penalty is imposed under section 32(2)(b) of the Act for failure to provide information or evidence under section 18(10) or 19(2) of the Act, or to comply with requirement imposed by notice under section 17 of the Act by virtue of subsection (2)(a), (4)(a) or (6)(a) of that section
Sections 38 and 39	6th April 2003	Appeal against a determination of a penalty under paragraph 1 of Schedule 2 to the Act where the penalty is imposed under section 33 of the Act for failure by employer to make correct payment to employee
Section 38 and 39	1st January 2003	Appeal against a decision under section 14(1), 15(1) or 16(1) of the Act, or under regulations under section 21 of the Act

<i>Provision</i>	<i>Date</i>	<i>Purposes</i>
Sections 38 and 39	6th April 2003	Appeal against a decision under section 18 (falling within section 38(1)(b)), 19(3), 20(1) to (4) or 37(1) of the Act
Section 40 (annual reports)	6th April 2004	Making of annual report by the Board to the Treasury
Section 41 (annual review)	6th April 2003	Review of prescribed monetary amounts
Sections 42 and 43 (persons subject to immigration control and polygamous marriages)	9th July 2002	Making regulations
Section 44 (Crown employment)	9th July 2002	Application of Part 1 of the Act to persons employed by or under the Crown
Section 45 (inalienability)	1st January 2003	All purposes of Part 1 of the Act and, as respects tax credits, Part 3 of the Act
Section 46 (giving of notices by Board)	1st August 2002	All purposes of Part 1 of the Act and, as respects tax credits, Part 3 of the Act
Section 48 (interpretation)	9th July 2002	All purposes of Part 1 of the Act
Section 58 (administrative arrangements)	9th July 2002	For the purposes of making regulations in relation to tax credits only
Section 59 and Schedule 5 (use and disclosure of information)	1st August 2002	All purposes of Part 1 of the Act and, as respects tax credits, Part 3 of the Act
Section 60 and Schedule 6 (repeals) so far as concerns section 6 of the Tax Credits Act 1999 (c.10) (payment of tax credit by employers etc.) and regulations made under that section(a)	27th August 2002	For the purposes of awards of working families' tax credit and disabled person's tax credit commencing on or after 27th August 2002
Section 60 and Schedule 6 to far as concerns section 6 of the Tax Credits Act 1999 and regulations made under that section	The day immediately following the expiry of the period of 26 weeks from the date of commencement of the award	For the purposes of awards of working families' tax credit and disabled person's tax credit that commence on or after 4th June 2002 but before 27th August 2002 and are existing on 27th August 2002

(a) S.I. 1999/3219, amended by regulation 19 of S.I. 2001/892.

Claims for a tax credit relating to the tax year 2003–04—transitional provision

3. For the purposes of the definition of “the previous year income” in section 7(5) of the Act, any claim under the Act for a tax credit relating to the tax year 2003–04 shall be treated as relating to the tax year 2001–02.

*Philip Woolas
Ian Pearson*

8th July 2002

Two of the Lords Commissioners of Her Majesty’s Treasury

EXPLANATORY NOTE

(This note is not part of the Order)

This Order is the first commencement order made under the Tax Credits Act 2002 (“the Act”) and brings into force the majority of the provisions in Parts 1 and 3 of the Act on the dates, and for the purposes, set out in the Order. Article 3 of the Order makes a transitional provision in connection with the definition of “the previous year income” in section 7(5) of the Act.

Provisions of the Act which are not the subject of this Order are—

section 1(3) (abolition of benefits superseded by tax credits)

section 47 and Schedule 3 (consequential amendments)

save as regards section 6 of the Tax Credits Act 1999 (c.10), section 60 and Schedule 6 (repeals)

Part 2 of the Act (Child Benefit and Guardian’s Allowance)

2002 No. 1727 (C.52)

TAX CREDITS

The Tax Credits Act 2002 (Commencement No. 1) Order
2002

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