

2003 No. 723

TAX CREDITS

The Tax Credits (Claims and Notifications and Payments by the Board) (Amendment) Regulations 2003

<i>Made</i> - - - -	<i>14th March 2003</i>
<i>Laid before Parliament</i>	<i>14th March 2003</i>
<i>Coming into force</i> - -	<i>6th April 2003</i>

The Commissioners of Inland Revenue, in exercise of the powers conferred upon them by sections 4(1)(a), (b) and (h), 6, 24(2), (3), (4) and (7), 65(1), (2) and (7) and 67 of the Tax Credits Act 2002(a), hereby make the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Tax Credits (Claims and Notifications and Payments by the Board) (Amendment) Regulations 2003 and shall come into force on 6th April 2003.

Amendments to the Tax Credits (Claims and Notifications) Regulations 2002

2. The Tax Credits (Claims and Notifications) Regulations 2002(b) are amended in accordance with regulations 3 to 5.

3.—(1) In regulation 2 (interpretation) after the definition of “married couple” insert—

““relevant authority” means—

- (a) the Board;
- (b) the Secretary of State or the Department for Social Development in Northern Ireland; or
- (c) a person providing services to the Board, the Secretary of State or that Department in connection with tax credits;”.

(2) In the following places for “an appropriate office” substitute “a relevant authority at an appropriate office”—

- (a) regulation 3(2) (twice) and (3) (twice);
- (b) regulation 4(c);
- (c) regulation 5(2) and (7);
- (d) regulation 6(3);

(a) 2002 c. 21. Section 67 is cited because of the meaning it ascribes to “prescribed”.
(b) S.I. 2002/2014.

- (e) regulation 7(1);
- (f) regulation 11(3)(b);
- (g) regulation 19(a);
- (h) regulation 22(2) and (4);
- (i) regulation 24(3);
- (j) regulation 25(2).

4.—(1) Amend regulation 21 (requirement to notify changes of circumstances which may decrease the rate at which a person or persons is or are entitled to tax credit or mean that entitlement ceases) as follows.

(2) At the beginning of paragraph (1) insert “Subject to paragraph (1A),”.

(3) After paragraph (1) insert—

“(1A) Paragraph (1) does not apply where advance notification has been given under regulation 27(1).”.

5.—(1) Amend regulation 27 (advance notification) as follows.

(2) In paragraph (1)—

(a) for “either” substitute “any”;

(b) after “(2)” insert “, (2A)”.

(3) After paragraph (2) insert—

“(2A) The circumstances prescribed by this paragraph are where either regulation 15(4) (agreement for the provision of future child care) or regulation 16(1) (relevant change in circumstances) of the Working Tax Credit Regulations(a) applies.”.

(4) After paragraph (5) insert—

“(5A) In the circumstances prescribed by paragraph (2A), an amendment of an award of tax credit in consequence of a notification of a change of circumstances may be made subject to the condition that the requirements for entitlement to the amended amount of the tax credit are satisfied at the time prescribed by paragraph (5B).

(5B) The time prescribed by this paragraph is the first day of the week—

(a) in which the agreement within regulation 15(4) of the Working Tax Credit Regulations commences or the relevant change of circumstances occurs; and

(b) which is not more than 7 days after the date on which notification is given and falls within the period of award in which the notification is given.

(5C) For the purposes of paragraph (5B), “week” means a period of 7 days beginning with midnight between Saturday and Sunday.”.

Amendments to the Tax Credits (Payments by the Board) Regulations 2002

6. The Tax Credits (Payments by the Board) Regulations 2002(b) are amended in accordance with regulations 7 to 12.

7.—(1) Amend regulation 1 (citation, commencement and effect) as follows.

(2) In paragraph (2) omit “by the Board”.

(3) After paragraph (2) add—

“(3) Regulations 8 to 14 have effect only in relation to such payments as must be made by the Board.”.

(a) The reference is to the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002 (S.I. 2002/2005) as amended by S.I. 2003/701.

(b) S.I. 2002/2173.

