

2005 No. 2200

TAX CREDITS

**The Tax Credit (Payment by Employers, etc.) (Amendment)
Regulations 2005**

<i>Made</i> - - - -	<i>4th August 2005</i>
<i>Laid before Parliament</i>	<i>8th August 2005</i>
<i>Coming into force</i> - -	<i>29th August 2005</i>

The Commissioners for Her Majesty's Revenue and Customs, in exercise of the powers conferred by sections 24(2), (3), (4), (7) and (8), 25(1) and (2), 65 and 67 of the Tax Credits Act 2002(a), and now exercisable by them(b), and with the consent of the Scottish Ministers(c), make the following Regulations:

Citation, commencement, effect and interpretation

1.—(1) These Regulations may be cited as the Tax Credit (Payment by Employers, etc.) (Amendment) Regulations 2005 and shall come into force on 29th August 2005.

(2) Regulations 5 and 9(1) shall have effect from 7th November 2005.

(3) Regulation 9(2) shall have effect from 1st April 2006.

(4) In these Regulations—

“the Payment by Employers Regulations” means the Working Tax Credit (Payment by Employers) Regulations 2002(d); and

“the Payments by the Board Regulations” means the Tax Credits (Payments by the Board) Regulations 2002(e).

Amendment of the Payment by Employers Regulations

2. The Payment by Employers Regulations shall be amended as follows.

3. In regulation 2(1) (interpretation)—

(a) omit the definition of “the Board”; and

(b) at the appropriate point in the alphabetical list insert—

(a) 2002 c. 21. Section 24 is to be amended by paragraph 145 of Part 14 of Schedule 24 to the Civil Partnership Act 2004 (c. 33). Section 67 is cited because of the meaning it ascribes to “prescribed”.

(b) The functions of the Commissioners of Inland Revenue were transferred to the Commissioners for Her Majesty's Revenue and Customs by section 5(2) of the Commissioners for Revenue and Customs Act 2005 (c. 11). Section 50(1) of that Act provides that a reference to the Commissioners of Inland Revenue (however expressed) shall be taken as a reference to the Commissioners for Her Majesty's Revenue and Customs.

(c) See section 65(5) of the Tax Credits Act 2002 (c. 21). Regulations under section 25 of that Act relating to appeals in Scotland may not be made without the consent of Scottish Ministers.

(d) S.I. 2002/2172 as amended by S.I. 2003/715 and S.I. 2004/762.

(e) S.I. 2002/2173 as amended by S.I. 2003/723 and S.I. 2004/1241.

“the Commissioners” means the Commissioners for Her Majesty’s Revenue and Customs (see section 1 of the Commissioners for Revenue and Customs Act 2005);”.

4. After regulation 3 (definition of “relevant employer”)(a) insert—

“Notification of transfer of payment of working tax credit from the employer to Revenue and Customs

3A.—(1) A relevant employer must give a notice in writing to an employee to whom he pays working tax credit before 7th November 2005 informing him of—

- (a) the cessation of payment of working tax credit by the employer under these Regulations; and
- (b) the commencement of payment of working tax credit by the Commissioners under the Tax Credits (Payments by the Board) Regulations 2002.

(2) The form of the notice shall be such as an officer of Revenue and Customs shall direct.”.

5. In regulation 13 (temporary break in relevant employer’s payment of working tax credit)(b)—

- (a) in paragraph (1) for “paragraphs (2) to (4)” substitute “paragraphs (2) and (4)”; and
- (b) in paragraph (4) omit “until the relevant employer resumes making payments of working tax credit to the employee”.

6. In the provisions in column 1, for the expression appearing in column 2, substitute the expression appearing in column 3.

<i>Provision</i>	<i>Expression</i>	<i>Substituted expression</i>
Regulations 4(1), 5(1), 6(2), (4), (8), (12), (14), 7(2) Rule 5, 8(1) to (7), (12) to (14), 9(1), (2), 10, 11(1), (2), 12(1), (3), (6) to (9), 13(1) to (4), (8), 14(1), (2) and 15(1)	“the Board”	“the Commissioners”
Regulation 7(1)	“collector of taxes”	“officer of Revenue and Customs”
Regulation 8(7) and (10)	“the Board’s notification”	“the Commissioners’ notification”
Regulation 8(10)	“the Board’s refusal”	“the Commissioners’ refusal”
Regulation 15(1)	“officer of the Board”	“officer of Revenue and Customs”

Amendment of the Payments by the Board Regulations

7.—(1) The Payments by the Board Regulations shall be amended as follows.

