

## **CTF Bulletin 44**

**26 March 2010**

This Bulletin tells you about:

- Child Trust Fund (CTF) payments to disabled children
- CTF guidance notes

Enquiries about this bulletin should be addressed to [savings.audit@hmrc.gsi.gov.uk](mailto:savings.audit@hmrc.gsi.gov.uk).

Please ensure the appropriate people in your organisation read this bulletin.

The HM Revenue & Customs (HMRC) website address is [www.hmrc.gov.uk](http://www.hmrc.gov.uk) and there are pages for [CTF providers](#).

## **CTF payments to disabled children**

[Bulletin 41](#) told you about the annual CTF payments that will start in April 2010 for children entitled to Disability Living Allowance (DLA). This Bulletin gives an update.

All children entitled to DLA at any point in a tax year will receive £100, with those entitled to the highest rate of the care component receiving £200. Payments in respect of DLA entitlement in the tax year 2009-10 will be made in two phases.

### **Phase 1 - April 2010 payments**

In April 2010 we will notify providers of payments for around 90,000 children who were entitled to DLA on 28 February 2010. For HMRC, this is an interim solution that will make the majority of payments due to DLA entitlement in the 2009-10 tax year at the earliest possible date.

Providers will be notified of payments on schedules in response to their fortnightly returns to 31 March 2010 and should claim the payments in the normal way on their subsequent return. The payments can be identified from the payment codes on the schedule:

6 = Disability Living Allowance contribution

7 = Disability Living Allowance higher rate contribution

### **Phase 2 - October 2010 payments**

No payments will then be made until October 2010 at the earliest, when we will begin to make payments in respect of children who become entitled to DLA in the 2010-11 tax year. We will advise of the exact date when this second round of payments will begin later this year.

At the same time we will make:

- The first annual renewal payments for those children who were eligible for the 2009-10 tax year and who were still eligible to DLA on 6 April 2010.
- Any 2009-10 tax year payments that were not made in April. For example:
  - to children who became entitled to DLA between 1 March and 5 April 2010
  - to children who were entitled at some point between 6 April 2009 and 27 February 2010, but not on 28 February 2010.
- Any 2009-10 £100 top-up payments where the child was entitled to the highest rate of the care component at any point in the 2009-10 tax year but who we only paid £100 in April 2010. Top-up payments will be identifiable from the payment code on the schedule:  
8 = Disability Living Allowance top up

## **Beyond October 2010**

After October 2010, children who become entitled to DLA for the first time will be paid £100 or £200 as appropriate as soon as HMRC are notified of their DLA entitlement.

Where HMRC are notified of entitlement to the highest rate of the care component of DLA for a child that we have already paid £100 to in that tax year, we will make a £100 top-up payment straightaway using payment code 8 as above. From October 2010 these in-year top-up payments will also be made as they arise.

Payments where the child remains entitled to DLA across the tax year end/start will be paid as soon as possible at the start of the new tax year. So providers will be notified of payments for the tax year 2011-12 on schedules in response to their fortnightly returns to 15 April 2011, and similarly for all future years.

## **CTF guidance notes**

The CTF guidance notes have been updated and the latest version will be published on the website shortly. The latest version is dated March 2010 and incorporates all CTF bulletins up until this date, including this bulletin.