8. In regulation 3 (child tax credit and child care element – member of a couple prescribed for the purposes of section 24(2) of the Tax Credits Act 2002) after paragraph (6) add—

“(7) For the purposes of this regulation, a person is responsible for a child or qualifying young person if he is treated as being responsible for that child or qualifying young person in accordance with the rules contained in regulation 3 of the Child Tax Credit Regulations 2002(a).”.

9.—(1) Amend regulation 8 (time of payment by way of a credit to a bank account or other account) as follows.

(2) At the beginning of paragraph (2) insert “Subject to paragraph (2A),”.

(3) After paragraph (2) insert—

“(2A) If a person makes elections under paragraph (2) for child tax credit and any child care element of working tax credit to be paid at differing intervals, the elections shall have no effect and the Board may pay the child tax credit and any child care element together either each week or every four weeks as appears to them to be appropriate.”.

10. For regulation 10 (single payment of small sums of tax credit) substitute—

“Single payment of small sums of tax credit

10. The tax credit or element may be paid by way of a single payment, and at such time, and in such manner, as appear to the Board to be appropriate, in any of the following cases—

- (a) where the Board are paying only child tax credit to a person and the weekly rate at which it is payable is less than £2-00;
- (b) where the Board are paying both any child care element (but no other element) of working tax credit and child tax credit to a person and the total weekly rate at which they are payable is less than £2-00;
- (c) where the Board are paying only working tax credit (apart from any child care element) to a person and the weekly rate at which it is payable (excluding any such child care element) is less than £2-00;
- (d) where the Board are paying both working tax credit (including elements other than, or in addition to, any child care element) and child tax credit to a person who has elected under regulation 8(2) to have them paid at the same intervals and the total weekly rate at which they are payable is less than £2-00;
- (e) where the Board are paying both working tax credit (apart from any child care element) and child tax credit to a person who has elected under regulation 8(2) to have them paid at differing intervals and—
 - (i) the total weekly rate at which any such child care element and the child tax credit are payable is less than £2-00; or
 - (ii) the weekly rate at which the working tax credit is payable (excluding any such child care element) is less than £2-00.”.

11. In regulation 13 (manner of payment) in paragraph (2) for “it is not possible” substitute “it does not appear to the Board to be appropriate”.

12. In regulation 14 (entitlement to tax credit or element dependent on a bank account or other account having been notified to the Board) in paragraph (4) in both sub-paragraphs (a) and (b) for “gives” substitute “give”.

(a) S.I. 2002/2007.

*Tim Flesher
Dave Hartnett*

14th March 2003

Two of the Commissioners of Inland Revenue

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Tax Credits (Claims and Notifications) Regulations 2002 (S.I. 2002/2014) (“the Claims and Notifications Regulations”) and the Tax Credits (Payments by the Board) Regulations 2002 (S.I. 2002/2173) (“the Payments Regulations”).

Regulation 1 provides for citation and commencement.

Regulation 2 introduces the amendments to the Claims and Notifications Regulations.

Regulation 3 amends the Claims and Notifications Regulations so as to make clearer the role of a relevant authority (within the meaning of section 58(3) of the Tax Credits Act 2002 (c. 21)) in relation to the making of claims and the giving of notifications.

Regulation 4 amends regulation 21 of the Claims and Notifications Regulations so as to provide that there is no requirement to notify a change of circumstances where advance notification of a change of circumstances has been given under regulation 27 of the Claims and Notifications Regulations.

Regulation 5 amends regulation 27 of the Claims and Notifications Regulations so as to allow advance notification of changes to child care charges and to permit the consequential amendment of the tax credit award.

Regulations 6 introduces the amendments to the Payments Regulations.

Regulation 7 amends regulation 1 of the Payments Regulations so as to extend the scope of regulations 2 to 7 of the Payments Regulations to payments of tax credits made other than by the Board.

Regulation 8 inserts a relevant definition in regulation 3 of the Payments Regulations.

Regulation 9 amends regulation 8 of the Payments Regulations so as to ensure that child tax credit and any child care element of working tax credit are paid together.

Regulation 10 substitutes regulation 10 of the Payments Regulations so as to make clearer the circumstances in which the Board may make a single payment of small sums in respect of tax credits.

Regulation 11 amends regulation 13 of the Payments Regulations.

Regulation 12 makes minor corrections to regulation 14 of the Payments Regulations.

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