(2) In regulation 1(1) (citation)(c) for “the Board” there is substituted “the Commissioners” (and the title of the Regulations accordingly becomes “The Tax Credits (Payment by the Commissioners) Regulations 2002”).

(3) In regulation 2 (interpretation)—

- (a) omit the definition of “the Board”; and
- (b) at the appropriate point in the alphabetical list insert—

(a) Regulation 3 was amended by regulation 5 of S.I. 2003/715 and by regulation 17 of S.I. 2004/762.
 (b) Regulation 13 was amended by regulation 9 of S.I. 2003/715.
 (c) Regulation 1 was amended by regulation 7 of S.I. 2003/723.

““the Commissioners” means Commissioners for Her Majesty’s Revenue and Customs (see section 1 of the Commissioners for Revenue and Customs Act 2005);”.

(4) In regulations 3 to 14(a) for “the Board” wherever it occurs substitute “the Commissioners”.

Savings

8.—(1) The commencement date of any start notice issued before 7th November 2005 shall be determined as if regulation 4(2)(d) and (3)(b) of the Payment by Employers Regulations had not been revoked.

(2) The commencement date of any amendment notice issued before 7th November 2005 shall be determined as if regulation 5(2)(d) and (3)(c) of the Payment by Employers Regulations had not been revoked.

Revocations

9.—(1) With effect from 7th November 2005, regulations 4, 5, and 13(1)(c), (3), (6), (7) and (8) of the Payment by Employers Regulations are revoked, subject to the savings in regulation 8.

(2) With effect from 1st April 2006 there are revoked—

- (a) the remaining provisions of the Payment by Employers Regulations,
- (b) regulations 8(3) and 9(1)(b) of the Payments by the Board Regulations, and
- (c) in regulation 8(1) of the Payments by the Board Regulations the words “Subject to paragraph (3)”.

David Varney

Dave Hartnett

4th August 2005

Two of the Commissioners for Her Majesty’s Revenue and Customs

The Scottish Ministers consent to the making of these Regulations

Cathy Jamieson

A Member of the Scottish Executive

3rd August 2005

(a) Regulation 3 was amended by S.I. 2003/723 and by S.I. 2004/1241, Regulations 8, 10,13 and 14 were amended by S.I. 2003/723 and regulation 12A was inserted by regulation 18 of S.I. 2004/762.
(b) Regulation 4 was amended by regulation 6 of S.I. 2003/715.
(c) Regulation 5 was amended by regulation 6 of S.I. 2003/715.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Working Tax Credit (Payment by Employers) Regulations 2002 (S.I. 2002/2172) (“the Payment by Employers Regulations”) and the Tax Credits (Payments by the Board) Regulations 2002 (S.I. 2002/2173) (“the Payments by the Board Regulations”). The principal effect of the amendments is that from 7th November 2005 all new claimants of working tax credit, and from 1st April 2006 all existing claimants of working tax credit, will be paid directly by the Commissioners for Her Majesty’s Revenue and Customs (“the Commissioners”) rather than via employers. The regulations also contain amendments to terminology in consequence of the transfer of the functions of the Board of Inland Revenue to Her Majesty’s Revenue and Customs by the Commissioners for Revenue and Customs Act 2005 (c. 11) (“the 2005 Act”).

Regulation 1 provides for citation, commencement, effect and interpretation of these Regulations.

Regulation 2 introduces the amendments to the Payment by Employers Regulations.

Regulation 3 amends definitions in the Payment by Employers Regulations.

Regulation 4 amends the Payment by Employers Regulations to provide that employers must give employees written notification of the cessation of payment of working tax credit by employers and the commencement of payment of working tax credit by the Commissioners of Her Majesty’s Revenue and Customs.

Regulation 5 makes consequential amendments.

Regulation 6 amends terminology so that it accords with the 2005 Act.

Regulation 7 contains the amendments to the Payments by the Board Regulations, and changes their citation to the “Tax Credits (Payment by the Commissioners) Regulations 2002” in consequence of the abolition of the Board of Inland Revenue.

Regulation 8 contains savings.

Regulation 9 contains revocations.

A regulatory impact assessment is available on HM Revenue & Customs website (www.hmrc.gov.uk/ria/index.htm).

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