

2005 No. 773

TAX CREDITS

The Tax Credits Act 2002 (Transitional Provisions) Order 2005

Made - - - -

17th March 2005

The Treasury in exercise of the powers conferred upon them by section 62(2) of the Tax Credits Act 2002(a) make the following Order:

Citation and interpretation

1. This Order may be cited as the Tax Credits Act 2002 (Transitional Provisions) Order 2005.

2. In this Order—

“the Board” means the Commissioners of Inland Revenue;

“benefit week” has the meaning given in regulation 2(1) of the Income Support Regulations(b) in relation to the child premia in respect of income support and regulation 1(3) of the Jobseeker’s Allowance Regulations(c) in relation to the child premia in respect of income based jobseeker’s allowance;

“the child premia in respect of income support or income based jobseeker’s allowance” means the amounts referred to in section 1(3)(d) of the Tax Credits Act 2002;

“polygamous unit” has the meaning given in the Tax Credits (Polygamous Marriages) Regulations 2003(d).

Claims and entitlement

3.—(1) A claim for a child tax credit is treated as made by the person specified in article 4 (“the specified person”) on the date specified in article 5 (“the specified date”) for the period specified in article 6.

(2) If the specified person is a member of a married couple or an unmarried couple or a polygamous unit, the specified person and the other member of the couple or member or members of polygamous unit are treated as making a joint claim.

(3) The specified person is treated as being responsible for the child or children or qualifying young person or persons to whom his entitlement to the child premia in respect of income support or income based jobseeker’s allowance relates.

Specified person

4.—(1) For the purposes of article 3 a specified person is a person who—

(a) 2002 c. 21.

(b) S.I. 1987/1967. The relevant amending instrument is S.I. 1988/1445.

(c) S.I. 1996/202. The relevant amending instruments are S.I. 1996/1517 and 1996/2538.

(d) S.I. 2003/742.

- (a) until the specified date was receiving the child premia in respect of income support or income support jobseeker's allowance, and
- (b) has not made a claim for a child tax credit.

This is subject to paragraph (2).

(2) A person claiming income support in accordance with regulation 6(2) of the Income Support (General) Regulations 1987 or regulation 6(2) of the Income Support (General) Regulations (Northern Ireland) 1987(a) (lone parent returning to work) is not a specified person.

Specified date

5. For the purposes of this Order the specified date is the day following the date notified to an officer of the Board—

- (a) by the Department for Work and Pensions if the specified person is claiming in Great Britain, or
- (b) by the Department for Social Development if the specified person is claiming in Northern Ireland,

as the proposed final day of the last benefit week for which the child premia in respect of income support or income based jobseeker's allowance is to be paid to the specified person.

Period of award

6. Notwithstanding section 5(2) of the Tax Credits Act 2002, an award on a claim under article 3 is for the period beginning with the later of—

- (a) the specified date, and
- (b) the date on which the Board notify the Department for Work and Pensions or the Department for Social Development, as appropriate, of an award of child tax credit, and

ending at the end of the tax year in which that date falls.

Transitional provision

7. Notwithstanding regulation 7 of the Tax Credits (Claims and Notifications) Regulations 2002(b), a person shall not be entitled to a tax credit in respect of any day prior to the day on which he makes a claim for it ("the earlier day") if—

- (a) the earlier day falls before 31st December 2006, and

on the earlier day the claimant is entitled, or in the case of a joint claim, either of the claimants is entitled, to the child premia in respect of income support or income based jobseeker's allowance.

John Heppell
Nick Ainger

17th March 2005

Two of the Lords Commissioners of Her Majesty's Treasury

(a) S.I. 1987/1967
(b) S.I. 2002/2014

EXPLANATORY NOTE

(This note is not part of the Orders)

This Order makes transitional provisions in connection with the commencement of the abolition of the amounts referred to in section 1(3)(d) of the Tax Credits Act 2002 (c.21) (the child premia in respect of income support or income based jobseeker's allowance). Section 1(3)(d) comes into force on 31st December 2006 by virtue of the Tax Credits 2002 (Commencement No. 4, Transitional and Savings) Order 2003 (S.I. 2003/962), as amended by the Tax Credits 2002 (Commencement No. 4, Transitional and Savings) (Amendment) Order 2005.

Article 1 provides for the citation of the Order.

Article 2 defines some terms used in the Order.

Article 3 provides that a specified person is treated as making a claim, or a joint claim if he is a member of a married or unmarried couple or a polygamous unit, for a child tax credit on a specified date.

Article 4 defines "specified person" and article 5 determines the specified date for the purposes of article 3.

Article 6 specifies the period of the award as the period beginning with the later of on the the specified date and the date on which the Board notify the Department for Work and Pensions of an award of child tax credit, on which date the child premia will cease to be paid, and ending at the end of the tax year in which that date falls.

Article 7 makes provision in relation to existing recipients of the child premia to avoid duplication of payments.

This Order imposes no new costs on business.

STATUTORY INSTRUMENTS

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